

**SOUTH AFRICAN PROPERTY GUARANTEE EXCHANGE (PTY) LTD (IN  
LIQUIDATION)**  
**("the Company")**

**MASTER'S REFERENCE NUMBER : T8133/09**

**REPORT SUBMITTED BY THE JOINT LIQUIDATORS IN TERMS OF SECTION 402 OF THE  
COMPANIES ACT NO 61 OF 1973 AS AMENDED TO BE SUBMITTED AT A SECOND MEETING  
OF CREDITORS AND CONTRIBUTORIES TO BE HELD BEFORE THE MAGISTRATE,  
ALBERTON ON WEDNESDAY, 6 OCTOBER 2010 AT 09H00**

Nature of Liquidation	Application by ABSA Bank
Date of liquidation	16 November 2009
Date of provisional Order	N/A
Date of Final Order	2 February 2010
Provisional appointees	LDR van der Merwe, B Keevy and E Rautenbach
Date of 1 <sup>st</sup> meeting of creditors	2 June 2010
Final appointees	LDR van der Merwe, B Keevy and E Rautenbach

**GENERAL AND STATUTORY INFORMATION**

**Registrar of Companies**

The Company was duly registered with the Registrar of Companies under their reference number 2000/021613/07.

**Registered Address**

The registered address of the company is Woodhill Office Park, Building No. 7, Phillip Engelbrecht Street, Meyersdal, 1449.



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**Directors**

It appears from my investigations the following persons were directors:

N F Gerber

**Share Capital**

We have not been able to obtain the statutory documentation of the company and cannot comment under this heading.

**Business of the Company**

The main business of SAPGE can be described as mainly bridging finance of attorneys and individuals in respect of property transactions pending registration of those transactions at the Deeds office.

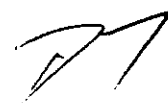
**STATEMENT OF AFFAIRS**

We have been placed in possession of a Statement of Affairs as required in terms of Section 363 of the Companies Act No 61 of 1973 as amended.

**SECTION 402(a)**

**Financial Statement Of Assets And Liabilities**

According to information available to us the following would appear to represent the financial position of the Company as at the date of liquidation:



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<b>ASSETS</b>		
Encumbered Assets		
Debtors		14 000 000-00
Motor vehicles -		200 000-00
Unencumbered Assets		0-00
<b>LIABILITIES</b>		
Secured Creditors		
ABSA Bank - approximately	50 000 000-00	
Standard Bank - approximately	400 000-00	
Preferent Creditors		
Employees	0-00	
SARS	unknown	
Concurrent Creditors – estimated at	45 000 000-00	
<b>Total</b>	<b>95 400 000-00</b>	<b>14 200 000-00</b>
<b>Deficit</b>	<b>81 000 000-00</b>	

1. The records of the company reflect a substantial amount as being due to the company. The collection of all the amounts due to the company are doubtful.
2. The above figures are subject to adjustment and verification.

**SECTION 402(b)**

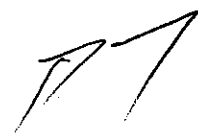
**Causes Of The Company's Failure**

- 1.1 The reasons for the winding up, as stated in the application, were as follows:

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- 1.1.1        *" for a number of years the respondent, acting as a conduit of Tradeworx 138 (Pty) Ltd ("Tradeworx") had provided bridging finance to attorneys involved in the transfer of immovable properties. Gerber is also the sole director and directive mind of Tradeworx, which was nothing other than a front for channelling money to the end users as I will explain shortly...*
- 1.1.2        *..." the business of the respondent and Tradeworx was to advance cash funds to sellers, purchasers or estate agents involved in such transactions, pending the final registration of the transfer. As remuneration for such a bridging finance, the sellers, purchasers, attorneys and/ or estate agents had to pay a certain fees on the loan from the eventual sale proceeds deriving from the transfer of the immovable property."...*
- 1.1.3        *" I am advised, and I accept the advice, that the aforesaid business that was carried on by Tradeworx and the respondent fall within the ambit of a deposit taking institution as defined in Section 1 of the Deposit Taking Institutions Act 1990..."*
- 1.1.4        *..."Neither the respondent nor Tradeworx is in fact registered as a bank or deposit taking institution, notwithstanding the fact that a regular feature of the business of both entities comprised of the taking of investments from members of the public for purposes of on lending such funds to third parties at a premium, i.e. the payment of finance charges and administration fees." ...*
- 1.1.5        *..." it is accordingly apparent that the business that is currently being conducted by the responded and Tradeworx, is conducted in contravention of various statutes and regulations and may very well render the entire scheme that is conducted by the respondent contra bones mores. This is an aspect I submit that liquidator should thoroughly investigate."...*



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**SECTION 402(c)**

Report Under Section 400(2)

At this stage we do not have anything to report under this heading, however, should any contraventions come to our attention, a report will be submitted to the Master of the High Court in regard to such contraventions.

**SECTION 402(d)**

Personal Liabilities Of Directors Or Officers

At this stage we are unable to comment on whether the former director or officer of the company can be held personally liable for the debts of the company. A report will be submitted, should it become necessary.

**SECTION 402(e)**

Legal Proceedings

As far as we are aware there are no legal proceedings pending by or against the Company.

**SECTION 402(f)**

Further Enquiry

Leave was granted to hold a commission of enquiry into the affairs of the company in liquidation in terms of Section 417, as read with Section 418, of the Companies Act No. 61 of 1973, as amended. The enquiry is ongoing and the liquidators will report to creditors after the closure of the enquiry.

**SECTION 402(g)**

Books And Records

Certain records relating to the affairs of the Company have been handed to us.

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**SECTION 402(h)**

**Progress And Prospects Of Liquidation**

Upon our appointment as Provisional Liquidators we immediately investigated the affairs of the company and established that the company ceased trading years prior to liquidation. At this stage it appears that the only assets are debtors.

**SECTION 402(i)**

**Matters Requiring Further Directions Of Creditors And Contributories**

Such directions as we desire, and sanction of the actions taken by the Provisional Liquidators and Liquidators to date, are contained in the Resolutions to be submitted for consideration and adoption, are attached hereto.

**GENERAL**

As there appears to be every danger of a contribution being levied on Creditors, we cannot recommend that Creditors submit claims for proof.

DATED at Rooдеpoort this 1st day of **October 2010**.

  
**LDR VAN DER MERWE**

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of **October 2010**.

**B KEEVY**

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of **October 2010**.

**E RAUTENBACH**

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**RESOLUTIONS SUBMITTED AND ADOPTED AT THE SECOND MEETING OF CREDITORS  
HELD BEFORE THE MAGISTRATE, ALBERTON ON WEDNESDAY, 6 OCTOBER 2010 AT  
09H00**

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**RESOLVED THAT:**

- 1 The report of Liquidator or Joint Liquidators, as the case may be, hereinafter referred to as (the Liquidator"), as submitted be received and adopted and all his actions referred to therein be and are hereby confirmed, ratified and approved.
- 2 All actions of whatsoever nature heretobefore taken by the Provisional Liquidator and/or Liquidator be and are hereby confirmed, ratified and approved.
- 3 The Liquidator be granted the authority and is vested with all the powers mentioned in Section 386(4)(a) – (i) of the Companies Act No 61 of 1973, as amended, such powers to be exercised at his sole and absolute discretion.
- 4 The Liquidator be and is hereby authorised in his sole and absolute discretion to:
  - 4.1 Take legal advice on any question of law affecting the administration and distribution of the company;
  - 4.2 Institute or defend on behalf of the company any action or other legal proceedings of a civil nature for the recovery of monies due to the company or otherwise and subject to the provisions of any law relating to criminal procedure, institute any criminal proceedings;

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- 4.3 Hold any enquiry into the affairs of the company and/or any matter relating thereto;
- 4.4 Investigate and institute legal proceedings for the recovery of any voidable or undue preferences, voidable dispositions of property or any other impeachable transactions of whatsoever nature and to abandon same at any time;
- 4.5 Write up the books of the company as may be required, and if necessary, to produce a balance sheet, audited or not, as at the date of liquidation, either for the purpose of investigating the affairs of the company, establishing the claims of creditors, or any other purpose.
- 5 The Liquidator be and is hereby authorised in his sole and absolute discretion to employ and engage the services of attorneys and/or counsel (senior and/or junior) and/or accountants and/or bookkeepers and/or any employee of the insolvent and/or recording agents and/or any other person who in the sole discretion of the Liquidator may be of assistance in the winding-up of the company in relation to any matter referred to in 4 above and further to pay all the costs thereof of whatsoever nature out of the estate as costs incurred in the liquidation.
- 6 The Liquidator be and is hereby authorised to collection any debts due to the company and for the purpose thereof to sell or compound or compromise any of these debts for such sum and upon such terms and conditions as he in his sole discretion may deem fit, and to accept any part of the debt in settlement thereof, and to grant an extension of time for the payment of any such debt, and to abandon any debt which he in his sole discretion may deem to be irrecoverable.
- 7 The Liquidator be and is hereby authorised to dispose of any movable and immovable property of the company, whether in his possession or under his control now or to come into his possession or under his control in the future by public auction, private treaty or public



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tender upon such terms and conditions as he in his sole and absolute discretion shall determine and to abandon any such assets for which he can find no purchaser or abandon them to a secured creditor at the value placed thereon by such creditor or at such value as is agreed upon by the Liquidator and the creditor if such creditor's claim is secured by such assets and to sign all such documents as may be necessary to give effect to such disposition.

- 8 The Liquidator be and is hereby authorised and empowered in his sole discretion to compromise and admit any claim against the company of whatsoever nature and howsoever arising and whether disputed or not and whether actual, contingent, prospective, conditional, unconditional, assessed, unassessed, liquidated or unliquidated as a liquidated claim in terms of Section 78(3) of the Insolvency Act No 24 of 1936 as amended, read with Section 339 of the Companies Act No 61 of 1973, as amended, at such amount as may be agreed upon by the Liquidator, provided that proof thereof has been tendered at a meeting of creditors.
- 9 The Liquidator be and is hereby authorised to make application for the destruction of books and records of the estate six months after the confirmation of the Final Liquidation and Distribution Account.
- 10 The Liquidator be and is hereby authorised to perform any act or exercise any power for which he is not expressly required by the Companies Act No 61 of 1973, as amended, to obtain the leave of the Court.
- 11 The Liquidator be and is hereby authorised to submit to the determination of arbitrators any dispute concerning the company or any claim or demand by or upon the company.
- 12 The Liquidator be and is hereby authorised to carry on or discontinue any part of the business of the company insofar as may be necessary for the beneficial winding-up thereof.

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- 13 The Liquidator be and is hereby authorised to exercise *mutatis mutandis* the powers conferred upon a Liquidator by Section 35 (uncompleted acquisition of immovable property before liquidation) and 37 (effect of liquidation upon a lease) of the Insolvency Act No 24 of 1936, as amended, read with Section 339 of the Companies Act No 61 of 1973, as amended.
- 14 The further administration of the affairs of the company be left entirely in the hands and at the discretion of the Liquidator.

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**q.q. CREDITORS**