

**IN THE ENFORCEMENT COMMITTEE ESTABLISHED IN TERMS
OF SECTION 10(3), READ WITH SECTION 10A OF THE
FINANCIAL SERVICES BOARD ACT, 97 OF 1990**

CASE NO: **36/2011**

In the matter of:

**THE REGISTRAR OF FINANCIAL SERVICES
PROVIDERS**

Applicant

and

**JDDN CONSULTING SERVICES (PTY) LTD
(TRADING AS DISCOVERY CONSULTING
SERVICES LIMPOPO)**

Respondent

ORDER

WITH DUE CONSIDERATION to the settlement agreement (attached marked annexure "A") in terms of section 6B(7)(a) of the Financial Institutions (Protection of Funds) Act, No. 28 of 2001, I hereby determine that the Respondent contravened section 3A(1)(a) of the "General Code of Conduct for Authorised Financial Services Providers and Representatives, 2003" and impose a penalty of R80 000 to be paid on or before 7 October 2011. The remaining terms and conditions of the settlement agreement are incorporated and made an order of the Enforcement Committee.

I make no order regarding costs.

Signed at PRETORIA on 16 September 2011.



C. F. Eloff
Chairperson of the Enforcement Committee.

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CASE NO:36 /2011

In the matter of:

**THE REGISTRAR OF FINANCIAL SERVICES
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Applicant

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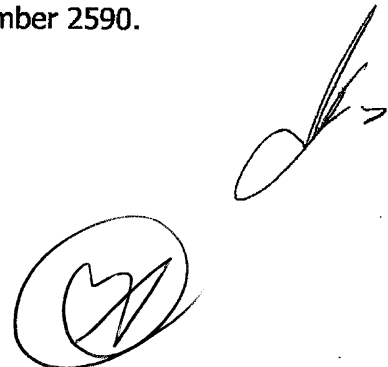
**JDDN CONSULTING SERVICES (PTY) LTD
(TRADING AS DISCOVERY CONSULTING SERVICES LIMPOPO)**

Respondent

**SETTLEMENT AGREEMENT IN TERMS OF SECTION 6B(7)(a) OF THE
FINANCIAL INSTITUTIONS (PROTECTION OF FUNDS) ACT, 28 OF 2001**

1. The parties

- 1.1. The parties to the agreement are the Registrar of Financial Services Providers ("the Registrar") herein represented by German Emmanuel Anderson in his capacity as the Deputy Registrar of Financial Services Providers; and
- 1.2. JDDN Consulting Services (Pty) Ltd ("Respondent") a company duly incorporated in accordance with the laws of the Republic of South Africa, bearing registration number 2003/016156/07, and trading as Discovery Consulting Services Limpopo. The Respondent is herein represented by Mr Jacques Vernon Fox in his capacity as the key individual of the Respondent. The Respondent is an authorized financial services provider with effect from 14 June 2005, bearing the FSP authorization number 2590.

Handwritten signature and initials, likely representing the Respondent, Mr Jacques Vernon Fox.

2. The contravention

2.1. It is agreed between the parties that the Respondent contravened section 3A(1)(a) of the "General Code of Conduct for Authorised Financial Services Providers and Representatives, 2003" (Code) read with the definitions of "conflict of interest" and "financial interest" contained in section 1 of the Code, in that:

2.1.1. On 21 January 2011 the Respondent provided training to 15 independent authorized financial services providers (providers) to attend a training course in respect of "Discovery Invest Products", as the alternative of arranging individual training for each provider was financially prohibitive.

2.1.2. The Respondent paid for the providers return airline tickets from Polokwane to Johannesburg and the cost of their return train travel from the airport to the training venue to attend the training, which costs amounted to approximately R55 000.

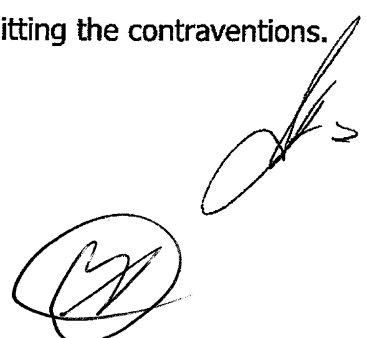
3. The mitigating circumstances

3.1. It is also agreed that the following mitigating factors are relevant to the matter:

3.1.1. The Respondent accepted responsibility for the contravention;

3.1.2. The Respondent co-operated with the Registrar's investigation and enforcement action.

3.1.3. The Respondent demonstrated remorse by admitting the contraventions.

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3.1.4. The Respondent has changed its internal control system to prevent any future breach of section 3A(1)(a) of the "General Code of Conduct for Authorised Financial Services Providers and Representatives, 2003."

4. The agreed penalty

4.1. In light of the above, and in terms of section 6B(7)(a) of the Financial Institutions (Protection of Funds) Act, No 28 of 2001 (FI Act), the parties have agreed that the Respondent will pay a penalty of R80 000 on or before 7 October 2011 in settlement of the matter.

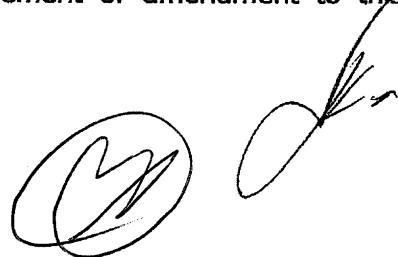
4.2. The parties humbly request that the Honorable Chairperson makes the settlement an order, as envisaged in section 6B(7)(b) of the FI Act.

5. Other conditions

5.1. This agreement is subject to approval by the Enforcement Committee and the parties specifically record that they are aware of the possibility that the Enforcement Committee may not accept the terms of this agreement.

5.2. If the Respondent does not comply with the terms of this agreement and it is necessary for the Financial Services Board (FSB) to proceed with legal proceedings, the Respondent herewith consents to pay all legal costs to the FSB on the "Attorney and Client" scale in terms of the High Court Rules inclusive of collection commission and value added tax.

5.3. No leniency or postponement given by the FSB to the Respondent or any amendment to the terms and conditions of this agreement will be binding unless such postponement, leniency or amendment is agreed and reduced to writing by the parties. Any leniency, postponement or amendment to this



Agreement shall not be a novation of the cause of action in terms whereof the Respondent was found to have contravened the Act.

5.4. Any receipt of a payment by the FSB after the due date shall be without prejudice to any of the rights of the FSB.

5.5. The parties choose as their domicilium citandi et executandi their respective addresses set out below for all purposes arising out of or in connection with this agreement at which addresses all the processes and notices arising out of or in connection with this agreement, its breach or termination may validly be served upon or delivered to the parties. For the purpose of this agreement the parties' respective addresses shall be:

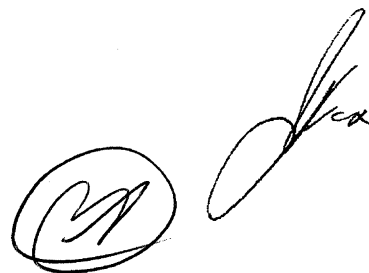
5.5.1. Financial Services Board

Block B, Riverwalk Office Park
41 Matroosberg Road
Ashlea Gardens ext 6
Pretoria
0081

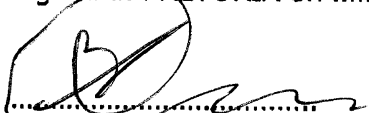
5.5.2. Respondent:

No.4 Rhodesdrift Street
Hampton Court
Bendor
Polokwane

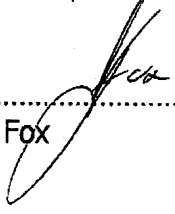
5.6. This agreement constitutes the whole agreement between the parties in respect of the offer to pay a penalty.



Signed at PRETORIA on 15 September 2011 on behalf of the Registrar


.....
G. E. Anderson

Signed at RAKOPANE on 14/9/2011 on behalf of the Respondent.


.....
J. V. Fox