

IMPORTANT HSAG NEWS FLASH

13 JULY 2018

It is now confirmed in writing by Orthotouch and its attorneys that Mr Derek P Cohen is most probably in cahoots with Nic Georgiou (underhandedly assisted by Helgard Hancke and his HSIF).

Orthotouch's attorneys has in a surprising about-turn, confirmed on 13 July in a letter (dated 12 July 2018 - which was transmitted at 19h18, marked high importance and virtually minutes after a radio interview Moneyweb's Ryk van Niekerk had with the HSAG's attorney, Jacques Theron on RSG) that Cohen's stance of not abiding by a High Court order regulating interest payments to HSAG members, was not in accordance with Orthotouch's views.

Orthotouch's attorneys emphasised that it "*can't be laid at the feet of Orthotouch, it's board or Mr Hans Klopper (the Business Rescue Practitioner)*" and they reaffirmed their commitment "*to comply with the terms of the Scheme of Arrangement, even in the face of (the HSAG's) attempts to set the scheme aside*".

The above is an unquestionable confirmation that HSAG's members will receive their interest, provided that Mr Nic Georgiou's Zephan pays the funds, as contemplated in the Scheme of Arrangement and flies in the face of Mr Derek Cohen's attitude.

The letter also confirmed that Mr Nic Georgiou's Zephan itself is facing a Liquidation Application brought by an investor (who is not acting on behalf of the HSAG). The HSAG previously warned its members that it would be extremely risky and dangerous to contract with Orthotouch, as it does not have assets or sufficient funds to pay the

R4.6 billion's claims against Mr Nic Georgiou, his family and other Respondents in the HSAG class action. Orthotouch only has two immovable properties (of the 49 properties it previously owned) to the value of R143 million (which properties are in any event bonded by a R73 million mortgage bond in favour of Accelerate, a listed company controlled by Mr Nic Georgiou's son, Michael Georgiou).

Orthotouch's attorneys also confirmed in writing that, if Zephan is liquidated, *"Orthotouch will not be able to perform in terms of the Scheme of Arrangement, in which event, the Scheme of Arrangement and all attempts to restructure Orthotouch affairs and those of the HS Companies may collapse"*. This is now therefor a further warning to HS investors, even from Orthotouch itself, to refrain contracting with Orthotouch (and also Mr Nic Georgiou who has, until now, not honoured a single agreement).

There can be also little doubt that Mr Nic Georgiou and/or his entities have syphoned the R3.2 billion cash that it received from the HS21–22 companies to Georgiou or his own entities, and furthermore indicates that Orthotouch had squandered the R1.3 billion value that it "received" from the HS15–18 companies.

The HSAG's approach, as from the outset, to pursue Mr Nic Georgiou, his entities and family personally, has now been proven (even by his own Orthotouch) to be correct.

It is now also proven beyond reasonable doubt that Helgard Hancke (and also his so-called HSIF), is a mere puppet of Mr Nic Georgiou and that Hancke and Georgiou are acting not only in bad faith, but also to fraudulently mislead HSAG members to believe that their "negotiations" and "agreements" with Orthotouch/Georgiou will lead to any fruition or security.

HSAG members are herewith again sternly warned not to give their personal details or confirmation of support of the HSAG to Hancke, as he can simply not be trusted.

In previous dealings, Helgard Hancke was proved to be disingenuous (where he was caught out lying under oath in High Court proceedings) and he also betrayed the HSAG with secretly negotiating a financial deal for himself with Mr Nic Georgiou, whilst being in a trusted position of the Steering Committee of the HSAG.

Hancke (the only known member of the HSIF) was also caught out, within hours, after the secretive HSIF appeared, pretending to be acting for despondent investors and "looking after the interest of the HS investors". Helgard Hancke simply cannot be trusted or believed.

It is now also clear that neither Orthotouch nor its board of directors was aware of the "investor communication" circular which was circulated amongst HS members stating that the attorneys of the HSAG and litigation is the reason for the "*lurking liquidations which will affect the scheme of arrangement*" or that "*a decision was taken to withhold payment of those investors not supporting the scheme of arrangement*".

In the letter it is stated that Orthotouch, its board and Hans Klopper "fully intent to comply with Scheme of Arrangement even in the face of the attempts of the HSAG to set the scheme aside".

In a further shocking circular from Orthotouch on the morning of 13 July to HS Investors, it states that "someone" unauthorised used its letterhead to create the false impression that Orthotouch refused to honour the payment of the HS Investors' monthly interest. It retracted all references purporting to be on behalf of Orthotouch

and asked that it should be disregarded. This means that no future communication from Orthotouch, other than through its attorneys, can be trusted.

Recently the HSAG informed its members that it is not necessary (at least for HS21&22) to set aside the Scheme of Arrangement and that they will continue to fast-track the certification of those syndication companies. The HSAG's legal team is currently also investigating the legal position of the HS15–20 companies and will advise its members in due course.

Here under are copies of the letter from Orthotouch's attorneys, as well as the false letter from Orthotouch and the one retracting it.

It is of utmost importance that the HSAG members support their legal team financially, as it is the only way to recover the R4.6 billion from Nic Georgiou and the other Respondents.

Please pay your outstanding accounts as a matter of necessity.

HSAG STEERING COMMITTEE

13 JULY 2018

Johan Furstenberg

From: Natalie Lubbe <Natalie@nlateam.com>
Sent: 12 July, 2018 7:18 PM
To: Johan Furstenberg
Subject: PAYMENT TO CERTAIN HIGHVELD INVESTORS / ORTHOTOUCH; DP COHEN N.O. & H KLOPPER
Attachments: 20180712 ltr to Theron in response to 11July2018 ltr.pdf
Importance: High

Dear Mr Furstenberg

Please see letter attached hereto for your urgent attention.

Kind regards,
Natalie

Natalie Lubbe
Head of Department: Commercial & Litigation

NLA Legal Inc.
First Floor, Block 2
Fancourt Office Park
cnr Northumberland & Felstead Ave
Northriding Ext 17, 2169
PO Box 662, Bromhof, 2154

Tel: +27 11 704 1563
Mobile: +27 82 920 9628
Email: natalie@NLAteam.com



LEGAL INC.

ATTORNEYS / NOTARIES / CONVEYANCERS

Reg No : 2006/016189/21 VAT No : 4610 230 023



Reduce, Reuse, Recycle

Confidentiality Notice and Disclaimer:

This message and information contained in this message is confidential and is intended solely for the addressee. The information is private in nature and is subject to legal privilege. If you are not the intended recipient, you may not peruse, use, disseminate, distribute or copy this message or any file attached thereto. Such actions are prohibited and may be unlawful. If you have received this message in error, please notify us immediately and delete it and all copies from your system.

Whilst all reasonable steps are taken to ensure the accuracy and integrity of information transmitted electronically and to preserve the confidentiality thereof, NLA Legal Inc. accepts no liability or responsibility whatsoever if information or data is, for whatsoever reason, incorrect, corrupted or does not reach its intended destination. Any opinion or advice to clients contained in this e-mail is to be read subject to the terms of our engagement.



NLA LEGAL INC.

FORMERLY KNOWN AS NATALIE LUBBE & ASSOCIATES INC
ATTORNEYS / NOTARIES / CONVEYANCERS

To: Theron & Partners
Email: litigation@theronlaw.co.za
Your Ref: Mr J Furstenberg/jv/H080327
Our Ref: N Lubbe/MAT2508
Date: 12 July 2018

Dear Sirs

PAYMENT TO CERTAIN HIGHVELD INVESTORS / ORTHOTOUCH; DP COHEN N.O. & H KLOPPER

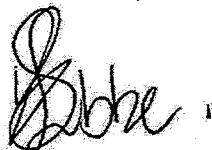
1. We refer to your letter dated 11 July 2018.
2. We point out that the letter dated 4 July 2018 from Leonard Attorneys was sent to you on behalf of Mr D P Cohen, in his capacity as the Receiver in terms of the Scheme of Arrangement. Leonard Attorneys do not act for Orthotouch (Pty) Ltd ("*Orthotouch*"), nor do they act for any member of the board of Orthotouch, nor on behalf of Mr Klopper in his capacity as the business rescue practitioner of the Highveld Syndication companies.
3. As such, the views expressed by Leonard Attorneys on behalf of their client cannot be ascribed to Orthotouch, its board or Mr Klopper, and nor do these views bind these latter parties.
4. The content of your letter, and specifically the content of (un-numbered) paragraphs 2 to 8 thereof, seem to be in response to Leonard Attorneys' letter of 4 July 2018. Neither Leonard Attorneys' views, nor those in these paragraphs of your letter can be laid at the feet of Orthotouch, its board or Mr Klopper.
5. In particular, and in response to (un-numbered) paragraph 9 of your letter under reply, neither Orthotouch, nor its board, nor Mr Klopper are in any way a party to any agreement (insofar as such an agreement even exists, and of which our clients have no knowledge) to withhold

Block 2, Fancourt Office Park, cnr Northumberland & Felstead Avenue, Northriding, Johannesburg
P O Box 662, Bromhof, 2154; Randburg
Tel: +27 11 704 1563; Mobile: +27 82 920 9628
Email: natalie@NLAteam.com Website: www.NLALegal.com
2006/016189/21; VAT nr: 4610230023; Directors: N M Lubbe; N S Norval; H van der Westhuizen

payment, and deny that they are in any way facilitating any decision relating to the withholding of payments to investors.

6. Orthotouch, its board and Mr Klopper fully intend to comply with the terms of the Scheme of Arrangement, even in the face of your clients' attempts to set the scheme aside.
7. Zephan Properties (Pty) Limited ("**Zephan**") is the financial proposer in terms of the Scheme of Arrangement, and Orthotouch's ability to perform in terms of the Scheme of Arrangement depends completely on Zephan. For so long as Zephan enables Orthotouch to perform in terms of the Scheme of Arrangement, it will do so.
8. You are well aware of the fact that Zephan is itself facing a liquidation application brought by an investor. If Zephan is liquidated, Orthotouch will not be able to perform any further in terms of the Scheme of Arrangement, in which event, the Scheme of Arrangement and all attempts to restructure Orthotouch affairs and those of the HS Companies may collapse.
9. The position of Orthotouch, its board and Mr Klopper as BRP, cannot be made any clearer, and any attempt to hold Mr Klopper or any of the directors of Orthotouch personally liable will be opposed.

Yours faithfully



N M LUBBE
NLA LEGAL INC

ORTHOTOUCH

Postnet Suite 634 Private Bag X29 Gallo Manor 2052 – Tel: 011 4657010

2018-07-12

Dear Investor

We refer to the letter addressed to the Investors dated 10 July 2018.

The letter was sent out incorrectly and erroneously on an Orthotouch letterhead.

Insofar as the impression was created that any aspect of the content of the letter reflects Orthotouch's position, the letter should be disregarded.

Regards

ORTHOTOUCH

Scheme Support Form

Investor Communication

10 July 2018

Dear Investor,

Due to the ongoing litigation by Theron & Partners as well as Adv. Bolt and lurking liquidations which will affect the scheme of arrangements a decision was taken to withhold interest payments of those investors not supporting the scheme of arrangements and their interest will be deposited into an independent attorney's trust account.

The verification of those investors supporting the scheme of arrangements unfortunately brings about a delay in the completion of the administrative procedures and interest will therefore be paid one week later this month as per SMS notification.

To avoid any misunderstandings irrespective of previous correspondence with regards to your support for the scheme and/or interest payments, you are requested to complete the attached document to reassure your support for the scheme of arrangements and to avoid non-payment of interest.

We sincerely apologize for any inconvenience in this regard but assure you that attorney Jacques Theron and his HSAG supporters as well as Adv. Bolt and his clients are to blame for this unfortunate circumstance and not Orthotouch.

We are aware of a campaign lodged by the Highveld Syndication Investors Forum (HSIF) who operates independently from Orthotouch to orchestrate support for the scheme in the interest of all investors. They informed us that the information of thousands of investors who already completed their forms in support of the scheme will be shared with us to ensure that interest payments for these supportive investors are not stopped.

There is no need to complete the attached form if you already submitted one of the HSIF forms to avoid duplication which can be time consuming and cause further delays.

Regards,

ORTHOTOUCH

ORTHOTOUCH PROPRIETARY LIMITED ~ Registration Number : 2010/004096/07

Directors : N Georgiou (Managing), JF Klopper*, C. Myburgh*, P Kleovoulou *,

* Non-Executive

[View as PDF](#)

[Scheme Support Form](#)

Copyright © 2018 Real Estate, All rights reserved.

you are an investor

Our mailing address is: