
FINAL NOTICE

To: **The Carnation Limited**

Of: **Carnation House
Mill Lane
Bradford
West Yorkshire
BD5 0HF**

Dated: **4 May 2007**

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 The Carnation Limited to carry on regulated activities

1. ACTION

- 1.1 The FSA gave The Carnation Limited ("Carnation") a Decision Notice (the "Decision Notice") on 30 March 2007 which notified Carnation 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 Carnation pursuant to Part IV of the Act ("Carnation's Part IV permission").
- 1.2 Carnation has not referred the matter to the Financial Services and Markets Tribunal within 28 days of the date on which the Decision Notice was given to Carnation. Accordingly, the FSA has today cancelled Carnation's Part IV permission.

2. REASONS FOR THE ACTION

On the basis of the facts and matters and conclusions described in its Warning Notice dated 16 January 2007 (the "Warning Notice") and in the Decision Notice, it appears to the FSA that Carnation is failing to satisfy the threshold conditions set out in Schedule

6 to the Act (the "Threshold Conditions") in that, the FSA is not satisfied that Carnation is a fit and proper person having regard to all the circumstances, including the need to ensure that its business is conducted soundly and prudently. Furthermore, Carnation has also failed to comply with Principle 11 of the FSA's Principles for Businesses under which firms must co-operate with the FSA. Specifically, Carnation has repeatedly failed to comply with the regulatory requirement to submit Retail Mediation Activities Returns promptly. Carnation has been referred to the FSA's Enforcement Division on three separate occasions for these failings.

3. IMPORTANT

3.1 This Final Notice is given to you in accordance with section 390(1) of the Act.

Publicity

3.2 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 you or prejudicial to the interests of consumers.

FSA contacts

3.3 For more information concerning this matter generally, you should contact Lehong Mac at the FSA (direct line: 020 7066 5742 / fax: 020 7066 1459).

John Kirby
FSA Enforcement Division