

**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: **17/2012**

In the matter of:

**THE REGISTRAR OF FINANCIAL SERVICES PROVIDERS** First Applicant

and

**THE REGISTRAR OF LONG-TERM INSURANCE** Second Applicant

and

**PROSPERCARE BENEFIT SOLUTIONS (PTY) LIMITED** Respondent

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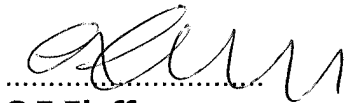
**ORDER**

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1. 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 during the period 1 January 2009 to 30 September 2010, the Respondent contravened section 7(1) of the Financial Advisory and Intermediary Services Act, No 37 of 2002, in that the Respondent gave advice and rendered intermediary services in respect of long-term policies whilst it was not authorized to act as a financial services provider nor was it appointed to act as a representative of an authorized financial services provider.

2. I furthermore determine that during 2010, the Respondent contravened Section 45 of the Long-Term Insurance Act, No 52 of 1998, in that the Respondent, as an inducement to consumers to enter into or continue long term policies, provided or offered to provide consumers the benefit of being entered into a competition draw that made them eligible to win various types of prizes.
3. A penalty of R80 000 is imposed on the Respondent to be paid on or before 31 August 2012. The remaining terms and conditions of the settlement agreement are incorporated and made an order of the Enforcement Committee.
4. I make no order regarding costs.

Signed at **PRETORIA** on the .....<sup>30</sup>..... day of May 2012.



**C F Eloff**  
**Chairperson of the Enforcement Committee**

**IN THE ENFORCEMENT COMMITTEE ESTABLISHED IN TERMS OF  
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CASE NO: 17/2012

In the matter of:

**THE REGISTRAR OF FINANCIAL SERVICES  
PROVIDERS**

First Applicant

and

**THE REGISTRAR OF LONG-TERM INSURANCE**

Second Applicant

and

**PROSPERCARE BENEFIT SOLUTIONS (PTY) LIMITED**

Respondent

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

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**PARTIES TO THE AGREEMENT**

1. The parties to this agreement are the Registrar of Financial Services Providers and the Registrar of Long-Term Insurance herein represented by German Emmanuel Anderson in his capacity as the Deputy Registrar of Financial Services Providers and Jonathan Ian Dixon in his capacity as the Deputy Registrar of Long-Term insurance respectively.

and



Prospercare Benefit Solutions (Pty) Limited ("Prospercare"), a private company incorporated in accordance with the company laws of south Africa and bearing the registration number 2004/006007/07 ("the Respondent"). The Respondent is represented by Mr Carel Aaron Brink in his capacity as a director of the Respondent and who warrants that he is authorized by the Respondent to conclude this agreement.

#### **WHEREAS**

2. The Registrar of Financial Services Providers is of the opinion that the Respondent contravened section 7(1) of the Financial Advisory and Intermediary Services Act, No 37 of 2002 ("The FAIS Act").
3. The Registrar of Long-Term Insurance is of the opinion that the Respondent contravened the section 45 of the Long-Term Insurance Act, No 52 of 1998 ("the LTI Act").
4. The Respondent wishes to enter into a settlement agreement with the Registrar of Financial Services Providers and the Registrar of Long-Term Insurance (hereafter referred to as the Registrars) as contemplated in section 6B(7)(a) of the Financial Institutions (Protection of Funds) Act, No 28 of 2001 ("the FI Act").

#### **NOW THEREFORE IT IS AGREED AS FOLLOWS**

5. It is agreed between the parties that the Respondent contravened the following:
  - 5.1. Section 7(1) of the FAIS Act, in that during the period 1 January 2009 to 30 September 2010 the Respondent gave advice and rendered intermediary services in respect of long-term policies whilst it was not authorized to act as a financial services provider



nor was it appointed to act as a representative of an authorized financial services provider; and

5.2. Section 45 of the LTI Act in that during 2010, the Respondent, as an inducement to consumers to enter into or continue long term policies, provided or offered to provide consumers the benefit of being entered into a competition draw that made them eligible to win various types of prizes viz a motor vehicle, television set, a Hi-Fi system or cash.

**6. The mitigating circumstances**

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

6.1.1. The Respondent accepted responsibility for the contraventions;

6.1.2. The Respondent fully co-operated with the Registrars investigation and the enforcement action; and

6.1.3. The Respondent remedied the breaches.

7. In the light of the above, the parties have agreed that the Respondent will pay a cumulative penalty of R80 000 in respect of both contraventions on or before 31 August 2012 in settlement of the matter.

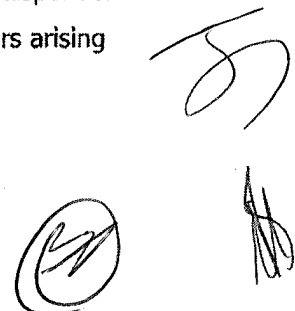
**8. Other conditions**

8.1. 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.

- 8.2. If the Respondent does not comply with the terms of this agreement and it is necessary for the Registrar/s and/or the Financial Services Board (FSB) to proceed with legal proceedings, the Respondent herewith consents to pay all legal costs to the Registrar/s 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.
- 8.3. No leniency or postponement given by the Registrar/s 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/s 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.
- 8.4. Any receipt of a payment by the Registrar/s and/or the FSB after the due date shall be without prejudice to any of the rights of the Registrar and/or the FSB.
- 8.5. This Agreement constitutes the whole agreement between the parties in respect of the offer to pay a penalty.
- 8.6. This agreement is in full and final settlement of the Respondent's liability for an administrative sanction to the Registrars arising from these contraventions.

The image shows three handwritten signatures or initials in black ink. One is a large, stylized signature at the top right. Below it are two smaller, more compact signatures or initials, one to the left and one to the right.

8.7. The parties choose as their domicillum citandi et executandi their respective address 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:

8.7.1. Financial Services Board:

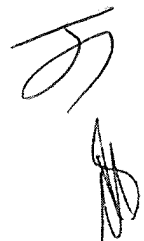
Block B, Riverwalk Office Park  
41 Matroosberg Road  
Ashlea Gardens ext 6  
Pretoria  
0081

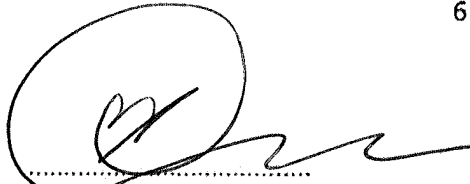
8.7.2. Respondent:

Clearview Office Park  
Unit A3 First Floor  
77 Wilhelmina Avenue  
Allensnek  
1724  
[carel@corhold.co.za](mailto:carel@corhold.co.za)

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

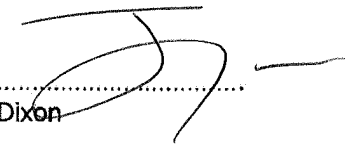
Signed at PRETORIA on 28 May 2012 on behalf of the  
Registrar of Financial Services Providers





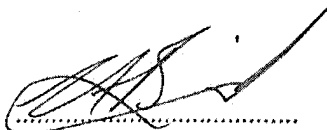
.....  
G E Anderson

Signed at PRETORIA on ..... 29 May 2012 ..... on behalf of the Registrar of Long-Term Insurance.



.....  
J I Dixon

Signed at ..... allensnek ..... on ..... 25 May 2012 ..... on behalf of the Respondent.



.....  
C A Brink