



ENGLISH TEXT BELOW

MAANDELIKSE NUUSBRIEF: AUGUSTUS 2019

Hierdie nuusbrieff word aan u gerig as lid van die Hoëveld Sindikasie Aksiegroep (“HSAG”) op grond van u belegging in die Highveld Sindikasiemaatskappye 15-22 en/of u ondersteuning van die HSAG.

Hierdie e-pos is vertroulik en uitsluitlik vir die geadresseerde bedoel. As u dit per ongeluk / verkeerdelik ontvang het, stel asseblief die versender by hsagenquiries@gmail.com onmiddellik in kennis en vernietig dit. U mag nie 'n e-pos, of enige deel daarvan, wat foutiewelik ontvang aan enigiemand anders stuur, kopieer of openbaar nie. HSAG se webmeester gebruik antivirus-programmatuur om virusse en ander kwaadwillige kodes te voorkom. Hierdie sagteware kan egter nie so 'n kode altyd voorkom of uitwis nie. Die HSAG of sy verteenwoordigers sal nie aanspreeklik wees vir enige verlies of skade wat voortspruit uit ontvangs of gebruik van hierdie e-pos of andersins, of dit voortspruit uit die nalatigheid van HSAG, sy lede, bestuurskomitee en agente of andersins nie.

Alhoewel e-posse, HSAG Nuusflitse en HSAG Inligtingsbrokkies van tyd tot tyd uitgestuur word, is die www.hsaction.co.za webtuiste die primêre plek waar u HSAG inligting, onderhewig aan die vrywaring daarin vervat (en ook hierop van toepassing) kan bekom.

Die verpligting rus op u as HSAG lid om ons op hoogte van enige veranderinge van u persoonlike en/of kontakbesonderhede.

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1. **DIGITALE UURGLAS – BESPREEK NOU JOU PLEK OP DIE BUS!**

Die HSAG-bestuur het in die vorige nuusbrieff reeds bekend gemaak dat 'n spertyd van 6 maande daargestel is vir alle HSAG-lede om maksimum voordele uit die komende hofspraak (HS 21 en HS 22) te trek deur as't ware 'n HSAG buskaartjie te koop vir sertifikasie. By klas-aksies in internasionale hofsake, is dit algemeen vir partye om 'n skikking by die sertifikasie van 'n te klas te bereik en is dit dus ook nie uitgesluit dat die partye in hierdie saak skikkingsonderhandelinge kan voer nie. Die HSAG tree egter vir al sy lojale lede op en wil dit graag 'n voorvereiste maak dat Georgiou en ander, in so 'n geval van skikkingsonderhandelinge, nie alleen met kwalifiserende beleggers in HS 21 en 22 skik nie, maar ook alle ander getroue en opbetaalde lede in HS 15 tot 20. Daarom is dit belangrik om op die HSAG bus te wees! Lees hieronder hoekom dit belangrik is om op datum te wees met u betalings asook om teleurstellings te voorkom. (U het vanaf 1 September 2019 152 dae oor om u uitstaande registrasie koste en opvragings op datum te bring.)

Huidig is die HSAG se prokureurs vir jare nie ten volle betaal vir hul dienste gelewer nie maar wil die HSAG-bestuur graag steeds die bes toegeruste regsman (insluitend junior en senior advokate) en deskundiges gebruik. Slegs 'n klein persentasie lede is ongelukkig opbetaal, maar as almal hul kant bring sal die krygskas van die HSAG sterk wees en jaarlikse opvragings selfs drasties verminder. Persone wat nie hul bydraes maak by die befondsingsmodel van die HSAG nie kan ongelukkig nie verwag om deel te wees van die regsproses of enige suksesse daarin nie. Die saak kom reeds vyf jaar aan en weet almal reeds of hulle kan of wil deel wees van die proses en daarom die sperdatum.

Ten einde lede behulpsaam te wees met die oog op die komende Aansoek vir Sertifisering asook moontlike skikkingsonderhandelinge, het die HSAG 'n nuwe digitale uurglas op die HSAG webtuiste aangebring. Hierin word 'n afsnydatum van 31 Januarie 2020 aandui vir lede om hul bydraes en registrasiekoste op datum te bring en is daar nog net vyf maande oor.

Hierdie afsnydatum is belangrik aangesien dit in terme van die "opt-in" bedeling wat die HSAG voortaan sal ondersteun, relevant sal wees om te bepaal welke lede outomaties by die klas-aksie ingesluit sal word (en dus oor 'n buskaartjie beskik), sonder om verplig te wees om addisionele stappe te neem ten einde deel te vorm van die gesertifiseerde klas.

LET WEL:

- Tot dusver het die HSAG in sy Kennisgewing van Mosie vir die hof gevra om die sogenaamde "opt-out" metode by klas-aksies te volg waar persone wat nie deel wil vorm van die klas nie positiewe stappe moet neem om uit die litigasie te kom. Ongelukkig, onder andere weens verskeie faktore, bv. Die lang tydsverloop (5 jaar); wye publikasie (gedrukte en elektroniese media, sosiale media en hofsake); swak finansiële ondersteuning (ongeveer slegs 15% HSAG-lede is opbetaal); asook billikheidsoorwegings, steun die HSAG se groepsledebefondsing model nie meer sodanige bedeling nie.
- Die HSAG bestuur het gevolglik vir die regsman opdrag gegee om die huidige bedeling na "opt-in" te verander. In wese beteken dit (buiten opbetaalde HS 21

en 22 lede wie outomaties ingesluit sal word) dat alle ander persone positiewe stappe moet neem om te kenne te gee dat hy/sy/hulle deel van die klas wil wees by sertifikasie daarvan.

- Dit mag beteken dat almal die geleentheid sal hê om deel te wees van die groepsaksie maar waarskynlik weer teen betaling van 'n registrasie fooi en 'n eenmalige bedrag wat in oorweging gebring sal word met bedrae wat opbetaalde lede reeds die afgelope 5 jaar betaal het.
- Ten einde billik en regverdig te wees teenoor almal wat steeds kan en wil voortgaan met die litigasie is 6 maande grasie verleen aan HSAG-lede om hul gelde op datum te bring. Hierdie grasie periode sal ongelukkig streng toegepas moet word.

DIE SPERDATUM IS 31 JANUARIE 2020- TYDPERK OM OP DATUM TE KOM: 152 DAE VANAF 1 SEPTEMBER 2019.

2. DIE HSAG MARATON

Die HSAG Bestuur het tydens 'n onlangse vergadering die klas-aksie en verwante proses beskryf as 'n maraton wat vergelyk kan word met die veeleisende Comrades Maraton.

Die Comrades Maraton is die wêreld se oudste en grootste ultra-maraton. Dit is uniek en was 'n baanbreker in Suid-Afrika. Dit strek oor 'n gemiddeld van 90 km tussen Durban en Pietermaritzburg. Die maraton word opgedeel in fases, net soos die litigasieproses. 'n Atleet wat deelneem aan die Comrades maraton moet elke fase voltooi in 'n spesifieke tyd. Indien 'n atleet nie die fase voltooi in die vereiste tyd nie, val hy uit en is sy wedloop op 'n einde.

Dié ultra-maraton en die dramatiese tonele aan die afsnypunte laat mens dink aan die mensdom en die volharding waartoe ons almal in staat is. Ondanks die gevoel dat ons gedurig in stryd is met mekaar omdat dit voel asof die HSAG se klas-aksie, net soos die 90km ultra maraton, nie tot 'n einde kom nie, bring die verskeie aanslae van die teenkant waarin die HSAG suksesvol was hoop, net soos 'n atleet vol hoop en verligting is na elke suksesvolle afsnypunt oorgesteek word.

In die HSAG maraton, is die HSAG geseënd deurdat die HSAG 'n massiewe span is wat saam aan die wedloop deelneem en mekaar kan aanmoedig en bystaan om nie op te gee voor die wenstreep oorgesteek word nie. Die span kan egter net soveel van sy spanlede saamsleep voor die hele span benadeel sal word en uiteindelik verhoed sal word om binne die vereiste tyd die verskillende fases te voltooi. HSAG spanlede wie nie die gemeenskaplike doelwit ondersteun nie, trek dus die hele span terug en verhoed dat goeie vordering gemaak kan word.

As die bene "Nee!" sê, sê die span wat saam hardloop "Ja!". Net so sê die HSAG "Ja!" elke keer as die teenkant en sy ondersteuners "Nee!" sê. Vreemdes sal mekaar optel en oor die wenstreep dra. Dit is egter so dat, indien jy nie jou hand uitsteek sodat iemand jou kan optel nie, jy agter gaan bly lê in die stof. So sal dit in die HSAG se geval wees. Daar waar ouers nie meer kan verder nie, sal hulle hul hande moet uitsteek na hul families, vriende en spanmaats om hul te help en aan te por om oor

die wenstreep te kom. Dit is onmoontlik om van die HSAG regspan te verwag om hierdie rol te vervul.

Alhoewel die maraton as 'n span gehardloop word, is elke individuele lid van die span verantwoordelik daarvoor om te verseker dat sy bene nie lam raak nie, en dat daar genoegsame energie en vermoë is om die wenstreep oor te steek. Soos met enige wedloop, sal daar altyd deelnemers en buitestanders wees wat wil seëvier om atlete te sien misluk, en daardie mense sal selfs 'n voetjie uitsteek net om te sien hoe 'n toegewyde atleet val en sy span in die steek laat.

Net soos die Comrades Maraton, is die HSAG se klas-aksie 'n geskiedkundige gebeurtenis, en het die HSAG die geleentheid om toegang tot geregtigheid te bevorder vir 'n kwesbare groep mense wat tot ander se voordeel benadeel is. Die gees van die Comrades Maraton, maar so ook van die HSAG, word gekenmerk deur kameraderie, onbaatsugtigheid, toewyding, vasberadenheid, deursettingsvermoë en ubuntu.

Die HSAG Bestuur en sy lede neem hand-aan-hand deel aan hierdie wedloop, en ons daag u uit om saam met ons "Ja!" te sê, wanneer die bene lam en die asem min word. Kyk na die hoeveelheid spanlede wat nog saam hardloop en deelneem aan die wedloop. Wil jy uithou, of wil jy in die stof bly lê?

3. KORT ANTWOORD OP HSBF NUUSBRIEF VAN 7 AUGUSTUS 2019

Die Hoëveld Sindikasie Beleggers Forum ("HSBF") het onlangs 'n nuusbrief gestuur aan "Alle Beleggers – Finansiële Adviseurs", om hul te oorreed om die "aandele opsie – Accelerate Property Fund" te oorweeg.

Die HSBF en sy bedrywighede is duidelik net 'n rookskerm wat gebruik word en daarop gemik is om sekere individue ten koste van ander onskuldige persone te bevoordeel.

Die HSAG het al paar navrae in verband met die nuusbrief ontvang en wil kortliks as volg antwoord daarop:

Vanaf 2016 het die HSAG volledig met die stigting van die HSBF, sy befonders sowel as die sogenaamde "Bestuurskomitee", wat bestaan uit Mnr. Helgard Hancke ("Hancke"), gehandel, en is nie van voorneme om verder kosbare tyd te mors om dieselfde hierin te herhaal nie. Dit verdien egter om genoem te word dat die HSBF duidelik befonds word deur Georgiou en gedryf word deur Hancke, 'n eertydse vertroude HSAG Bestuurslid. Hancke het destyds in die geheim die belange van Georgiou gedien terwyl hy 'n lid van die HSAG Bestuur was. Vir gerief word u verwys na die HSAG se webtuiste by www.hsaction.co.za.

Die geskiedenis en HSAG oorwinnings spreek vir sigself en die HSAG is nie van voorneme om hierin daarop te reageer nie. Daarbenewens word die vereistes en prosesse verwant aan likwidasies deur wetgewing voorgeskryf, en die HSAG was nog nooit van voorneme om bestaande wetgewing te hervorm nie. Indien Georgiou se entiteite insolvent is, kan enigiemand, selfs buite die HSAG, 'n aansoek om likwidasie bring. In werklikheid is Georgiou en die Besigheidsreddingpraktisyn ("BRP"), Hans Klopper, wetlik verplig om 'n aansoek om likwidasie te bring indien gemelde

maatskappye onder insolvente omstandighede handel dryf of die besigheidsredding nie werk nie.

Ongelukkig vermy Hancke opsetlik die werklike kwessies wat op die spel is. Eerstens ignoreer hy die R4.6 miljard wat van Georgiou en andere geëis word. Sy aantyging dat die HSAG se prokureurs van rekord R46 miljoen gefaktureer het sou gefaktureer het is blote spekulاسie en loutere onsin. Dit is sonder enige basis. Die HSAG konsep is eenvoudig: die regsman en ander persone word slegs betaal vir werk reeds gedoen en trustopvragings word van tyd tot tyd gebaseer op werk asook werklike betalings ontvang. Danksy die ekonomie van skale en die groot hoeveelheid HSAG lede, was die opvragings vir lede bydrae tot dusver nominaal. Selfs al was Hancke reg (wat nie die geval is nie) kom dit neer op slegs 1% van die R4.6 miljard wat deur die HSAG geëis word. Dit lei noodwendig tot die ernstige vraag of Hancke en sy meelopers werklik ernstig en bekommerd is oor wat geword het van die ander 99% van die HS beleggers se miljarde wat geëis word?

Tot dusver was die HSAG, sy bestuur en regsman onvoorwaardelik lojaal teenoor HSAG lede. Desnieteenstaande, het die tyd ongelukkig nou aangebreek waar daardie persone wie nie hul finansiële ondersteuning lewer nie, 'n ernstige besluit sal moet maak of hulle deel wil wees van die litigasie teen Georgiou en ander, al dan nie. Hierdie is in lyn met opbetaalde lede, wie voel dat hul sover die proses teen Georgiou en ander vorentoe moes dryf tesame met die regsman terwyl ander persone nie hul kant gebring het nie.

Die befondsingsmodel van die HSAG was nog altyd gebaseer op 'n Groepsledebefondsing-model en sal dit nie in die voorsienbare toekoms verander nie. Die gemiddelde eis van beleggers in die HS maatskappye is R250 000. Inaggenome voormelde, het die HSAG egter steeds oor die afgelope vyf jaar (nieteenstaande die feit dat slegs 15% van lede opbetaald was), minder as 0.75% van die gemiddelde eis jaarliks van sy lede opgevra.

Dit is daarom vir die HSAG-lede noodsaaklik om te besluit of hulle wil en/of kan voortgaan met die litigasie teen Georgiou en ander, al dan nie. Die HSAG het nog nooit enige beloftes teenoor sy lede gemaak ten aansien van die hofprosesse of uitkoms daarvan nie, maar sal voortgaan om 100% van hul eise, tesame met rente en koste, te eis. Hierdie voorneme sal spesifiek van toepassing wees op alle opbetaalde lede, ongeag daarvan of hulle in HS 21 en/of HS 22 belê het.

4. UIT DIE PEN VAN 'N BELEGGER

Die HSAG neem die vrymoedigheid om 'n uittreksel uit die volgende insiggewende skrywe wat die HSAG vanaf 'n belegger ontvang het, te publiseer.

“South African jurisprudence in respect of class actions is still in its infancy. Consequently, the courts still have much to clarify in relation to the regulation of class actions. How the courts choose to regulate class actions – which, absent legislative intervention, is likely to develop in a *slow and ad hoc* manner – will ultimately determine the utility of this new procedure within the South African legal system. It is hoped that our courts will do everything within their powers to ensure

access to justice for litigants in a variety of matters who, absent this adjectival innovation, would face significant, and potentially insuperable, challenges.

The courts, having given birth to class actions, are now responsible for their development. American academics have noted that to some the class action has been viewed as ‘a Frankenstein monster, while to others it is revered as a knight in shining armour’. In South Africa there is no doubt that the private class action has been birthed in hope (under the banner of access to justice) to be a knight in shining armour. The courts will nevertheless need to be diligent to ensure that it fulfils its promise and does not morph into a Frankenstein monster. We are confident that our courts will take to this task with aplomb, since the Constitutional Court has made plain that courts, while retaining control of the procedure, must embrace the class action as one of the tools available to litigants to place disputes before them.”

Na aanleiding van bogenoemde uittreksel uit die boek **CLASS ACTION LITIGATION IN SOUTH AFRICA** (Max du Plessis, John Oxenham, Isabel Goodman, Luke Kelly & Sarah Pudifin-Jones, 2017:44) wat ek as ‘n geskenk gekry het, verstaan ek nou beter waarom daar altyd in die nuusbriewe verwys word na hierdie “**maraton**” **resies** en “**geskiedenis maak**” waarmee ons lede as ‘n groep beleggers oor ons saak ingelig word. Ek verstaan ook nou beter waarom die teenkant soveel dinge in ons pad gegooi het en dat die Regters, juis omdat hul alles as nuut ervaar, soms die voordeel van die twyfel aan die opposisie gee, en oor daardie besluite rek hierdie saak so uit.

My hoop is dus dat die Regter nou, met hierdie volgende versnelde saak, slimmer geraak het uit die verlore 5 jaar se los en vas *gee die voordeel van die twyfel* aan die opposisie geleer het nou die hamer gaan neerslaan om die vertragings taktieke in die bek te ruk.

Ek is en sal altyd voor in hierdie koor sing! Ek sal baie graag wil sien dat ons almal ons geld terug kry.

Sterkte met jul (ons) saak.

Groetnis.

Sunette du Plessis
(Belegger in HS 19 & 21)”

5. SO BERIG DIE MEDIA OOR DIE PICVEST-BELEGGINGS – DEEL 3

‘n Finansiële joernalis van Moneyweb het ‘n reeks artikels geskryf oor die Picvest-saga.

Die gemelde artikels gee vir lesers ‘n goeie agtergrond en begrip oor presies wat oor tyd gebeur het in die Picvest-saga, sedert Georgiou betrokke geraak het.

In die volgende paar HSAG-Nuusbriefe gaan ons, soos in die afgelope twee Nuusbriefe, steeds voort om kort en bondige opsommings van die artikels te gee, maar ons wil u graag uitnooi om die artikels, wat op die amptelike HSAG-webblad by www.hsaction.co.za verskyn, te lees.

DEEL 3 van die reeks artikels: “The peculiar case of the Picvest billions: Part 3” gaan voort om die ingewikkelde geskiedenis van die Hoëveld Sindikasie (HS) skemas sedert hul ontstaan te verduidelik.

Die waardasie van die 78 eiendomme wat gesindikeer is aan 18 000 beleggers vir R4.6 miljard deur die HS maatskappye is omstrede sedert die skemas misluk het in 2011.

Tydens Moneyweb se (volg-die-geld) ondersoek na die verkooptransaksies en waardasies van die eiendomme, was noemenswaardige uiteenlopende waardasies gevind wat aggressief gesny is toe die HS maatskappye in besigheidsredding geplaas is in 2011, sowel as toe die Artikel 155-Reëlinskema (“Reëlinskema”) in werking gestel is in 2013.

Die Moneyweb ondersoek het die sindikasie waardasies van ‘n totaal van 46 van die 78 eiendomme vergelyk met die eiendomme wat voorkom in die besigheidreddingsplan (BRP), en is bevind dat die waardasies van dié eiendomme verminder is met ‘n gemiddeld van 40%. In sommige gevalle is die waardasies van individuele eiendomme met soveel as 80% verminder.

46 eiendomme is deur Pickvest bemark aan beleggers vir R3,2 miljard as deel van die HS 15 tot HS 22 sindikasies. Aangesien die sindikasies oor-verkoop was, is dit ook die bedrag wat die beleggers vir die eiendomme betaal het. Tydens die plasing van die HS maatskappye in besigheidsredding, is die eiendomme egter gewaardeer vir slegs R2 miljard. Dit is ‘n yslike R1,2 miljard of 38% minder as die oorspronklike waardasies.

Dit is belangrik om daarop te let dat die waardasies wat in die besigheidreddingsplan gebruik was, beïnvloed was deur die internasionale finansiële krisis, maar die omvang van hierdie impak is onduidelik aangesien die eiendomme nie onafhanklik waardeur was nie. Hierdie waardasies kon beïnvloed word deur die verkoop van sommige gedeeltes van hierdie eiendomme.

Moneyweb het vrae gerig aan Georgiou, asook die Besigheidsreddingpraktisyn (“BRP”), Hans Klopper, maar het geen antwoord daarop ontvang ten tyde publikasie van die Moneyweb artikel nie.

Oorwaardering verhoed ‘n eiendom se vermoë om hoë opbrengste te lewer:

Die oorwaardering van ‘n eiendom beteken dat die eiendom nie in staat is om die inkomste te genereer wat benodig word om hoë opbrengste aan eienaars te lewer nie. Indien ‘n eiendom gewaardeer is vir R1 miljoen, en byvoorbeeld ‘n netto inkomste van R100 000 genereer, sal dit 10% opbrengs lewer. Maar, indien dieselfde eiendom vir R2 miljoen gewaardeer is, en steeds net ‘n R100 000 opbrengs lewer, sal die opbrengs val na 5%.

Dit is relevant binne die konteks van die HS maatskappye waar opbrengste van tussen 10% en 12% aangebied is, en as die eiendomme oorwaardeer is, sal die eiendomme nie die beloofde opbrengste kan lewer nie. Oor-waardering kon dus bygedra het tot die HS maatskappye se finansiële moeilikheid.

Amptelike waardeerder:

Carl Nel, die amptelike waardeerder van die HS Maatskappye se eiendomme, het ontken dat sy waardasies opgeblaas is. Hy het gesê dat sy waardasies vir die eiendomme in HS15 tot 18 gebaseer was op 'n inkomste-gebaseerde metode deur die gebruik van geouditeerde syfers. Nel het ook die eiendomme in HS19 tot 20 gewaardeer op finansiële syfers wat geverifieer en geudit is, terwyl Georgiou, en ententeite verwant aan hom, ook die hoof-huur en terugkoop-ooreenkomste (buyback) geteken het as waarborg.

Nel het ontken dat hy ooit individuele waardasies verskaf het vir die eiendomme gesindikeer in HS 21 en 22, en het gesê dat hy net die totale eiendomsportefeulje gewaardeer het vir hierdie sindikasies. Hy het bygevoeg dat hy nie die inkomste-waardasiemetode vir die eiendomme in HS 21 & 22 kon gebruik nie, en dat die Hoof-uitvoerende Beampte van Picvest van daardie tyd, Derik Reichel, hom "beveel" het, om die portefeuljes te waardeer op grond van die hoof-huur ooreenkomste en die terugkoop-waarborg, aangesien geouditeerde syfers glad nie beskikbaar was nie.

Nel het ook later sy amptelike waardasies vir HS21 en 22 onttrek toe Picvest nie aan sy voorwaarde (in terme waarvan die hoof-huur en terugkoop-ooreenkomste gepubliseer moet word in die prospektusse, ten einde makelaars en adviseurs die geleentheid te gun om die risiko op te weeg voor 'n besluit geneem word) voldoen het nie.

Sindikasie en besigheidsredding waardasies:

Die verskillende waardasies verwant aan die individuele eiendomme gelys in die tabel (soos verskyn op die HSAG webtuiste), was verkry van die oorspronklike sindikasie waardes gepubliseer in die HS prospektusse en van die besigheidreddingsplan . Ongelukkig was die bron van die besigheidsredding waardasies nie geopenbaar in die besigheidreddingsplan nie. Die BRP, Klopper, het in die besigheidreddingsplan aangedui dat hy nie genoegsame tyd gehad het om die waardasies te bekom nie, en dat dit te duur sou wees. Hy het egter gesê dat die geopenbaarde waardasies vroeër in 2011 voltooi is, 'n paar maande voor die HS maatskappye in besigheidsredding geplaas is. Klopper het nie gereageer op vrae in verband met die bron van die waardasies nie.

Interessant, is dieselfde besigheidsredding waardasies gebruik in die Reëlinskema wat Orthotouch gevestig het as die reddingsvoertuig vir HS beleggers. Die Reëlinskema dokument dui egter aan dat die waardasies gedoen is in Mei 2011 deur die HS maatskappye. Die werklike waardeerder van die eiendomme is weereens nie geopenbaar nie.

Rente is egter betaal aan beleggers op grond van die oorspronklik sindikasie waardes.

Vergelyking van waardasies:

Die vergelyking van die sindikasies en besigheidreddingsplan waardasies van die 46 eiendomme word op die HSAG webtuiste aangedui.

Eiendom naam	HS prospektus waardasie	BRP waardasie	Waardasie verskil
1 Key Largo (HS15)	R 36 885 000,00	R 38 969 472,00	R 2 084 472,00
2 Safeside Autocity (HS15)	R 17 500 000,00	R 16 248 248,00	R (1 251 752,00)
3 Cascades (HS16)	R 30 170 000,00	R 14 424 350,00	R (15 745 650,00)
4 Eden Terrace (HS16)	R 51 930 000,00	R 33 937 036,00	R (17 992 964,00)
5 Rock Cottage (HS16)	R 48 135 000,00	R 67 908 760,00	R 19 773 760,00
6 Waterford (HS16)	R 50 945 000,00	R 41 774 724,00	R (9 170 276,00)
7 Southdale (HS17)	R 205 560 000,00	R 164 192 090,00	R (41 367 910,00)
8 12 Main Ave, Melville (HS18)	R 12 000 000,00	R 4 193 485,00	R (7 806 515,00)
9 14 Main Ave, Melville (HS18)	R 16 000 000,00	R 6 985 733,00	R (9 014 267,00)
10 5 Main Ave Melville (HS18)	R 14 000 000,00	R 6 221 658,00	R (7 778 342,00)
11 7 Main Ave, Melville (HS18)	R 16 000 000,00	R 15 063 242,00	R (936 758,00)
12 9-11 Main Ave, Melville (HS18)	R 42 000 000,00	R 28 221 291,00	R (13 778 709,00)
13 Absa Witbank (HS18)	R 15 100 000,00	R 7 727 273,00	R (7 372 727,00)
14 Beacon Isle (HS18)	R 26 150 000,00	R 22 077 664,00	R (4 072 336,00)
15 Eshowe Mall (HS18)	R 58 800 000,00	R 107 013 484,00	R 48 213 484,00
16 Basil Green (HS19)	R 50 234 939,00	R 30 565 369,00	R (19 669 570,00)
17 Corporate Park (HS19)	R 45 342 479,00	R 20 308 704,00	R (25 033 775,00)
18 Highway Gardens (HS19)	R 47 371 363,00	R 31 612 125,00	R (15 759 238,00)
19 Leaping Frog (HS19)	R 177 005 830,00	R 140 330 188,00	R (36 675 642,00)
20 Meschape (HS19)	R 45 469 800,00	R 30 213 569,00	R (15 256 231,00)
21 Spar Plaza Potgietersrus (HS19)	R 39 541 661,00	R 27 776 318,00	R (11 765 343,00)
22 Storegate (HS19)	R 44 635 758,00	R 34 992 762,00	R (9 642 996,00)
23 Wilropark (HS19)	R 18 020 871,00	R 8 802 344,00	R (9 218 527,00)
24 Absa Brakpan (HS20)	R 28 549 761,00	R 16 758 791,00	R (11 790 970,00)
25 Banbury Cross Village (HS20)	R 84 436 933,00	R 57 401 110,00	R (27 035 823,00)
26 Blairgowrie Plaza (HS20)	R 165 105 061,00	R 85 190 358,00	R (79 914 703,00)
27 East Lynne (HS20)	R 43 807 792,00	R 34 971 264,00	R (8 836 528,00)
28 Flora Office Park (HS20)	R 116 717 658,00	R 82 874 725,00	R (33 842 933,00)
29 Game Centre – Paarl (HS20)	R 29 836 655,00	R 29 609 556,00	R (227 099,00)
30 ILO House (HS20)	R 11 485 842,00	R 10 745 622,00	R (740 220,00)
31 Markinor House (HS20)	R 26 823 638,00	R 19 273 110,00	R (7 550 528,00)
32 Nedcor Building – Germiston (HS20)	R 31 478 436,00	R 12 768 975,00	R (18 709 461,00)
33 Standard Bank Building – Nelspruit (HS20)	R 36 236 384,00	R 26 065 755,00	R (10 170 629,00)
34 Wonderboom Plaza (HS20)	R 30 120 783,00	R 21 413 660,00	R (8 707 123,00)
35 Glen Gables (HS21)	R 200 722 759*	R 59 613 263,00	R (141 109 496,00)
36 Highveld Centurion (HS21)	R 141 879 018*	R 63 781 147,00	R (78 097 871,00)
37 Pembury Retirement Lodge (HS21)	R 234 998 813*	R 44 150 490,00	R (190 848 323,00)
38 The Mill House (HS21)	R 64 023 288*	R 28 198 960,00	R (35 824 328,00)
39 Tyger Manor (HS21)	R 44 955 000*	R 55 178 176,00	R 10 223 176,00
40 Vaal Sanitaryware (HS21)	R 63 440 989*	R 27 307 120,00	R (36 133 869,00)
41 1 Charles Crescent (HS22)	R 206 342 421*	R 107 044 630,00	R (99 297 791,00)
42 10 Charles Crescent (HS22)	R 36 680 366*	R 19 547 978,00	R (17 132 388,00)
43 9 Charles Crescent (HS22)	R 68 856 123*	R 30 324 040,00	R (38 532 083,00)
44 Cell C (HS22)	R 216 082 357*	R 127 923 588,00	R (88 158 769,00)
45 Ethos (HS22)	R 115 502 957*	R 59 168 700,00	R (56 334 257,00)
46 Primovie Park (HS22)	R 110 175 458*	R 75 283 500,00	R (34 891 958,00)
	R 3 217 056 195	R 1 994 1	R (1 222 901 788,00)

*Bovermelde bedrae is nie die amptelike waardasie van Carl Nel nie. Nel het nie die eiendom mark via HS 21 en HS 22 individueel waardeer nie, maar dit as 'n kollektief baseer op die hoof-huurooreenkomste.

Amptelike waardeerder het kommer uitgespreek:

Nel se bewering dat hy die eiendomme in die sindikasie as 'n kollektief waardeer het en nie individueel nie, is interessant, aangesien die prospektusse waardasies van die individuele eiendomme openbaar.

Die prospektusse van HS 21 en 22 bevat elk 'n tabel wat die bedrae weerspieël wat Picvest blykbaar "betaal" het om die eiendomme te bekom. Die tabelle dui ook aan dat hierdie aankoop bedrae 'n 11% winsopslag ingesluit het, en dat die totaal van hierdie bedrae geag was om die waardasies van die eiendomme te wees. Dit was daarom nie gebaseer op 'n inkomste-waardasiemetode nie.

Desnieteenstaande reflekteer die tabelle die kollektiewe waardasie van die eiendomme as dieselfde bedrag as wat Nel se getekende waardasie sertifikate aandui.

Dit is onduidelik op welke basis die waardasies van die eiendomme inderdaad gemaak was, aangesien die titelaktes van die eiendomme aandui dat Picvest nooit die eiendomme bekom het nie.

Dit is interessant dat Nel se waardasiesertifikaat aandui dat sy waardasie gebaseer was op 'n hoof-huurooreenkoms, terwyl die HS 22 prospektus nie enige verwysing na sulke ooreenkoms bevat nie.

Individuele transaksies wat die oorwaardasie aandui:

Daar is vier eiendomme wat uitstaan in die tabel wat die sindikase en besigheidsredding waardasies vergelyk.

Al vier eiendomme was gesindikeer, of verkoop aan beleggers, in 2009 as deel van HS 21 en 22 vir R784 miljoen. Twee jaar later het die besigheidreddingsplan die eiendomme waardeer teen slegs R275 miljoen, of 35%, van die aanvanklike sindikase waardes.

Dié eiendomme is Glen Gables (HS 22), Charles Singel 1 (HS22) en Highveld Centurion (HS21).

Glen Gables:

Nog 'n voorbeeld is die Glen Gables inkopiesentrum in Pretoria-Oos.

Dié sentrum was suksesvol gesindikeer in 2009 as deel van HS 21 met die tabel in die prospektus wat 'n waarde van R200 miljoen aandui. In 2011 het die besigheidreddingsplan die eiendom teen R59.6 miljoen waardeer. Die titelakte van Glen Gables toon aan dat Picvest nooit die eiendom bekom het nie en dat dit nie oorgedra is aan HS21 nie. Dit is dus onduidelik wat geword het van die R200 miljoen wat beleggers betaal het.

Die titelakte dui aan dat Zephan die eiendom gekoop het van 'n Sharemax maatskappy in 2006 vir R59 miljoen. Zephan het toe die eiendom in 'n rug-aan-rug transaksie verkoop aan Orthotouch in 2013 vir R123 miljoen en dit toe onmiddellik aan Accelerate Property Fund Ltd verkoop vir R32.5 miljoen – skaars 16% van die oorspronklike sindikase waarde van R200 miljoen.

Georgiou se seun Michael is die Hoof-uitvoerende beampste van Accelerate.

Highveld Centurion:

Hierdie eiendom is gesindikeer in 2010 as deel van HS 21 vir R141.9 miljoen. Die besigheidreddingsplan waardasie was slegs R63.7 miljoen, minder as helfte van die oorspronklike sindikase waarde. Zephan het die eiendom verkry in 2006 vir R39.8 miljoen, en in 2013 verkoop aan Orthotouch vir R132 miljoen, wat dit dadelik verkoop het aan Accelerate vir R43.5 miljoen. Accelerate het die eiendom in 2015 verkoop vir R57 miljoen.

Charles Singel 1:

Dieselfde patroon het homself herhaal by Charles Singel 1, 'n eiendom in Eastgate, Johannesburg.

Die eiendom is in 2009 gesindikeer as deel van HS22 vir R206 miljoen. 'n Jaar later het die besigheidreddingsplan die eiendom waardeer teen R107 miljoen, helfte van die sindikasie bedrag was beleggers betaal het.

Die titelakte dui aan dat Zephan die eiendom in 2006 aangekoop het vir R41 miljoen, en dat dit nooit oorgedra is na HS 22 na die suksesvolle sindikasie nie. In 2013 het Zephan die eiendom verkoop aan Orthotouch vir R216 miljoen; Orthotouch het dit toe onmiddellik verkoop aan Accelerate vir R110 miljoen.

Moneyweb het weereens vrae gerig aan Georgiou en Klopper, maar hul het versuim om te reageer of om antwoorde te gee ten tyde publisering van die artikel.

***Vertaal en verkort**

Kyk gerus uit vir **DEEL 4** van die reeks in die volgende HSAG-Nuusbrief.

6. HUIDIGE STAND VAN SAKE**6.1 Versnelde Sertifikasie Aansoek (HS 21 & 22)**

Die Aansoek vir Sertifisering van HS 21 & 22 word in twee dele aangehoor, naamlik:

- Gedeelte A – Waar die HSAG suksesvol vir die Hof gevra het om 'n bevel, wat bepaal het dat Georgiou en Ander nie Opponerende verklarings hoef te liasseer nie, te wysig sodat die saak kan voortgaan.
- Gedeelte B – Waar die HSAG die Aansoek bring vir die Sertifisering van 'n klas-aksie vir HS 21 & 22.

Sukses in voormelde sertifisering sal ongetwyfeld ook tot voordeel van die ander HSAG-lede wees, omdat 'n Hof dan 'n klas sal sertifiseer asook oor die meriete van daardie sake sal beslis wat op sy beurt weer momentum aan die HSAG en sy lede sal gee.

Georgiou het op 1 Julie 2019 'n ongetekende Antwoordende Verklaring op die HSAG beteken.

Op 8 Julie 2019 het die HSAG regspraak 'n skrywe vir Georgiou se regspraak gestuur en hul meegedeel dat die HSAG nie sy ongetekende verklaring aanvaar nie. Op 12 Julie het Georgiou se prokureurs sy getekende verklaring op die HSAG se prokureurs per e-pos beteken.

Die HSAG het, op datum hiervan, reeds sy Repliserende Verklaring op Georgiou en Ander beteken.

Die Aansoek vir Sertifisering word aangehoor vanaf 11 tot 15 November 2019. Sien asseblief punt 6 van die HSAG Nuusbrief wat handel oor belangrike datums.

Die HSAG se Kennisgewing van Mosie, asook die verklarings ter ondersteuning van die Kennisgewing van Mosie, is op die HSAG se webblad by www.hsaction.co.za geplaas en ons nooi u uit om dit deur te lees.

6.2 Beleggers met eise in HS 15 tot 20

Die HSAG gaan nog steeds voort met stappe om hierdie beleggers se eise af te dwing. Tydsberekening en die ondersteuning deur die HSAG-lede is egter van kardinale belang om sukses te behaal en momentum te behou.

Al is die partye in litigasie dieselfde, berus die eisoorstake van HS 15 tot 20 breedweg op ander feite, omstandighede en regsbeginnels. Byvoorbeeld, onder andere ook bedrog en wanvoorstellings (deliktuele eise) teenoor die kontraktuele eise in HS 21 & 22.

Beleggers in HS 19 tot 20 se eise is reeds ingestel deur middel van die Sertifikasie-Aansoek en hierdie aansoek stuit die verjaring van eise.

Tot op datum was dit nog nie nodig om beleggers in HS 15 tot 18 se eise in te stel deur middel van die Sertifikasie-Aansoek nie aangesien verjaring, op advies van ons advokatuur, nog nie ter sprake is nie.

Ten einde kostes te bespaar sal die Sertifikasie-Aansoek van HS 15 tot 18 derhalwe uitgereik en beteken word sodra die HSAG se advokatuur adviseer dat dit gedoen word. Die HSAG beplan dus sy prioriteite fyn en werk sistematies daarvolgens.

Die HSAG is steeds van voorneme om die Reëlinskema tersyde te stel. Ten einde die proses te bespoedig het die HSAG op 9 Mei 2019 'n skrywe aan Regter Weiner (die Saakbestuurder in die Hooggeregshof in Johannesburg) gestuur ten einde aanwysings te vra ten aansien van die lewering van Antwoordende Verklarings deur mnr Georgiou en Andere.

Georgiou se prokureurs van rekord het daarna bevestig dat Georgiou voor of op 30 Julie 2019 hul Antwoordende Verklaring ten opsigte van die HSAG se Aansoek vir Tersydestelling van die Reëlinskema sal beteken en liasseer. Hiervan het egter dadels gekom.

Die HSAG het op datum hiervan nog nie enige Antwoordende Verklarings ontvang nie.

Regter Weiner het tot onlangs opgetree as 'n Regter van die Hoogste Hof van Appèl en word 'n aansoek eers verwag wanneer haar termyn daar afgeloop is.

Orthotouch se prokureurs het dieselfde datum aangewys, maar het meer as drie weke na die afsny datum ook nog nie hul onderneming gestand gedoen nie.

Of tot tyd en wyl is Orthotouch in terme van die Reëlinskema verplig om maandelikse rente aan HS-beleggers te betaal, maar doen dit nie. Georgiou is dus tans besig om die Reëlinskema te minag.

6.3 Aansoek om as vriend van die Hof toe te tree in die Noormahomed Appèl Aansoek

Die HSAG is steeds van voorneme om as vriend van die hof toe te tree in die Noormahomed-appèl aangeleentheid in die Hoogste Hof van Appèl ("HHA") te Bloemfontein. Soos voorheen berig is die uitkoms daarvan van belang vir HS 21 & 22 lede, aangesien die uitspraak waarteen Georgiou appelleer bepaal dat die terugkoopklousules bindend en afdwingbaar is ten spyte van die Reëlinskema wat as verweer deur Georgiou geopper is.

Die aansoek om toe te tree as vriend van die Hof is reeds beteken en by die HHA ingedien.

Die HSAG het op 22 Julie 2019 'n Opponerende Verklaring van Georgiou ontvang in terme waarvan hy die HSAG se toetrede as vriend van die Hof opponeer.

Op advies van die HSAG advokatuur, het die HSAG op 15 Augustus 2019 'n Repliserende Verklaring by die HHA geliasseer vir die Hof se verdere oorweging om die aansoek om toe te tree as 'n vriend van die Hof toe te staan, al dan nie.

Sou die HSAG se Aansoek suksesvol wees, sal die HSAG (as 'n vriend van die Hof) Hoofde van Betoog kan lewer en ook die geleentheid gegun word om die Hof toe te spreek.

6.4 Aansoek om Tussenbeidetrede

'n Opponerende Verklaring is op 6 Junie 2019 op Van der Sandt se prokureurs van rekord beteken.

Die HSAG oorweeg om Regter Tolmay, die saakbestuurder in die Hooggeregshof in Pretoria, te nader ten einde Aanwysings te vra ten aansien van die Aanhoor van Van der Sandt se Aansoek.

Indien die HSAG suksesvol sou wees met die opponering van Van der Sandt se nuutste Aansoek vir Tussenbeidetrede in die Aansoek vir Sertifisering van HS 21 & 22, sal ons vir die Hof vra om 'n bestawwende kostebevel teen haar toe te staan.

Die HSAG se Opponerende Verklaring is op die HSAG webblad beskikbaar by www.hsaction.co.za en ons versoek u vriendelik om die Verklaring te lees.

7. VYF REDES WAAROM HSAG-LEDE OPBETAAL MOET WEES

1. Dit is j u eis, dis j u saak

Elke lid van die HSAG, is 'n lid op grond van hul beleggings in die HS maatskappye, en die behoefte om dit wat hul toekom af te dwing. Deur die HSAG te ondersteun, ondersteun jy jou eie belange. 'n Lid se poging om hul bydraes te lewer, en ook om dit getrou te doen, is 'n direkte weerspieeling van daardie lid se graad van erns om die HSAG te ondersteun, en ook 'n aanduiding van 'n lid se behoefte om hul kapitaal terug te eis.

2. Hofsaak en betaling van kostes

Litigasie, veral waar miljarde rande betrokke is, is 'n uiters duur proses, en kan dubbel syfer miljoene rande beloop. Elke enkele rand wat in die HSAG se poel betaal word, word aangewend vir die behartiging van die litigasieproses en aanverwante sake. Soos voorheen genoem, is die ekonomie van skale een van die grootse voordele van 'n groot groep soos HSAG, en maak dit moontlik dat beleggers in die litigasieproses verteenwoordig raak teen 'n veel laer finansiële las. Die finansies van die HSAG het 'n direkte invloed op die vermoë van die HSAG se regspan en advokatuur om die hofprosesse in die beste moontlike manier te behartig.

3. Skikking

Dit is belangrik dat HSAG-lede se bydraes en registrasiekoste op datum is, aangesien dit in ag geneem sal word indien daar weer skikkingsonderhandelinge sou plaasvind. Daar is voorheen aangedui dat lede wie slegs registreer en nie hul bydraes op datum bring nie, moontlik uitgesluit kan word van die outomatiese beskerming van die HSAG sambreel en dus ook uitgesluit sal word van enige toekomstige skikkingsmoontlikhede wat die HSAG beklink.

4. Hande vat bring resultate

Hoe meer vermoënd die HSAG is in getal en syfer, hoe groter is die kans om die hofprosesse vinniger en suksesvol af te handel. Alle HSAG-lede het 'n gemene oogmerk, en veg vir geregtigheid teen 'n gemene teenkant. Die HSAG se momentum word egter bepaal deur sy eenheid, en wanneer almal besef dat hul eintlik dieselfde eindresultaat wil bereik, hande neem en saamtrek, sal die HSAG se stemme sekerlik in die Howe gehoor word.

5. As HSAG-lede saamstem met die bogenoemde vier punte is dit die regte ding om te doen. Indien nodig moet hul die hulp van hul naasbestaendes, vriende en weldoeners bekom ten einde hierdie doelstelling te bereik.

8. **BELANGRIKE DATUMS**

- **30 Junie 2019** - Georgiou het sy Opponerende Eedsverklaring ten aansien van die Aansoek vir Sertifisering van HS 21 & 22 beteken en geliasseer (Pretoria); NB: Ongetekende Dokumente was vanaf Georgiou se regsplan ontvang en was dus nie betyds ingehandig nie. (Ondertekende eedsverklarings was 12 dae laat gelewer wat die HSAG ernstig benadeel.;
- **30 Julie 2019** - Georgiou se prokureurs moes sy Opponerende Verklaring ten aansien van die HSAG se Aansoek vir Tersydestelling van die A155 Reëlinskema beteken en te liasseer (Johannesburg) maar dit het nie gebeur nie;
- **31 Julie 2019** - Die HSAG moes hul Repliserende Verklaring in antwoord op Georgiou se Opponerende Verklaring beteken en liasseer (Pretoria) maar was weens Georgiou se vertraging 'n paar dae laat;
- **15 Augustus 2019** - Die HSAG se prokureurs van rekord het hul Hoofde van Betoog beteken en geliasseer (Pretoria);
- **15 September 2019** - Georgiou se prokureurs van rekord moet hul Hoofde van Betoog beteken en liasseer (Pretoria);
- **11 – 15 November 2019** – Aanhoor van Gedeelte B van die Aansoek vir Sertifisering van HS 21 & 22.

9. **OPVRAGING VIR BYDRAES TOT REGS- EN ADMINISTRASIEKOSTE – 2019**

Die jaarlikse bydrae tot regs- en administrasiekoste wat gehef word bly sedert 2017 onveranderd in 'n bedrag van R2 000.00 per persoon, ongeag die hoeveelheid sindikasies waarin 'n persoon belê het. Daarby is daar sedert 2016 kwytskeldings vir beleggers met kleiner eise.

Die HSAG Bestuur het in lig van die omvang, aard en belang van die eerskomende HS 21 & 22 Aansoek vir Sertifisering in November 2019, besluit om van die dienste van 'n senior advokaat gebruik te maak om die HSAG se Applikante te verteenwoordig. Dit sal die beste moontlike regsverteenvoording vir die HSAG verseker, maar sal vir voor-die-hand-liggende redes die finansiële bystand van die HSAG-lede vereis. Georgiou gebruik regdeur die litigasie proses die dienste van 'n senior advokaat en die huidige besluit is nie ligtelik oorweeg nie.

Die jaarlikse bedrag het, nieteenstaande die geweldige prysstygings die afgelope drie jaar, onveranderd gebly. Die HSAG en sy regsverteenvoordigers doen alles in hul vermoë om die saak so bekostigbaar moontlik te doen. Indien BTW, bankkoste en ander kostes afgetrek word, is die netto bedrag wat beskikbaar is veel minder en is die gemoedsrus waarvoor die HSAG beleggers betaal om te veg vir 100% van hul eise, plus rente, uiteindelik minder as R5 per dag. Die gemiddelde eise per persoon beloop ongeveer R250 000.

10. **ALGEMENE BOEDELNAVRAE**

Indien u algemene boedelnavrae het en die eise van HSAG-lede, is u welkom om 'n e-pos te stuur na hsagestates@gmail.com waarna die HSAG u sal bystaan.

11. OPSKORTING VAN HSAG-LIDMAATSKAP

Tydens 'n vorige vergadering het die HSAG-bestuur besluit dat HSAG-lede wie nie hul **2014 / 2015 registrasiekoste** vóór of op **31 Desember 2018** op datum bring nie, se lidmaatskap aan die HSAG opgeskort kan word na oorweging van die meriete deur die HSAG-bestuur.

Opskorting van lidmaatskap beteken ondermeer dat daardie HSAG-belegger se eis teen Orthotouch/ Mnr. Georgiou straks verjaar het en is dit ook moontlik dat hul van die HSAG se databasis en e-pos adreslys verwyder sal word.

Indien enigeen wat in die bogenoemde kategorie val sy lidmaatskap wil behou en ingesluit wil bly by die klas-aksie, moet hulle dringend met die HSAG by hsagregister@gmail.com in verbinding tree.

LET WEL:

- Lede wie op die e-poslys is, kan spesiaal versoek dat hul name behou word en hul agterstallige betalings op datum bring.
- Die blote feit dat 'n persoon 'n e-pos ontvang, beteken egter nie dat hy/sy sonder meer kwalifiseer om deel te wees van die HSAG klas-aksie nie. Maak dus seker dat u besonderhede akkuraat op die HSAG se sisteme verskyn, dat u wel as 'n lid geregistreer is, en dat u registrasiekoste en bydraes op datum is.

12. GEBRUIK VAN KORREKTE E-POS ADRESSE EN VERWYSINGS

Die korrekte gebruik van e-pos adresse (soos vervat op ons webtuiste en e-posse) asook HSAG-lede se voorletters en van, sindikasiennommers en verwysingsnummers (bv. identiteitsnommer ens.) vir alle kommunikasie, is uiters noodsaaklik en verpligtend.

Die amptelike en bestaande e-pos adresse vir die HSAG, is as volg:

- hsactiongroup@gmail.com vir alle Algemene Navrae (Byvoorbeeld – selfoon of adres veranderinge, betalingsbewyse, kennis van lede wie gesterf het, ensovoorts);
- hsagenquiries@gmail.com vir Spesifieke Navrae (Byvoorbeeld – navrae rakende besonderhede van 'n spesifieke belegger, navrae rakende kwytstelling van 'n spesifieke belegger, ensovoorts);
- hsagregister@gmail.com vir die Registrasie en Deregistrasie van HSAG- lede;
- hsagwhistle@gmail.com vir alle Vertroulike Inligting wat anoniem aan ons gestuur moet word;
- hsagstates@gmail.com vir alle Boedel navrae.

Indien 'n belegger of enige persoon 'n epos na die verkeerde adres sou stuur sal dit daartoe lei dat daardie e-pos nie spoedig of enigsins die nodige aandag geniet nie.

Indien u nie verder enige verdere e-posse wil ontvang nie, stel ons ook asseblief skriftelik in kennis daarvan.

13. HSAG SE AMPTELIKE WHATSAPP-GROEPE

Dit is 'n groot uitdaging om spoedige kennisgewings, nuusbrokkies of belangrike boodskappe aan bykans 7 000 individue oor te dra.

Ons versoek dus HSAG-lede om aan te sluit by die HSAG se amptelike WhatsApp-groepe om kennisgewings, nuusbrokkies of nuusflitse per WhatsApp te kan ontvang.

Deur by een van die HSAG se amptelike WhatsApp-groepe aan te sluit sal u gereeld op hoogte gehou word van die nuutste verwickelinge met betrekking tot u saak.

Stuur bloot u Selfoonnommer; Identiteitsnommer; Volle Naam en Van, na hsactiongroup@gmail.com waarna u op die groepe gelaai sal word.

Direkte kontak kan ook gemaak word met die Administrateurs van die onderskeie WhatsApp-groepe by 079 635 4165 (Afrikaans) en 082 450 8854 (Engels).

Die HSAG het ook 'n amptelike facebook-blad, en kan by www.facebook.com/hsaction besigtig word.

14. LEDE BYDRAES EN REGISTRASIEKOSTE

Ignoreer asseblief hierdie punt indien u registrasie- en regskostes reeds ten volle vereffen is.

Dit is van uiterste belang dat enige uitstaande registrasie- en regskostes so spoedig moontlik op datum gebring moet word.

Let asseblief op die volgende:

- i. 'n Eenmalige registrasiekoste van R1 500 per sindikasie word gehef en behoort so op u staat te verskyn
- ii. Vanaf 2016 was regskoste van R1 000 per sindikasie aangevra;
- iii. Vanaf Mei 2017 was 'n verdere jaarlikse opvraging vir bydraes tot regs- en administrasiekoste van R2 000 per persoon per jaar gemaak;
- iv. In November/Desember 2018 was 'n spesiale opvraging tot regs- en administrasiekoste vir HSAG-lede in HS 21 & 22 van R500 per persoon gemaak;
- v. Lede wie se registrasiekoste agterstallig is loop die gevaar dat hul lidmaatskap by die HSAG opgeskort gaan word;
- vi. Vanaf einde Februarie 2019 word persone wie se totale eiswaarde/ totale beleggingswaarde per persoon R60 000,00 of minder beloop, deur middel van 'n vooraf skriftelike versoek aan die HSAG se prokureurs (hsagenquiries@gmail.com), kwytsgekeld van die 2019 administratiewe- en regskostes, mits hul bydraes op datum is.
- vii. Kwytskelding geskied jaarliks en is nie van toepassing op vorige jare se registrasie / administrasie / regskostes / agterstallige foenie en die spesiale opvraging vir HS 21 & 22 lede nie en is steeds betaalbaar.

viii. Geen registrasie, administratiewe of regsfooie is terugbetaalbaar nie.

Die HSAG geniet die beskerming van 'n regsplan wat bestaan uit prokureurs, junior en senior advokate wat reeds 'n lang pad saam gestap het om voornemende eisers onder die sambreel van die HSAG te beskerm. In die lig van die feit dat die HSAG nou voortgaan met die sertifisering van 'n klas-aksie en die proses wat nou gevolg gaan word ten einde die Reëlinskema tersyde te stel, versoek ons dat al die HSAG-lede hul kant te bring ten einde die aangeleenthede suksesvol af te handel. Almal se samewerking word vereis.

15. STAAT VIR DEELNAME AAN DIE HSAG

Die HSAG en hul prokureurs, Theron & Vennote, wil u graag bedank vir u volgehoue en lojale ondersteuning aan die HSAG. Die HSAG-saak behoort aan elke individuele belegger.

Vind asseblief hiertoe aangeheg u bydraestaat vir u deelname aan die HSAG, let asseblief op die volgende:

- i. Indien geen opvraging ten aansien van registrasie-, regs- of administrasiekoste of 'n krediet op u staat verskyn nie, beteken dit dat u waarskynlik in 'n groep val wat nie geprosesseer en / of geallokeer is nie, en sal dit, indien dit onder ons aandag kom of gebring word, op 'n latere staat verskyn;
- ii. Indien 'n staat 'n kredietbedrag toon, is u 'n geregistreerde lid van die HSAG, maar het ons nog nie u voltooide aansoekvorm ontvang nie. Geliewe die aansoekvorm af te laai vanaf ons webwerf, of rig 'n versoek aan ons daarvoor per e-pos by hsagregister@gmail.com
- iii. Die HSAG-beleggers se inligting wat gebruik word was aanvanklik verkry vanaf die aansoekvorms wat HSAG-lede ingevul het. Indien u aansoekvorm gevolglik foutief, onduidelik of onvolledig is, sal u moontlik geen state of e-posse ontvang nie
- iv. Die verpligting rus op u as belegger om ons op hoogte te hou van enige veranderinge van u persoonlike en/of kontakbesonderhede deur in te skakel of om 'n e-pos te stuur na hsagregister@gmail.com
- v. Weens die voortdurende groot hoeveelheid navrae, registrasies, wysigings van persoonlike besonderhede en allokasies, is dit moontlik dat sommige betalings en/of registrasies nie op die aangehegte Staat sal verskyn nie, maar eers op 'n latere Staat.
- vi. Kliek asseblief op die skakel om na die "Customer Zone" te gaan waar u die opvragings vir registrasie-, regskostes en u betalings kan sien, geoutomatiseerde state word van tyd tot tyd (gewoonlik gedurende 'n maand) uitgestuur word, maar u skakel na die "Customer Zone" sal deurentyd aktief bly en u kan ter enige tyd u betalings en transaksies daarop sien, soos wat dit geallokeer word.

Vriendelike groete

HSAG-Bestuurskomitee

Kontak die HSAG en prokureurs by:

Tel: (021) 887 7877

hsactiongroup@gmail.com



AFRIKAANS HIERBO

MONTHLY NEWSLETTER: AUGUST 2019

This newsletter is addressed to you as a member of the Highveld Syndication Action Group (“HSAG”) on account of you having made an investment in the Highveld Syndication Companies 15-22 and/or support of the HSAG.

This email is confidential and is exclusively meant for the addressee. If you have received it in error/ wrongly, please notify the sender immediately at hsagenquiries@gmail.com and delete it. You may not copy, disclose or deliver any email received in error or any part of it to anyone else. HSAG’s webmaster uses antivirus software to prevent viruses and other malicious code. However, such software cannot prevent or eradicate all such code. The HSAG or its representatives will not be liable for any loss, harm or damage whatsoever arising from receipt or use of this email or otherwise, whether arising through negligence of the HSAG, its members, steering committee, and agents or otherwise.

The www.hsaction.co.za website is the primary place where you will find HSAG information, subject to the disclaimer contained therein (and also applicable hereto), although emails are also sent out from time to time.

The obligation to keep us up to date of any changes to your personal and/or contact details rests on you as HSAG member.

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1. **DIGITAL TIMER – BOOK YOUR SEAT ON THE BUS NOW!**

The HSAG Steering Committee announced in the previous newsletter that a 6-month deadline has been set for all HSAG members to ensure that they will receive maximum benefits from the upcoming court case (HS 21 and HS 22) by, as it were, as well as possible settlement negotiations (HS 15 to HS 22). In class actions in international court cases, it is common for parties to reach a settlement upon the certification of a class, and it the possibility that the parties in this case may negotiate settlement is therefore not excluded. However, the HSAG acts for all its loyal members and would like to make it a prerequisite that Georgiou and others, in such a settlement agreement, not only settle with eligible investors in HS 21 and 22, but also all other faithful and paid up members in HS 15 to 20. That's why it's important to be on the HSAG bus! Read below why it is important to be up to date with your payments and also to avoid disappointment. (You have from 1 September 2019 161 days left to settle your registration costs and outstanding contributions.)

The HSAG attorneys have not been fully paid for their services for years now, but the HSAG Steering Committee would still like to use the best possible legal team (including junior and senior advocates) together with experts. Unfortunately, only a small percentage of members have settled their contributions, but if everyone did their part, the HSAG's war chest would be strong and even drastically reduce annual contributions. Unfortunately, people who do not make their contribution in terms of the HSAG funding model cannot expect to be part of the legal process or any successes flowing from it. The case has been ongoing for five years and everyone already knows if they can or want to be part of the process and therefore the deadline.

In order to help investors with the upcoming Application for Certification in mind as well as possible settlement negotiations, the HSAG has set up a new digital hourglass on the HSAG website. Herein a cut-off date of 31 January 2020 is indicated for members to settle their outstanding contributions and registration fees and there is only 5 months left.

This cut-off date is important as it will be relevant in terms of the "opt-in" dispensation, which will forthwith be supported by the HSAG, to determine which members will automatically be included in the class action (and therefore want to buy a bus ticket), without being required to take additional steps in order to form part of the certified class.

TAKE NOTE:

- In the Notice of Motion the HSAG has, until now, asked the court to follow the so-called "opt-out" method in class actions where persons who do not wish to form part of the class action will have to take positive steps to be excluded from the litigation. Unfortunately, due to various factors, eg. the long time period (5 years), wide publication (printed and digital media, social media and court cases), poor financial support (only about 15% HSAG members paid up) as well as considerations of fairness and reasonableness, the HSAG group funding model no longer supports such dispensation.

- The HSAG Steering Committee therefore instructed the legal team to change the current dispensation to “opt-in”. Essentially, this means that all other persons (other than paid up HS 21 and 22 members who will be automatically included) will have to take positive steps if they wish to be part of the class upon certification thereof.
- This may mean that everyone will have the opportunity to be part of the group action, most likely on payment of a registration fee together with a lump sum that will be taken into consideration with amounts paid by fully paid members over the past 5 years.
- In order to be fair and reasonable towards everyone that still wishes to proceed with the litigation a 6-month grace period is granted to HSAG members to settle their outstanding contributions. This grace period will unfortunately be strictly enforced.
- **THE DEADLINE IS 31 JANUARY 2020 – TIME PERIOD TO SETTLE YOUR CONTRIBUTIONS: 152 DAYS FROM 1 SEPTEMBER 2019.**

2. THE HSAG MARATHON

At a recent meeting, the HSAG Steering Committee described the class action and related process as a marathon comparable to the challenging Comrades Marathon.

The Comrades Marathon is the world's oldest and largest ultra-marathon. It is unique and was a trailblazer in South Africa. It spans an average of 90 km between Durban and Pietermaritzburg. The marathon is divided into stages, as is the litigation process. An athlete participating in the Comrades marathon must complete each phase in a specific time. If an athlete fails to complete the phase in the required time, he/she will drop out of the race.

These ultra-marathons and the dramatic scenes at the cut off points brings to mind humanity and the perseverance we are all capable of. Despite the fact that we are constantly at odds with each other because it feels like the HSAG class action, like the 90km ultra marathon, is not coming to an end, the various onslaughts which the HSAG have successfully dealt with sparks hope, just as an athlete is full of hope and relief as he successfully reaches every cut-off point.

In the HSAG marathon, the HSAG is blessed to have a massive team that participates in the race together and encourages one another not to give up before the finish line is crossed. However, the team can only carry as many of its team members as possible before the entire team will be harmed and eventually be prevented from completing the different phases within the required time. HSAG team members who do not support the common goal thus prevent the entire team from moving forward and making good progress.

If the legs say "No!", The team that run together says "Yes!". Similarly, the HSAG says “Yes!” every time the opposition and its supporters say “No!”. Strangers will pick one another up and carry each other across the finish line. However, if you do not reach out to someone to pick you up, you will be left behind in the dust. So it will be in the case of the HSAG. Where parents can no longer go on, they will have to extend their

hands to their families, friends and teammates to help and encourage them to reach the finish line. It is impossible to expect the HSAG legal team to fulfil this obligation.

Although the marathon is run as a team, each individual member of the team is responsible for ensuring that his legs do not give in, and that there is sufficient energy and ability to cross the finish line. As with any race, there will always be competitors and outsiders who want to see athletes fail, and those people will even trip someone just to see a dedicated athlete fall and let his team down.

Like the Comrades Marathon, the HSAG class action is a historic event, and the HSAG has the opportunity to promote access to justice for a vulnerable group of people disadvantaged to the benefit of others. The spirit of the Comrades Marathon as well as that of the HSAG, is characterised by camaraderie, selflessness, dedication, determination, perseverance and ubuntu.

The HSAG Steering Committee and its members participate hand-in-hand in this race, and we challenge you to say "Yes!" with us when your legs are giving in and you are out of breath. Look at the amount of team members still running and participating in the race. Do you want to persevere, or do you want to be left lying in the dust?

3. SHORT ANSWER TO THE HSIF'S NEWSLETTER DATED 7 AUGUST 2019

The Highveld Syndication Investors Forum ("HSIF") recently sent a newsletter to "All Investors - Financial Advisors" to persuade them to consider the "equity/share option - Accelerate Property Fund".

The HSIF and its operations are clearly just used as a smoke screen aimed at benefiting certain individuals at the expense of other innocent persons.

The HSAG has received a few enquiries in connection with the newsletter and as a result will reply in short as follows:

Since 2016, the HSAG has comprehensively dealt with the founding of the HSIF, its funders as well as the so-called "Steering Committee", which consists of Mr. Helgard Hancke ("Hancke"), and does not intend to waste any precious time repeating the same herein. However, it's worth mentioning that the HSIF is clearly funded by Georgiou and driven by Hancke, a rogue erstwhile HSAG Steering Committee member. At the time, Hancke was secretly serving the interests of Georgiou while he was a member of the HSAG's Steering Committee. For your convenience we refer you to the HSAG website at www.hsaction.co.za.

The history and HSAG victories speak for itself and the HSAG does not intend to respond to that herein. In addition, the requirements and processes related to liquidations are prescribed by legislation, and the HSAG has never intended to reform existing legislation. If Georgiou's entities are insolvent, anyone, even persons outside the HSAG, can apply for liquidation. In fact, Georgiou and the Business Rescue Practitioner (BRP), Hans Klopper, are legally required to bring an application for liquidation if the said companies are trading under insolvent circumstances or the business rescue fails.

Unfortunately, Hancke intentionally avoids the real issues at stake. First and foremost, he ignores the R4.6 billion that is being claimed from Georgiou and others. His allegation that the HSAG's attorneys of record would have billed R46 million is mere speculation and sheer nonsense. It is without any factual basis. The HSAG concept is simple: the legal team and other persons are only paid for work done and trust requisitions which are made from time to time are based thereupon as well as payments actually received. Thanks to the economy of scales and the large number of HSAG members, the requests for membership contributions have been nominal so far. Even if Hancke was right (which is not the case), it amounts to only 1% of the R4.6 billion claimed by the HSAG. This inevitably leads to the serious question of whether Hancke and his fellow operatives are genuinely serious and concerned about what has happened to the other 99% of the HS investors' billions that are being claimed?

To date, the HSAG, its steering committee and legal team have been unconditionally loyal to HSAG members. Nevertheless, unfortunately time has come that those people who do not provide their financial support will have to make a serious decision whether or not they want to be part of the litigation against Georgiou and others. This is in line with paid-up members, who feel that they have had to carry the litigation processes against Georgiou and others forward together with the legal team, while others have failed to do their part.

The HSAG's model of funding has always been based on a group-members-funding model and will not change it in the foreseeable future. The average claim of investors in the HS companies is R250 000. However, taking the aforesaid into consideration, the HSAG's requested annual contributions, over the past five years (despite the fact that only 15% of members were paid up), have been less than 0.75% of the average claim of its members.

Therefore, it is imperative for the HSAG members to decide whether or not they want to proceed with litigation against Georgiou and others. The HSAG has never made any promises to its members regarding the court processes or outcomes, but will continue to claim 100% of their claims, together with interest and costs. This intention will apply specifically to all paid-up members, regardless of whether or not they have invested in HS 21 and / or HS 22.

4. FROM THE PEN OF AN INVESTOR

The HSAG would like to take the liberty of publishing an excerpt from the following informative letter which the HSAG received from an investor.

““South African jurisprudence in respect of class actions is still in its infancy. Consequently, the courts still have much to clarify in relation to the regulation of class actions. How the courts choose to regulate class actions – which, absent legislative intervention, is likely to develop in a slow and ad hoc manner – will ultimately determine the utility of this new procedure within the South African legal system. It is hoped that our courts will do everything within their powers to ensure access to justice for litigants in a variety of matters who, absent this adjectival innovation, would face significant, and potentially insuperable, challenges.

The courts, having given birth to class actions, are now responsible for their development. American academics have noted that to some the class action has been viewed as ‘a Frankenstein monster, while to others it is revered as a knight in shining armour’. In South Africa there is no doubt that the private class action has been birthed in hope (under the banner of access to justice) to be a knight in shining armour. The courts will nevertheless need to be diligent to ensure that it fulfils its promise and does not morph into a Frankenstein monster. We are confident that our courts will take to this task with aplomb, since the Constitutional Court has made plain that courts, while retaining control of the procedure, must embrace the class action as one of the tools available to litigants to place disputes before them.”

Based on the above excerpt from the book **CLASS ACTION LITIGATION IN SOUTH AFRICA** (Max du Plessis, John Oxenham, Isabel Goodman, Luke Kelly & Sarah Pudifin-Jones, 2017:44) that I received as a gift, I now better understand why the newsletters, informing us as investors of the case, always refer to this “**marathon**” and “**making history**”. I also fully grasp why the opposition has thrown so many things our way and precisely because the Judges experience everything as new, they sometimes give the opposition the benefit of the doubt, and consequentially the matter is delayed.

Therefore, my hope is that with this fast track case, the Judge has now become smarter over the past 5 years and will no longer give the opposition the benefit of the doubt and will bring the hammer down and not tolerate any further delaying tactics.

I will always sing this tune! I would love to see all of us get our money back.

Good luck with your (our) case.

Greetings.

Sunette du Plessis
(Investor in HS 19 & 21)”

5. WHAT THE MEDIA REPORTS ON PICVEST-INVESTMENTS – PART 3

A Moneyweb financial journalist wrote a series of articles covering the Picvest saga.

The articles provide readers with a comprehensive background and understanding of the precise events that took place in the Picvest saga, ever since Georgiou became involved.

As in the past two Newsletters, we continue to provide you with a short and concise summary of the articles in the following few HSAG Newsletters. However, we invite you to read the articles on the official HSAG website at www.hsaction.co.za.

PART 3 of the series: “The peculiar case of the Picvest billions: Part 3” proceeds to explain the complicated history of the Highveld Syndication (HS) schemes since its inception.

The valuations of the 78 properties syndicated to 18 000 investors for R4.6 billion through the Highveld Syndication (HS) companies have been contentious since the schemes failed in 2011.

A Moneyweb follow-the-money investigation into the sales transactions and valuations of these properties found significantly divergent valuations that had been aggressively slashed when the HS companies went into business rescue in 2011, as well as when the Section 155 Scheme of Arrangement took effect in 2013.

The Moneyweb investigation compared the syndication valuations of a total of 46 of the 78 properties with those that feature in the business rescue plan (BRP) and found that the valuations of these properties were reduced by 40% on average. In some cases, the valuations of individual properties were slashed by as much as 80%.

Picvest marketed these 46 properties to investors for R3.2 billion as part of the HS 15 to HS 22 syndications. As the syndications were oversubscribed, it is also the amount the investors paid for the properties. However, when the HS companies were put into business rescue, the properties were valued at only R2 billion. This is a whopping R1.2 billion or 38% less than the original syndication valuations.

It is important to note that the valuations used in the BRP were influenced by the international financial crisis. The extent of this impact is not apparent as the properties were not independently valued. These valuations could have been influenced by the selling off of parts of these properties.

Moneyweb sent questions to Georgiou and Business Rescue Practitioner (“BRP”), Hans Klopper, but neither of them provided a response at the time of publication of the Moneyweb article.

Overvaluation restricts a property’s ability to return high yields:

The overvaluation of a property means that the property is not able to generate the income required to pay high yields to its owners. If a property is valued at R1 million, for example, and generates net income of R100 000, it will deliver a 10% return. However, if the same property is valued at R2 000 000 and still only generates R100 000 of income, the yield will drop to 5%.

This is relevant in the context of the HS companies where returns of between 10% and 12% were offered, and if properties were overvalued, the properties would not be able to generate the promised returns. Any overvaluation could, therefore, have contributed to the HS companies falling into financial difficulty.

Official valuer:

Carl Nel, the official property valuer of the HS schemes, denied that his valuations were inflated. He said that his valuations for properties in HS 15 to HS 18 were based on an income-based method using audited figures. Nel also valued the properties in HS 19 and HS 20 on verified and audited financial figures, while Georgiou, and entities related to him, also signed head lease and buyback agreements as a guarantee.

Nel denied that he ever provided individual valuations for the properties syndicated in HS 21 and HS 22, saying that he only valued the total property portfolios for these syndications. He added that he could not use the income valuation method for the properties in HS 21 and HS 22, and that he was “ordered” by Derik Reichel, CEO of Picvest at the time, to value the portfolios based on the head lease agreements and the buyback guarantees as audited figures were not all available to proceed with this method.

Nel also later withdrew his official valuations for HS 21 and HS 22 when Picvest did not adhere to his condition that the full head lease and buyback agreements were to be published in the prospectuses to allow brokers and advisors the opportunity to measure the risk prior to making an investment decision.

Syndication and business rescue valuations:

The different valuations related to individual properties listed in the table below (as will appear on the HSAG’s website) were sourced from the original syndication values published in the HS prospectuses and from the BRP. Unfortunately, the source of the BRP valuations was not disclosed in the BRP. Klopper wrote in the BRP that he did not have sufficient time to procure valuations and that it would have been too costly. He did, however, say that the disclosed valuations were completed earlier in 2011, a few months before the HS companies were put into business rescue. Klopper did not respond to questions to shed light on the source of these valuations.

Interestingly, in the Section 155 Scheme of Arrangement that established Orthotouch as the rescue vehicle for HS investors, the same BRP valuations were used. However, the 155 document states that valuations were done in May 2011 by the HS companies. Again, the actual valuer of the properties was not disclosed.

Interest was however paid to investors on the original syndication values.

Comparison of valuations:

The comparison of the syndication and BRP valuations of the 46 properties is shown on the HSAG’s website.

Property name	HS prospectus valuation	BRP valuation	Valuation difference
1 Key Largo (HS15)	R 36 885 000.00	R 38 969 472.00	R 2 084 472.00
2 Safeside Autocity (HS15)	R 17 500 000.00	R 16 248 248.00	R (1 251 752.00)
3 Cascades (HS16)	R 30 170 000.00	R 14 424 350.00	R (15 745 650.00)
4 Eden Terrace (HS16)	R 51 930 000.00	R 33 937 036.00	R (17 992 964.00)
5 Rock Cottage (HS16)	R 48 135 000.00	R 67 908 760.00	R 19 773 760.00
6 Waterford (HS16)	R 50 945 000.00	R 41 774 724.00	R (9 170 276.00)
7 Southdale (HS17)	R 205 560 000.00	R 164 192 090.00	R (41 367 910.00)
8 12 Main Ave, Melville (HS18)	R 12 000 000.00	R 4 193 485.00	R (7 806 515.00)
9 14 Main Ave, Melville (HS18)	R 16 000 000.00	R 6 985 733.00	R (9 014 267.00)
10 5 Main Ave Melville (HS18)	R 14 000 000.00	R 6 221 658.00	R (7 778 342.00)
11 7 Main Ave, Melville (HS18)	R 16 000 000.00	R 15 063 242.00	R (936 758.00)
12 9-11 Main Ave, Melville (HS18)	R 42 000 000.00	R 28 221 291.00	R (13 778 709.00)
13 Absa Witbank (HS18)	R 15 100 000.00	R 7 727 273.00	R (7 372 727.00)
14 Beacon Isle (HS18)	R 26 150 000.00	R 22 077 664.00	R (4 072 336.00)
15 Eshowe Mall (HS18)	R 58 800 000.00	R 107 013 484.00	R 48 213 484.00
16 Basil Green (HS19)	R 50 234 939.00	R 30 565 369.00	R (19 669 570.00)
17 Corporate Park (HS19)	R 45 342 479.00	R 20 308 704.00	R (25 033 775.00)
18 Highway Gardens (HS19)	R 47 371 363.00	R 31 612 125.00	R (15 759 238.00)
19 Leaping Frog (HS19)	R 177 005 830.00	R 140 330 188.00	R (36 675 642.00)
20 Meschape (HS19)	R 45 469 800.00	R 30 213 569.00	R (15 256 231.00)
21 Spar Plaza Potgietersrus (HS19)	R 39 541 661.00	R 27 776 318.00	R (11 765 343.00)
22 Storegate (HS19)	R 44 635 758.00	R 34 992 762.00	R (9 642 996.00)
23 Wilropark (HS19)	R 18 020 871.00	R 8 802 344.00	R (9 218 527.00)
24 Absa Brakpan (HS20)	R 28 549 761.00	R 16 758 791.00	R (11 790 970.00)
25 Banbury Cross Village (HS20)	R 84 436 933.00	R 57 401 110.00	R (27 035 823.00)
26 Blairgowrie Plaza (HS20)	R 165 105 061.00	R 85 190 358.00	R (79 914 703.00)
27 East Lynne (HS20)	R 43 807 792.00	R 34 971 264.00	R (8 836 528.00)
28 Flora Office Park (HS20)	R 116 717 658.00	R 82 874 725.00	R (33 842 933.00)
29 Game Centre – Paarl (HS20)	R 29 836 655.00	R 29 609 556.00	R (227 099.00)
30 ILO House (HS20)	R 11 485 842.00	R 10 745 622.00	R (740 220.00)
31 Markinor House (HS20)	R 26 823 638.00	R 19 273 110.00	R (7 550 528.00)
32 Nedcor Building – Germiston (HS20)	R 31 478 436.00	R 12 768 975.00	R (18 709 461.00)
33 Standard Bank Building – Nelspruit (HS20)	R 36 236 384.00	R 26 065 755.00	R (10 170 629.00)
34 Wonderboom Plaza (HS20)	R 30 120 783.00	R 21 413 660.00	R (8 707 123.00)
35 Glen Gables (HS21)	R 200 722 759*	R 59 613 263.00	R (141 109 496.00)
36 Highveld Centurion (HS21)	R 141 879 018*	R 63 781 147.00	R (78 097 871.00)
37 Pembury Retirement Lodge (HS21)	R 234 998 813*	R 44 150 490.00	R (190 848 323.00)
38 The Mill House (HS21)	R 64 023 288*	R 28 198 960.00	R (35 824 328.00)
39 Tyger Manor (HS21)	R 44 955 000*	R 55 178 176.00	R 10 223 176.00
40 Vaal Sanitaryware (HS21)	R 63 440 989*	R 27 307 120.00	R (36 133 869.00)
41 1 Charles Crescent (HS22)	R 206 342 421*	R 107 044 630.00	R (99 297 791.00)
42 10 Charles Crescent (HS22)	R 36 680 366*	R 19 547 978.00	R (17 132 388.00)
43 9 Charles Crescent (HS22)	R 68 856 123*	R 30 324 040.00	R (38 532 083.00)
44 Cell C (HS22)	R 216 082 357*	R 127 923 588.00	R (88 158 769.00)
45 Ethos (HS22)	R 115 502 957*	R 59 168 700.00	R (56 334 257.00)
46 Primovie Park (HS22)	R 110 175 458*	R 75 283 500.00	R (34 891 958.00)
	R 3 217 056 195	R 1 994 154 407	R (1 222 901 788.00)

*The above is not the official valuation of Carl Nel. Nel did not value the properties market via HS 21 and HS 22 individually, but as a collective based on the head lease agreements.

Official valuer raised concerns:

Nel's assertion that he valued the properties in the syndication as a collective and not individually is interesting, as the prospectuses disclose valuations of the individual properties.

The prospectuses of HS 21 and HS 22 each contain a table reflecting the amounts Picvest apparently 'paid' to acquire the properties. The tables also show that these

acquisition amounts included an 11% markup and that the sum of these amounts was deemed the valuation of the property. It was therefore not based on an income valuation method.

Yet the tables reflect the collective valuation of the properties as the same amount Nel's signed valuation certificates indicate.

It is unclear on what basis these valuations were made, as the title deeds of the properties show Picvest never acquired the properties.

Interestingly, although Nel's valuation certificate states that his valuation was based on a head lease agreement, the HS 22 prospectus does not include any reference to such an agreement.

Individual transactions showing overvaluation:

There are four properties that stand out in the table comparing the syndication and BRP valuations.

All four properties were syndicated, or sold to investors, in 2009 as part of HS 21 and HS 22 for R784 million. Two years later the BRP valued the properties at only R275 million, or 35% of the original syndication values.

The properties are Glen Gables (HS 22), 1 Charles Crescent (HS 22) and Highveld Centurion (HS 21).

Glen Gables:

Another example is the Glen Gables shopping centre in Pretoria East.

The centre was successfully syndicated in 2009 as part of HS 21 with the table in the prospectus showing a value of R200 million. In 2011 the BRP valued the property at R59.6 million. The Glen Gables title deed shows Picvest never acquired the property and it was not transferred to HS 21, so it is also unclear what happened with the R200 million the investors paid.

The title deed shows Zephan acquired the property from a Sharemax company in 2006 for R59 million. Zephan then sold the property in a back-to-back transaction in 2013 to Orthotouch for R123 million and then immediately to the Accelerate Property Fund for R32.5 million – barely 16% of the original syndication value of R200 million.

Georgiou's son Michael is the CEO of Accelerate.

Highveld Centurion:

This property was syndicated in 2010 as part of HS 21 for R141.8 million. The BRP valuation was only R63.7 million, less than half of the original syndication value. Zephan acquired the property in 2006 for R39.8 million, and in 2013 sold it for R132 million to Orthotouch, which immediately sold it to Accelerate for R43.5 million. Accelerate sold the property in 2015 for R57 million.

1 Charles Crescent:

The same pattern repeated itself at 1 Charles Crescent, a property located in Eastgate in Johannesburg.

The property was syndicated in 2009 as part of HS 22 for R206 million. A year later the BRP valued the property at R107 million, virtually half of the syndicated amount investors paid.

The title deed shows that Zephan acquired the property in 2006 for R41 million, and that it was never transferred to HS 22 following the successful syndication. In 2013 Zephan sold the property to Orthotouch for R216 million; Orthotouch then immediately sold it to Accelerate for R110 million.

Moneyweb sent detailed questions to Georgiou and Klopper, but they did not respond or provide answers by the time of publishing.

***shortened**

Look out for **PART 4** of the series of articles in the next HSAG Newsletter.

6. THE CURRENT STATE OF LITIGATION

6.1 Fast Track Certification Application (HS 21 & 22)

The Application for Certification will be heard in two parts, namely:

- Part A – Where the HSAG has successfully asked the Court to for an order compelling Georgiou and others to file Opposing Affidavits for the case to proceed.
- Part B – Where the HSAG will bring an Application for the Certification of a class action for HS 21 & 22.

Success in the said certification will undoubtedly also be to the benefit of the other HSAG members, because the Court will certify a class and consider the merits of those cases, which in turn, will certainly give momentum to the HSAG and its members.

On 1 July 2019 Georgiou served an unsigned Answering Affidavit on the HSAG.

On 8 July 2019 the HSAG legal team sent a letter to Georgiou's legal team advising them that the HSAG would not accept the unsigned affidavit. On 12 July Georgiou's attorneys served a signed affidavit on the HSAG via email.

The HSAG has already served its Replying Affidavit, on Georgiou and others.

The Certification Application will be heard from 11 to 15 November 2019. Kindly see point 8 of the HSAG Newsletter which covers important dates.

The HSAG's Notice of Motion, as well as the affidavit in support thereof, is available on the HSAG website at www.hsaction.co.za, and we invite you to read through it.

6.2 Investors with claims in HS 15 to 20

The HSAG will still proceed with steps to enforce these investors' claims. Timing, as well as the support by all the HSAG members, is of utmost importance to achieve success and maintain momentum.

Although the parties in litigation are the same, the claims of HS 15 to 20 are broadly based on different facts, circumstances and legal principles. For example, amongst other things, fraud and misrepresentation (delictual claims) as opposed to the contractual claims of HS 21 & 22.

Investors with claims in HS 19 to 20 have already been instituted by way of the Application for Certification and this application suspends the running of prescription claims.

To date it has not been necessary to institute a certification application on behalf of HS 15 to 18 investors as prescription is, according to the HSAG's counsel, not yet of concern.

To save costs, the certification application in relation to HS 15 to 18 will therefore be issued and served as soon as the HSAG's counsel advises the same is done. The HSAG determines its priorities accordingly and proceeds systematically.

The HSAG still intends to set aside the Sec 155 Scheme of Arrangement. In order to expedite the process, the HSAG sent a letter to Judge Weiner (the Case Manager in the Johannesburg High Court) on 9 May 2019, asking for directions in respect of the delivery of Answering Affidavits by Mr Georgiou and Others.

Georgiou's attorneys of record subsequently confirmed that they will serve and file Georgiou's Answering Affidavit, regarding the Application to set aside the Scheme of Arrangement, on or 30 July 2019.

However, to date they have not complied and the HSAG have not received any Answering Affidavits.

Judge Weiner is currently acting as a Judge of the Supreme Court of Appeal and an application is only expected when her term has run its course.

Orthotouch's attorneys indicated the same date, but have also not honoured their undertaking after more than three weeks after the cut-off date.

In terms of the Scheme of Arrangement, Orthotouch is, at least for the time being, obligated to make monthly interest payments to the HS-investors. Georgiou is therefore currently in contempt of the Scheme of Arrangement.

6.3 Application to intervene as a friend of the Court (*amicus curiae*) in the Noormahomed Appeal Application

The HSAG still intends to intervene as a friend of the Court in the Appeal matter of Mrs. Noormahomed in the Supreme Court of Appeal ("SCA") in Bloemfontein. As

previously reported, the outcome of this matter is of importance to HS 21 & 22 members, since the judgement, which has been appealed against, stipulates that the buy-back clauses are binding and enforceable, despite the Scheme of Arrangement, which has been raised as a defence.

The application to intervene as friend of the court has already been served and filed with the SCA.

The HSAG received an Opposing Affidavit from Georgiou on 22 July 2019, in terms of which he opposed the HSAG's entry as a friend of the court.

On the advice of the HSAG's counsel, on 15 August 2019, the HSAG filed a Replying Affidavit at the SCA for the Court's further consideration of the application to join the matter and assist as a friend of the Court.

If the HSAG's application is successful, the HSAG (as a friend of the Court) will be able to file Heads of Argument and also be given the opportunity to address the Court.

6.4 Application to Intervene

An Opposing Affidavit was served on Van der Sandt's attorneys of record on 6 June 2019.

The HSAG is considering to approach Judge Tolmay, the case manager in the High Court, Pretoria, in order to ask for directions regarding the hearing of Van der Sandt's Application.

If the HSAG were to be successful in opposing Van der Sandt's latest Application to Intervene in the Application for Certification of HS 21 & 22, we will ask the Court to grant a punitive cost order against her.

The HSAG's Opposing Affidavit is available on the HSAG website www.hsaction.co.za and we kindly request you to read it.

7. FIVE REASONS WHY HSAG MEMBERS SHOULD SETTLE THEIR CONTRIBUTIONS

1. It is your claim, it's your case

Each member of the HSAG is a member based on their investments in the HS companies, and the need to enforce that which is theirs. By supporting the HSAG, you are supporting your own interests. A member's effort to make their contributions faithfully is a direct reflection of that member's degree of support for the HSAG, as well as an indication of a member's need to claim back their capital.

2. Court case and payment of costs

Litigation, especially where billions of rands are involved, is an extremely costly process and can cost double figure millions. Every single rand paid into the

HSAG pool is used for the litigation process and related matters. As previously mentioned, one of the major advantages of a large group such as HSAG is that the economy of scales enables it to lower the financial burden on the investors being represented in the litigation process. The finances of the HSAG directly affect the ability of the HSAG legal team and counsel to conduct the court processes in the best possible way.

3. **Settlement**

It is important that HSAG members' contributions and registration costs are up to date, as this will be taken into account should settlement negotiations ensue. It was previously indicated that members who only register and do not settle their contributions may be excluded from the automatic protection of the HSAG umbrella and will therefore also be excluded from any future settlement possibilities that the HSAG may negotiate.

4. **Taking hands brings results**

The more strength the HSAG has in numbers, the greater the chances of completing the court processes quickly and successfully. All HSAG members have a common purpose, and are fighting for justice against a common opposition. However, HSAG's momentum is determined by its unity, and when everyone realises that they all really want to achieve the same end result and by taking hands and standing together, the HSAG's voices will surely be heard in the Courts.

5. If HSAG members agree with the above four points, it is the right thing to do. If necessary, they should seek help from their next of kin, friends and benefactors in order to achieve this goal.

8. **IMPORTANT DATES**

- **30 June 2019** – Georgiou served and filed his Opposing Affidavit in the Application for Certification of HS 21 & 22 (Pretoria);
NB: Unsigned documents were received from Georgiou's legal team and they were not submitted in time. (Signed affidavits were delivered 12 days late which seriously impaired the rights of the HSAG).
- **30 July 2019** – Georgiou's lawyers had to serve and file his Opposing Affidavit in the HSAG's Application for Setting Aside of the A155 Scheme of Arrangement (Johannesburg). However, they did not comply;
- **31 July 2019** – The HSAG had to serve and file a Replying Affidavit in response to Georgiou's Opposing Affidavit (Pretoria) but due to his delay the response was a few days late;
- **15 August 2019** – The HSAG's attorneys of record served and filed their Heads of Argument (Pretoria);
- **15 September 2019** – Georgiou's attorneys of record have to serve and file their Heads of Argument (Pretoria);
- **11 – 15 November 2019** – Hearing of Part B of the Application for Certification of HS 21 & 22.

9. **CONTRIBUTION TOWARDS LEGAL AND ADMINISTRATIVE COSTS– 2019**

The annual contributions towards legal and administration costs for 2019 remain unchanged since 2017, in the amount of R2 000.00 per person, which will be levied irrespective of the number of syndications that an investor has invested in. In addition, thereto, exemptions were made for investors with smaller claims since 2016.

The HSAG Steering Committee has considered the degree and scope of legal representation required for the upcoming Certification Application in November 2019, and accordingly decided that a senior counsel should be briefed to represent the HSAG's Applicants. This will ensure the best possible representation for the HSAG's Applicants, but will, for obvious reasons, require the financial support of the HSAG members. Georgiou has, throughout the litigation process, used the services of senior counsel, and the recent decision was not considered lightly.

The annual amount has remained unchanged despite the huge price increases over the past three years. The HSAG and its legal representatives are doing everything in their power to make the case as affordable as possible. However, if VAT, bank charges and other costs are deducted, the net amount available to use is much less. The investors pay less than R5 a day for the peace of mind to have 100% of their claims plus interest pursued. The average claim per person amounts to approximately R250 000.00.

10. **GENERAL ESTATE ENQUIRIES**

If you have any general estate related enquiries regarding HSAG members, you are welcome to send an email to hsagestates@gmail.com for assistance.

11. **SUSPENSION OF HSAG MEMBERSHIP**

After consideration of the merits thereof, the HSAG Steering Committee decided at a previous meeting that members', who do not settle their **2014 / 2015 registration costs** before or on 31 December 2018, will have their HSAG memberships suspended.

Suspension of membership means, among other things, that that HSAG investor's claim against Orthotouch / Mr. Georgiou may have prescribed and it is also possible that they will be removed from the HSAG database and email address list.

If anyone who forms part of the abovementioned category wishes to retain their membership, they must contact the HSAG urgently at hsagregister@gmail.com.

TAKE NOTE:

- Members who are on the email list may specifically request that their details are retained and bring their arrear payments up to date.
- However, the mere fact that a person receives an email, does not necessarily mean that he/she no longer qualifies to be part of the HSAG class action. Therefore, make sure that your details appear accurately on the HSAG system,

you are a registered member, and that your registration costs and contributions are up to date.

12. USE OF THE CORRECT EMAIL ADDRESSES AND REFERENCES

The correct use of e-mail addresses (as stipulated on our website and e-mails) as well as HSAG members' initials and surnames, syndication numbers and reference numbers (e.g. identity number, etc.) for all communications are essential and obligatory.

The official and existing e-mail addresses for the HSAG are as follows:

- hsactiongroup@gmail.com for all General Enquiries; (For Example - to change contact details, Proof of Payments, Death of a Member etc.);
- hsagenquiries@gmail.com for Specific Enquiries; (For Example requesting information/statements regarding a specific member, exemption queries for a specific member);
- hsagregister@gmail.com for the registration and deregistration of HSAG members;
- hsagwhistle@gmail.com for all Confidential Information that you would like to send to us anonymously;
- hsagestates@gmail.com for all estate related questions.

If an investor or any person sends an email to the wrong address, it will result in the email not receiving the speedy or necessary attention, if any.

If you do not wish to receive any further emails, please inform us thereof in writing.

13. OFFICIAL HSAG WHATSAPP GROUPS

It is a huge challenge to promptly convey notices, news snippets or important messages to almost 7 000 individuals.

We therefore request HSAG members to join the HSAG's official WhatsApp Groups to receive notices, news snippets or news flashes per WhatsApp.

By joining one of the HSAG's official WhatsApp groups, you will be informed of the latest developments regarding your case on a regular basis.

Simply send your mobile number; identification number; full name and surname, to hsactiongroup@gmail.com after which you will be uploaded to the groups.

You can also contact the administrators of the respective WhatsApp groups directly at 079 635 4165 (Afrikaans) and 082 450 8854 (English).

The HSAG also has an official Facebook page, and can be viewed, "liked" and commented on at www.facebook.com/hsaction.

14. **CONTRIBUTIONS AND REGISTRATION COSTS**

Please ignore this point if your registration and legal costs have already been settled and are up to date.

It is of utmost importance that any outstanding registration and legal costs should be settled as soon as possible.

Kindly take note of the following:

- i. A once-off registration fee of R1 500 per syndication is charged and should reflect on your statement accordingly;
- ii. Legal costs since 2016 was R1 000 per syndication;
- iii. From May 2017 a further annual requisition for a contribution towards legal and administration costs of R2 000 per person was made;
- iv. In November 2018/December 2018 a special contribution request of R 500.00 per person was made towards legal- and administration costs for HSAG members who invested in HS 21 & 22;
- v. Members whose registration costs are still outstanding, run the risk that their membership will be suspended by the HSAG without further notice;
- vi. From the end of February 2019 persons with a total claim value/ total investment value per person of R60 000 or less whose contributions are paid up to date, together with a prior written request to the HSAG' attorneys (hsagenquiries@gmail.com), will be exempted from 2019's administrative -and legal costs;
- vii. Exemption is not applicable to previous years registration / administration costs and legal costs; overdue fees and the special contribution of HS 21 & 22 members are still payable;
- viii. No registration, administration or legal fees are refundable.

The HSAG enjoys the protection by way of a legal team consisting of attorneys, junior and senior advocates who have already gone a long way towards protecting the prospective plaintiffs under the umbrella of the HSAG. In light of the fact that the HSAG will now proceed with the certification of a class action and the rescission of the Sec 155 Scheme of Arrangement, we request that all HSAG members to do their part in order to successfully complete these matters. Everyone's cooperation is required.

15. **STATEMENT FOR PARTICIPATION IN THE HSAG**

The HSAG and its attorneys, Theron & Partners, would like to thank you for your continued and loyal support of the HSAG. The HSAG's case belongs to each individual investor, and we would therefore like to ask you to support your own case in order to claim approximately R4.6 billion from Orthotouch and others.

Please find attached your contribution statement for participation in the HSAG, kindly take note of the following:

- i. If no trust requisition regarding registration, legal or administration costs, or if a credit appears on your statement, it means that you are in a group which has not yet been registered, processed and/or allocated and could the amount reflect on a later statement;
- ii. If a credit balance appears on your statement, it confirms that you are a registered member, but we have not received your completed application form. Kindly download same from our website or request same from hsagregister@gmail.com;
- iii. The HSAG members' information on our records was gathered from the application forms completed by the HSAG members. If your application form is faulty, vague or incomplete, there is a possibility that you may not receive statements or emails from us;
- iv. The obligation rests on you as investor to inform us of any changes to your personal and / or contact details either telephonically or by e-mail to hsagregister@gmail.com;
- v. Due to the continuous high volume of enquiries, registrations, the amendment of personal information and allocations it is possible that your payment/s and / or registration/s will not yet appear on the attached statement but rather on a later statement;
- vi. Please click on the email link at the bottom of the newsletter to enter the "Customer Zone" where you will see all your trust requisitions for registration and legal costs, as well as all payments made, automated statements are sent from time to time (usually during a month), but your link to the "Customer Zone" will be continuously active, enabling you to view your payments and transactions, as it is allocated, at any time.

Kind regards

HSAG Steering Committee

Contact the HSAG's attorneys at:

Tel: (021) 887 7877

hsactiongroup@gmail.com