



Wilbecar Likwidateurs CC / BK t/a h/a

Bureau Trust (Gauteng)

INSOLVENCY PRACTITIONERS / INSOLVENSIE PRAKTISYNS

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BBBEE Certificate: 418/02/2012
Bureau Trust is a level 4 (100%)
BBBEE contributor

Ons verw: **Wilanda Prinsloo**
Our ref:
U verw: **To whom it may concern**
Your ref:
Datum: **6 JULY 2020**
Date:

CIRCULAR TO ALL KNOWN CREDITORS : NO. 7

Sir / Madam

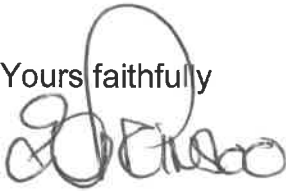
Re: **QSG INVESTMENT SCHEME IN TERMS OF SECTION 20(9) (IN LIQUIDATION)**

1. We refer to the above as well as our previous circular, since which date there have been significant developments (the majority beyond our control).
2. We, the joint liquidators, are aware of an e-mail sent to the majority of creditors/ investors by Dr Bertus Jansen van Vuuren this morning, requesting you to disapprove of the winding-up of the QSG estate through the liquidation process.
3. Dr van Vuuren's efforts to derail the winding-up process of QSG is unfortunate and sadly also to the detriment of the QSG investor creditors.
4. What Dr van Vuuren propagates, is that the investor creditors must receive any dividends due to them, not through the liquidation process, but through the criminal process. To this end it is claimed that the liquidators are preferring certain creditors above others and that the liquidation process is much more expensive (compared to the criminal process).
5. Dr van Vuuren is wrong on both counts.
6. We have received 334 investor creditors' claims which have been scrutinized, inspected and approved by the Joint Liquidation thus far. Most of you have been notified/ informed on receipt of your claim documents accordingly.
7. We have now also received 68 creditors' claims, who we understand are the investor creditors who support Dr van Vuuren and who have submitted their claims to the NPA. We have now also scrutinized and inspected these claims, in terms of Section 44 and 45 of the Insolvency Act and we will, as soon as possible, make contact with each of these 68 creditors in order to correct and amend your claims so that these claims can be proved at the second/ general meeting of creditors.

8. Should it happen that any claim that we are satisfied is in order be rejected (for which ever reason) by the Master Pretoria, the liquidators are entitled by law (Section 78(3) of the Insolvency Act) to in any event admit such claim.
9. As previously explained, the entire Ponzi scheme (including QSG Middle East Ltd) is being handled and dealt with under Section 20(9) of the Companies Act read together with the Insolvency Act and therefor all invested funds now falls under the QSG Investment Scheme and your claim will be proved accordingly.
10. In terms of the prevailing legislation and all the safety measures provided therein no creditor can preferred to another creditor - *consursus creditorium* (the equal treatment of creditors) is the underlying purpose of the Insolvency Act.
11. It follows that there is no merit in any allegation the liquidators will prefer any creditor above others.
12. It follows further that the liquidators will be in a position to pay dividends to investor creditors, as soon as the money which the NPA has restrained and frozen is released to us.
13. If the criminal process is followed, the investor creditors will have to wait a considerable time for the payments of any dividends, and to this end we draw your attention to the following provisions of the Prevention of Organized Crime Act (POCA), in terms of which the criminal process will take place:
 - 13.1. section 18(1) requires that the defendant must be convicted prior to any distribution of assets to investor creditors;
 - 13.2. section 30(4) and 30(5) requires that investor creditors must institute legal action (at their own costs) and then make further representations to the court before any dividend can be paid to them.
14. The criminal case against the Smits on Thursday the 2nd of July 2020 was postponed for further investigation and it follows that it may be some time before the Smits are convicted (if they are convicted) and it will take some time before any investor creditor will be able to receive any dividend in terms of the criminal process.
15. In the mean-time the money remains tied-up without earning any interest. According to our calculations, an amount of no less than R6 million has been lost in interest that would have been earned by the liquidators had the money in question been released to us.
16. In the circumstances, albeit that the regulated fees for liquidators are higher than the regulated fees for a *curator bonis*, this should not have a significant bearing on the dividends payable to investor creditors, for *inter alia* the following reasons:
 - 16.1. the costs that the investor creditors will have to incur personally to persue their claims in terms of the criminal process;
 - 16.2. the time wasted; and
 - 16.3. the loss of interest.

17. Please also note that even if the criminal process is followed, the liquidation process will still have to take place – albeit not with regard to the restrained and frozen money. As such, where the criminal process is followed there will be an unnecessary duplication of costs.
18. Our application to have the restrained money in the UK released to us served before the court on Thursday, 2nd July 2020 and was postponed to Wednesday the 8th of July 2020.
19. We are confident of the merits of our application and hopefully will receive the verdict shortly.
20. A further circular will be forwarded to all known investor creditors on receipt of judgement alternatively the outcome of the urgent matter.
21. Be assured of our best and fair services at all times to the *concursum creditorium* and to the benefit of ALL creditors.

Yours faithfully



WILANDA PRINSLOO
JOINT LIQUIDATOR