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**FIRST SUPERVISORY NOTICE**

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To: **Michael Robert Cameron trading as Fidelity Corporate Services**

Of: **68 King William Street  
London  
EC4N 7DZ**

FSA Reference  
Number: **300411**

Dated: **20 August 2009**

**TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS (the "FSA") has taken the following action**

**1. ACTION**

1.1 For the reasons listed below and pursuant to section 45 of the Financial Services and Markets Act 2000 (the "Act"), the FSA has decided to vary the permission granted to you, Michael Robert Cameron, trading as Fidelity Corporate Services, pursuant to Part IV of the Act ("your Part IV permission") by removing all regulated activities with immediate effect. Accordingly, your Part IV permission no longer includes the following regulated activities:

- (a) advising (excluding Pension Transfers and Opt Outs) on investments;
- (b) advising on regulated mortgage contracts;
- (c) agreeing to carry on a regulated activity;
- (d) arranging (bringing about) deals in investments;
- (e) arranging (bringing about) regulated mortgage contracts; and
- (f) making arrangements with a view to regulated mortgage contracts.

1.2 The FSA has further decided to vary your Part IV permission by including the following requirements, namely that within 14 days of the date of this Notice date you must:

- (i) notify in writing all clients for your regulated activities, that you are no longer permitted by the FSA to carry on any regulated activities; and
- (ii) provide the FSA with a copy of the written notice sent in accordance with (i) above, together with a list of all clients to whom the notice has been sent.

## **2. REASONS FOR ACTION**

### **Summary**

- 2.1 The FSA has concluded, on the basis of the facts and matters described below, that, by failing to respond adequately, or at all, to the FSA's requests for an explanation of those facts and matters, you are in breach of Principle 11 of the FSA's Principles for Businesses and you are failing to satisfy the FSA that you are ready and willing and organised to comply with the requirements and standards under the regulatory system.
- 2.2 The FSA also considers, on the basis of those facts and matters, that it is necessary, in order to protect the interests of consumers, for the action specified above to take immediate effect.

### **Relevant Statutory Provisions**

- 2.3 The FSA's regulatory objectives, established in section 2(2) of the Act, include the protection of consumers.
- 2.4 By section 45 of the Act, the FSA is authorised:
  - to vary an authorised person's permission, where it is desirable to exercise that power in order to protect the interests of consumers; and
  - to include any provision in the permission as varied that could be included if a fresh permission were being given in response to an application under Section 40 of the Act, including the imposition pursuant to section 43 of the Act of such requirements as the FSA considers appropriate.
- 2.5 Section 53(3) of the Act allows such variations to take effect immediately if the FSA reasonably considers that it is necessary for the variations to take effect immediately.

### **Relevant Principle**

- 2.6 Principle 11 requires that a firm must deal with its regulator in an open and co-operative way, and must disclose to the FSA appropriately anything relating to the firm of which the FSA would reasonably expect notice.

## **Relevant Handbook Provisions**

- 2.7 In exercising its power to vary a Part IV permission, the FSA must have regard to guidance published in the FSA Handbook. The relevant main considerations in relation to the action specified above are set out below.

### Enforcement Guide (“EG”)

- 2.8 The FSA’s policy in relation to its enforcement powers is set out in EG, certain provisions of which are summarised below.
- 2.9 EG 8.1(3) reflects the provisions of section 45 of the Act that the FSA may use its own-initiative power to vary or cancel the permission of an authorised firm where it is desirable to do so in order to protect the interests of consumers or potential consumers.

### Varying a firm’s Part IV permission on the FSA’s own initiative

- 2.10 EG 8.1B provides that the FSA will have regard to its regulatory objectives and the range of regulatory tools that are available to it when it considers how it should deal with a concern about a firm.
- 2.11 EG 8.3 provides that the FSA will exercise its formal powers under section 45 of the Act, where the FSA considers it is appropriate to ensure a firm meets its regulatory requirements. EG 8.3(1) specifies that the FSA may consider it appropriate to exercise its powers where it has serious concerns about a firm or about the way its business is being or has been conducted.
- 2.12 EG 8.5 provides examples of the circumstances in which the FSA will consider exercising its power, including where the firm appears not to be a fit and proper person to carry on a regulated activity because it has breached requirements imposed on it by or under the Act (including Principles and rules) and the breaches are material in number or individual seriousness (EG 8.5(1)(b)(iii)).
- 2.13 EG 8.8 sets out a non-exhaustive list of factors the FSA will consider in exercising its own-initiative power as a matter of urgency. EG 8.8(1) specifies that the FSA will consider urgent own-initiative action if there is information indicating a significant loss, risk of loss or other adverse effects for consumers, where action is necessary to protect their interests.
- 2.14 EG 8.9 sets out the factors which will determine whether the urgent exercise of the FSA’s own-initiative power is an appropriate response to serious concerns, including: the extent of any consumer loss or risk of consumer loss or other adverse effect on consumers (EG 8.9(1)) and the extent to which customer assets appear to be at risk (EG 8.9(2)).

## **Facts and matters relied on**

- 2.15 You are a sole trader who became authorised by the FSA on 31 October 2004 to carry on regulated mortgage business and from 14 January 2005 was also permitted to conduct insurance mediation business.
- 2.16 An individual who has had dealings with you has approached the FSA regarding those dealings. That individual alleges that he arranged for £175,000 to be passed to your control in June 2007 for the purpose of investment into what was described by you as a “High Yield Bond”, and you initially paid interest to the individual consistent with an investment of that amount. That individual received no documentation in relation to his investment.
- 2.17 In July 2008, the individual requested that his principal investment be returned. To date, you have failed to repay the investment and the individual has received no adequate explanation from you as to how the money was handled by you or when he will receive repayment of his investment.
- 2.18 The FSA has attempted to arrange to meet with you to discuss the circumstances of the above transaction. However, you have not made yourself available for such a meeting and the FSA can see no reasonable prospect that you will make yourself available to assist the FSA’s enquiries.

### **Conclusions**

- 2.19 The facts and matters described above lead the FSA, having regard to its regulatory objectives which include the protection of consumers, to the following conclusions:
- you have failed to respond adequately or at all to the FSA’s requests that you provide an explanation of the matters detailed in paragraphs 2.16 and 2.17;
  - by virtue of that failing you are in breach of Principle 11 and are failing to satisfy the FSA that you are ready and willing and organised to comply with the requirements and standards under the regulatory system;
  - the extent of loss, or risk of loss, or other adverse effects on consumers causes the FSA to have very serious concerns about you such that the exercise of the FSA’s own-initiative power to vary your Part IV permission with immediate effect is an appropriate response to those concerns; and
  - specifically the immediate variation of your Part IV permission is desirable in order to protect the interests of consumers or potential consumers.

### **3. DECISION MAKER**

The decision which gave rise to the obligation to give this Supervisory Notice was made by the Regulatory Decisions Committee.

#### **4. IMPORTANT**

- 4.1 This Supervisory Notice is given to you in accordance with section 53(4) and in accordance with section 53(5) of the Act, and is being served on you at your principal place of business last notified to the FSA. The following statutory rights are important.

##### **The Tribunal**

- 4.2 You may refer this matter to the Financial Services and Markets Tribunal (the "Tribunal"). Under section 133 of the Act, you have 28 days from the date you were sent this Supervisory Notice to refer the matter to the Tribunal or such other period as specified in the Tribunal Rules or as the Tribunal may allow. A reference to the Tribunal is made by way of a written notice signed by you and filed with a copy of this Notice. The Tribunal's address is: 15-19 Bedford Avenue, London WC1B 3AS (telephone 020 7612 9700). The detailed procedures for making a reference to the Tribunal are contained in section 133 of the Act and the Tribunal Rules.
- 4.3 You should note that the Tribunal Rules provide that at the same time as filing a reference notice with the Tribunal, you must send a copy of the notice to the FSA. Any copy notice should be sent to Martin Badcock at the FSA, 5<sup>th</sup> Floor, 25 The North Colonnade, Canary Wharf, London E14 5HS.

##### **Representations**

- 4.4 You have the right to make written and oral representations to the FSA. If you wish to make written representations you must do so by 24 September 2009, or such later date as may be permitted by the FSA. Written representations should be made to the Regulatory Decisions Committee and sent to Daniel Lewsey, Regulatory Decisions Committee Professional Support Services. The address of the Regulatory Decisions Committee Professional Support Services is 25 The North Colonnade, Canary Wharf, London E14 5HS. If you wish to make oral representations, please inform us in writing of your intention to do so by 2 September 2009. If you do not notify us by 2 September 2009, you will not, other than in exceptional circumstances, be able to make oral representations.

##### **Confidentiality and publicity**

- 4.5 You should note that this Supervisory Notice may contain confidential information and should not be disclosed to a third party (except for the purpose of obtaining advice on its contents). You should also note that section 391 of the Act requires the FSA when the Supervisory Notice takes effect, to publish such information about the matter as it considers appropriate.

##### **FSA contacts**

- 4.6 If you have any questions regarding the procedures of the Regulatory Decisions Committee, you should contact either Daniel Lewsey (direct line: 020 7066 7468 or Jackie Noonan, RDC Professional Support Services (direct line: 020 7066 3074).

4.7 For more information concerning this matter generally, you should contact Martin Badcock at the FSA (direct line: 020 7066 1560 / fax: 020 7066 1561).

**Tim Herrington**  
**Chairman, Regulatory Decisions Committee**