

**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: **11/2014**

In the matter of:

THE REGISTRAR OF LONG-TERM INSURANCE
and

Applicant

MOLO FUNERAL SERVICES 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 (1) of the Long-Term Insurance Act, 52 of 1998 and impose a penalty of R200 000. I also order the Respondent to pay the costs of the investigation and enforcement action in the amount of R71 230.

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

Signed at **PRETORIA** on the ^{15th} day of ^{August} **JULY 2014**.



C F Eloff
Chairperson of the Enforcement Committee

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CASE NO: **11/2014**

In the matter of:

REGISTRAR OF LONG-TERM INSURANCE

Applicant

and

MOLO FUNERAL SERVICES CC

Respondent

(Registration number: 2009/204680/23)

**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 Long-term Insurance ("the Registrar") herein represented by Mr. Jonathan Dixon in his capacity as the Deputy Registrar of Long-term Insurance and

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1.2. Molo Funeral Services CC (Molo) a close corporation duly registered in terms of the laws of the Republic of South Africa. Molo has its primary place of business at 71 Woodburn Avenue, 1st Floor, Office Number 5, Benoni.

1.3. Molo is herein represented by Mr. Abraham Mzwamanexele Molo in his capacity as a member of Molo.

2. Contravention of section 7(1) of the Long-Term Insurance Act, 52 of 1998 (the Long-Term Insurance Act)

2.1. During the period from 1 September 2011 to December 2013 Molo sold assistance policies to members of the public in terms of which it undertook to provide policy benefits under such policies. Moreover, Molo collected premiums from its members in exchange of the policy benefits. Molo also received and settled claims in respect of the said policies.

2.2. During the aforesaid period Molo was not registered as an insurer or deemed to be a registered long-term insurer.

2.3. In the circumstances, Molo admits that it contravened section 7 (1) of the Long-Term Insurance Act.

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 his wrongful conduct and did not waste the Enforcement Committee's time on a protracted case;

3.1.2. The Respondent has not been found to have breached any of the laws administered by the FSB prior to this matter; and

3.1.3 The Respondent has agreed to pay the costs of the inspection.

4. The agreed penalty

4.1. In terms of section 6B(7)(a) of the Financial Institutions (Protection of Funds) Act, No 28 of 2001, the parties agreed that the Respondent will pay a penalty of R200 000 (two hundred thousand rand) in settlement of the matter. Moreover, the Respondent agreed to pay the costs of the investigation and enforcement action which amount to R71 230.

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, No 28 of 2001, on the terms set out above (the "Settlement Order").

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.


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- 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 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 constitutes the whole agreement between the parties in respect of the offer to pay the penalty and costs.
- 5.6. The parties elect the addresses below as their *domicilium citandi et executandi* for the purposes of service of the Enforcement Committee order and any Notice or pleadings related to the breach of this agreement:
- 5.6.1. The Financial Services Board
Block B, Riverwalk Office Park
No. 41 Matroosberg Road
Ashlea Gardens
Pretoria

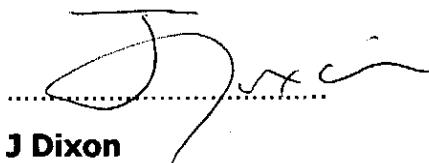
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5.6.2. Molo Funeral Services CC

c/o Mr. Abraham M. Molo

e-mail: sozomatrans@gmail.com

Signed at PRETORIA on 30 July 2014 on behalf of the Registrar
of Long-term Insurance.


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J Dixon

Signed at Pretoria on 30-07-2014 on behalf of Molo
Funeral Services CC


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A M Molo