

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 1061

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Dr D T George (DA) to ask the Minister of Finance:

- (1) Whether any companies were placed under curatorship by the Financial Services Board during the period 1 January 2004 up to the latest specified date for which information is available; if so, what are (a) their names, (b) the amount(s) (i) involved and (ii) recovered in each case and (c) the amount of fees earned by each curator to date, on either a contingency or fee basis;
- (2) whether all companies have been restored to health; if not, which companies (a) have been put into liquidation and (b) are still under curatorship?

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REPLY:

- (1) Yes.
(a), (b)(i)(ii) and (c) are provided by the Financial Services Board (FSB) on the table attached herewith as Annexure: A.

With the exception of the Datakor Fund curators (who were remunerated on a contingency basis as there were no assets left in the fund from which to pay them), all other curators are being remunerated on a fee basis in accordance with the norms of their professions. Currently, the FSB has placed a cap on the fees of curators for an agreed amount per month to ensure that this remuneration is contained within reasonable limits.

It is my view that we need to further review the system of compensation for curators, to bring it in line with more acceptable standards, and to reduce the incentive for stretching out the period of curatorship as they are paid an hourly rate.

(2) No.

(a) and (b) are provided by the Financial Services Board on the table attached herewith as Annexure: A.

ANNEXURE: A

Name of Institution	Date placed under curatorship	Value of funds exposed	Value of funds recovered	Name of curator (s)	Fees paid to curator to date	Present status of Institution
1. SACCAWU National Provident Fund	10 September 2002	An amount of R2.5 billion was under management during September 2002. This amount had grown to R4.7 billion as at December 2008.	R250 million was recovered from the realisation of various companies that had been acquired by SACCAWU's investment company (SIH) with the monies of the Fund	AL Mostert	R10 330 999 as from Sept 2002 until end of 2008.	In liquidation.
2. Mitchell Cotts Pension Fund	15 March 2005	R23 589 416 in 1992	R73 013 395	AL Mostert SS Mphahlele	R13 665 064	In liquidation
3. Datakor Pension Fund, Datakor Retirement Funds & Cortech Pension Fund	21 April 2005	R138 372 470 in 1997	R162 782 336	AL Mostert DJ Wandrag SS Mphahlele	R31 286 904	Still under curatorship.
4. Picbel Groepvoorsorg fonds	17 October 2005	R40 976 802 in 1996	R36 363 378.22	AL Mostert DJ Wandrag J Pema- added on 15 September 2006	R2 840 970	In liquidation
5. Lucas SA Pension Fund & Prestolite Pension Fund	14 February 2006`	R14 900 485 in 1994	R98 108 800.57	AL Mostert	R16 145 033	In liquidation.
6. Sable Industries Pension fund	20 April 2006	R36 000 000 in 1995	R18 796 055	AL Mostert	R1 130 703	In liquidation.
7. Powerpack Pension Fund	4 October 2006	R42 676 539 in 1998	R106 886 022	AL Mostert	R20 300 220	In liquidation.
8. Fidentia Asset Management (Pty) Ltd, Bramber Alternative (Pty) Ltd & Fidentia Holdings Ltd	1 February 2007	R1.15 billion as at the date of curatorship. This amount has, since curatorship, decreased by approximately R103 million paid to the Living Hands Umbrella Trust for distribution to beneficiaries	Approximately R103 million. This amount excludes recoveries effected from the sale of assets in the property and private equity portfolios	DCM Gihwala S Papadakis	R10 827 000. The curators commenced billing with effect from May 2007 due to the lack of available funds to pay curator fees prior to this date	Still under curatorship.
9. Ovation Global	2 March 2007	R4,42 billion as at the time	R82 725 980 as at 31	JA Levin	R15 425 000 as at 31	Still under curatorship.

Investment Services & Ovation Global Investment Nominees (Pty) Ltd		when Ovation was placed under curatorship. The curators have been able to establish that as at the date of curatorship a net amount of R168 million had been lost due to misappropriation	August 2009	B Petersen	July 2009	
10. Progressive Investment Trust, Progressive Asset Management (Pty) Ltd & Progressive Investment Holding (Pty) Ltd	12 May 2008	Approximately R100 million.	Approximately R5.5 million.	N Melville J Mahlangu	R2 271 156	Under final liquidation
11. Dealstream Securities (Pty) Ltd	7 October 2008	Approximately R118 million	Nil	B Levenstein	R931 381	Under final liquidation.
12. New Era Life Assurance Company Ltd	7 July 2009	R58 680 359.81	Most of the contraventions related to lack of corporate governance which resulted in management of New Era being replaced by the curators	H Augustyn O Matloa	R903 767	Still under curatorship.

