

**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: **23/2013**

In the matter of:

THE REGISTRAR OF SHORT-TERM INSURANCE Applicant

and

MY LAWYER LEGAL ASSISTANCE (PTY) LIMITED 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(1)(a) of the Short-Term Insurance Act, No 53 of 1998, and impose a penalty of R200 000. 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 the²⁴..... day of **January 2014**.


.....
C F Eloff

Chairperson of the Enforcement Committee

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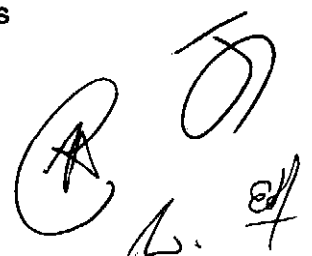
**SETTLEMENT AGREEMENT IN TERMS OF SECTION 6B(7)(a) OF THE
FINANCIAL INSTITUTIONS (PROTECTION OF FUNDS) ACT, 28 OF 2001**

1. The parties

1.1. The parties to the agreement are the Registrar of Short-term Insurance ("the Registrar") herein represented by Jonathan Dixon;
and

1.2. My Lawyer Legal Assistance (Proprietary) Limited t/a MyLawyer ("Respondent") a registered private company as contemplated in the Companies Act 71 of 2008, (registration number 2011/113599/07).

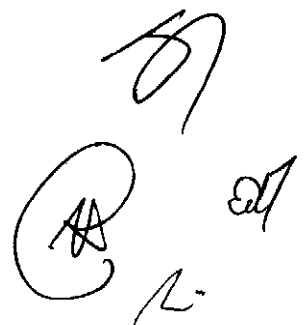
1.3. The Respondent is herein represented by Mr. Henk Nolte an adult male businessman with identity number 5904065009084 in his

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capacity as a Director of the Respondent. Mr. Nolte confirms that he is duly authorised to enter into this agreement.

2. The contravention

- 2.1. During the period November 2011 to date the Respondent marketed and sold to members of the public short-term insurance policies, relating to comprehensive legal advice, legal representation and litigation service.
- 2.2. During the same period, the Respondent collected premiums in respect of the aforementioned insurance policies and did not pay over the premiums collected to an insurer. Instead the Respondent used the premiums to pay business expenses and settle claims.
- 2.3. The Respondent undertook to provide policy benefits to policyholders in respect of the short-term policies. The legal protection cover entails a premium of R99 per month with a benefit of R175 000 to cover legal expenses for the member and his/her family.
- 2.4. These short-term insurance policies were not underwritten by a registered insurer.

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2.5. Notwithstanding the above, the Respondent is not a registered insurer as contemplated in section 7 of the Short-Term Insurance Act, No 53 of 1998 ("the STI Act").

2.6. Therefore, My Lawyer contravened section 7(1)(a) of the STI Act.

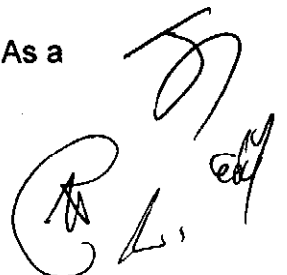
3. The mitigating circumstances

3.1. It is agreed that the following mitigating circumstances are present in this matter:

3.1.1. The Respondent has accepted responsibility for the contravention.

3.1.2. After discussions with the Registrar's office, the Respondent accepted that there was a difference in interpretation and agreed to the interpretation of the Registrar. The Respondent's conduct and contravention of the STI Act was never deliberate or intentional and done *bona fide* based on research, consultations with industry experts and legal opinion.

3.1.3. After having been made aware of the contravention the Respondent has put measures in place to rectify same. As a

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result, the Respondent is in the process of securing an underwriter for its insurance business.

3.1.4. The Respondent has expressed sincere regret for the contravention.

3.1.5. The Respondent has fully cooperated with the Registrar with reference to the enforcement action.

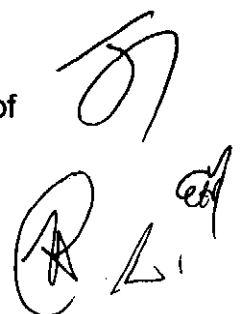
4. The agreed penalty

4.1. In the light of the above, and in terms of section 6B(7)(a) of the Financial Institutions (Protection of Funds) Act, No 28 of 2001, the parties have agreed that the Respondent will pay a penalty of R200 000 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 Financial Institutions (Protection of Funds) 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

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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 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 reduced to writing and signed by the parties.
- 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. This Agreement shall not be a novation of the cause of action in terms whereof the Respondent was found to have contravened the Act.
- 5.6. This agreement constitutes the whole agreement between the parties in respect of the offer to pay a penalty.

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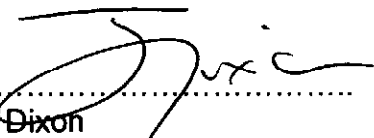
5.7. The parties select the addresses below as their *domicilium citandi et executandi* for the purposes of service of Enforcement Committee order and for any notice or pleading related to a breach of this agreement:

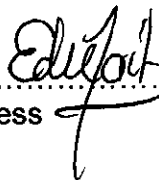
5.7.1. Financial Services Board
Block B, Riverwalk Office Park
41 Matroosberg Road
Ashlea Gardens
Pretoria

5.7.2. My Lawyer Legal Assistance (Pty) Limited t/a MyLawyer
1st Floor, Building 9
Central Office Park
13 Esdoring Street
Highveld Techno Park
Centurion

Per e-mail: henk@mylawyer.co.za


Signed at **PRETORIA** on the23..... day ofJanuary..... 2014.



.....
J I Dixon


.....
Witness

Signed at Centurion on the 28 day of January 2014
on behalf of My Lawyer Legal Assistance (Pty) Limited.




.....
H Nolte


.....
Witness

