

**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: 07/2016

In the matter of:

THE REGISTRAR OF FINANCIAL SERVICES

PROVIDERS

Applicant

and

KB CASH LOANS CC

First Respondent

PIETER CHRISTIAAN BRAND


Second 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 Respondents contravened section 7 (1) of the Financial Advisory and Intermediary Services Act, 37 of 2002. I hereby impose a penalty of R50 000 (Fifty Thousand Rand) on both Respondents jointly and severally.

The remaining terms and conditions of the settlement agreement are incorporated and made an order of the Enforcement Committee.

Signed at **PRETORIA** on the ^{9th}..... day of **May 2016**.


.....
C F Eloff

Chairperson of the Enforcement Committee

IN THE PROCEEDINGS BEFORE THE ENFORCEMENT COMMITTEE
ESTABLISHED IN TERMS OF SECTION 10 (3) OF THE FINANCIAL SERVICES BOARD ACT, NO. 97
OF 1990

CASE NUMBER: 07/2016

In the matter of:

REGISTRAR OF FINANCIAL SERVICES PROVIDERS

Applicant

KB CASH LOANS CC

First Respondent

PIETER CHRISTIAAN BRAND

Second Respondent

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

1. PARTIES TO THE AGREEMENT

1.1 The Applicant is the Registrar of Financial Services Providers (the Registrar) herein represented by Mrs Caroline da Silvain in her capacity as the Deputy Executive Officer of Financial Services Providers.

and

1.2 The First Respondent is KB Cash Loans CC, a close corporation registered and incorporated in accordance with the company laws of the Republic of South Africa bearing registration number 2009/050470. The Second Respondent is Mr Pieter Christiaan Brand, a member of the First

Respondent who warrants that he has been duly authorised to enter into this agreement.

1.3 The Respondents' business address is at Number 88 Cillierslaan, Kuruman.

2. THE CONTRAVENTION OF SECTION 7 (1) OF THE FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 37 OF 2002 (THE FAIS ACT)

2.1. It is agreed between the parties that during the period from November 2010 to November 2011 the Respondents advised their clients to take up long-term insurance cover through a group scheme funeral policy underwritten by Resolution Life.

2.2. The Respondents received, collected and accounted for premiums paid by clients in respect of the aforesaid policy. The Respondents also submitted death claims to the insurer on behalf of clients.

2.3. The Respondents' conduct mentioned in the preceding paragraphs constituted financial services as defined in section 1 of the FAIS Act.

2.4. None of the Respondents were licensed by the Registrar to render financial services and as a result the Respondent's conduct constituted a contravention of section 7 (1) of the FAIS Act.

3. FACTORS TAKEN INTO ACCOUNT REGARDING PENALTY

3.1. It is agreed that *inter alia* the following factors are relevant to the matter:

3.1.1. The Respondents expressed regret for their actions, admitted the contravention and gave their full co-operation to the Registrar to ensure that this matter is brought to finality;



CPJ

3.1.2. The Respondents' conduct was due to a *bona fide* misunderstanding of the law and was never intended to prejudice clients;

3.1.3. The Respondents have never been found to have contravened provisions of the FAIS Act prior to this matter.

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 (the FI Act), the parties have agreed that the Respondents will pay a penalty of R50 000 (Fifty Thousand Rand) on the basis of joint and several liability.

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

5.2 Should the Respondents not comply with the terms of this agreement and it becomes necessary for the Registrar and/or the FSB to proceed with legal proceedings, the Respondent herewith consents 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, interest and Value Added Tax.



- 5.3. No leniency or postponement given by the Registrar to the Respondents 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.
- 5.4 Any receipt of a payment by the Registrar and/or the FSB after the due date, which date shall be outlined in an invoice for payment of the penalty shall be without prejudice to any of the rights of the Registrar and/or the FSB.
- 5.5 This Agreement constitutes the whole agreement between the parties in respect of the offer to pay a penalty.
- 5.6 This agreement is in full and final settlement only in respect of the Respondent's liability for an administrative sanction to the Registrar arising from this contravention.
- 5.7. The parties choose as their *domicillum citandiet 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:

The Applicant

Financial Services Board:



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

The Respondents:

c/o Mr Christiaan Pieter Brand
E mail: fransbrand1@vodamail.co.za

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 5-5-16 on behalf of the FSB and the
Deputy Executive Officer of Financial Services Providers


.....
C da Silva

Signed at Kuruman on 5/5/2016 on behalf
of the Respondent.


.....
C P Brand