
FINAL NOTICE

To: **Hemdale Financial Management Limited (In Liquidation)**

Of: **c/o J B Curbison
Official Receiver's Office
3rd Floor
1 City Walk
Leeds
LS11 9DA**

FSA Reference
Number: **121626**

Dated: **22 December 2010**

TAKE NOTICE: The Financial Services Authority (the "FSA") of 25 The North Colonnade, Canary Wharf, London E14 5HS gives you final notice about a decision to cancel the permission granted to Hemdale Financial Management Limited, to carry on regulated activities

1. ACTION

1.1 The FSA gave Hemdale Financial Management Limited ("Hemdale") separate Decision Notices on 20 November 2009 and 5 November 2010, which notified it that for the reasons given below and pursuant to section 45 of the Financial Services and Markets Act 2000 (the "Act"), the FSA had decided to cancel the permission granted to Hemdale pursuant to Part IV of the Act ("Hemdale's Part IV permission").

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2. REASONS FOR ACTION

Repeated failure to comply with regulatory requirements promptly

- 2.1 On 16 April 2009 the FSA issued a Warning Notice to Hemdale and subsequently issued a Decision Notice on 20 November 2009, because Hemdale was failing to satisfy the threshold conditions set out in Schedule 6 of the Act (the “Threshold Conditions”).
- 2.2 Specifically, Hemdale has repeatedly failed to comply with regulatory requirements promptly, including the requirements to pay fees owed to the FSA and submit Retail Mediation Activities Returns (RMAR) and has been referred to the FSA’s Enforcement and Financial Crime Division on five separate occasions. In addition, Hemdale failed to comply with the terms of a Settlement Agreement it entered into with the FSA on 3 September 2008, whereby it undertook, amongst other things, to pay its periodic fees and levies for 2008/09 by the due date, failing which it would apply for the cancellation of its permission. Hemdale failed to pay the periodic fees by the due date and has also failed to co-operate with the FSA’s requests that it apply for the cancellation of its permission.
- 2.3 The FSA considers that Hemdale has not been open and co-operative in all its dealings with the FSA and has thereby failed to comply with Principle 11 (Relations with regulators) of the FSA’s Principles for Businesses, and to satisfy the FSA that it is ready willing and organised to comply with the requirements and standards of the regulatory system and its legal obligations.
- 2.4 On 19 December 2009, Hemdale exercised its statutory right to refer the Decision Notice to the Financial Services and Markets Tribunal, which has subsequently become the Upper Tribunal (Tax and Chancery Chamber) (the “Tribunal”).
- 2.5 On 9 November 2010, a winding up petition was made against Hemdale and it was placed in liquidation. An Official Receiver and Liquidator were appointed on the same day.
- 2.6 On 1 December 2010, the Official Receiver and Liquidator withdrew Hemdale’s reference of the Decision Notice to the Tribunal. On 14 December 2010, the Tribunal consented to the withdrawal of the reference. Accordingly, the FSA has today cancelled Hemdale’s Part IV permission.

No regulated activities

- 2.7 In addition to the action taken to cancel Hemdale’s Part IV permission referred to above, the FSA also considers that cancellation of Hemdale’s Part IV permission is necessary for the following reason.
- 2.8 By a First Supervisory Notice dated 29 September 2010, Hemdale’s Part IV permission was varied by removing all regulated activities with immediate effect. A

copy of the First Supervisory Notice, by which the FSA removed all regulated activities from Hemdale's permission, is displayed on the FSA's website.

- 2.9 On the basis of the facts and matters and conclusions described in the Warning Notice dated 29 September 2010 and in the Decision Notice dated 5 November 2010, it appears to the FSA that it is no longer necessary for Hemdale's permission to remain in force and that the FSA must cancel it, following the variation action removing all of its regulated activities.
- 2.10 Sub-section (3) of section 45 of the Act requires that, if, as a result of a variation of a Part IV permission under that section, there are no longer any regulated activities for which the authorised person concerned has permission, the FSA must, once it is satisfied that it is no longer necessary to keep the permission in force, cancel it.

3. DECISION MAKER

The decisions which gave rise to the obligation to issue this Final Notice were taken by the Regulatory Decisions Committee.

4. IMPORTANT

- 4.1 This Final Notice is given to Hemdale in accordance with section 390(7) of the Act.

Publicity

- 4.2 Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this Final Notice relates. Under those provisions, the FSA must publish such information about the matter to which this Final Notice relates as the FSA considers appropriate. The information may be published in such manner as the FSA considers appropriate. However, the FSA may not publish information if such publication would, in the opinion of the FSA, be unfair to Hemdale or prejudicial to the interests of consumers.
- 4.3 The FSA intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

FSA Contact

- 4.4 For more information concerning this matter generally, you should contact Lehong Mac at the FSA (direct line: 020 7066 5742 / email: lehong.mac@fsa.gov.uk).

John Kirby
FSA Enforcement and Financial Crime Division