

**MTI Liquidators: Answers to questions of Mr Jan Vermeulen (Editor: MyBroadband)**

Question 1. In which jurisdictions have the liquidators applied for recognition as the designated proceedings?

**ANSWER: The liquidators have successfully obtained recognition in various foreign jurisdictions, including:**

- the United States of America,
- Canada,
- the United Kingdom,
- Australia,
- Belgium, and
- Namibia.

Question 2. What is the purpose of these applications?

**ANSWER: The purpose of the recognition application is to have the liquidation order and the appointment of the liquidators recognised in the relevant foreign jurisdiction to enable the liquidators to perform their statutory duties.**

Question 3. There has been some speculation that the liquidators issued summons in South Africa to prevent prescription of debt. Is this accurate?

**ANSWER: “Summonses were issued and are still being issued continuously to recover claims which the liquidators have against certain investors in terms of the provisions of the Insolvency Law. The issuing of these summonses is dealt with as a matter of priority in order to ensure that these claims do not become prescribed. The issue of the precise date by which claims will become prescribed is a complex one with no clear and definite answer. In order to prevent the risk of prescription, the liquidators have instructed their panel of attorneys to proceed with legal action as a matter of priority.”**

Question 4. Do you have an update on Johann Steynberg’s extradition from Brazil?

**ANSWER: Information received pertains to the matter being ongoing. The liquidators were informed that a new investigating officer of the Directorate for Priority Crime Investigation (HAWKS) was recently seconded to the matter. All questions regarding the extradition of Johann Steynberg are best addressed to the HAWKS or relevant persons within DIRCO.**

In addition to your questions and the above answers supplied, a circular was today released by the liquidators containing the following information that you may also find of interest:

## **MTI: CIRCULATION TO CREDITORS 26 JANUARY 2024**

### **UPDATE ON CLAIMS RECEIVED**

1. The 7th Special meeting has been convened for January 26, 2024. Claims 6267 to 7267 are being tabled for this meeting.
2. We are finalising the 8th special meeting schedule, claims 7268 to 8268.
3. Claims received, printed, and registered up to 19 January 2024 total 8550 claims.
4. The Second Distribution account (page) is completed until claim number 7554. We aim to complete the distribution account by the end of March 2024 to include claims up to claim number 8268.

### **CALCULATION OF THE AMOUNT OF EACH CLAIM**

5. The following summary is hereby made available to investors with claims against MTI:

Declaratory order and guideline to lodgement of claims by creditors or assessment of claims already lodged by creditors.

On 9 November 2023, the Honourable Acting Judge Maher handed down judgement in the declarator application relating to claims lodged in the estate and claims to be instituted and how the liquidators should deal with them.

In respect of claims lodged/to be lodged by investors, the order distinguishes between the three different classes of investors:

#### **Class 1 investors:**

- investors who received zero in return for their investment/s in MTI;
- claims should be lodged, calculated in Rand value of bitcoin, as at the date upon which the investor made the investment in MTI; and
- claims must comply with section 44 of the Insolvency Act.

#### **Class 2 investors:**

- investors who received a return on their investments but received less than what they invested;
- claims should be lodged, calculated in Rand value of bitcoin in an amount equal to their impoverishment, quantified as follows:

The value of investors' investment in MTI calculated in Rand value, as at the date upon which the investor made the relevant investment in MTI

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value of returns in Rand value, as at the date upon which MTI paid the relevant return (or portion thereof) to the investor

- claims must comply with section 44 of the Insolvency Act.

### **Class 3 investors**

- investors who received returns that exceeded the amount of capital invested in MTI,

(i.e. profiting from MTI)

- no claim against MTI, and any claims submitted will be rejected.

### **DIVIDENDS TO BE PAID TO CREDITORS**

6. Dividends can only be paid once the Second liquidation and distribution account is finalised and lodged with the Master.

7. In terms of the First liquidation and distribution account, only SARS was paid as proven creditor, the amount in terms of the settlement, which was ratified by a court order, as previously disclosed.

8. The master then issues a query sheet with aspects which the Master needs clarification on and which the liquidators need to provide and present formal answers to the query sheet.

9. Once the Master is satisfied with the answers provided, the Master grants permission for the account to be advertised, after which the account lies open for inspection for 14 days.

10. If there are no objections to the account, the Master, at its discretion, confirms the account, after which dividends can be paid.

11. The liquidators are implementing a process where all rejected claims can be considered by the liquidators for the approval or amendment thereof, and all proven claims are to be accepted or amended if required to be in line with the declaratory order.

12. It is not possible to determine at this stage when this process will be finalised, but the liquidators do expect to be in a position to know approximately how long it will take in 4 – 8 weeks from the end of the month.

13. Once the liquidators can set a date for the Second liquidation and distribution account to be lodged, further communications will be circulated to all proven creditors.

### **ISSUED ON BEHALF OF THE MTI LIQUIDATORS**

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