

**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: **8/2012**

In the matter of:

**THE REGISTRAR OF FINANCIAL SERVICES
PROVIDERS**

Applicant

and

ALLCOVER CC

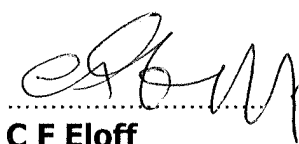
Respondent

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 7.(2) of the General Code of Conduct for Authorised Financial Services Providers and Representatives, 2003, issued under section 15 of the Financial Advisory and Intermediary Services Act, No 37 of 2002, on 30 September 2009, and impose a penalty of R10 000 to be paid on or before 30 June 2012. 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 the 21..... day of February 2012.



C F Eloff
Chairperson of the Enforcement Committee

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In the matter of:

THE REGISTRAR OF FINANCIAL SERVICES PROVIDERS

Applicant

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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. The Respondent is Allcover CC ("Respondent"), a close corporation duly incorporated in accordance with the laws of the Republic of South Africa, bearing registration number 1989/018796/23. The Respondent is herein represented by Mr Martin Frederick Northam-Brown ("Mr Northam-Brown") in his capacity as the key individual of the Respondent. The Respondent is an authorised



financial services provider with effect from 30 November 2004, bearing the FSP authorisation number 1058.

2. WHEREAS

2.1. The Registrar is of the opinion that the Respondent contravened the provisions of section 7.(2) of the General Code of Conduct for Authorised Financial Services Providers and Representatives, 2003 ("the Code"), issued under section 15 of the Financial Advisory and Intermediary Services Act, No 37 of 2002 ("the Act").

2.2. The Respondent wishes to enter into a settlement agreement with the Registrar as contemplated in section 6B(7)(a) of the Financial Institutions (Protection of Funds) Act, No 28 of 2001 ("the FI Act").

3. The contravention

3.1. It is agreed between the parties that the Respondents contravened the provisions of section 7.(2) of the Code in that:

3.1.1. On 30 September 2009, Mr Northam-Brown as key individual of the Respondent, allowed one of the Respondent's clients



to sign a blank Discovery Life application form in contravention of the provisions of section 7.(2) of the Code.

4. The mitigating circumstances

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

4.1.1. The Respondent accepted responsibility for the contravention and showed remorse;

4.1.2. The Respondent fully co-operated with the Registrar's investigation and the enforcement action;

4.1.3. The Respondent is a compliant brokerage and always paid levies and submitted compliance reports and financial statements timeously;

4.1.4. It was a first offence;

4.1.5. Mr Northam-Brown has extensive experience as a financial advisor and there were no previous complaints submitted against him or the Respondent; and



4.1.6. The client did not suffer any financial prejudice.

5. The agreed penalty

5.1. In the light of the above, and in terms of section 6B(7)(a) of the FI Act, the parties have agreed that the Respondent will pay a penalty of R10 000.00 on or before 30 June 2012 in settlement of the matter.

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

6. Other conditions

6.1. 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. If the Enforcement Committee declines to make this agreement an order, then in such event this agreement will be null and void.

6.2. If the Respondents do not comply with the terms of this agreement and it is necessary for the Registrar and/or the Financial Services



Board (FSB) to proceed with legal proceedings, the Respondents herewith consent to pay all legal costs to the Registrar and/or the FSB on the attorney and client scale in terms of the High Court Rules inclusive of collection commission and Value Added Tax.

- 6.3. No leniency or postponement given by the Registrar to the Respondent or any amendment to the terms and conditions of this agreement will be binding unless such postponement, leniency or amendment is reduced to writing and signed by the parties. Any leniency or postponement granted by the Registrar or any 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.
- 6.4. Any receipt of a payment by the Registrar after the due date shall be without prejudice to any of the rights of the Registrar and/or the FSB.
- 6.5. This agreement constitutes the whole agreement between the parties in respect of the offer to pay a penalty.
- 6.6. 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. However the notice contemplated in terms of section 6E of the FI Act may be delivered by electronic email. For the purpose of this agreement the parties' respective addresses shall be:

6.6.1. Financial Services Board

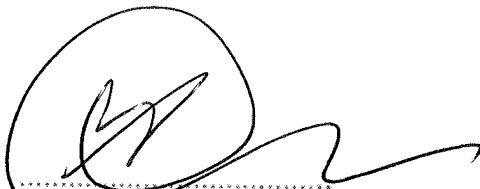
Block B, Riverwalk Office Park
41 Matroosberg Road
Ashlea Gardens ext 6
Pretoria
0081

6.6.2. Respondent:

B12 Boekenhoutskloof
Cullinan
1000



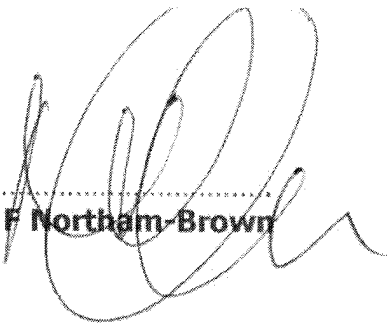
Signed at PRETORIA on 27 February on behalf of the Registrar



G E Anderson

Signed at Cullinan on 15th/02/2012 by the Respondent





M F Northam-Brown

