

# Bluezone Group (Provisional Judicial Management) - Companies under PJM

Head Office  
Building C  
Castle Walk Corporate Park  
c/o Nossob and Swakop streets  
Erasmuskloof ext 3  
Pretoria  
[www.bluezonegroup.com](http://www.bluezonegroup.com)  
[management@bluezonegroup.com](mailto:management@bluezonegroup.com)

Altivex 88 - T7651/09  
Copper Moon Trading 248 - T7652/09  
Nungu Trading 472 - T7649/09  
Madeline Street Properties - T7643/09  
Quick Leap Investments 461 - T7650/09  
Tropical Paradise Trading 335 - T7646/09  
Tropical Paradise Trading 334 - T7655/09  
Mystic Blue Trading 511 - T7647/09  
Copper Sunset Trading 201 Ltd - T7752/09  
Autumn Star Trading 286 - T7645/09  
Proud Heritage Properties 131 - T7653/09  
Copper Moon Trading 249 - T7654/09  
Tropical Paradise Trading 324 - T7644/09  
Bishops Court Properties - T7754/09  
Tropical Paradise Trading 320 - T7751/09  
Ladikela Game Lodge - T7753/09  
Summer Season Trading 65 - T7644/09

23 September 2010

## SYNDICATION PROPERTY COMPANIES UNDER PROVISIONAL JUDICIAL MANAGEMENT

To the Shareholders/ Broker / Relevant Parties/Shareholders of Holding Companies

The High Court granted a provisional judicial management order, in terms of the Companies Act, on the 17th and 20th of November 2009 on the **property companies**. You may be, in one or more of the **holdings companies**, as extensively stated in the three previous reports.

### Introduction

In any market-based economy it is a natural consequence that there will always be companies that fail. This is not necessarily a bad event for most industrialised nations recognise that failed companies are part and parcel of any healthy economy. If a company cannot be competitive within the market place, then it is a satisfactory result that those companies are either taken over by other, stronger companies, or wound up (liquidated).

There are various factors that may give rise to the failure of a company, for example external factors within the sphere where the company operates, demand for a specific product, poor marketing strategies, or poor management of the companies by its office bearers.

If a failed company is not the subject of a take-over or a compromise and arrangement, the only real alternative up to now has been the winding-up (liquidation) of the company in terms of the provisions of the 1973 Companies Act. Liquidation of the company entails the appointment of a liquidator who then sells off the assets of the company and distributes the proceeds in terms of a prescribed set of rules.

Provisional Judicial Managers

**PD KRUGER/EL BESTER** for all companies

ML MHLONGO/A MCQUARRIE/ADM MOHASOA/ MS MOTSHEKGA/SS MPHAHLELE/LM MOLOTO/ W YZEL/  
KC MOYELA/ PB MOKWENA/L MOARAKE/EM MOTLALA/NA MATLALA/ VT MATSEPE/TSDS MATHEBULA/  
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The failure of a company affects not only its shareholders and creditors, but also its employees, suppliers, distributors and customers.

South Africa was one of the first countries to introduce a formal business rescue procedure, namely judicial management, into its legal system. Judicial management appeared for the first time in the Companies Act of 1926 and was then, although in a slightly amended form, retained in the Companies Act of 1973.

The judicial management process is defined as:

Proceedings to facilitate the rehabilitation of the company that is financially distressed providing for -

- a. the temporary supervision of the company, and the management of its affairs, business and property;
- b. a temporary moratorium on the rights of claimants against the company or in respect of property in its possession;
- c. the development and implementation, if approved, of a plan to rescue the company or, if that is not possible, a plan that would achieve a better return for the company's creditors than the payment they would have received if the company had been simply immediately liquidated.

Judicial management is strictly speaking a corporate rescue procedure, because the main aim is to rescue the company's business or potentially successful parts of the business, but also to attempt salvaging the whole company or corporate entity, which could be more difficult.

#### **Return Dates on Judicial Management Orders**

After giving the judicial managers sufficient time to form an opinion on the company's affairs, the Court will ask the judicial manager to report to Court whether in his or her opinion, the company appears to be financially distressed, or whether there is a reasonable prospect of rescuing the company.

Should the judicial managers' report find that there were no reasonable grounds to believe that the company would be unable to pay all its debts as they become due and payable, a liquidation order will be requested.

It must be stressed, that from the outset the **sole purpose and objective** of the judicial managers were to salvage the property companies and return maximum shareholders' value to the holding companies. In order to achieve this goal extension on return dates had been requested to ensure that all possible avenues may be explored.

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## **Legal Consequences of Judicial Management Order**

One of the most important results of a judicial management order is that there is a moratorium on most civil legal proceedings against the company for as long as the judicial management order is enforced. This benefit protects shareholders' assets against hostile take-overs.

The appointed provisional judicial managers of the various companies have been actively managing the properties of the companies, published comprehensive forensic report findings, lodged legal proceedings against various professional role players and held Section 417 interrogations in order to discover lost or stolen assets of the companies.

During this ongoing and sometimes protracted process constant communication channels were kept open with all stakeholders. A permanent email address was created, a dedicated person responded to all emails received and a website created. One of these methods was the information meetings held.

### **A INFORMATION MEETINGS**

Information meetings were held in various cities country wide, in order to inform and keep all stakeholders abreast of developments. The meetings covered all syndicated property companies under provisional judicial management and Spitskop Village Properties Ltd (in liquidation).

The meetings were held:

<b>Date</b>	<b>City and Venue</b>
10 May 2010	Cape Town <b>Stellenbosch Lodge</b> - 25 Canterbury Lane, Blaauwklippen Village, Paradyskloof, Stellenbosch
12 May 2010	George <b>Pine Lodge Resort</b> - Knysna Road, George East
17 May 2010	Port Elizabeth <b>39 On Church</b> - 39 Church road, Walmer, Port Elizabeth
19 May 2010	Durban <b>Tropicana Hotel</b> - 85 OR Tambo Parade, Durban
24 May 2010	Bloemfontein <b>President Hotel</b> - 1 Union Avenue, Bloemfontein
31 May 2010	Nelspruit <b>Orion Promenade Hotel</b> - cnr Samora Machel & Henschell streets, Nelspruit
2 June 2010	Pretoria <b>Lombardy Hotel</b> - 4 Lynwood Rd, Tweefontein, Pretoria

Notification had been sent to stakeholders on the 30th of March 2010. The attendance of these meetings was overwhelming, indicating the enormous need for information on the judicial management process and Spitskop liquidation.

The agenda was as follows:

### **Information Meeting**

- 1. Welcome**
- 2. Introduction of Speaker Panel**
  - PD Kruger - Liquidator Spitskop AND Provisional Judicial Manager
  - TW van den Heever - Liquidator Spitskop
  - AS Hurter - Attorney
  - EL Bester - Provisional Judicial Manager
  - DB King - Business Development Director Bonatla
- 3. Liquidation Spitskop Village Properties Ltd**
  - a. General information regarding the liquidation process
  - b. Liquidation of Spitskop Village Properties Ltd
  - c. Syndication Regulations -Disclosure Document / Government Gazette
  - d. FSB Report
  - e. General Duties of the Liquidators
  - f. Flow of Monies
  - g. Brokers
  - h. Uncertainty caused by incorrect Information
  - i. Legal Action against the Liquidators
  - j. Possible Recoveries
  - k. Unlawful Scheme
  - l. Proof of Claims
  - m. Expected Dividend
  - n. Proposal for 2<sup>nd</sup> Meeting
- 4. Bluezone Provisional Liquidation (Group Discussion)**
- 5. Provisional Judicial Management Order**
  - a. General information regarding the judicial management order granted
  - b. Syndication Projects / holding and property companies
  - c. General Duties of the Judicial Managers
  - d. Flow of Operational Funds
  - e. Brokers
  - f. Uncertainties created by untruthful information
  - g. Possible Recoveries
  - h. Forensic Auditor Report
  - i. Expected Dividend
  - j. Bonatla transaction
- 6. Provisional Judicial Management**
  - a. Provisional Judicial Management Report One
  - b. Provisional Judicial Management Report Two
  - c. Provisional Judicial Management Report Three

7. **Questions**
8. **Closing of Meeting**

During the meetings Bonatla Holdings (Pty) Ltd explained their offer by method of Section 311 applications to reach compromises with the property companies' creditors. The purpose of the Section 311 compromises is to acquire the properties as well as apply for the uplifting of the judicial management orders on these companies.

## **B SECTION 311 COMPROMISES**

### **Events Pre- Provisional Judicial Management Order**

During October 2009 various Section 228 Special Resolution Meetings were held to obtain shareholders' permission to sell the Bluezone Syndication Companies to Bonatla Holdings (Pty) Ltd. The offers were made to the following companies by way of a SENS notification:

<b>Syndication Name</b>	<b>Property Company</b>	<b>Holding Company</b>	<b>Resolution obtained by Bonatla to purchase the property</b>
Milestone Place - Route 21	Altivex 88 (Pty) Ltd	Sign & Seal Trading 68 (Pty Ltd)	YES
Property 259	Copper Moon Trading 248 (Pty) Ltd	Pacific Breeze Trading 128 (Pty) Ltd	YES
The Heights - TUT	Nungu Trading 472 (Pty) Ltd	Southern Palace Investments 335 (Pty) Ltd	YES
Madeline Street Properties	Madeline Street Properties (Pty) Ltd	Abrina 2617 (Pty) Ltd	NO - Brian Kahn acted on behalf of Cummins Diesel Pension Fund and obtained a Court interdict to prevent the meeting taking place.
Africard Building	Quick Leap Investments 461 (Pty) Ltd	Pacific Breeze Trading 134 (Pty) Ltd	YES
Austin Crossing	Tropical Paradise Trading 335 (Pty) Ltd	Southern palace Investments 337 (Pty) Ltd	NO - Mr. M Bharoochi (on behalf of MB GRAN TRUST)obtained a Court interdict to prevent the meeting from taking place

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Flextronics	Tropical Paradise Trading 334 (Pty) Ltd	Liberty Lane Trading 98 (Pty) Ltd	NO - Mr. M Bharoochi (on behalf of MB GRAN TRUST) obtained a Court interdict to prevent the meeting from taking place
<b>Prospect Close</b>	<b>Mystic Blue Trading 511 (Pty) Ltd</b>	<b>Copper Sunset Trading 239 (Pty) Ltd</b>	<b>YES</b>
Valley View (Lydenburg)	Copper Sunset Trading 201 (Pty) Ltd	N/A	NO - No date was set for the meeting by Bonatla
Castle Walk	Autumn Star 286 Trading (Pty) Ltd	Gemini Moon Trading 122 (Pty) Ltd	NO - No offer was made by Bonatla to purchase this property
Chambers 1	Proud Heritage Properties 131 (Pty) Ltd	Wellvest 17 (Pty) Ltd	NO - JJ van der Spuy acting on behalf of Primak obtained a Court interdict to prevent the meeting from taking place
<b>Celtis Plaza</b>	<b>Copper Moon Trading 249 (Pty) Ltd</b>	<b>Platinum Arch Investments 70 (Pty) Ltd</b>	<b>YES</b>
<b>Chambers Ground Floor</b>	<b>Tropical Paradise 324 (Pty) Ltd</b>	<b>Pacific Breeze Trading 12 (Pty) Ltd</b>	<b>YES</b>
<b>Bishops Court</b>	<b>Summer Season Trading 51 (Pty) Ltd</b>	<b>Pacific Breeze Trading 146 (Pty) Ltd</b>	<b>YES</b>
<b>Chambers 2&amp;3</b>	<b>Tropical Paradise Trading 320 (Pty) Ltd</b>	<b>Northern Jungle Trading 104 (Pty) Ltd</b>	<b>YES</b>

The obtained Special Resolutions were duly registered with CIPRO by Bonatla Holdings (Pty) Ltd.

On the 17<sup>th</sup> of November 2009 all of the companies were placed under provisional judicial management. Bluezone Property Investments (Pty) Ltd - the promoter of the various syndication projects - was provisionally liquidated.

The various Court orders against the companies and liquidation of Bluezone culminated in the delay of finalizing the Bonatla sale transactions. The offers to purchase were individually subjected to a Section 311 compromise in terms of the Companies Act of

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1973. These applications lead to protracted court applications and legal processes, frustrating the wishes of the shareholders.

### **What is a Section 311 Compromise?**

In terms of the **COMPANIES ACT 61 OF 1973** the definition of a Section 311 compromise is a '**scheme of arrangement**' whereby a compromise or arrangement is reached between a company and its members or any class of creditors.

The process is governed by Section 311 of the Companies Act 61 of 1973 including COMPROMISES, AMALGAMATIONS, ARRANGEMENTS AND TAKE-OVERS.

- (1) The Court, on the application of the Sec 311 compromise summons a meeting of the creditors or class of creditors and the applicant of the arrangement.
- (2) If the compromise or arrangement is agreed to by-
  - (a) a majority in number representing three-fourths in value of the creditors or class of creditors; or
  - (b) a majority representing three-fourths of the votes exercisable of compromise shall, if sanctioned by the Court, shall be binding on all the creditors or the class of creditors, and also on the judicial manager if the company is subject to a judicial management order.
- (3) No such compromise or arrangement shall affect the liability of any person who is a surety for the company.
- (4) The judicial manager of the company shall lodge with the Master a report as to whether or not any director or officer or past director or officer of the company is or appears to be personally liable for damages or compensation to the company or for any debts or liabilities of the company under any provision of this Act.
- (5) (a) An order by the Court sanctioning a compromise or arrangement shall have no effect until a certified copy thereof has been lodged with the Registrar under cover of the prescribed form and registered by him.

## **What are the administrative procedures for a Section 311 Meeting?**

### **Administrative Process**

(1) Where a meeting of creditors is summoned under section 311 for the purpose of agreeing to a compromise or arrangement, a notice of the summoning the meeting must be sent to the creditor/s as well as :

- a statement explaining the effect of the compromise or arrangement and
- stating all relevant information material to the value of the shares and debentures concerned in any arrangement

The advertisement of every notice summoning the meeting must include a notification of the place at which and the manner in which creditors or members entitled to attend the meeting may obtain copies of such a statement.

### **Process in event of a Successful Section 311 Meeting**

#### **SECTION 313 Provisions facilitating reconstruction or amalgamation**

An application is made to the Court under section 311 for the sanctioning of a compromise, and the compromise has been proposed for the purpose of being transferred to another company (in this section referred to as the 'transferee company') the Court may, either by the order sanction the compromise.

### **The Post Provisional Judicial Management Order Events and the Section 311 Meetings**

In the third provision al judicial managers' report, on page 64 par.2 the provisional judicial managers requested the following:

“that the individual shareholders give instructions to the holding company to finalize its transaction with Bonatla since the property companies are only the asset and not a party to the negotiations between Bonatla and the holding companies. It is claimed that Special Resolution Meetings were held and shareholder votes, in favor of the transaction, were given to the holding companies.”

The holding companies' directors subsequently gave instructions to the judicial managers to continue with the transaction.

**Nine** companies' shareholders gave permission by way of Special Resolutions under section 228, in October 2009 for the companies to be sold, being:

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1. Quick Leap Investments 461 (Pty) Ltd (Africard)
2. Mystic Blue Trading 511 (Pty) Ltd (Prospect Close)
3. Altivex 88 (Pty) Ltd (Milestone)
4. Copper Moon 248 (Pty) Ltd (Property 259)
5. Nungu Trading 472 (Pty) Ltd (The Heights-TUT)
6. Copper Moon Trading 249 (Pty) Ltd (Celtis Plaza)
7. Tropical Paradise Trading 324 (Pty) Ltd (Chambers Ground Floor)
8. Summer Season Trading 51 (Pty) Ltd (Bishops Court)
9. Tropical Paradise Trading 320 (Pty) Ltd (Chambers 2 & 3)

Makeover Investments (Pty) Ltd (a full affiliate of Bonatla Holdings (Pty) Ltd) applied for Court authorization (on all 9 companies) to hold the Sec 311 meetings on the 5<sup>th</sup> of May 2010. Court permission was granted and the first meetings were scheduled for the 30<sup>th</sup> of June 2010, after 21 days of advertising the meetings.

The meetings on the 30<sup>th</sup> of June 2010 were postponed due to the fact that Makeover Investments (Pty) Ltd didn't deliver the required financial guarantees to conclude the transaction. Furthermore, Nedbank, a secured creditor voted against the compromise because of **four** companies being in arrears with their bond installments.

The meetings were postponed to the 15<sup>th</sup> of July 2010, and again, for the same reasons to the 6<sup>th</sup> of August 2010. On the 19<sup>th</sup> of August 2010 the Sec 311 meetings were postponed to the 23<sup>rd</sup> of August 2010 after which **five** companies were successfully compromised, being:

1. Quick Leap Investments 461 (Pty) Ltd (Africard)
2. Mystic Blue Trading 511 (Pty) Ltd (Prospect Close)
3. Altivex 88 (Pty) Ltd (Milestone)
4. Copper Moon 248 (Pty) Ltd (Property 259)
5. Nungu Trading 472 (Pty) Ltd (The Heights-TUT)

Court applications are prepared to have these Sec 311 meetings sanctioned on the 20<sup>th</sup> of October 2010. Once sanctioning has been granted, Makeover Investments (Pty) Ltd will take over these **five** properties. Once Makeover Investments (Pty) Ltd receives ownership all communication will hence force come directly from them.

**EXAMPLE OF SECTION 311 COMPROMISE LODGED BY MAKEOVER INVESTMENTS (PTY) LTD**

Annexure "B"

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A SCHEME OF ARRANGEMENT AND COMPROMISE BETWEEN EXAMPLE COMPANY (PTY) LTD [Registration number: 2005/000000/07] (**IN PROVISIONAL JUDICIAL, MANAGEMENT**) AND ITS CREDITORS, IN TERMS OF SECTION 311 OF THE COMPANIES ACT, NO 61 OF 1973, (AS AMENDED) WHICH HAS BEEN PROPOSED BY SOUTH AFRICAN EXAMPLE COMPANY II HOLDINGS LIMITED. ("THE ARRANGEMENT")

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**INTRODUCTION**

**1. SYNOPSIS OF THE ARRANGEMENT**

- 1.1. This document contains the terms and conditions of a proposed arrangement which, if agreed to by the creditors, will become effective upon it being sanctioned by the Court.
- 1.2. The scheme of the arrangement is divided into four chapters:
  - 1.2.1.1. definition of terms;
  - 1.2.1.2. conditions precedent;
  - 1.2.1.3. substance of the arrangement.:
  - 1.2.1.4. administrative provisions;
- 1.3. This document is signed by the proposer (who hereby binds himself to all its terms and conditions insofar as they affect him) and the receivers (who thereby bind themselves to perform the duties imposed upon them).

**2. CHAPTER 1 - DEFINITIONS**

Unless inconsistent with or otherwise indicated by the context, the following words will have the following meanings:

- 2.1. "**Act**" means the Companies Act, No 61 of 1973, as amended
- 2.2. "**acquittance**" means a document executed by a creditor in terms of which that creditor advises the receivers that he will not look to the company or the receivers for payment of any dividend or other benefit under the arrangement, to the extent of the amount stated in the acquittance;
- 2.3. "**assets**" means all the assets of the company as at the fixed date;
- 2.4. "**capital sum**" means the amount of which are to be provided by the proposer to the company, and to be paid by the receivers on behalf of the company to creditors, which sum shall be utilised as additional capital of the company for this purpose;

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- 2.5. **“chairman”** means **Johannes Zacharias Human Muller** or any other person who may be appointed by the Court to this office;
- 2.6. **“claims”** means secured, preferent or concurrent claims as envisaged in the Insolvency Act, against the company, the cause of action in respect of which arose, prior to or on the fixed date, of whatsoever nature and from whatsoever cause, including claims, arising from contract or delict, actual and contingent, prospective, conditional and unconditional, liquidated and unliquidated, assessed and unassessed and whether or not due for payment of performance, specific or otherwise, and including all claims arising out of any agreements entered into by the company on or prior to the fixed date, all such claims to be determined, calculated and admitted as secured, preferent or concurrent in accordance with the same ranking, as envisaged in the Insolvency Act.;
- 2.7. **“company” or “applicant”** means **EXAMPLE COMPANY (PTY) LTD (UNDER PROVISIONAL JUDICIAL, MANAGEMENT)**, duly incorporated in accordance with the company laws of the Republic of South Africa with Registration No. 2005/000000/07
- 2.8. **“compromise”** means the compromise contained herein in terms of Section 311 of the Act, between the company and its creditors and, for purposes of interpretation includes the synopsis of the compromise;
- 2.9. **“excluded creditors”** means the claims of **Holding Company Shareholders** against the company;
- 2.10. **“Court”** means the High Court of South Africa, Gauteng North Division;
- 2.11. **“days”** means calendar days, and therefore includes Saturdays, Sundays and public holidays;
- 2.12. **“effective date”** means the date of sanction;
- 2.13. **“final date”** means the date on which the order is registered by the Registrar of Companies, in terms of the Act;
- 2.14. **“fixed date”** means **1<sup>st</sup> of April 2010**;
- 2.15. **“Insolvency Act”** means the Insolvency Act, No 24 of 1936, as amended;
- 2.16. **“intellectual property”** shall mean all intellectual property owned by the company and including, but without limiting the generality of the foregoing, the company and the business name and any goodwill pertaining thereto as well as all trade marks, whether registered or not, trade names attaching to the company or its business as well as all copyright vested in the company and patents (if any) used by or vested in the company as well as the exclusive possession of all the books and records of the company relating to its business including customer lists, pricing policy and other confidential information relating to the conduct of the business of the company;
- 2.17. **“meetings”** means the meetings (or any adjourned meetings) of creditors to be convened by an order of the Court for the purpose of considering the arrangement;

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- 2.18. **“order”** means the order of the Court sanctioning the arrangement;
- 2.19. **“proposer”** means Makeover Investments (Pty) Ltd Limited, a public company duly registered in terms of the company laws of South Africa, with registration number: 1996/015296/07;
- 2.20. **“receivers”** means **PAUL DANEEL KRUGER**, and **ERNST LODEWYK BESTER**, or any persons who will be appointed to act as receivers for the creditors under the arrangement;
- 2.21. **“review”** means an application to Court in which the applicant merely proves his rejected or partially rejected claim, or any security or preference, as a fact, whereupon the Court may order the receivers to act in accordance with such proved facts;
- 2.22. **“sanction”** means sanction of the arrangement by the Court in terms of Section 311 of the Act;
- 2.23. any reference in the arrangement to the singular will include the plural and *vice versa*;
- 2.24. references to any gender will include the others.

### **3. CHAPTER 2 - CONDITIONS PRECEDENT**

- 3.1. This arrangement is subject to the following conditions precedent:
- 3.1.1 The Honourable Court to appoint JOHANNES ZACHARIAS HUMAN MÜLLER, or failing him his nominee, or any other person who may be appointed by the Court, to this office, be appointed as Chairman for meeting, and Ernst Lodewyk Bester and Paul Daneel Kruger, [“collectively referred to as the “receiver”], as receiver for creditors;
- 3.1.2 Save as otherwise required by the proposer, the company will not be bound by any contracts [including specifically any contract of employment with any employee of the company, but excluding lease agreements], (to which the company was a party on the effective date) and all of such contracts will be deemed to have been lawfully cancelled by the joint Provisional Judicial Managers or by operation of Law, with effect from the effective date, and any claims arising from such cancellation shall rank as a concurrent claim for the purposes of the arrangement, subject however to any secured or preferent rights which the other contracting party may have against the company such agreements. Any such claims shall likewise be subject to the provisions of the Arrangement;
- 3.1.3 Satisfactory arrangements being made with the chairman pending sanction, all such documents to be expressed to be effective from the effective date:-

3.1.4 The written resignations of the auditors, secretary and public officer of the company, if required by the proposer in writing;

3.1.5 All such documents upon arrival of the final date to be delivered to the proposer. If the arrangement is rejected or fails for whatsoever reason, then upon arrival of the rejection date, these documents shall be returned by the chairman to the persons who respectively delivered each such document to him.

3.1.6 Requisite majorities, both in number and in value, of each class of creditors, vote in favour of acceptance of the arrangement at the meetings of creditors;

3.1.7 The proposer providing the capital sum to the Company, after registration of the order in terms of the Act;

3.1.8 Acquaintances to the satisfaction of the proposer are received from secured creditors in respect of such portions of their total claims against the company as the proposer may require;

3.1.9 The order or any other order against the company be set aside and the company being discharged from Provisional Judicial Management on the sanctioning of the scheme of arrangement;

3.1.10 the registration of the order in terms of Section 311(6) of the Act;

3.1.11 on the final date the company will be the lawful owner and in possession of the assets and none of the assets shall be subject to an attachment in favour of any creditor;

3.2. It is specifically recorded that the conditions set forth in paragraph 3.1:

3.2.1. are imposed for the benefit of the proposer alone;

3.2.2. will, at the option of the proposer, be separate, divisible and distinct from one another;

3.2.3. must all be fully complied with unless waived in terms of paragraph; and

3.2.4. may at any stage be waived or abandoned in whole or in part by the proposer on written notice to that effect addressed to the chairman or to the receivers.

#### **4. CHAPTER 3 - SUBSTANCE OF ARRANGEMENT**

##### **4.1. Payment And Securing Of Capital Sum**

- 4.1.1 For the purposes of the arrangement, the proposer shall make payment of the capital sum to the Receiver on the final date. Pending payment the capital sum, prior to the meetings, be secured by the provision of an acceptable guarantee that is to be handed to the Chairman at the meeting. The guarantee will be payable on the final date. or any other date thereafter within the sole discretion of the receivers.
- 4.1.2 If the capital sum or any part thereof is paid to the chairman or the receivers at any date prior to the date of payment of dividends in terms thereof, such amount will be invested in an interest bearing account with a registered commercial bank in the name of the proposer, and all interest accruing will accrue to the proposer and will be paid over to him after the date of final payment of dividends to creditors in terms of this offer.

#### **4.2. Arrangement / Compromise With Creditors**

- 4.2.1 No creditor will have any claim against the company after the final date, other than excluded creditors set out in this arrangement.
- 4.2.2 Subject to the terms of this arrangement, and in consideration for the creditors agreeing to the terms herein contained, the receivers shall pay the aggregate of the capital sum in the following manner, and order of preference:  
to secured creditors - it is recorded that there are no secured creditors in the company.
- 4.2.1.1. to preferent creditors - the preferent creditors will be paid their full claim as at the fixed date as set out in this arrangement.
- 4.2.1.2. to concurrent creditors an amount of **R0.88 (example)** in the Rand, free of interest.
- 4.2.1.3. The excluded creditors are excluded from this offer, and their claim(s) against the company will remain as set out in 4.2.6 hereunder.
- 4.2.2. All dividends payable in terms of the arrangement will be paid in one instalment.
- 4.2.3. The payments as set out in paragraph 4.2.2.1 to 4.2.2.3 will be made 30 days after the liquidation and distribution account has laid for inspection as set out in paragraph 7.3 of this arrangement free of any objections.
- 4.2.4. All payments made to the creditors of the company in the implementation of the arrangement, are made as a final payment to the relevant creditors, and after such payment the creditors will have no rights or claims against the company, of whatever nature, and the rights

- of the creditors are limited to such rights as are conferred on them in terms of the arrangement.
- 4.2.5. The excluded creditors' claim(s) against the company will remain against the company as they are reflected in the books of the company and/or as they are agreed upon with the excluded creditor by agreement, as part of this arrangement.
- 4.2.6. In consideration of the right of creditors to receive payment of the amount set out in paragraph 4.2, all creditors shall be deemed to have purchased or deemed to have been ceded to the proposer or a nominee of the proposer on the fixed date.
- 4.3. **Preservation of Rights**
- 4.3.1.1. The acceptance of this arrangement shall not derogate from the rights of any person who was a creditor of the company before the fixed date to recover from any person who was a director or officer of the company on or before the fixed date any loss which such creditor may have suffered or may suffer.
- 4.3.1.2. If called upon so to do, the proposer shall afford any creditor referred to in clause 4.3.1 above reasonable access to all the books, records and documents of the company in respect of the period prior to the fixed date for the purpose of taking action against any of the directors or officers referred to in clause 4.3.1 above.

## 5. CHAPTER 4 - ADMINISTRATIVE PROVISIONS

### 5.1. Proof Of Claims For Purposes Of Participating In The Distribution Under The Arrangement

#### 5.1.1. *Creditors reflected in the books of account of the company*

- 5.1.1.1. Creditors who are reflected in the Company's financial records, will be regarded by the receivers as creditors for the amount as reflected in said records, and as secured or preferent creditors to the extent that such security or preference is reflected in the records of the company, unless the receivers in writing, by registered mail, advises any particular creditor that he rejects such claim or security or preference, in which event that creditor will be required to prove his claim in terms of the provisions of paragraphs 5.2 and 5.3.
- 5.1.1.2. within a period of 30 (THIRTY) days after receipt of such written advice, Creditors who allege that they are creditors for amounts which vary from that appearing in the books

of account of the company, are required to lodge their claims in accordance with the provisions of paragraphs 5.2 and 5.3.

## **5.2. Creditors With Claims Rejected Or Not Reflected In The Books Of Account And Records Of The Company**

- 5.2.1. Creditors envisaged in paragraph 5.2 must lodge their claims with the receivers at **825 Arcadia Street, Arcadia, Pretoria**, within a period of 30 (THIRTY) days after the final date.
- 5.2.2. Claims will be proved to the satisfaction of the receivers as if he were the officer presiding at a Meeting for the proof of claims within the meaning of Section 44 of the Insolvency Act, as read with Section 366 of the Act, supported by affidavits which are to contain such information and are to be accompanied by such supporting documents as are required for proving claims in accordance with the foregoing statutory provisions.
- 5.2.3. the receiver's decision will be subject to review by the Court upon the application of any party affected thereby, provided that any such review proceedings will be brought within 30 (thirty) days of receipt of advice of that decision in writing from the receivers, acting in that capacity. Should the affected party fail to make such an application, he will be deemed to have waived his right to dispute such decision and will thereafter be debarred from bringing any such review proceedings.

## **5.3. Secured Creditors With Claims Or Security Rejected Or Not Reflected In The Books Of Account And Records Of The Company**

- 5.3.1. The receivers will, in admitting the secured portion of the claim not make provision in his determination thereof for the continued accrual of interest in favour of the relevant secured creditor nor will any interest be paid to the secured creditor.
- 5.3.2. The proposer will hold an option, exercisable by written notice to the receivers, to tender the return of the object of the secured creditors security in lieu of any claims and in full and final settlement of such claims, that such a secured creditor may have in terms of this offer. The rights of secured creditors as set out in paragraph 0 will not be affected by such a tender. Any secured creditor affected by the terms of this paragraph 5.2.3 will furnish an acquittance in respect of the secured portion of his claim.

## **5.4. Conditional Claims**

- 5.4.1. If obliged to prove his conditional claim in terms of paragraph 5.2, a creditor may prove a conditional claim in terms of paragraph 5.2. If the

condition to which any claim is subject has been fulfilled before the final distribution under the arrangement, the receivers will admit the claim as if it had been unconditional.

- 5.4.2. If a dividend has been awarded on a conditional claim, the receivers will deposit the amount of that dividend in a special account with a registered commercial bank and will pay over the dividend, together with interest earned thereon, to the creditor when the condition has been fulfilled. If the condition is not fulfilled, then the dividend plus the interest thereon will be returned to the proposer.

### **5.5. Late Proof Of Claims**

- 5.5.1.1. Creditors whose claims are not recorded in the books of account of the company as envisaged in paragraph 5.1, and creditors otherwise obliged to prove their claims as provided for in this paragraph 5, and who have received proper notice of the -
- 5.5.1.2. submission of the arrangement; and
- 5.5.1.3. terms of the arrangement; and
- 5.5.1.4. meetings; and
- 5.5.1.5. sanction of the arrangement by the court, and who have been furnished, together with notification of the sanction, with a copy of the text of this paragraph 5 and who fail to submit their claims within the period stipulated in paragraph 5.2.1, will be deemed to have abandoned their claims free of consideration.
- 5.5.2. A creditor, other than a creditor as envisaged in paragraph 5.5.1, ("the late creditor") not having been given proper notice of the -
- 5.5.2.1. submission of the arrangement; and
- 5.5.2.2. terms of the arrangement;
- 5.5.2.3. and meetings;
- 5.5.2.4. and sanction of the arrangement by the court, and not having had his attention specifically directed to the contents of this paragraph 5, will be entitled to prove his claim in the manner stipulated in paragraph 5.2, within 30 (THIRTY) days after receiving proper notice of the matters referred to in paragraphs 5.5.2.1 to 5.5.2.4 inclusive, failing which he will be deemed to have abandoned his claim.
- 5.5.2.5. If the claim of the late creditor is proved after the distribution by the receivers of the capital sum, or if the moneys he will have on hand for distribution are not sufficient to pay the late creditor, the proposer company will pay to such creditor the dividend, if any, to which he would have been entitled had he proved a claim timeously.

- 5.5.2.6. A certificate under the hand of the receivers as to the amount so refundable by any overpaid creditor will be prima facie proof thereof in any proceedings instituted against any overpaid creditor for recovery thereof.

## 6. DUTIES AND POWERS OF THE RECEIVERS

### 6.1. The receivers will, after the final date -

- 6.1.1. forthwith notify -
- 6.1.1.1. all known creditors that the arrangement has been sanctioned, and in particular draw their attention to the provisions of paragraph 5 of the arrangement and their rights and obligations thereunder;
- 6.1.1.2. all creditors reflected in the books of account of the company that they are regarded by him as being creditors for purposes of participating in the distribution in terms of the arrangement, and for the amounts for which they so appear to be creditors in the books of account of the company, stating such amount; and
- 6.1.1.3. all creditors envisaged in paragraph 6.1.1.2 that their claims for purposes of participating in the distribution in terms of the arrangement will be deemed to be as advised to them in terms of paragraph 6.1.1.2, unless creditors establish some other claim or a claim for some other amount, in the manner envisaged in paragraphs 5.2 and 5.3;
- 6.1.2. provided that he is satisfied that the claim of any particular creditor, as it appears in the books of account of the company, is incorrect or for any reason rejectable by him, advise such creditor in writing of the fact that he rejects such claim, and that such creditor thereupon is obliged to prove its claim in terms of the provisions of paragraphs 6.1.1.2, 5.2 and 5.3;
- 6.1.3. have the right, to the exclusion of creditors, to -
- 6.1.3.1. take all steps necessary to enforce due compliance by the company and the proposer of any obligations imposed upon or assumed by the company and/or the proposer in terms of the arrangement;
- 6.1.3.2. institute any proceedings against any person which may be required to give effect to this arrangement;
- 6.1.3.3. defend any proceedings brought against him arising out of this arrangement;
- 6.1.3.4. Sign any documents necessary for the cancellation of any lien, hypothecs, notarial bonds, mortgage bonds, cessions and any other form of security in terms of a claim dealt with in this offer of arrangement, provided that the rights of a creditor is not protected in terms of Section

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Provisional Judicial Managers

**PD KRUGER/EL BESTER** for all companies

ML MHLONGO/A MCQUARRIE/ADM MOHASOA/ MS MOTSHEKGA/SS MPHAHLELE/LM MOLOTO/ W YZEL/  
 KC MOYELA/ PB MOKWENA/L MOARAKE/EM MOTLALA/NA MATLALA/ VT MATSEPE/TSDS MATHEBULA/  
 MWH MATHIBEDI

- 311 (3) of the Act and take all the necessary steps to effect such cancellation;
- 6.1.3.5. perform any act which he would have been entitled to perform in terms of the Insolvency Act if the Company was placed in final liquidation and have all the rights as afforded to the liquidator of the Company as if the Company was placed in final liquidation;
- 6.1.4. if the arrangement is accepted by the requisite majority of creditors as provided for in section 311 of the Act, and sanctioned by the court consequent thereupon, as soon as practicably possible after sanction cause a copy of the order to be published once in an English and once in an Afrikaans newspaper circulating in GAUTENG;
- 6.1.5. be entitled to dispute any claim, or the validity of any preference or security claimed by any creditor of the valuation placed by any secured creditor on any security;
- 6.1.6. be entitled in his discretion to arrangement and/or otherwise determine by agreement the amount of any claim proved or to be proved in terms of paragraph 5;
- 6.1.7. be entitled to engage the services of legal and other professional advisors in connection with any matter concerning his functions and duties, to dispense with taxation of and to agree the amount of the reasonable fees and charges of such legal and other professional advisors and to pay the remuneration and disbursements of the person/s so engaged;
- 6.1.8. have the right and option, in addition to any other rights available to him in terms hereof or in law, upon the written instructions in this regard of the proposer, to take over any security as provided for in paragraph 5.3 mutatis mutandis;
- 6.1.9. at all times have access to all books, records, documentation and trading figures of the company as he reasonably and properly requires for the execution of his duties as receivers in terms of the arrangement;
- 6.1.10. in his discretion, be entitled to settle any disputes with the proposer with regard to the assets, or the implementation of the arrangement;
- 6.1.11. be entitled to pay a claim as and when he deems fit, notwithstanding that all claims against the company have not yet been proved or that the liquidation and distribution account referred to in paragraph 7 has not yet been finalised;
- 6.1.12. be entitled and obliged to accept acquaintances from creditors up to the amount which would have been awarded and paid by him to such creditor as a dividend on his claim in terms hereof. In that event the capital sum will be reduced by the amount of such acquittance, but not exceeding the dividend which would otherwise have been due on such creditor's claims and, if the capital sum is paid to the receivers prior to

the calculation of the reduction, the amount of the reduction will be refunded to the proposer when calculated.

## **7. LIQUIDATION AND DISTRIBUTION ACCOUNT**

- 7.1. As soon as reasonably possible after final determination of the claims of creditors, the receivers will draw a liquidation and distribution account ("the account") as if he was the liquidator under a winding-up order.
- 7.2. Such account will inter alia reflect the name of each and every creditor whose claim has been duly proved or admitted in terms of paragraph 5, the amount of the claim and the amount of the dividend to be awarded to such creditor under the account.
- 7.3. Notice by registered post will be given by the receivers to the proposer, and to all known creditors of the company that the account is lying for inspection at the offices of the receivers for a period of not less than 14 (fourteen) days calculated from the third business day succeeding that upon which the notice is despatched, but the failure of the receivers to give such notice will in no way entitle any person to initiate a late objection nor will such failure invalidate such account or any distribution made pursuant thereto;
- 7.4. Any person objecting to the account will be obliged to lodge notice of his objection (stating the full grounds thereof) with the receivers before the expiry of the said period of 14 (fourteen) days referred to in paragraph 7.3, failing which the account will be deemed to be accepted by all interested parties. The receivers will rule on any objection so lodged and will give the creditor written notice of his ruling, which notice will be delivered by registered post.
- 7.5. Any objector referred to in paragraph 7.4 or any other person, aggrieved by any ruling of the receivers, will be entitled to institute review proceedings in the Court within 14 (fourteen) days of the receipt by the creditor concerned of the notice referred to in paragraph 7.4. Failing institution of review proceedings as aforesaid the right of objection will lapse and the objector be deemed to have accepted the account.
- 7.6. Notwithstanding any provision to the contrary in paragraph 7.1 to 7.5 inclusive above, the receivers will be entitled to prepare a liquidation and distribution account in respect of payment of dividends in terms of the arrangement to secured and preferential creditors, despite finality not yet having been reached regarding the nature and extent of the claims of concurrent creditors or the identity of all concurrent creditors, subject to the receivers having made proper provision for the payment of any dividend due to any creditor whose claim has not yet been admitted.

**8. DOMICILIUM AND NOTICES**

- 8.1. The proposer chooses *domicilium citandi et executandi* at c/o Smith & Vosloo Attorneys at 27 BEAUCHAMP PROCTOR AVENUE, PIERRE VAN RYNEVELD, PRETORIA, marked for the attention of "Mr MQ VOSLOO" where all notices and all processes arising out of or in connection with the arrangement may validly be delivered to or served upon it.
- 8.2. Each creditor is hereby deemed to have chosen *domicilium citandi et executandi* for all purposes arising out of or in connection with the arrangement at the address stated by that creditor in his proof of claim form or as reflected in the books of account and records of the company.
- 8.3. Notices despatched by the chairman or the receivers in accordance with the arrangement will-
  - 8.3.1. be deemed to have been received by the addressee reflected on such notices on the third business day after despatch thereof by pre-paid registered post to the addressee's *domicilium citandi*;
  - 8.3.2. be presumed to have been received by the addressee reflected on such notices on the third business day after despatch thereof by pre-paid registered post to the addressee's last recorded address with the company.

**9. VARIATION**

The arrangement and the terms set out herein may be varied in writing by the chairman and the proposer at any time before the commencement of voting at the meeting.

SIGN

\_\_\_\_\_

AS WITNESS:

\_\_\_\_\_

(Name of witness in print)

**SIGNED**

**DWB KING**

**For : MAKEOVER INVESTMENTS  
(Pty) Limited**

**END OF EXAMPLE**

## **SECOND ROUND OF SECTION 311 APPLICATIONS LAUNCHED**

### **The 4 NEDBANK BONDED Properties**

On the 6<sup>th</sup> of August 2010 Makeover Investments (Pty) Ltd reapplied for Court permission to reach a compromise with the companies' creditors under a Sec 311 scheme of arrangement:

1. Copper Moon Trading 249 (Pty) Ltd (Celtis Plaza)
2. Tropical Paradise Trading 324 (Pty) Ltd (Chambers Ground Floor)
3. Summer Season Trading 51 (Pty) Ltd (Bishops Court)
4. Tropical Paradise Trading 320 (Pty) Ltd (Chambers 2 & 3)

The Sec 311 meetings were scheduled for 13<sup>th</sup> of September 2010. They have been postponed to the 22<sup>nd</sup> of September 2010 because Nedbank requested various amendments to the document.

In event of these meetings being successful, application for Court sanctioning of the results will be done on the 20<sup>th</sup> of October 2010.

***It is clear from abovementioned that this is a very tedious and intricate process with a host of ever changing variables.***

### **Website**

The provisional judicial managers' website: [www.bzunderim.co.za](http://www.bzunderim.co.za) is periodically updated as new information becomes available. Kindly visit the site regularly to ensure that you are fully aware of all events.

## **C LEGAL APPLICATIONS LAUNCHED AND PENDING**

The joint provisional judicial managers have requested extension on return dates in order to achieve the successful outcome of negotiations involving the Sec 311 compromises.

### **PROVISIONAL JUDICIAL MANAGEMENT EXTENTION DATES - UPDATED**

<b>Syndication</b>	<b>Property Company</b>	<b>Extended Return Dates</b>
<b>Africard</b>	Quick Leap Investments 461 (Pty) Ltd	25/11/2010
<b>Austin Crossing</b>	Tropical Paradise Trading 335 (Pty) Ltd	25/11/2010
<b>Flextronics</b>	Tropical Paradise Trading 334 (Pty) Ltd	25/11/2010
<b>Milestone Place</b>	Altivex 88 (Pty) Ltd	25/11/2010
<b>Property 259</b>	Copper Moon Trading 248 (Pty) Ltd	16/04/2011
<b>Prospect Close</b>	Mystic Blue Trading 511 (Pty) Ltd	04/10/2010
<b>TUT - The Heights</b>	Nungu Trading 472 (Pty) Ltd	25/11/2010
<b>Bishops Court</b>	Summer Season Trading 51 (Pty) Ltd	25/11/2010
<b>Celtis Plaza</b>	Copper Moon Trading 249 (Pty) Ltd	25/11/2010
<b>Chambers Ground Floor</b>	Tropical Paradise Trading 324 (Pty) Ltd	25/11/2010
<b>Chambers 1st Floor</b>	Proud Heritage Properties 131 (Pty) Ltd	25/11/2010
<b>Chambers 2nd &amp; 3rd Floor</b>	Tropical Paradise Trading 320 (Pty) Ltd	25/11/2010
<b>Valley View</b>	Copper Sunset Trading 201 Limited	25/11/2010

### **APPLICATIONS FOR LIQUIDATIONS LAUNCHED / RECEIVED**

<b>Madeline Street</b>	Madeline Street Properties (Pty) Ltd	01/11/2010
<b>Castle Walk</b>	Autumn Star Trading 286 (Pty) Ltd	30/09/2010

#### **Madeline Street Properties (Pty) Ltd**

The provisional judicial managers applied for the liquidation of Madeline Street Properties (Pty) Ltd on the 20<sup>th</sup> of August 2010 after it became clear that the current tenant is in the process of vacating the premises. The application was opposed by Brian Kahn Attorneys acting on behalf of Cummins Diesel Pension Fund. The next court hearing

is on the 1<sup>st</sup> of November 2010. The property will be vacant as from the 30<sup>th</sup> of October 2010.

On Friday, the 10<sup>th</sup> of September 2010 the tenant, Gauteng Education Department contacted the provisional judicial managers in order to negotiate a possible extension of 6 months on the lease agreement. Should these negotiations be successful, liquidation can be avoided on the short term.

#### **Autumn Star trading 286 (Pty) Ltd (Castle Walk)**

An application for liquidation was launched by Imperial Bank on the 1<sup>st</sup> of September 2010 under case number 19350/10 in the Western Cape High Court. The applicant is Imperial Bank Limited.

The property's bond is in arrears due to SKT (Pty) Ltd, the tenant, not paying any rent in spite of various warnings and legal actions taken against the company by the provisional judicial managers. A Sec 417 enquiry was conducted by the provisional judicial management where the directors of SKT (Pty) Ltd were interrogated. A Sec 417 however is a private and confidential enquiry. The provisional judicial managers will however approach the Master to obtain permission to use the witnesses' statements in order to oppose any application brought.

SKT (Pty) Ltd has already indicated that they will apply to uplift the judicial management order on the return date of the provisional judicial management order.

All operational, legal and administrative costs of the property management have been provided to SKT (Pty) Ltd's attorney, Bradley Brazington of BRAZINGTON, SHEPPERSON & McCONNELL, 2ND FLOOR, HATFIELD MALL, 424 HILDA STREET, HATFIELD, PRETORIA, TEL :012 430 4303, FAX: 012 430 7829.

#### **COMPANIES LIQUIDATED**

<b>Randjespark</b>	Summer Season Trading 65 (Pty) Ltd	12/08/2010
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#### **Summer Season Trading 65 (Pty) Ltd**

The company was placed in provisional liquidation on the 12<sup>th</sup> of August 2010 and the final application for liquidation will be heard on the 25<sup>th</sup> of November 2010.

The company's bond installments exceed the monthly rental income by more than 30%. The company is therefore factually insolvent. It was thus also in the opinion of his honorable Judge to liquidate the company.

There are no individual investors in this property company.

## **D THIRD PROVISIONAL JUDICIAL MANAGERS' REPORT FEEDBACK**

The judicial managers confirm and re-iterate the enforcement of legal procedures against the fraudulent actions by members of the syndication companies. The forensic reports on the individual companies provided sufficient evidence to institute legal action against the guilty parties. The judicial managers are of the opinion that this will be in the best interest of the various shareholders and will thus be vigorously pursued.

### **Financial Statements**

The judicial managers appointed a professional accountant to maintain the financial records, transactions and books of every individual company. Two independent accounting firms have already been identified and agreed to audit the financial statements of the companies once the current account firm LDP Inc has been relieved of their duties.

A directors' meeting was held on the 14<sup>th</sup> of June 2010 during which a unanimous decision was taken to relieve LDP Inc from their duties as accountants. The firm responded by lodging a "reportable irregularity" against the provisional judicial managers at IRBA.

In their communication to IRBA, LDP Inc refused to resign. They furthermore alleged that the judicial managers were not entitled to a monthly property management fee on any of the properties (which is standard practice in the property industry). The judicial managers instructed the forensic auditor who assisted with the forensic investigations to reply on this allegation. This was done on the 14<sup>th</sup> of July 2010 and we are still waiting a reply in this regard.

It is clear that numerous logistical problems are encountered in the continuous effort by the judicial managers to provide audited financial statements for the companies.

It is interesting to note that in the FSB Report RE: INSPECTION OF THE AFFAIRS OF BLUEZONE PROPERTY INVESTMENTS (PTY) LTD, BLUE DOT 1330 (PTY) LTD, SPITSKOP VILLAGE PROPERTIES LIMITED AND ASSOCIATED INSTITUTIONS, dated 10<sup>th</sup> November 2008, on page 84 paragraph 280 the inspector clearly states:" This raises questions about the auditors' due care and professional skill during the audit of these financial statements."

In paragraph 282, page 84 of said report the inspector also states: “We submit that the non-disclosure of separate components of fees paid to the auditors, i.e. external audit fees and project audit fees in the income statement, is in contravention of section 283(2) of the Companies Act.”

Section 417 inquiries were held on the 14<sup>th</sup> of September 2010 during which various LDP directors were interrogated. The information received will have extremely positive results in the judicial managers pursuit of assisting stakeholders in recovering monies lost.

## **E MONTHLY INCOME**

Numerous requests have been received as to when income payments will resume. The legal position in this regard has serious implications on the judicial management order granted by the High Court.

According to Section 424 of the Companies Act 1973, the judicial manager must attend to payment of creditors in the following way:

### **Section 434 Application of assets during judicial management**

1. A judicial manager shall not without the leave of the Court sell or otherwise dispose of any of the company's assets save in the ordinary course of the company's business.
2. Any moneys of the company becoming available to the judicial manager shall be applied by him in paying the costs of the judicial management and in the conduct of the company's business in accordance with the judicial management order and so far as the circumstances permit in the payment of the claims of creditors which arose before the date of the order.
3. The costs of the judicial management and the claims of creditors of the company shall be paid *mutatis mutandis (die een soos die ander)* in accordance with the law relating to insolvency as if those costs were costs of the sequestration of an estate and those claims were claims against an insolvent estate.

It is therefore clear that all rental income received by the companies must be utilized according to statutory prescription. The solution to the request for income would thus be the sanctioning of the Section 311 meetings on the 20<sup>th</sup> of October 2010 by Court. Once this has been achieved, Bonatla Holdings (Pty) Ltd would be in the position, as rightful owner, to distribute dividends / income to its shareholders.

Should there however, arise an opportunity during which the judicial managers receive permission to legally assist with income payment directly to the investors, the individual shareholders will be notified. It is therefore of utmost importance to ensure that every shareholders' correct banking information is available to the judicial managers.

## **F IT3(B) REQUESTS AND OTHER ADMINISTRATIVE REQUESTS**

It must be noted that the shareholders' monies are invested in the various holding companies. The name of the company appears on the share certificate issued at date of investment. The request to the provisional judicial managers for issuance of SARS documentation in a company's name not under their jurisdiction is clearly unachievable.

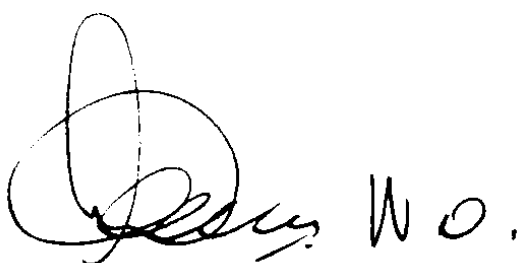
Please contact one of the directors of the holding companies, in which the investment was made, for the required assistance. They are Tian Erasmus ([tian@eduplan.co.za](mailto:tian@eduplan.co.za)) or Danie Burmeister ([danie@triofin.co.za](mailto:danie@triofin.co.za))

Kindly note that due to the fact that Bluezone Property Investments (Pty) Ltd (in liquidation) was liquidated over a year ago, no value certificates, share summaries or any other administrative function can be performed.

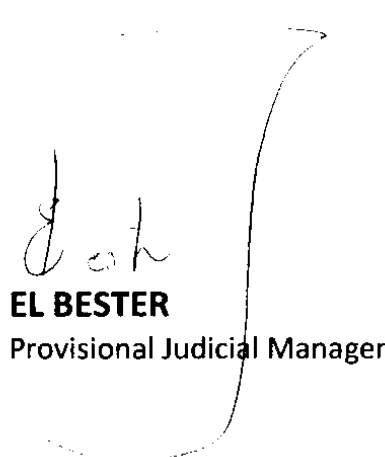
Requests to sell shares have also been received. It must be clearly understood that the investment made in the HOLDING company is UNLISTED shares. These shares cannot be sold by the judicial managers.

Trading in unlisted shares is extremely difficult and a potential seller must find a willing buyer for his/her shares. The responsibility lies thus with the investor to sell his or her own shares, and not with the judicial managers.

Yours Faithfully



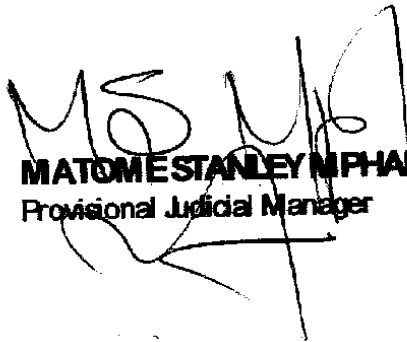
**PD KRUGER**  
Provisional Judicial Manager



**EL BESTER**  
Provisional Judicial Manager

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**MATOME STANLEY MPHAHLELE**  
Provisional Judicial Manager

**ENVER MOHAMED MOTLALA**  
Provisional Judicial Manager

**JOHANNA WILLEMIA YZEL**  
Provisional Judicial Manager

**SEGOPOTJE SHEILA MPHAHLELE**  
Provisional Judicial Manager

**KGASHANE CHRISTOPHER MONYELA**  
Provisional Judicial Manager

**TSEKE JOHANNES MPHAHLELE**  
Provisional Judicial Manager

**LEGOGANG MORAKE**  
Provisional Judicial Manager

**DIMAKATSO ARNOLD MOHASOA**  
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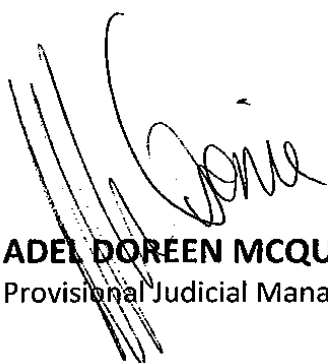
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MWH MATHIBEDI



**TIRHANI SITOS DE SITOS MATHEBULA**  
Provisional Judicial Manager

**MABUTHU LOUIS MHLONGO**  
Provisional Judicial Manager



**ADEL DOREEN MCQUARRIE**  
Provisional Judicial Manager

**MATHOLE SEROFO MOTSHEKGA**  
Provisional Judicial Manager

**PHINEAS BONGANI MOKWENA**  
Provisional Judicial Manager

**TSIU VINCENT MATSEPE**  
Provisional Judicial Manager



**NANO ABRAM MATLALA**  
Provisional Judicial Manager

**LEBOGANG MICHAEL MOLOTO**  
Provisional Judicial Manager