

**FINAL NOTICE DATED 10 APRIL 2006**

**L M BROWN MOTORS LIMITED ("L M BROWN")**

**SUMMARY OF THE MATTER TO WHICH THE NOTICE RELATES**

On 24 February 2006, the FSA decided to refuse an application under section 40 of the Financial Services and Markets Act ("the Act") by L M Brown for Part IV permission to carry on the regulated activities of advising, arranging, making arrangements and dealing as agent in non-investment insurance contracts because:

- 1) Despite assurances given in the High Street Firms Application Pack that L M Brown would have Professional Indemnity Insurance ("PII") which would be fully compliant with FSA's minimum standards from the date of authorisation, L M Brown later admitted that no arrangements for PII cover had been made. In meeting Threshold Condition 4 (adequate resources), a general insurance intermediary firm must have PII.
- 2) L M Brown later informed the FSA by telephone that it did not intend to continue with its authorisation application. However, despite repeated requests from the FSA for written confirmation of this withdrawal, this was not received.
- 3) In the absence of evidence of PII or written confirmation of the withdrawal of the application, L M Brown was informed the application would be refused. L M Brown did not respond.
- 4) In addition to the above, L M Brown did not make any representations in response to the FSA's Warning Notice proposing to refuse the application nor, following the giving of the FSA's Decision Notice, did L M Brown refer the matter to the Financial Services and Markets Tribunal.

Consequently the FSA has concluded that it cannot ensure that L M Brown will satisfy, and continue to satisfy, Threshold Condition 4 (adequate resources) in relation to all of the regulated activities for which L M Brown would have permission if the application was granted, and has issued a Final Notice in relation to that decision.