

FSB Statement on JVN ASSET MANAGEMENT (Pty) Ltd

It has come to the FSB's attention that JVN Asset Management (Pty) Ltd FSP 45923 ("JVN"), managed and controlled by Mr Levi Alex Nkosi, has sent out communication to their clients, under the name of *the JVN Asset Management Team*. The communication contains some statements that require the Registrar of Financial Service Providers ("the Registrar") to either put the statements in context or correct some of the inaccuracies.

JVN is a financial services provider, authorised to give advice and render intermediary services with reference to Category I products (including shares, money market instruments, bonds, derivative instruments and collective investment schemes), as well as discretionary services under its Category II licence. As a registered FSP, JVN is required to comply with the law and licensing conditions at all times.

The Registrar received information that raised some concerns and instructed an inspection into the affairs of JVN. At the same time the Registrar reported the matter to the Financial Intelligence Centre who temporarily froze the bank accounts of JVN, JVN Harvest Investment (Pty) Ltd, and Mr Nkosi. The Registrar also reported the matter to the Asset Forfeiture Unit ("the AFU"), a division of the National Prosecuting Authority. The AFU successfully applied for preservation orders with reference to the funds in the above mentioned bank accounts, and trading accounts in the name of Mr Nkosi. The AFU has jurisdiction in terms of what will happen to the funds that are in the accounts that are frozen.

The Inspectorate of the FSB has obtained and executed a search and seizure warrant at the premises of JVN, and is in the process of investigating the matter. Based on the evidence received to date, the Registrar has suspended the FSP licence of JVN. Upon conclusion of the investigation, the Registrar will decide whether to withdraw or lift the suspension of the licence.

In the abovementioned communication, JVN claims that they have sent a letter to the FSB, demanding that "*...that the process be concluded or that the FSB withdraw their licence if they intend to and allow JVN to pay back the clients.*" The FSB has no record of having received such letter of demand.

The investigation to date has shown that only a very small percentage of clients' funds were actually invested. Even in these instances, the funds were not invested in the name of the clients, but in the name of Mr Nkosi. The majority of the clients' funds were utilised for business and personal expenses, as well as to re-pay existing investors with new investors' funds.

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