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OCTOBER2004

ISSUE61





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PINSTUAL ADJUSTANCE BHTTEN

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NW/WM 03

Oilv Bush

The attempted coup in Equatorial Guinea boils down to a group of individuals plotting to overthrow the regime of a nation state in order to get their hands on oil.

Can someone please explain the difference between the actions of the chaps convicted for this offence and those of President Bush in Iraq?

S P Grindrod

Cape Town

Barry vs Sally

We notify you that it is our present intention to instruct

Benson and NFI

Love the Richard Benson saga, not just because I was there, but because the story needs to be told.

In the interests of accuracy. though. Fred Haslett was not a director of NFI nor was SA Eagle a shareholder in NFI. SA Eagle had a marketing agreement with NFI, which among other things, allowed it to make investments for policyholders in NGF (National Growth Fund)

At the time of the NFI listing I was employed by SA resigned from the Sunday Times to take a lucrative job with David Abramson at NFI. As if that were not bad enough, when NFI came unstuck, he was welcomed back at the Sunday Times! I suppose it helped that Henri Kuiper was both chairman of SA Associated Newspapers - owner of the Sunday Times – and on the NFI board. but it remains an unhappy example of the revolving door that many in the press would rather forget.

Benson's account of how he was questioned by spy

call and you are charged accordingly? If you dial the number a hundred times and it is still engaged, you are charged for 100 calls!

Check your telephone account - you will be astounded at how much vou are paying for non-calls.

> **Anne Robb** Sedgefield

Happy endings

Yes, it was good to read a happy ending story ... Sanlam and Leonard Louw's investment (nose60.)

It was surely ONLY due to the clever work of forensic scientist, Dr David Klatzow, that the outcome was so positive. Well done to him and Mrs Ozrovech at Sanlam! I look forward to hearing the outcome of their investigations into broker, Eugene van Eeden - in noseweek.

> **Pam Herr** Fish Hoek

Whistleblowers

As a whistleblower about dire problems in the publicly funded arts sector. I know all about how whistleblowers go through the painful and frustrating saga of years of legal procedures, personal loss, isolation etc. Those who've had the whistle blown on them, on the other hand, are left free to use their financial and political power and connections to abuse the Law and the Constitution.

My information has allegedly been under investigation by the Public Protector since 1997 - I kid you not – and there is still no resolution or justice regarding not only material damage/ loss/waste, but also ethical issues. Only the proven baddies have been rewarded or favoured. Perhaps we need a civil society movement ("Whistleblowers Outrageous"?) to do to the powers-that-be what Pierre Pienaar does to car dealers. Wanna take the lead Sir?

> **One-six** Limpopo

Can someone explain the difference between **Bush and the chaps convicted in Zim?**

Counsel at the stage of argument [in the divorce action between B E Davison and S D Davison], to ask the Court, in its discretion, to refer the article in nose54 ["When Barry left Sally"] to the attention of the National Prosecuting Authority to investigate possible issues of contempt of court and contravention of the Provisions of the Divorce Act No. 70 of 1979.

Denevs Reitz

[attorneys for Barry Davison], Johannesburg Eagle but was - fortunately as things turned out - not important enough in the hierarchy to qualify for a share allocation.

Ben Temkin Balgowan

Cloak 'n Dagger

The journalists you mention as having punted NFI in the press included Steve Mulholland, then business editor of the Sunday Times. Mulholland almost immediately thereafter

Gus



Well, he has shown a keen interest in pornography.

boss Hendrik van den Berg is extraordinary for more reasons than those given in your story. Some of your older readers might recall that Abramson and Stuart Pegg, NFI's two top executives, were subsequently recruited as secret operatives by the Bureau of State Security! They were secretly entrusted with millions of rands in state funds to secure publishing interests in Europe and America as vehicles to promote the apartheid government's image abroad.

When the Info scandal was exposed, these interests were sold and Abramson and Pegg managed to pocket most of the \$5 million profit. At a later stage they were charged with exchange control offences, flew into Johannesburg by arrangement, made a brief court appearance, paid fines and left.

When last heard of, Abramson, who was reputedly also an Israeli agent, was living in genteel retirement in a mansion in Chelsea, London.

Ex Sunday Times reporter Johannesburg

Helkom

There are plenty of ways that Telkom is ripping us off!

Did you know that if one dials a telephone number and you receive the engaged signal, it is considered a

Write a limerick and win a Sonnet

Each month noseweek, with Pen & Art, is giving away a **Parker Sonnet** fountain pen (worth about R1.000!) for the best topical limerick submitted to the magazine. **Email** your sanctimonious, scurrilous, rude, amusing or insightful scribblings to noseweek@iafrica. com; post to Box 44538, Claremont 7700; or fax to (021) 686 0573. Entries must be received by Friday 15 October and must be headed 'October Limerick Competition'

The winning entry will be published in the following month's edition of noseweek. The editor's decision is final.

And this month's winner is (da-da!)...

If big shots in Platinum

Have far too much crap in em

Whether its Tom, Dick or Harry

Or even big Barry

Trust noseweek to totally

flatten em!

Dave PretoriusMarina Da Gama

STOP PRESS: HASSEN ADAMS IN RACE ROW

Hassen Adams, the Western Cape ANC's "empowerment" bigwig whose activities in the fishing and casino industries have previously made headlines in *noseweek* (see *noses*57&58) is headed for the headlines once again: this time he's at the centre of a dirty war raging in the backrooms of South African horse racing.

As noseweek went to press, Adams was officially still vice-chairman of the Western Cape chapter – and of the national board of directors – of Gold Circle (Pty) Ltd, the company that controls all the major horse racing tracks in the Western Cape and KwaZulu-Natal.

But at a closed meeting of the Western Cape chapter in mid-September, immediately after his fellow stewards passed a motion of no confidence in him, Adams announced that he was resigning from the board.

It all started when some of the stewards discovered that he had set himself up as "preferred buyer" – at a price they believed to be well below market value – of the land on which the Durbanville racetrack is situated. (The land vests in the municipality, but Gold Circle holds an indefinite lease over it.)

Adams had already secured the approval of Gold Circle's main board in Durban for his proposed deal when his Cape colleagues discovered what was up and passed a resolution calling on the main board to withdraw its approval.

It was then that Adams angrily described one of the members who had introduced



The great Hassen Adams

the resolution as "racist" and "hormonally challenged". (Adams's labelling of his critics as racist is an old habit; his now declared homophobia is new.) His slanderous tirade was tape recorded by the board's minute-taker.

Long-time member
Rodney Dunn – not the
defamed party – tendered his
resignation in protest, while
other members desperately
sought to make peace by
asking Adams to apologise for
his offensive remarks. It was
when Adams refused to do so
– by way of yet another tirade
– that the no-confidence
motion was introduced.

Dunn had in the meantime been persuaded to withdraw his resignation, and Adams narrowly escaped being forced off the board: had the proxy vote of a member currently abroad not been rejected, there would have been an 80% vote against him – the number required by the company statutes to sack him. At the meeting Adams announced he was resigning anyway.

At least two of the stewards who expressed no confidence in Adams were "of colour", putting the lie to Adams's charge of racism.

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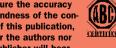
Subscription rates SA only R195 for 10 issues. Overseas (airmail) Europe, Americas and Australasia: R345 (for 10 issues).

To subscribe by post Send cheque with name, address and phone no. to: noseweek, PO Box 44538, Claremont 7735.

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Contingency plan

bitter blow for Johannesburg attorney Len Nowitz - he's had to hand back nearly R10m of a whopping R17m "contingency" fee he claimed in a recent court case. It happens to be a case in which the public has more than a passing interest.

It all started four years ago when Sechaba Photoscan put in a damages claim against Transnet for failing to award Sechaba the parastatal's in-house printing division in a privatisation tender. Sechaba persuaded Nowitz to take the case on a contingency basis. Nowitz was happy to do so – for 25% of any award won.

(The tender was awarded to an inferior tenderer, Skotaville Press, which held a secret 20% ANC shareholding. Transnet admitted its tender process was "irregular, fraudulent and dishonest". All that remained to be determined was the extent of Sechaba's damages.)

In January 2003 Judge Suretta Snyders awarded Sechaba R57m [to be paid by the taxpayer, not the ANC]. By the time Transnet lost its appeal in April, this had risen, with interest, to R68m. Hence Nowitz's success fee - that whopping R17m.

But Sechaba, now renamed Corporate & Merchant Management Holdings, had second thoughts and recently brought a successful high court application to freeze Nowitz's R17m. There is controversy in legal circles – as well there might be - as to whether Novitz's claimed contingency fee is legal.

The court should have established that - but instead there's been a secret settlement agreement, which was made an order of court on 8 September in Johannesburg high court by Judge Schwartzman. Extraordinarily - and of some concern, in view of the public interest in the case – the judge directed, without any indication of reasons, that "the Registrar is to keep this order confidential and in his custody and is not to divulge the contents of this order to any person unless a court order to that effect is made". What's up?

noseweek has established how much Nowitz has agreed to pay back. We learn that another R2m was received by Len Nowitz's advocate brother Mark, whose advocacy skills won the original damages claim for Sechaba. Mark Nowitz tells noseweek: "I was never party to a contingency agreement. I got paid my fee and that was that." He agrees that he received R2m – which, too, has raised some evebrows.

"It's been a bit hectic," says Len Nowitz. "The Contingency Act is very vague. Take me out of the picture – there's a lot of people who interpret it in a variety of ways. There should be certainty, and hopefully somewhere down the line somebody will give certainty to it."

Maybe the Law Society could help?

Smarty pants

ome time back, the Financial Mail produced a flattering profile of Anglo American under Tony Trahar – the effect of which was somewhat buggered by the simultaneous coverage in noseweek of Davison goings-on. Come to think of it, even without the reality check provided by noseweek, the FM piece managed to induce nausea with a syrup overdose - or, actually, Smarties. They were reporting on the "patriotic treatment" Minister of Minerals and Energy Phumzile Mlambo-Ngcuka received on a recent visit to Anglo Coal's New Denmark colliery ... vuvuzela-blowing, flag-waving, Nkosi Sikelel' *iAfrika* – all that stuff. According to the *FM*, the minister sang and danced with workers

(and deputy CEO Lazarus Zim) and was given a packet of Smarties by two "crocodiles", Smarty and Tsoseletso.

"Smarty (Safety Must Always Relate To Yourself) hands out packets of Smarties to anyone he thinks is doing something to promote safety. In the bitter winter months the sweets are supplemented by bowls of soup and rolls ..." the FM enthused.

For a moment there we thought the minister was touring a kindergarten! Maybe someone should tell Mr Lazarus (and Mrs Ngcuka) that the people Anglo employs at New Denmark are grown men: fathers, husbands – and voters. He may even then pay them accordingly!

All the wine that's fit to drink

egular readers will have noticed that we now have a wine column. Our expert is knowledgeable, forthright and entertaining on the subject. "To cheer you up," he tells us that Slaley has introduced two new, cheapish wines called, respectively, Shatot Plinque (a rosé) and Shatot Planque (a red

blend). "I've no idea what they're like," he has the grace to admit, "but they are wittier names than most of the supposedly funny inventions that currently abound - and Slaley generally makes good stuff." We are proud to welcome Tim James to our pages!

The Editor

7

IT'S ALL MINE!

It's a bit like buying a battered chest of drawers at a garage sale for R20 – and then finding it has a secret drawer stuffed with Krugerrands. Or buying an old house and then, years later, finding a dirty old painting abandoned in the loft, cleaning it – and discovering that you have the second Mona Lisa – unsigned, but undoubtedly by Leonardo – and then selling it at Sotheby's for \$100m.

In this story, Stellenbosch businessman Pierre Hough bought a company and found, among its apparently less interesting assets, that it owned a bundle of "shelf" companies — about 50 of them. Shelf companies are dormant registered companies — empty corporate shells that attorneys, accountants and banks generally keep in stock, ready to activate as and when they are required.

Historically, these particular shelf companies had once belonged to Volkskas's property division, and most of them were "second-hand" - old companies that had once traded, but were now dormant and presumed to possess neither assets nor liabilities. They had borne various names, but at some stage someone renamed them all Berlitas Investments – numbered 1 to 50 to distinguish them individually.

Hough used one or two of them, and literally left the rest on a shelf. His holding company, Metamin, was the sole nominal shareholder in all 50 of them. They had no directors appointed, and their registered address was his own.

But things changed dramatically one day in 1999, when a stranger called to enquire whether Berlitas number 16 was interested in selling its property, situated along the main road through La Lucia on the Natal coast. Berlitas No.16 was previously named La Lucia Property Investments Ltd. Hough's interest was immediately aroused. If the company owned one piece of land, it

8



Businessman Pierre Hough who believes he owns large tracts of KwaZulu-Natal

might be that it owned more property. He set off immediately on his way to La Lucia to investigate. The investigation continued for the next four years. What he discovered, bit by bit, was rather like cleaning the dust and grime of years off the face of a lost second Mona Lisa. He changed the name of Berlitas No.16 back to its old title: La Lucia Property Investments Ltd.

Pierre Hough is no mean investigator. When he lost a valuable Cape Town property to the fraudsters running Masterbond, he launched an investigation that, thanks to his tenacity over many years, eventually saw three of the Masterbond directors jailed.

And that was hardly accomplished when he found himself embroiled in the dramas surrounding the collapse of Alpha Bank. He claims to have had a major role in the investigation that exposed the Reserve Bank-appointed curator of Alpha Bank as a thief. The curator, too, ended up behind bars.

Hough says he has come across serious thievery in the course of his research in La Lucia – but that's not the main drift of this story.

About a hundred years ago, most of Natal north of Durban belonged to a British-owned company called The Natal Estates Ltd. In due course, the company was bought by The Tongaat-Hulett Group Ltd, which established sugar estates on most of the land, and which was then, in turn, bought by Anglo American.

In the mid-1960s Durban was growing, but expansion northwards was blocked by the agricultural land belonging to Tongaat-Hulett, which was under sugar cane. Eventually Tongaat was persuaded to designate a large tract, stretching from Durban North to the Umhlanga River, for township development. Unwittingly, the company had precipitated a major taxation nightmare for itself - since Tongaat was now in the real estate business, the taxman insisted on immediately designating all their farmland as "stock-in-trade" for tax purposes - and got a landmark Appeal Court judgment (the so-called "Natal Estates case") in his favour on this point. The court described Tongaat's plans as "a profit-making enterprise on a grand scale".

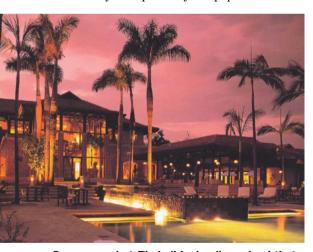
Tongaat hastily established a new company, La Lucia Property Investments Ltd, to which it transferred ownership of all the land it proposed using for township development. Tongaat still, in effect, controlled the land for a hundred kilometres north of Durban, but could itself now revert to the original, less onerously taxed, "farmer" status.

So it was that, in 1968, La Lucia

Property Investments became Tongaat's – or its subsidiary, Natal Estates Ltd's – "successor in title" to large tracts of land, including one or two townships that had already been proclaimed.

Among the transfers done that year was that of "the Remainder of Private Town La Lucia Extension 2, including public places", and of La Lucia Extension 5. (Several other extensions followed.)

Now the legal argument that follows is, in reality, extremely complex and many-layered - and, our readers need not be reminded, where the law and lawyers are concerned, many a slip twixt cup and lip is to be expected. But, in broad outline, it goes like this: Private township developers are generally required to set aside specific pieces of land in their development to provide for various essential public services that will be needed by the township residents, such as roads, waterworks, sewerage works, cemeteries, schools and parks. Some of these designated bits of land may need to be transferred to the relevant authority, e.g. parks to the municipality, school and hospital sites to the province. Some might be transferred against payment – usually when the facility is required by the population



Does upmarket Zimbali Lodge lie on land that actually belongs to Pierre Hough?

of the greater region, rather than of just the proposed township – while others, for local services, are usually transferred without payment.

Now comes the interesting bit: it is not an outright transfer of ownership. The property vests in the public authority in trust, to be used for the designated purpose only. And, according to Natal Ordinance 27 of 1949 (and various court judgments in other provinces), if at some later stage it transpires that it is not required or used for that purpose,

the public authority may not dispose of it in any way it chooses (as many local authorities have of late supposed!); in such cases the land is supposed to revert in ownership ... to the original township owner!

You get the drift of Hough's interest.

We shall revert in due course to those "public places" mentioned in the conditions for proclamation of La Lucia, but, for now, of particular interest is one of the conditions in the official proclamation of "Township 14038 of 1968" – the town of La Lucia.

It states: "The National Road Transport Commission [today's National Roads Agency Ltd] has approved the layout ... on condition that ... a national road reserve 180 feet [55 metres] wide, as proclaimed, was provided ... and transferred to the State."

That road, as it was then proclaimed, is today known as Main Road 398, or the M4, or Leo Boyd Drive, and runs for roughly 100 kms from Durban to beyond Stanger.

But the private township owner, La Lucia Property Investments, was never paid by the State for the road reserve and it was never transferred to the State. It was not even properly surveyed.

And, the crunch: in 1972 it was deproclaimed as a National Road by proclamation in the Government Gazette. It was no longer required as a national road. The reason for the stipulation in the conditions of township proclamation had lapsed. The National Roads authority apparently assumed the road would "revert" to the provincial roads authority. But, contends Hough, the law says otherwise. The land has, since the proclamation of the private township of La Lucia, belonged to his company. It has never been lawfully transferred to anyone else. His company or its predecessors in title have never been paid for it and, while it is still unproclaimed, he has no obligation to reserve it for road use. He can sell it off as

Quite apart from that, he reckons users of the road do not have the protection of the law, since no road traffic ordinances apply while it is not a proclaimed public road!

seaside stands if he so wishes.

We emphasise: this is a somewhat simplified presentation of the case.

Hough foresees that the province – for the Southern portion – and the National Roads Agency – for the northern 30kms – will have to buy or expropriate the road reserve from his company, for fair compensation. The land, he says, is



worth many hundreds of millions of rands. He reckons he could be one of South Africa's richest men when his company has, in addition, recovered all the public land that has been misallocated or even sold off by the local authorities, instead of having it revert to the original owner.

A clue to the value is to be found in a report which appeared in November last year in Business Report. We quote: "Moreland, the property development arm of the Tongaat-Hulett Group, had announced a joint venture with Kuwaiti-based International Financial Advisors (IFA) to invest between R2.5 billion and R4 billion in the Zimbali coastal resort situated on the northern outskirts of La Lucia". According to the report, IFA would share the cost (said to be more than R50 million) of relocating the M4 motorway, which bisects Zimbali's famous golf course. The provincial and national governments had approved the relocation. Work on the relocated new road would start in January and be completed by December 2005. [In fact completion is expected a year earlier – in Jan 2005.]

The purpose of the relocation: the old road reserve – which Hough contends either still belongs to his company, or now reverts to it – will be the site of a new Zimbali Hotel & Beach Resort, costing hundreds of millions and due to open in 2007!

Beachfront sites on similar land were being auctioned last December with a reserve price of R3.5-million each!

■ The National Roads Agency has a team of researchers working full-out at trying to establish the true situation, while the provincial authorities have been petitioned to appoint a commission of enquiry into the irregular disposal of land by local authorities which should, by law, have reverted to the original township owners.

☐

Tracker takes its customers for multi-million-buck ride

oseweek has in its possession documents that prove that Tracker Network (Pty) Ltd, marketer of South Africa's largest-selling stolen vehicle tracking system, has for years been defrauding its customers who purchase a "Tracker" unit for installation in vehicles with 24-volt battery systems – invariably the case with heavy duty trucks.

The fraud has cost the company's customers millions of rands.

It's quite a simple scam. Every "Mk11 TU" (Mark Two transponder unit) that is installed in a vehicle with a 24-volt power supply, carries an additional charge of R295; this, they tell you, is for a "truck battery converter" (24-volt

But in a Tracker Network Branch Training manual which was last updated in August 2002 (more than five years after the auto switching transponder replaced the earlier model that required a converter) it is stated on page 17 under the heading "Pricing Options — What price to pay for peace of mind?":

"It is important to always note that an additional fee of R275 will be charged for all 24-volt powered vehicles on installation. This means that all heavy duty vehicles powered by two 12-volt batteries require a battery converter for the Tracker device to function."

No wonder the latter manual, intended for the company's non-technical staff, is marked "Company Confidential". The with the assistance of the motor manufacturers themselves. For security reasons, the unit and its location will not be identified, even to the vehicle owner."

Fortuitously, you would of course also not be able to check whether there was a converter fitted or not.

According to Tracker's website, Tracker is the only police contracted, nationwide stolen vehicle recovery system in South Africa. It is also the fastest growing vehicle recovery system, with more than 8,000 units being installed every month

Let's assume just 2000 of those 8000 are installed in heavy trucks that are invariably 24-volt vehicles – that would amount to an additional income of R594,000 a month collected for the "installation" of non-existent converters: about as much as the average take from a cash-in-transit heist!

A "heist" that Tracker are pulling off once a month!

"Tracker is about putting vehicle thieves (and other serious criminals who use stolen vehicles for their crimes) behind bars. It is about taking responsibility rather than apportioning blame; doing something about a problem rather than just talking about it," declares the Tracker website. "In short, TRACKER is a symbol of hope for South Africa."

Wonder what sort of prison sentence the responsible directors and managers at Tracker can expect to get for their fraud, if convicted?

■ The Tracker system was developed by LoJack Inc in the USA, where it has been operational since 1986. It was specifically developed to assist the police in curtailing vehicle theft.

In South Africa, Tracker Network (Pty) Ltd has been operational since October 1996. Its major shareholders include Remgro subsidiary Venfin (32%) and the Mineworkers Investment Company (25%). The remaining 43% is held by a consortium of businessmen led by Tracker MD Pierre de Klerk.

Income collected for 'installation' of non-existent converters equals the average take in a cash-in-transit heist

to 12-volt) that they say needs to be installed.

The trouble is: for several years no such device has been installed in any 24-volt vehicle! The reason: the transponder unit — an electronic transmitter and homing device — that has been supplied by the American manufacturer since 1997 is auto switching and can handle anything from 9 to 32 volts DC: the same transponder unit can be — and is — used without modification in either 12- or 24-volt vehicles. It does not need a converter.

Tracker's technical manual is explicit on this point. Under the heading "Power Supply" it declares: "The TNU is designed to operate from a normal vehicle supply i.e. from a nominal 12V or 24V battery", while under the heading "Input Voltage Ranges" it states: "The unit is required to operate from the following range of supply voltages without any modifications" and then lists ranges that cover from nine to 32 volts.

author is identified as Peter van der Merwe, the head of branch training. The manual is still in use. All that has changed since the manual was last updated is the price of the non-existent converter.

Currently on the Tracker website, under the heading "Additional Charges", the following item appears:

"1. Installations into 24-volt vehicles: An additional fee of R295 will be charged for all 24 volt powered vehicles."

No longer any specific reference to a "converter", but phone Tracker's call centre and you will be told all about the 24-volt converter that needs to be installed.

According to Tracker's website, the most frequently asked question by its customers is:

"Where is the unit fitted to my vehicle and what does it look like?"

The answer: "The Transponder unit is fitted into any one of numerous places in your vehicle, that have been identified

n Saturday 7 April 2001 Mike Hynek and his partner Sharon Goulson had guests at Kranspoort, the farm they rented outside the Free State village of Fouriesburg. It was an all-day affair: the first visitors arrived at 8am, there was a braai in the afternoon and after dinner the evening was spent watching videos with two guests who stayed over.

The nightmare started at 3am on Sunday morning with a telephone call. It was Hynek's secretary Jacqui Vorster on the line: "Your business is

Hynek and guest Keith Loumgair leapt into a bakkie and sped the 67km to Bethlehem to Hynek's business, Vrystaat Brake & Clutch. "When we

Wynand van Vuuren, group claims manager for SA Eagle, South Africa's third largest listed shortterm insurer, will do anything to pin charges of fraud and arson on clients who lodge fire claims with his company. He hires private detectives who lie and invent false statements to get innocent claimants criminally charged and to avoid paying out millions in claims

arrived the fire brigade was there and the fire was extinguished," recalls Hynek. "The whole place was gutted. I was totally devastated. I was

physically sick."

Hynek, 39, started Vrystaat Brake & Clutch in October 1997 with André Jooste, a Bethlehem insurance broker who happens to be employed by SA Eagle. Jooste held shares on behalf of an insolvent relative named Mike Potts, who worked briefly for the business until there was a final row about his drinking habits. Jooste (representing Potts) was bought out for R60,000 and from then on Hynek ran the company.

"It grew from strength to strength," he says. "We moved into new premises in the centre of Bethlehem. Initially

we rented half the building, but it grew so fast that within a year we had to take over the whole premises."

Gross profit for fiscal 1999 was R431,408. In 2000 it nearly doubled to R705,492. In 2001 it dipped slightly to R607,763. In the six weeks before the fire it had already reached R83,218, promising a record year ahead.

ynek and Goulson came to the Free State in 1994 from Johannesburg. The predominantly Afrikaans business community of Bethlehem was a closed one, with firms traditionally passed down from father to son. "Initially I was resented by the local, very traditional, Afrikaans community," says Hynek.

But the successful newcomer made his mark. He started the Bethlehem Motor Trade Forum to pull everyone together and was elected its chairman.

Vrystaat Brake & Clutch had been insured with SA Eagle since January

resigned as Hynek's broker, without giving a reason. Days later Hansie Prinsloo arrived in town.

Prinsloo, 34, was formerly a police captain in the infamous Brixton Murder and Robbery Squad. In 1998 he was working in a special unit to combat Gauteng's spate of cash-intransit robberies. On 18 August of that year Prinsloo and an inspector named Johannes Van Zyl were present when one of South Africa's most wanted criminals, Josiah "Fingers" Rabotapi, was shot dead by police in a Sandton town house while his hands were handcuffed in front of him.

At the inquest both officers refused to answer questions on the grounds that they might incriminate themselves. Shortly thereafter they resigned from the police.

Prinsloo went to work for Associated Intelligence Network (AIN), an expensive and controversial Johannesburg-based firm of private created quite a stir. Smartly-dressed and scattering money like confetti, Prinsloo cut a dash in his brand new Mercedes-Benz Kompressor. He was certainly held in awe by Inspector Morne Bouwer, the local investigating officer handling the police investigation into the fire at Vrystaat Brake & Clutch.

Lying in a private room in the local provincial hospital, his body swathed in bandages, was a badly-burnt man named Johannes Ditsau. Ditsau told Bouwer that his injuries were caused when, drunk, he fell asleep and a cigarette set his bed alight. But that explanation was not recorded in the statement Bouwer took from Ditsau in hospital at lunchtime on 15 May.

Instead, Ditsau's statement, as recorded by Bouwer, described how his friend "Dan" visited him at his shack in Ficksburg and told him his boss had asked him to burn down his Bethlehem business — and that money had been promised as soon as the insurance

claim was settled.

It went on to describe how after drinking a copious amount of beer, he and Dan – who had a key which he told Ditsau his boss had given him – went to Vrystaat Brake & Clutch, where he (Ditsau) lit the fire, receiving his extensive burn injuries in the process.

At Hynek's subsequent trial on charges of fraud and arson Ditsau denied that SA Eagle's private investigator, Prinsloo, was present at his hospital bedside when he made

his damning statement incriminating Hynek. He said he only met Prinsloo the following day. But in his evidence SAP Inspector Bouwer agreed that Prinsloo was there – indeed he had phoned the private investigator, who arrived at the hospital shortly after Ditsau started making his statement.

he Bethlehem police — and Prinsloo — went to great lengths in an attempt to convince the court that he was not at the hospital on 15 May. Astonishingly, it was Prinsloo himself who took a belated statement on 8 April 2002, just weeks before the trial, from another policeman, Inspector Adriaan Esterhuizen, in support of this lie. In it Esterhuizen stated he had been among police who went to the hospital to interrogate Ditsau and take his statement. Prinsloo, he said, was only

At the inquest both police officers refused to answer questions on the grounds they might incriminate themselves

1998. Before the fire, they had submitted two claims: flood damage of around R9000 and R6000 after thieves broke in through the roof and stole a hi-fi and cellphone. In both cases, SA Eagle paid out promptly.

After his business was gutted, Hynek submitted a claim to SA Eagle for R1.2m through his insurance broker, André Jooste.

A week after the fire Hynek's former partner Mike Potts opened a new, very similar business in town, Maluti Brake & Clutch. It had to be in someone else's name, since Potts was still an insolvent. Among his founding staff was a general labourer named Elliot Nyembe, who, before the fire, had been employed by Hynek. Nyembe was to make a devastating statement implicating Hynek in the fire.

On 9 May Jooste, who is married to Potts's daughter Tracey, abruptly

eyes employing many former police officers. AIN is run by Warren Goldblatt and the company has frequently been employed by SA Eagle's group claims manager Wynand van Vuuren to investigate fire claims. We deal with AIN in an accompanying article.

When Van Vuuren retained Prinsloo to go to Bethlehem to investigate the circumstances of the gutting of Vrystaat Brake & Clutch, the former police captain had left AIN to become director of another company, Mantime Trading, which used the trade name Securecor. (Co-directors included the ex police inspector present at the "Fingers" Rabotapi shooting, Johannes van Zyl, and Jack La Grange, the former head of Brixton Murder and Robbery Squad who was sentenced to death for the murder of a drug smuggler, but received amnesty).

Hansie Prinsloo's arrival in Bethlehem

informed about this at a later stage.

Bouwer inserted this statement into the docket, although he admitted under cross-examination that Esterhuizen had not even been present at the hospital on 15 May.

Prinsloo had certainly been busy that 15 May. At 10.35am he had already personally taken a statement—although his name does not appear on it—from a security guard named Peter Moluli Elvis, of Fish Eagle Security (the statement is signed by Inspector Bouwer as Commissioner of Oaths).

Elvis said that at about 1am on 8 April he was walking to buy cigarettes from the Caltex garage next to Vrystaat Brake & Clutch. He saw the place was on fire and asked the petrol station staff to call the fire brigade.

"One of the workers of Caltex informed me that the owner of Vrystaat Brake & Clutch bought a 25 litre drum of petrol on the afternoon of Saturday 2001/04/07," read Elvis's statement. "He physically pointed out the drum to me. I saw this drum through the main window [of the blazing infernol!"

Was Prinsloo creating false evidence? When police subsequently interviewed the Caltex garage staff they denied telling Elvis they had seen Hynek that Saturday afternoon with a drum of petrol.

Elvis's version did, however – conveniently for SA Eagle – tie up with another statement taken personally (and anonymously) by Prinsloo (again attested by Inspector Bouwer): on 17 May, Elliott Nyembe, who worked on

Hynek's farm, apparently recounted to Prinsloo how on the Saturday before the fire Hynek and his partner left the farm at about 1pm, telling him they were going to Bethlehem. They returned at about 4pm, said Nyembe.

Hynek's stay-over house guests on the weekend of the fire were Keith Loumgair, business development manager at Standard Bank in Johannesburg and Sharon Goulson's sister Helen. They arrived on the farm around 8am on the Saturday morning. "Mike had been there all day," Loumgair subsequently stated in a letter to Hynek's attorney.

After the 3am phone call with news of the fire, Loumgair accompanied Hynek to Bethlehem. When they arrived, wrote Loumgair, "Mike just about collapsed. If his horror and dismay was false then he is the best actor I have seen."

n the drive back to the farm, said Loumgair, "the mood in the car was dreadful, as you can imagine, and Mike kept asking what would he and Sharon do now, as their business and livelihood was gone."

Then we have the 1 June statement of Dan Lephatsi, who is the "Dan" that Ditsau had named in hospital to Bouwer (and Prinsloo). Lephatsi worked at Vrystaat Brake & Clutch and also helped out on Hynek's farm, looking after the sheep.

In his statement, which was taken by Bouwer, Lephatsi said: "My employer Mike Hynek told me to burn down his shop in Bethlehem. He never gave me



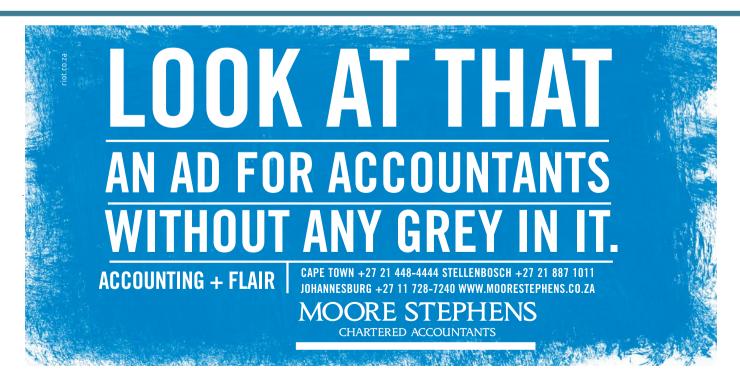
FINGERS BURNT: Mike Hynek

any reason and I said I would think about it ... Mike gave me the key to his building ... He also advised he will be leaving petrol on the bakkie, which I should throw in the building."

Lephatsi went on to describe how he recruited Ditsau, how they entered the premises and lit the fire.

But a week before the fire Hynek had found one of his sheep with a severe cut on its head. "I had a serious row with Lepatsi," says Hynek. "He was drunk and very threatening. I took my shotgun and he tried to grab it. Then he ran away. He came back several days later and apologised."

On 31 May 2001 Prinsloo phoned



Hynek and asked him to come to the Bethlehem offices of SA Eagle; the claim investigation, he said, was complete and there were some documents to sign. On arrival Hynek was arrested by Bouwer and held in custody for 21 days.

On the same day, 31 May, SA Eagle's Van Vuuren wrote to Hynek rejecting his R1.2m claim. "The claim submitted by you was fraudulent in certain respects in order to obtain a benefit under the above numbered policy," said Van Vuuren.

Van Vuuren laid a charge of fraud with the police against Hynek. Ditsau and Lepatsi, the pair who had confessed to lighting the fire, became state witnesses and agreed to testify in court that Hynek had ordered the burning.

The last thing anyone wanted was for Hynek to be bailed and free to run around trying to work out what was going on. So someone pulled an old trick much loved by the police in the apartheid era. While Hynek was desperately seeking bail, a woman telephoned British Airways and booked a one-way ticket to Prague in Hynek's name (in the process misspelling his name as Hinek and giving an incorrect cellphone contact number).

Why Prague? Hynek was born there, although he left the Czech Republic at

the age of five when he accompanied his parents to South Africa. He has never returned. However, this reservation indicated that Hynek was about to flee the country, so bail was refused.

The magistrate ordered Bouwer to travel to British Airways in Johannesburg and investigate. But it was an obliging Prinsloo who did the job, taking an inconclusive statement from a BA telesales agent. The mystery of who made the booking was never resolved – but Hynek was finally granted bail of R20,000.

Hynek's trial, when it finally took place in Bethlehem regional court in May 2002, was a farce and magistrate

Smoke and mirrors

During 1999 and 2000 Ari Halpern was employed as an investigator by Associated Intelligence Network (AIN). A fire destroyed Afribrand's Golden Wheat Biscuits warehouse in Devland, Johannesburg, on 28 July 1999. Afribrand lodged a R21m fire insurance claim with SA Eagle. Halpern was one of a team of AIN investigators put on the case by SA Eagle.

noseweek is in possession of two affidavits subsequently sworn by Halpern after leaving AIN to start his own security company.

"It was alleged that the fire was started on purpose and we were instructed to obtain evidence to repudiate the claim," said Halpern. "An individual by the name of 'Wynand' was mentioned on numerous occasions as being the contact person at SA Eagle who was in charge of receiving all information and evidence obtained by AIN." [noseweek has reason to believe the "Wynand" referred to is SA Eagle claims manager Wynand van Vuuren, who has himself been known to make false claims of arson in order to discredit fire claims against the insurer. - See our next issue.]

Halpern's task on the AIN team was to deal with the security guard on duty on the night of the fire, Mtuluzi Mdoko. It soon became clear that it was Mdoko who had started the blaze. "He was making a fire in a drum to keep himself warm. His supervisor approached the site and he tried to extinguish and hide the fire in the drum. This in turn blew burning coals through an opening in the factory and ignited the fire.

"I was aware that at a certain stage Wynand was not impressed with the information he was supplied and requested us to investigate further," said Halpern. "Our finding at that stage was that the fire was caused by human error. Thereafter I merely followed instructions."

AIN took at least four different statements from Mdoko. "I handed over money and various gifts to the guard and he was subsequently employed by AIN," wrote Halpern.

Separate court papers state that among these gifts were a cellphone and a radio. And Halpern arranged for Mdoko to move into a flat in Johannesburg's CRD

SA Eagle finally repudiated Afribrand's claim, on the grounds that certain equipment had been placed in the factory after the fire.

Afribrand employed a former AIN investigator Pano Perides to assist in its dispute with SA Eagle. In an affidavit Perides describes how he met a former Golden Wheat Biscuits employee named Denzil Naidoo on 2 November 2000. "Naidoo admitted to me orally and by way of a written statement that he received a large amount [of] money from an SA Eagle employee and/or investigative official," reads Perides's affidavit.

"The money was paid him [Naidoo] in lieu of a revised statement that favoured SA Eagle's report in their attempt to repudiate Afribrand's insurance claim."

The Perides affidavit ends: "The intelligence and facts gathered lead me to the conclusion that manipulation of the witnesses took place in order that SA Eagle achieve the desired result."

Back to Ari Halpern and the final paragraphs of his second affidavit. They state: "I was also part of the [AIN] investigative team with regard to the fire in Durban 'Magic Bazaar'. I am aware that in that case money was handed over for 'false statements' that were needed to implicate a certain 'Ossie' and

therefore his claim with SA Eagle was repudiated.

"I must point out that I have received numerous threatening telephone calls with regard to the above and fear for my family and my own safety."

Then there's the strange case of the fire at Woodini, a furniture manufacturer in Johannesburg's Kruis Street, in the early hours of 11 July 1998. After receiving a number of threatening phone calls its owners, brothers Preggy and Steven Pillay, employed a security company, Camelot Security, to guard the premises at night. Four nights after Camelot Security began its duties the factory was burnt down.

The Pillays put in an insurance claim to SA Eagle for R7.8m. It was repudiated and the Pillays were placed on trial for fraud and arson.

In his evidence Camelot Security's Lourens Swanepoel said he received R150,000 from AIN for his statement saying that he and his colleague Jonty Dolboy had fired the premises at the request of the Pillays. He gave R25,000 of this sum to Dolboy. The pair became state witnesses and were promised immunity.

The Pillays' counsel argued that the case was "a trumped up fabrication simply because the insurers did not want to settle the claim in favour of the accused". Finding the brothers not guilty, Judge K Pretorius said: "Between some of these parties [SA Eagle and AIN] Swanepoel and Dolboy were paid a certain amount of money to give evidence and testify. They had a motive to lie; they knew how to lie; they knew how to implicate the accused."

For its two weeks' work in obtaining the false statements of Swanepoel and Dolboy, SA Eagle paid AIN a fee of R570,000 including VAT. Hein van Niekerk threw out the case at the close of the state's evidence. Hansie Prinsloo was there in court, but did not give evidence and he left before the end, when it was clear the state's case was doomed.

In the witness box, Ditsau and Lephatsi hopelessly contradicted each other – one minute Hynek had given Lephatsi one key to enter the premises, the next minute it was a bunch of keys. Inspector Bouwer was made to look incompetent at best and thoroughly dishonest at worst, for filing those false statements by Inspectors Esterhuizen and Pretorius [taken by Prinsloo] supporting the fiction that Prinsloo was not present when Ditsau made his damning statement in hospital.

As Hynek's advocate Etienne du Toit described it in court: "This is not a case of Alice in Wonderland — it's a case of Hansie in Bethlehem."

o what really happened? Forensic investigators concluded the most probable cause of the fire was arson, with petrol being spread over the entire office area. As the trial verdict confirmed, Hynek was not in any way involved.

Also clear is that SA Eagle did not send Prinsloo to Bethlehem to investigate a fire. Wynand van Vuuren sent him there to drum up evidence that the blaze had been orchestrated by the owner of Vrystaat Brake & Clutch. If they could secure an arson conviction against Hynek, they would not have to shell out on his R1.2m claim.

Perhaps Ditsau and Lephatsi broke into the premises to steal. There was evidence that the workshop back door had been left unlocked. Lephatsi admitted in court that he took R1000 from an office drawer. And remember that Lephatsi had had a furious row with Hynek over the injured sheep just a week earlier. Another possibility is that the pair were hired to gut the place by a jealous business rival.

In either event, they would have been the ones facing stiff prison sentences if Hynek was not successfully framed. And SA Eagle would have had to pay out on Hynek's insurance claim.

Before Prinsloo's arrival at Ditsau's hospital bedside on 15 May, Ditsau was attempting to distance himself from the arson by telling the police his burns were the result of his bed catching fire from a cigarette when he fell asleep drunk. But someone — and here the finger points squarely at Prinsloo — clearly told him that if he admitted striking the match at Vrystaat Brake

& Clutch and implicated Hynek, he could become a state witness and walk free. No need for the cigarette story.

If he hadn't been got at by Prinsloo, why else would Ditsau have insisted in court that Prinsloo was not there when he made his incriminating statement? And why did Prinsloo take that last minute false statement from Inspector Esterhuizen?

And now? SA Eagle still refuses to pay out on Hynek's claim. Ditsau and Lephatsi have not been charged with anything; in fact they have both conveniently disappeared, probably over the border into nearby Lesotho.

Mike Hynek is jobless and financially ruined. But he is determined to see justice done. He has filed a R3m high court claim for defamation, wrongful arrest, detention and prosecution. The defendants are the Minister of Safety and Security, SA Eagle, Wynand van Vuuren, Hansie Prinsloo, Mantime Trading (trading as Securecor) and Inspector Morne Bouwer.

Last year SA Eagle, whose majority shareholder is Zurich Financial Services, achieved record underwriting profits of R127.7 million, after a loss of R21.3 million in 2002. Managing director Nick Beyers attributes this improvement to "appropriate pricing levels combined with the enforcement of strict underwriting principles." We would attribute it to something else.





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GONE

When Hout Bay fishwife Shantaal Meter needed some signatures for a petition in support of a development, some of her pals just got out their pens and forged them

eaders will recall that Minister of Public Works Stella Sigcau granted Shantaal Meter of Bluefin Holdings (Pty) Ltd an extraordinary 25-year lease at Hout Bay harbour — without the consultation process expected of other harbour users and without prior consideration of the environmental impact of the proposed development.

Shantaal Meter

In addition, the South Peninsula Municipality, now part of the City of Cape Town, had not approved the building plans for the development before the lease was granted. Both these requirements should have been met before a long-term lease over public land was approved.

(Significantly, at a recent Fishing Industry Imbizo, hosted by current Minister of Environmental Affairs Marthinus van Schalkwyk, a question from the floor as to whether such a lease could be granted

If a pesky bureaucrat won't pass your plans, get him moved

When the South Peninsula Municipality first learned of the proposed Bluefin development a request was addressed, as is usual, by the responsible official, William Carter, to Bluefin to submit their building plans for approval. Bluefin's response was, to put it mildly, alarming. On 6 October 2003, Bluefin director Shantaal Meter wrote to Ebrahim Rasool, then MEC of Economic Affairs, and copied the letter to the then Minister of Defence Terror Lekota and the Mayor of Cape Town, Nomaindia Mfeketo. In her letter Meter stressed the following:

"When the development of the fishing processing facility started in September 2003, three companies raised their objections. This has resulted in the high court granting an interim interdict to prolong and frustrate this development. We wish to bring to your attention that this application has been brought by a few white individuals who are against Black Economic Empowerment. One of the applicants sees our company as serious competition."

Some would consider this racist. Others would certainly view it as an attempt to improperly influence court proceedings.

After this letter Stella Sigcau intervened in the court proceedings and opposed the case brought by the opponents of the development, including Greys Marine and the Hout Bay Yacht club (see nose57).

As we reported in nose58, Sigcau claims to know nothing of the Meters, though. In addition, and in relation specifically to Carter's request for compliance with building legislation - which applies to all South Africans - Meter said: "Another issue that we would like to discuss with you and comrade Nomaindia relates to an employee at the South Peninsula Municipality, Mr William Carter, head of the planning department. We would like to request an investigation about the conduct of this official. At the meeting we will forward the necessary evidence relating to the misconduct official.

"Our company would like to request an urgent meeting with yourself and comrade Nomaindia to discuss the developments of Lot 86 and 86a on the Hout Bay harbour. The above matter was discussed with comrade Terror who advised we take the matter further with

yourself and comrade Nomaindia. We are expected to provide him with a report on the outcome of our meeting."

Regrettably, Mr Carter wasn't prepared to talk to noseweek. We have learned, however, that he was removed from the group considering the building plans. And he is the expert the public rely upon to ensure that building plans which are ill-advised are not passed! Remember the Meter approach next time you get a parking ticket. All you need to do is to defame the official who fines you and copy your letter to a few ministers. That should sort it out in no time!

The building plans have still not been passed. But **noseweek** has ascertained that the City view the matter as such a "hot potato" that the officials have chickened out and have now referred the application to the "politicians" for a decision. And, of course, one of the documents which the politicians will consider is the petition ... That should be entertaining!

And comforting for opponents of the development, including Greys Marine and its staff who face a grim future if the development goes ahead.

FISHING

without prior approval of the building plans was answered in the negative.)

Clearly realising the difficulties caused by its failure to meet these requirements, Bluefin rushed to apply to the City for approval of the building plans and also for an exemption from the need to comply with environmental legislation.

At the same time Bluefin relied on Shantaal and husband Dicky Meter's much publicised political clout to pressurise those who were to consider the applications (see story on facing page). In support of these two applications for a special dispensation, Bluefin lodged a petition supposedly evidencing the support of hundreds of Hout Bay residents for their proposed development.

e have a copy of the petition. Even a cursory glance at it suggested to the *noseweek* hacks that all was not as it seemed. The handwriting of the hundreds of supposed supporters of



Minister of Public Works Stella Sigcau

be more original. But we digress.

Lest it be said that *noseweek* has appropriated to itself the expertise to decide handwriting issues, a handwriting expert, Gert J Burger, who has vast experience as an examiner of handwriting for the South African Police, has commented on the petition.

Burger's view is that the handwriting on the petition, including the signatures, is that of a few individuals rather than the hundreds whose names were utilised to support the Bluefin applications.

Our interest now truly aroused, we turned to our sources in the Hout Bay community to see whether we could establish what actually happened. And what do you think we found out?

Hout Bay residents we spoke to were enraged to learn that their names had been used in support of a development they either knew nothing about, or vehemently opposed. Veronica Reed, whose name and "signature" were used, was so angered that she laid a charge of fraud with the Hout Bay police. (These worthies have declined to prosecute on the basis

The handwriting of the hundreds of supposed supporters of the development is remarkably similar throughout the document

the development is remarkably similar throughout the document.

Also the initials appearing with many family names follow the alphabet to a marked degree.

Perhaps this is a tradition in Hout Bay? Those completing the petition seem to have thought so. Or perhaps they were just too pressed for time to

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Information blackout

The responsibility for complying with environmental legislation and the national building regulations rests on the applicant in each case. Bluefin is that applicant.

The petition created by Bailey and Davids was delivered to Shantaal Meter. It was then used by Bluefin's environmental consultants SHE Cape Environmental cc, in support of the Bluefin application for an exemption from certain provisions of the Environment Conservation Act, 1989. noseweek attempted to call the managing member of SHE Cape Environmental, Ms Mayekiso, but the telephone rings unanswered.

noseweek then sent a fax to Mayekiso asking her to confirm who prepared the petition, who instructed that the signatures be obtained, and who oversaw the process of obtaining them? Our letter has not been answered. noseweek also wrote to the office of the Minister of Agriculture, Environmental Affairs and Planning asking for all the documentation that had been considered by the department before granting Bluefin an exemption from the Environment Conservation Act.

True to form, the Department replied that the information would not be provided save and unless noseweek complied with the procedure set out in the Access to Information Act of 2000. Sadly, this piece of legislation, intended to promote the constitutional right of access to information is more frequently used as a bureaucratic barrier by public authorities. But that's a story for another time.

that they cannot see any reason for charges to be preferred. Difficult to understand when the petition was used to misrepresent that she supported something she did not – fraud in anyone's terms.)

But on to the really good bit: the true story of how the names and signatures were procured would be really amusing – if fraud on the authorities and the public can be viewed in this way.

What actually happened was that Shantaal Meter, alive to criticism of the development and the threat of court proceedings, decided that she needed to "demonstrate" support for the development. To do so she enlisted the aid of lieutenant (and self-proclaimed local ANC activist) Caroldene Bailey.

Meter told Bailey that Bluefin desperately needed a few hundred signatures to use in court and in applications to local authorities. She had prepared a petition which Bailey should ensure was completed and returned, post haste. She would pay for it. too.

ow the weather was not great towards the end of 2003 when Bailey got to work. Time was of the essence and the Bluefin development did not enjoy wide support anyway. How was Bailey to accomplish her task in these trying circumstances?

Nobody in Hout Bay wants to get on the wrong side of Mrs Meter, who does not accept failure lightly. So Bailey met her friend and fellow Meter loyalist, Marianne Davids, at a flat a stone's throw from the bay to discuss how this could be done. They had their doubts as to whether they could actually get signatures, firstly, and secondly did not want to traipse around the entire community in inclement weather anyway.

A couple of bottles of wine later they realised they were creating problems that did not exist. Why bother to consult members of the Hout Bay community at all? Far easier to use a list of names taken from the local voter's roll, fill in the particulars of families and sign for them. What they didn't know wouldn't hurt them. And who would know?

Once the plan had been devised, it was a relatively simple matter to put it into effect. Enlisting the aid of a friend or two (one being a schoolgoing youngster the pair have exposed to the risk of criminal proceedings) the group got to work. At first they made some attempt at disguising their handiwork, having different members of the group insert different names rather than an entire page at a time. But this was taking too long, so they moved to plan B and simply filled in entire pages and signed them off. Things went "swimmingly". So quick were they in completing their first few petitions that Meter called for more. They happily obliged. Pretty soon the list included almost everyone in the Hout Bay harbour community, as well as some who had left some time before. But who's to know, they thought.

So there you have it; a fraudulent petition has been used to support an environmental application and for the approval of non-compliant building plans.

In fact, *noseweek*'s sources have revealed that the petition is being relied on by the City as the single most important indicator that the Bluefin development is a "community" project and should be approved!

It does not take a handwriting expert to see that the petition is entirely fraudulent. It would take only a telephone call to Veronica Reed, for example, to establish that she did not sign the petition. The National Building Regulations and environmental impact Act both place the onus for ensuring that all documentation submitted in support of applications is correct firmly on the applicant, in this case Bluefin.

That being so, the Bluefin development is dead in the water, so to speak. But will that be the eventual outcome? If it is not, then the worst concerns raised in nose57 will have been realised. Watch this space.



"It's very important that you try very, very hard to remember where you electronically transferred Mommy and Daddy's assets."

Berlowitz blitzed

t last. Some light on events that have caused the very recent sequestration of noseweek's favourite rogue attorney Anthony Berlowitz. (In nose60 the trustee of his insolvent estate, Allan Pellow, would only mutter that the matter was "very sensitive" and that criminal charges were expected to be laid "shortly").

But not against our Tony. It seems that Berlowitz made the mistake of employing as a senior conveyancing typist a persuasive and extremely efficient woman called – when he employed her, anyway – Dale Charmaine Lorentz, without doing a background check.

On the other hand, maybe he did: her previous employers are remarkably reluctant to talk about her past while in their employ, or to comment on the few years in the late 1980s when she appears to have been mysteriously "out of circulation". Now talk is the 63-year-old Lorentz may be a veteran in more ways than one.

Papers filed in Berlowitz's sequestration proceedings in Pretoria High

held a bond over the properties, that transfer had in fact been registered on 17 September 2003. When Cronje called Berlowitz to ask why he hadn't received the R2.6m, the attorney promised to make enquiries and report back.

In his affidavit, Berlowitz writes: "There is at present a shortfall in my trust account of some R2.8m to R3.2m. It appears to me at this stage that D C Lorentz, a senior conveyancing typist in my employ, was responsible for misappropriating funds from my trust account in an amount in excess of R2.8m

"I am unable to give precise details of how the misappropriation occurred or of exactly what amount is involved at this stage and will be unable to do so until the auditor, whom I have instructed to conduct a forensic audit, has prepared his report. Once this report is available I intend laying criminal charges against Lorentz."

Berlowitz did not oppose Cronje's application for his sequestration. "In fact I support it," he says in his affidavit.

"It is essential that my estate be sequestrated as soon as possible to enable a trustee to be appointed who will be able to take urgent action against Lorentz so that whatever funds remain in her possession are not dissipated, and to

prevent her from alienating whatever assets she may have."

At the end, unmarried Berlowitz listed assets of R1.7m and liabilities of R3.9m. Assets were book debts of R700,000, a 2003 Mercedes Benz C270 (R280,000), a 1996 Chevrolet Silverado (R30,000), a 1999 Toyota Conquest (R20,000), office furniture and equipment (R100,000) and a R600,000 interest in a company that owns the premises where he conducted his law firm.

Liabilities were a bank overdraft of R250,000, lease on the Merc (R280,000), general creditors (R200,000) and an estimated trust account shortage of R3.2m.

Dale Charmaine Lorentz, senior conveyancing typist extraordinary, submitted her resignation from Berlowitz's doomed law firm on 24 June.

66 It appears a senior conveyancing typist in my employ was responsible for misappropriating funds from my trust account 99

— Anthony Berlowitz

Court tell only the sorry tale of how the 53-year-old attorney met his fate at the hands of his errant typist.

In December 2001 a company named Erf 58 Erand Gardens, Extension 40 cc, was wound up. The following May the company's properties were sold by public auction for R2.6 million. After the sale Berlowitz was instructed to attend to the registration of transfer of the properties to the purchaser.

Erf 58's liquidator, Pieter Cronje, dealt only with Lorentz. "Whenever I made enquiries regarding the progress of the transfers Lorentz would advise me that the registration of transfer of the properties had been delayed for some reason or another," he says in an affidavit in support of Berlowitz's sequestration.

In the second week of June this year Cronje learned from Nedbank, who



WesBank's charity begins at a PR agency



PR photograph of Burchmore's MD Darryl Jacobson

"Burchmore's and WesBank support Soweto care centre" thunders the headline on a press release that arrived at noseweek. The centre in question the Nkanyezi Stimulation Centre, which cares for 30 disabled children. It is housed in old school buildings in Orlando West, which the department of education bequeathed to the community. But now the department has decided it wants them back - and the children face eviction.

Burchmore's are the Johannesburgbased auctioneers who annually sell

around 7000 vehicles which WesBank has repossessed from clients who default on their monthly payments. The heartwarming press release, put out by Charleen Clarke of Charmont Media on behalf of the auction house, announces: "When Burchmore's and WesBank heard about the centre's plight they were quick to come to the rescue. 'We had to help,' said Burchmore's managing director Darryl Jacobson. 'They care for 30 disabled children. We couldn't see them thrown out into the street'."

The release continues: "It was thus that Burchmore's and WesBank pledged their support to the centre — and thousands of rands have already been raised via the auctions." A fine quote from Darryl Jacobson follows: "One thing is certain: the angels of mercy at Nkanyezi Stimulation Centre know that they are no longer alone and that we will continue assisting them into the future."

How absolutely marvellous! Sounds as though this corporate joint venture is going to save the day for the kids of Nkanyezi. And what marvellous publicity for WesBank after *noseweek*'s treatment of South Africa's largest vehicle finance house over its scrap with the colourful Pierre Pienaar (*noses*58&60).

So how much hard cash is involved in the "rescue" mission? WesBank won't say.

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"I don't think we want to disclose what we're donating," says Guy Watchurst, general manager (repossessions). But he confirms that every month Burchmore's contributes the commission it would otherwise have received for auctioneering one repossessed vehicle to Nkanyezi. With an additional input from WesBank — the documentation fee on the one-amonth sale — the total raised for the children's centre is thus around R2000 a

month, Watchurst admits reluctantly. The corporate joint venture started some six months ago, so it's brought in around R15,000 so far.

Oh. Not quite the major sort of big corporate "rescue" boasted by Darryl Jacobson in Charmont Media's dramatic press release. Still, R2000 a month is better than nothing for such a worthy cause.

And how does Nkanyezi spend this modest offering? "They don't give cash," explains caregiver Lindiwe. "They've bought us some garden tools and some stationery. And they made a party for the children at the beginning of the year. And last Friday [the day after noseweek spoke to WesBank about the project] they called and said they've deposited R100 in the bank for each of the nine caregivers."

WesBank's Watchurst warns noseweek that any story we might wish to write about Nkanyezi must first be submitted to him for approval. "I'd need to look and see what you wanted to put in first and I would then proofread it." If our jotting received the Watchurst stamp of approval it would be "pushed up the line" to the head office marketing department, which deals with the press. They would "check it for validity and that sort of thing."

Over at head office, marketing department general manager (marketing) Chris de Kock informs us that Watchurst was out of line for speaking to us. "We don't allow our people to talk to the media, for obvious reasons," says De Kock.

He proceeds to distance WesBank from

KIND-HEARTED: Used-car auctioneers Burchmore's boasted about their and WesBank's generous support for this Soweto care centre the Nkanyezi support project. "Charmont Media's Charleen Clarke wasn't acting on our behalf when she put out the press release," he says. "I'm quite surprised she did so without checking with us, because if she had we would not have allowed the use of our name. This is not a WesBank initiative and I don't want WesBank's name attached to it at all.

"The support that we've given the centre has purely been from our own

"I don't think we

want to disclose what

we're donating"

— Guv Watchurst, general manager

(repossessions) at Burchmore's

staff. It's been their own initiative, like many others that we encourage our staff to do themselves. This is something that Guy Watchurst and his team have been involved in, but it is not something that goes under the WesBank banner."

Perhaps De Kock could explain that to Burchmore's. "The press release was put out on behalf of ourselves and WesBank," insists

Burchmore's now deeply puzzled managing director Darryl Jacobson.

Sorry, kids, it was all just a cheapskate publicity campaign that has had its cover blown.

WesBank is part of the FirstRand group. Every year group companies contribute 1% of their after-tax profits to the FirstRand Foundation, which channels money to worthy causes. [Look no further: obviously that's where Burchmore's take their cue from. One per cent! – Ed.]





Right on the Mark

Surprise, surprise! This familiar face featured on a recent instalment of *Carte Blanche*, among other well-wishers at the gates of Mark Thatcher's residence in Constantia, following Thatcher's arrest in connection with the Equatorial Guinea coup plot. He would not identify himself on camera, but *noseweek* readers will immediately have recognised him as that other notorious shady operator bestowed on us by the British Isles, David Jenkins!

Jenkins featured in a series "An Offshore Murder Mystery" we published in 1999. (See noses 25, 26, 27 & 28.)

That story concerned the 1991 murder of the accountant who ran Jenkins' container leasing business in England, and fronted for various of his illegal offshore holdings and forex transactions.

We described how a bitter dispute had arisen between Jenkins and his offshore man, Simon Law, in the course of which Law threatened to tell all to the SA Reserve Bank. In April 1991 Law refused to sign a secrecy agreement (drafted by Joburg attorneys Edward Nathan Inc – now Nedcor's R400m inhouse law firm) that, in effect, offered Law a financial settlement to keep silent about Jenkins's illegal activities. Two days later Law was abducted from

his country home in Kent, and has since been formally presumed murdered.

Only days after Law's abduction, Interpol warrants were issued for the arrest of two South Africans, Glen Chait and Neville van der Merwe, who, the Kent police believed, had been hired to carry out a "hit" on Simon Law.

During the investigation by British police it emerged that a friend of Jenkins had arranged Chait and Van der Merwe's accommodation in England.

Confronted, Jenkins denied having anything to do with Law's murder.

Chait, an ex-policeman, was arrested in 1996 in Johannesburg, pending extradition to the UK. He was represented by an attorney who had previously acted for Jenkins. Before he could be extradited, Chait was found dead under mysterious circumstances in his police cell.

The other suspect, Neville van der Merwe, was eventually arrested in America and extradited to Britain for trial in 1999. At his trial he placed all the blame for Law's murder on the now dead Chait and was acquitted.

Jenkins' attendance at the Thatcher gates is most intriguing. What's the relationship? Or is it just a matter of birds of a feather flocking together?

Stay tuned!



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Criminal injustice



Former gangster
Peter Jumat decided
to go straight when
democratic South
Africa was born—
but the law has let
him down badly

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eter Jumat has not had an easy life. In his neighbourhood, when he was growing up, the gangs were the "authorities" and, as far as he was concerned, the police were just another gang.

He was still a child when he drifted into street gangs and crime. As he puts it, "the law took me away from my family many times as a young man."

While in prison he rose to the rank of a general in the notorious 28s gang, wielding the sort of power most South African judicial officers could only dream of. This power extended beyond the prison walls — prison gangs have alliances with major street gangs.

In Jumat's mind, the new South Africa meant all this would change. The police would now act in the interests of all and, he thought, jobs would become available to those excluded from them before. He had a wife and four young children, Clinton 7, Keenan 5, Megan 2 and baby Peter, 4 months old.

He felt he had missed enough of their youth and believed he could stay out of prison if he stayed on the right side of the law.

Former 28s prison gang general Peter Jumat with two of his children outside his house in Delft on the Cape Flats

So he began to look for work and turned his back on the gang and its activities. Being unskilled, the only work he could find was in the informal sector. Jumat and his family live in Delft on the Cape flats, where work is hard to come by. But, he managed to find work as a "smous" and also took on labouring jobs when he could. In November last year Jumat found work helping the owner of a burnt-out factory to clear the premises of rubble and other material.

On 27 November 2003 Jumat and his employer drove to the factory to remove a piece of heavy equipment. When they arrived, Jumat smelt dagga. Inside the premises they found two men – one the brother of a local street corner drug dealer, the other the son of a local school principal – making a mandrax pipe. They had just crushed a mandrax pill into a folded lotto card so they could pour it into a pipe of dagga.

Jumat and his employer told the two men this was "not their place" and said they should leave. Jumat's employer took the lotto card with the crushed mandrax. As the two trespassers were leaving, one of them pointed to the lotto card saying: "You've got R30 of mine there." Jumat's employer shook the contents out onto the ground.

Once the men were gone, they got on with their work. To get the piece of steel equipment out of the factory, they had to lift it over a fence. While they were struggling to do so, the two men they had ejected from the factory returned with reinforcements—the neighbourhood drug dealer himself, and another of his "high society" clients, the young son of a well-known doctor.

The four rushed up to Jumat and beat him on his head and body with a pick handle and an iron bar. When he collapsed, they jumped on him repeatedly. So serious was the beating that Jumat's employer thought he'd been killed. When a woman watching this started screaming, the attackers left.

Jumat's employer immediately rushed him to hospital. He lost his front teeth, his face is disfigured and his back has been so severely injured that he hasn't been able to work since.

The same day, his employer laid a charge of assault against the four men, by name, at Lansdowne police station. All four were arrested the next day. So, thought Jumat, at least the criminal justice system seemed to be working.

day or so later all four of the accused were released on their own recognisances (that is without bail having been set) and a court date was set for 7 January 2004, a month later. Two of them were to be represented by an attorney, Mr M Esau.

On the appointed day, Jumat and his employer went to court to give evidence in the case — only to discover that, without their being consulted, the case was to be postponed. Attorney Esau had arrived early and met the prosecutor. Esau apparently could not appear, as he was an acting magistrate in Cape Town. The case was postponed to 11 February.

For Jumat, this was a concern. He has not been able to work to support his family since the assault and intends to ask the court to order the accused to pay him compensation, if that is possible. If it is not, he wishes to take a guilty conviction to the Legal Aid Board and ask them to help him bring a civil claim against his assailants. Just getting to court from Delft is no easy matter. And memories fade too, making it more difficult to prove a case well after the event.

Says Jumat: "In the old days I would simply have asked the gang for help. They would have sorted out the accused and ensured they paid. I have not done that, nor will I, but I truly believed the system would help me. It began to worry me that arrangements were being made without asking me or even telling me how this could happen in secret." Anyway, on 11 February Jumat and his employer made the trek to court again, ready to give evidence and, hopefully, conclude the case.

On the day, defence attorney Esau did not even bother to appear at court. He simply telephoned the prosecutor on the morning of the hearing and said he could not come in as he was again an acting magistrate. The court notes for the day record the prosecutor telling the magistrate that Esau was serving as a magistrate in Cape Town, but that 25 March would suit him. The case was postponed once again.

When Jumat and his employer arrived at Court on 25 March, it was to be told that despite Esau's assurance that the 25th would suit him, he had again telephoned the prosecutor, this time

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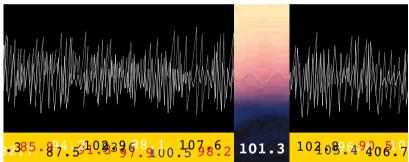
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saying had been appointed an acting magistrate in Porterville. So the case was postponed to 23 April 2004. And on the 23rd? Would you believe that another telephone call would do the trick? It did. Esau now said he was an acting magistrate in Bellville.

The magistrate at last showed some sign of being a little irked: he informed the accused that they had to make sure their attorney was with them in court the next time they appeared, as this was a final postponement – until 3 June.

So Jumat traipsed back to Delft to tell his family there had still been no progress. His hopes for justice and his recently-acquired enthusiasm for the system dimmed even further. In an effort to help, Jumat's employer telephoned the chief magistrate in Cape Town on 2 June, hoping to ensure that Esau would attend the trial.

The chief magistrate's deputy, Mr Baku, said he happened to have a meeting scheduled with Esau later that afternoon and would raise the matter with him and report back. Baku was true to his word and telephoned later that day to assure the employer that Esau would be in court the next morning.

n 3 June that, of course, was not the case. Esau telephoned that morning, as had become the norm, to say he was unavailable. When the case was called, it now appeared that at least some of the accused had had enough of this, too.

The school principal arrived and said he was fed-up with Esau and had appointed an Advocate Valli to represent his son.

The magistrate, quite properly, took the view that he required Esau to appear before him and explain himself before withdrawing as attorney, and before someone else could appear. The case was again postponed, to 11 June.

On the 11th, Esau duly appeared – to formally withdraw from the case. The court notes do not reflect any censure of Esau and, as far as *noseweek* has been able to ascertain, there has been none. Advocate Valli then indicated that he needed time to prepare and asked for a postponement for this purpose. The case was finally set down for hearing on 1 October 2004.

Watch this space for what happens. And the Jumat family? They continue to live on handouts. Jumat says he feels completely let down and now doubts whether the "system" can or wants to protect him. The drug dealer (whose name is known to *noseweek*) and his associates are happily going about the business of selling drugs to the youth of Lansdowne and earning a living. And Jumat does not feel safe either. It is not only the prison gangs who have a long reach. Drug lords do, too. Jumat says they know where he lives.

Apart from the delays in the case, Jumat can also not understand how he has never been given an opportunity to have his say on whether all those postponements should have been allowed. Is it because Esau is an acting magistrate? Should the state not have opposed the delays in some way?

Is Mr Esau, who clearly has poor judgment and no sense of responsibility, the sort of man who should be acting as a magistrate in our courts?

And what, dear reader, do you think Jumat's advice will be to others who find themselves in his situation and have to choose between gang justice and the criminal justice system?

We did not ask him for fear of hearing the answer. \blacksquare

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retoria mineral rights lawyer Martin Brink might have been smart when he teamed up with attorney Manda Scheepers, then paramour and new bride-to-be of Anglo platinum king Barry Davison.

Together, with a bit of surprising help from Amplats CEO Davison, they eased R900m worth of platinum rights out of Amplats for a mere R24m (nose60) – and managed to cash in the profits off shore!

But an attempt by the wily attorney/ wheeler-dealer made 20 years earlier to pull off a similar bonanza deal fell through at the last minute — when he was outmanoeuvred by a younger, unknown player in the field. The humiliation appears to have left an enduring bitter taste.

So imagine Brink's torment when, many years after that loss, he moved into an address in the most desirable part of Pretoria's Waterkloof – only to discover that his neighbour was the man who had outsmarted him all those years ago!

The winner of the 1980 scrap was another now-millionaire: shopping centre developer Arnold Pistorius. And after a spell of uneasy peace a new mega row erupted between the two – over a piece of open land that Brink wanted to extend his garden.

But before we go into that, let's go back to 1979, when Pistorius's wife-to-be Lois turned 21. Her father, who had died a couple of years earlier, had owned a 3000 hectare cattle farm near Ellisras, in the Waterberge, close to the Botswana border. He left the farm in trust to Lois and her younger brother Harvey, who was still in his late teens.

Brink, a Pretoria attorney specialising in mining and mineral rights, came along

An ancient grudge harboured by millionaire lawyer Martin Brink against Pretoria shopping-centre tycoon Arnold Pistorius resurfaced many years later when the brief moved in next door to the developer and the two found themselves in an ugly dispute over the strip of land that separated their properties



BORDER BATTLE: The disputed garden wall in its pristine glory

and, all consideration and kindness, offered the two youngsters an impressive R600 per hectare for mineral rights on their inherited spread. That totted up to R1.8m (about R21m today).

The only snag was that young Harvey's 21st birthday was still a couple of years away and their father had stipulated that nothing in the trust could be sold until both were 21.

Not to worry. The canny Brink drew up a document sidestepping that proviso. They would do the deal then and there – and Brink would hand over

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BRINKMANSHIP: Babylon's hanging gardens? No - Martin Brink's lovesome retreat

the R1.8m when Harvey reached his majority. No interest was offered in this extraordinary proposal.

Pistorius married Lois the following year and she asked her new husband to look over the documents that she and Harvey had signed. Then only 29 and far from the wealthy man he is today, Pistorius was nonetheless far from stupid.

He did his research and discovered that the cattle farm sat on massive coal reserves totalling hundreds of millions

of tons. Under the ground was one solid block of coal up to 120m thick.

"Lois and Harvey only realised this after they had signed the coal rights away," says Pistorius. "We managed to get through to Brink. He said, 'How much money have you got?' The answer was

none. 'Right,' replied Brink, 'we'll see you in court and keep you busy for a long time'."

Further research by Pistorius revealed that Brink had secretly hatched a second deal — to on-sell the coal rights to a major oil company for R2800 a hectare: a handy R8.4m. After paying off Lois and Harvey, Brink would pocket a handsome profit of R6.6m (about R75m today).

Pistorius discovered that the petroleum company, BP, didn't actually want to mine the coal — but hard-won loading rights at Richard's Bay were awarded proportionate to the amount of reserves each oil company held. BP only wanted the trust's coal rights in order to increase its loading facilities at the port.

Seeing a fortune for the family slipping away to the wily Brink, and having no funds to challenge the agreement that to BP. "BP didn't want to get involved in a legal battle. It annoyed them to learn that Brink stood to make this enormous profit. They said they would cancel their agreement with Brink and buy the rights direct from Lois and Harvey's trust."

Thus Brink's deal foundered and Lois and Harvey became millionaires overnight. "Martin Brink lost out and that caused some bad feeling between us," says Pistorius. "He would have made a lot of money."

e now move forward to 1992. In that year Pistorius and wife Lois, by now with four young daughters, moved to 230 Lawley Street in Waterkloof – a modest dwelling once the home of Dutch Reformed Church dominee Dr Henno Cronje. The purchase was made through the L'Mae Trust (named after the initial letter in each of their daughters' first names)

A couple of months later the L'Mae Trust extended its grounds by paying R145,000 for 1100 square metres – half the plot containing the house next door, number 226.

By 1996 the Pistorius family had decided to pull down the old pastorie and erect an enormous mansion in its place. That was the year Martin Brink and his wife Janet bought what remained of number 226 – and discovered who their new neighbours were.

Brink paid R850,000 and immediately announced he, too, intended to knock down the old house on his property and build an equally impressive mansion in its place.

For a while things went smoothly. Brink approved L'Mae's building plans; a week later the trust (that is, Pistorius)

Brink announced his intention to knock down his old house and **build an equally impressive mansion in its place**

Lois and Harvey had signed, Pistorius devised a master scheme: he went to a rival oil company and relayed the whole story. "I told them, 'If you think there's some legal basis on which you can cancel this agreement then we will sell the coal rights to you'."

The second oil company wrote a letter agreeing to take on Brink in return for the coal rights. Pistorius took that letter

approved Brink's. Brink's palatial pad was soon completed.

Only in 2000, with amended building plans – also approved by Brink – in place, did the area once more became a noisy building site as the pastorie was knocked down and construction started of Pistorius's even more impressive new abode at number 230.

Next door, however, Brink was

hungering for an appropriately lavish and extensive garden to accompany his lavish and extensive mansion — and looked with ever more acquisitive eyes at the piece of land next door that had once been part of his plot.

But Pistorius had no intention of selling his extended garden. And that's when their second great war began.

It turned out that a narrow strip of land less than a metre wide on Brink's side of the wall that separated their properties in fact belonged to the L'Mae Trust. The former owner of Brink's house had made a mistake when he erected the original fence, which Pistorius had replaced with a brick wall.

"Brink said that strip was now his by way of prescription, since more than 30 years had elapsed," says Pistorius. "We came to an agreement: we'd simply leave the wall where it is."

By the end of 2001 the Pistorius mansion was nearing completion. But, naughty, naughty, Pistorius had increased the main building height by 3.7m without planning consent. Brink sprang into action, showering Pretoria – now Tshwane – city council with objection after objection, starting with the roof height, which he claimed obstructed his view and intruded on his privacy.

Environmental impact studies and traffic impact studies followed in an attempt to have the city council refuse to approve Pistorius's as-built plans.

One report, under the heading Visual Impact, described the Pistorius mansion's western façade as "an intimidating and unarticulated mass which has a major influence on the spatial experience of the Brink property."

ecalls Pistorius: "He said he was now going to take me to court for that strip of land. He said my house encroached 4.5m over the building line and I would have to knock my house down."

All building stopped. A settlement proposal to resolve the dispute was drawn up. Brink's demands included: the boundary wall between them must be raised by 3m; balconies in the Pistorius mansion must be closed; a door facing Brink's property must be blocked up. And the clincher – the L'Mae Trust must sell him the 1100 square metres that was originally half his plot, for R150,000. That last demand was not negotiable.

And that, believes Pistorius, was Brink's plan all along; the issue of the strip of land was merely the catalyst to launch a diabolical plot to grab the garden back again.

"I was not prepared to sell him that

half plot, and certainly not for R150,000, which is far below current market value," says Pistorius.

So Brink rejected the proposed settlement. Dominee Cronje, the old minister who had lived in the original Pistorius house and was now in tranquil retirement a couple of blocks away, was wheeled in as mediator. The meeting was an unseemly failure.

"Brink maintained he'd never said I must knock my house down; all he wanted was my garden," says 53-year-old Pistorius.

"My appearance at the meeting upset him enormously. His son Eloff [he now runs his father's law firm, although Brink remains a consultant] told me, 'If you don't sell that half stand to my dad you're not going to stay here in your lifetime, even if it costs him R100m'.

"Brink thought he would wear me out in an ongoing court battle. But I didn't rise to the bait. He won't get me into court. That's his territory," says Pistorius. So he did not oppose Brink's high court application to have the onemetre boundary strip declared his by prescription.

"He's got his strip, but that's not what he wants," says Pistorius. "That was only a process to keep me out of my house. He wants that half stand portion."

Pistorius employed a most unusual

counter-strategy. He didn't waste money on lawyers. Instead he spent a few million on buying another house for his family in nearby Brooklyn – and left 230 Lawley Street as an abandoned building site. For the past four years the house next door to Mr Brink's manicured mansion has been a huge, incomplete, forlorn and dusty shell. It seems the strategy may have succeeded in wearing out Brink, now 60.

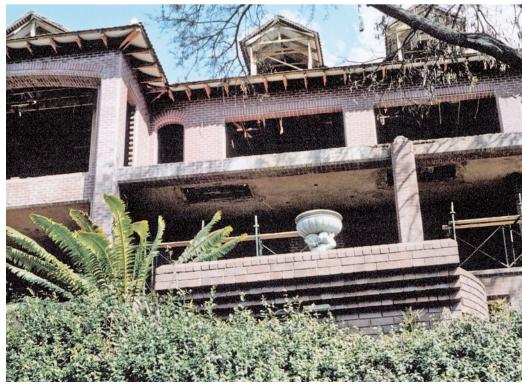
Now Brink, too, is now preparing to move out of Lawley Street, after paying around R7m for yet another mansion in nearby Waterkloof Village.

It's the former home of Maria Kroon, widow of wealthy property developer Herman Kroon. Brink is lavishing a further estimated R2m on renovations. He and wife Janet plan to move in before Christmas.

Meanwhile, as *noseweek* went to press, the city council was on the verge of announcing its decision whether to give belated approval to Pistorius's asbuilt plans for number 230. If it gives the thumbs up, Pistorius says he will complete his mansion and live there.

We would have loved to have presented Brink's angle on all these events, but alas, like his friends the Davisons, it seems he does not much like *noseweek*. "I have no comment, thank you. I don't want to discuss it, thank you very much," is all that we got from him. **12**

HOME (DIS)COMFORTS: The abandoned Pistorius mansion



OBSESSIONS PURSUIT OF JUSTICE: PART 3

In the first two parts of our story "Obsession: A Life Spent Searching for Justice" (in noses59&60), we described Richard Benson's 30-year ordeal at the hands of corrupt and incompetent lawyers. Over the years, we said, Benson has developed the glittering eye of a man obsessed with an all-consuming (but apparently futile) quest: that of finding justice in the law.

Part of what makes the Richard Benson saga so compelling is that it started with a display of moral courage.

As a stockbroker in the late 1960s Benson was unwilling to stand by and watch as hundreds of thousands of small investors lost their savings in a stock exchange swindle that enriched some of Johannesburg's wealthiest and supposedly most respectable businessmen; a swindle that was shamelessly sanctioned by the president of the exchange, and covered up by the financial authorities.

There are good reasons why today, more than 30 years later, tens of thousands of South Africans still bitterly recollect the names National Growth Fund and National Fund Investors.



Here, in the third part, we tell the story of how the legal action Benson initiated on behalf of those investors prompted a vendetta against him by the financial establishment (starting with a secret – and illegal – blacklisting by the JSE committee).

Ten years later he had apparently still not been

forgiven by the financial establishment: Old Mutual's share trading department set out maliciously — and almost certainly fraudulently — to persecute him in a courtroom vendetta that wiped out his financial resources and made sure he would never be able to take on the establishment in court again.

n 1982 Richard Benson decided to sell a quantity of McCarthy Motor Group shares he had bought, and approached SA Mutual (Old Mutual) who were known to be buyers. A minor complication: he had not yet taken delivery from his stockbrokers of all the shares he had bought. Jack Mitchell, Mutual's investment manager, told Benson that Mutual wanted to buy his 171,500 shares, but insisted upon a contract "subject to JSE rules".

The effect of the "subject to JSE rules" bit was that delivery time and terms had to be agreed in respect of each tranche of shares as Benson received them, failing which there would be no contract in respect of those shares. In the circumstances, this also suited Benson. So, when Benson received two tranches of shares (a total of 107,900), he duly "agreed" delivery and received payment from Old Mutual. The remaining 63,300 McCarthy shares were still with the

who alleged a breach of contract had a duty to "mitigate" or limit their loss. In this case, Old Mutual would be expected to mitigate any loss it might suffer as a result of any breach of contract (by Benson) by buying the same number of McCarthy shares in the open market — and then, if the cost exceeded the earlier agreed price, sue Benson for the difference, rather than attempt to force specific performance of a contract simply because it happened to be in a vindictive mood.

In September 1982, Mutual's attorneys wrote to Benson recording that "although by reason of your default in delivering the 63,600 shares our clients would be entitled to treat the contract with you at an end and buy the shares (at your expense) on the stock exchange ... they have now decided instead to sue you for delivery of these shares."

Mutual had elected to embark upon costly litigation where the law was,

at best for Mutual, difficult – and at worst directly against the insurer, even on its own version of events.

We repeat: the very shares
Mutual had originally hoped
to buy from Benson, it now
bought on the stock exchange
– and it did so during the
same period Benson sold.

The transactions matched exactly and the prices paid varied between 205c and 220c, with the vast majority being transacted at 210c – the same price Mutual had agreed with Benson. It actually suffered no loss. But, in September 1982, when Mutual issued a summons against Benson out of the Cape High Court seeking immediate delivery of the shares and costs, there was no mention of that in its court documents. Mutual simply relied on an "agreement of sale". It also made no mention of the JSE rules or their effect.

Before the case came to court, Benson's lawyers put written questions to Mutual's legal team. One of those questions was whether Mutual had bought the shares it was seeking from Benson in the market and had thus mitigated its loss. The answer was no. So the case proceeded before Judge Schock on the false assumption that Mutual had suffered loss and had not been able to mitigate it.

The record of the proceedings makes for interesting reading. In evidence Mitchell contradicts himself and his lawyers repeatedly. He admits that the arrangement reached with Benson was governed by the JSE rules, but attempts to distinguish between rules and practice.

areabouttheagreement;

stockbrokers when a rather innocuous letter addressed by Benson's attorneys to his stockbrokers "somehow" found its way to Mutual and triggered an extraordinary sequence of events.

The letter demanded that the stockbrokers deliver these shares to Benson or Mutual so that he could conclude the last contract. When Mitchell saw the letter, for some reason he rushed to his legal department, took advice, and then demanded immediate delivery of the shares — which he now knew for certain that Benson did not have immediately available.

When Benson reminded him of their agreement, Mitchell's response was that he did not care about the agreement and wanted the shares immediately. Benson responded by cancelling the deal. To the extent that he had offered to sell the balance of the shares, the offer was withdrawn.

As they became available, Benson's remaining shares were then sold on the open market. Unknown to him, Mutual in fact acquired them through their stockbrokers, and there is little doubt that Mutual suffered little or no loss.

In any event, South African law, at the time, was pretty clear that parties

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He would agree that the JSE rules applied, and then, realising the implication, would withdraw the admission.

He could, however, not say when delivery was to take place, speaking of it having to be arranged. And that was precisely Benson's case. There was no agreement about delivery in respect of the 63,600 shares and accordingly no contract as determined by JSE rules. In relation to mitigation, Mitchell first denied that Mutual had bought shares against Benson and later admitted that "some" of the 63,600 shares "may" have been bought in by Mutual.

According to Mitchell, Mutual had not gone into the market "to any great degree". That was not true. All the Benson shares had been bought by Mutual before the middle of September 1982. And the stockbrokers that dealt with the shares for Mutual? The same brokers who represented Benson! But Benson would only discover that much later. (Mutual actually acquired at least half a million McCarthy shares in 1982.)

Benson's counsel advised him that the judgment was so bad in law that there was no question of the appellate division upholding it. Following the approach of English courts, South African law did not countenance orders of specific performance where a party could be adequately compensated by an award of damages. The law was so stated in many judgments. The McCarthy shares had been freely available to Mutual on the stock exchange at the critical time – and that was a complete defence to its claim for specific performance.

So Benson took the case on appeal to Bloemfontein. In 1986, after listing the various authorities that supported Benson, the appeal court promptly decided it was time to move away from English law, and did so. That was a disaster for Benson. While the law had been firmly in his favour until then, the appellate division's decision to change it ruined him. His appeal was dismissed.

The court, grossly insensitive to issues of equity, also ordered him to pay all

The judgment was abadhere was requestion of the Appellate Division upholding it

ow Benson did not litigate for the fun of it. He was advised by his legal team that, while he was in the right, he should still try to avoid litigation against such a powerful adversary. To do so, he needed to buy more shares and deliver them to Mutual. He tried. Realising that buying through one broker might be ineffective, he approached his bank, which dealt through numerous brokers, and instructed them to buy the shares.

They were unable to buy even a single share for him. (As we now know, Mutual was buying all available shares in McCarthy through the very same string of brokers!)

Like Benson, the court did not know all of this at the time. [What Benson also clearly did not know was that, in effect, it is an unspoken part of our common law that, on the whole, judges prefer the evidence of major banks and insurers above that of ordinary citizens. — Ed.] The court ruled against him, ordering him to deliver to Mutual within 100 days of the judgment 63,600 McCarthy shares and pay Old Mutual's legal costs, including the costs of two counsel.

the massively wealthy Old Mutual's legal costs, meaning that he was now compelled to deliver shares that had rocketed in price and also pay legal costs of hundreds of thousands of rands.

Mutual immediately took steps to enforce the judgment. Benson's home was attached and sold in execution and virtually his entire inheritance from his late mother, together with other assets and investments he had acquired since 1982, were seized and sold to cover the cost of purchasing McCarthy shares, which had now reached 1750c.

Only then did Benson discover proof that Mutual had in fact mitigated its losses long before – and at much lower prices – by buying precisely the shares it had sought from him, and had then made it impossible for him to meet its demands by buying up all other shares as they became available.

Not only was there no possibility of Mutual's having suffered any loss; it had made it impossible for Benson to avoid being ruined by the litigation it pursued with such determination. Why?

Mutual had misled Judge Schock and the appeal court. Benson tried going back to the appellate division to reopen the case. The court refused to consider the merits of his case and dismissed his application and without any indication of what steps he could take to remedy this wrong. Once again he was ordered to pay the costs.

His new legal team (his previous attorneys were in the process of being removed from the roll) now advised him to institute fresh proceedings in the Cape High Court to set aside Judge Schock's award on the basis that it had been obtained by fraud. So Benson began again.

espite the fact that Benson pointed out to Mutual what had taken place, and issued a summons, that did not stop it from continuing to sell up his property. And his attempt to get his fraud case to court came to nothing when his new attorneys worked their way through the money that remained and then cut him loose.

Shortly before the hearing (and without complying with the court's procedural requirements), Benson's then attorney withdrew, forcing him to apply for a postponement – at his cost.

Attorneys that he now approached were not so keen to see him. When Benson had money to pay exorbitant legal fees it had been different. Now he found himself being told by attorney after attorney that he had to pay everhigher deposits before they would even

speak to him. The Mutual case had cost Benson well over a million rand and it was no longer possible for him to afford the demands of attorneys who took deposits and then did nothing (other than submitting bills) anyway.

When he finally managed to secure legal aid, one of these attorneys, B F O'Sullivan, approached the Legal Aid Board and convinced it to withdraw Benson's legal aid. The same attorney later sequestrated Benson – relying, inter alia, on a bill of costs that the chief registrar of the Pretoria High Court had ruled contained duplications and should not have been allowed. How about that for protecting the interests of your client?

Did we hear someone say "He should complain to the Law Society"? Please! Benson's futile correspondence with that august body over the years would fill a book.

And so, today, we find Richard Benson in a Fish Hoek boarding house, bankrupt, exhausted and alone in his old age.

■ Old Mutual's shady share dealing reputation would only partially be revealed – it still had the protection of "friends in high places" – at the time of stockbroker Greg Blank's trial more than a decade later. Also see *nose*11 and, especially, *nose*34 on Old Mutual's "Teflon Man". All of which explains why, in our circles, Old Mutual's trademark green is often described as "vomit green". ID



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Cape Flats fiddle



SIGN OF THE TIMES: Billboard showing the proposed Athlone, Cape Town, development which was supposedly going to empower the many, but has enriched the few

ast month a deal was signed between property development company ZenProp and Vangates

Development Company (Pty) Ltd, for the development of a valuable – and important – piece of land in the Cape Flats township of Athlone.

The terms of the deal with Zenprop are as yet unknown to *noseweek*. Nor do we know whether the deal is completely finalised — there may be some due diligence requirements still to be met. What we do know is that Vangates Development has a significantly different shareholding to the "empowerment" shareholding outlined in its proposal to the Cape Town city council that won it the right to buy and develop the land.

Surprise, surprise – the lucky shareholders turn out to be close konnekos of Athlone's ANC city councillor, Saleem Mowzer. More on that anon.

Athlone is a predominantly Indian – Hindu and Muslim – and coloured community on the Cape Flats, and borders on the townships of Guguletu, Langa and Nyanga. While relatively, and increasingly, prosperous, Athlone retains a grim holdover typical of most apartheid-era townships: it lacks public amenities and space.

There is just one big piece of vacant land -14 hectares of it - known as the old golf course, which offers the potential to rectify that problem. Of course the old golf course is also potentially very lucrative for those who can secure, for example, the right to put up the shopping mall that Athlone lacks.

In 2000 the Cape Town city council called for proposals for the development of the old golf course. Two proposals were received, one from Group 5 and the other from a body calling itself the Athlone Business Syndicate (ABS).

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The ABS proposal was a combination of hard-nosed practicality and empowerment ideals. Plans included an upscale shopping mall, mixed housing, soccer fields and other sports facilities, and a community centre. Local merchants, the proposal stipulated, would have first option to be tenants in the mall.

Most importantly, the proposal made much of the fact that it originated from a broadly representative group within the Athlone community. The 14 members of the ABS would hold 35% of the shares of the development company they would establish; other categories of shares would take the total percentage held by members of the Athlone community to 65%. The other 35% was to be held by funders and entities involved in the development.

The ABS proposal was chosen by council in July 2000, and the city's manager of municipal property was instructed to negotiate the sale of the land to Vangates, and to "contractually bind Vangates Investments (Pty) Ltd to their proposal regarding all aspects of the scheme".

That negotiation was concluded in May 2002 and the old golf course was sold to Vangates for R6.7m. (In February this year an amendment to the deed of sale was signed with Vangates Investment, nominating Vangates Development as the purchaser.)

What appears to have gone unnoticed by the council is that, instead of the diverse shareholding outlined in the winning proposal, there are now only eight shareholders in Vangates, and they own 100% of the development.

They are also far less representative of the broader community than was envisaged in the proposal: many of them are associated with the Thornhill Ratepayers' Association, the power base for ANC councillor Saleem Mowzer, and all attend either the Gatesville mosque or the Habibia mosque in Rylands.

The group includes prominent Athlone supermarket owner Aziz Bandekar, who is said to be Mowzer's main backer and funder. Another Vangates shareholder closely involved with the ANC is Rauf Khan – one of the founding members of the Thornhill Ratepayers' Association and closely linked to the late minister of transport, Dullah Omar.

So is Nishaad Murudker, said to be a placeholder for his father, Mustapha Murudker, a wealthy local car dealer. And then of course, there's Abdullah Gandrekar, owner of the Wembley Group of companies.

hese wealthy men have – in effect
– used appeals to community
interest to snag for themselves an
asset of great value.

Ben Kieser, ex-legal adviser to the City of Cape Town, and now a consultant on local government matters, has analysed the situation. He concludes that the "scheme has changed fundamentally ... from a professionally driven development where the proponents would only hold 35% of the shares — aimed at achieving the maximum benefit for the community — to a development driven and wholly owned by a small group of individuals operating on a more profit-oriented basis."

Informed members of the Athlone community are naturally worried that some of the community benefits originally proposed will fall by the wayside as the eight shareholders seek to maximise their profits.

We'll see. 🗷

Virtues of weisser

n my zeal for vinous truth and justice I have taken the near-unprecedented step of actually buying two of the wines I intend writing about here. "Big deal!" you might sneer if you started at the wrong point in this article and noticed that the two bottles are the cheaper ones. Yes, but (I would insist with injured pride), you perhaps don't realise that wine-writers hardly ever pay for their subject-matter.

In fact, rumour has it that one or two of them never pay for any of the wine they drink (quite a lot). Others take their personal wine purchases off tax – but if the revenue service doesn't mind, why should we?

Although it is years since I last tried either of these two wines, I had deep prejudices against them and thought it wrong to ask for samples. So I forked out. Why the grumpy prejudice? Simply because both call themselves riesling, and I love riesling above all other white varieties — and these two labels are effectively lying (though, sad to say, with the connivance of the authorities).

Local versions of riesling proper are called either weisser or Rhine riesling. The stuff that the authorities and the wine labellers call simply riesling (or Cape riesling) is an unutterably obscure variety called crouchen blanc.

It tends to make such tedious wine that, in the good old days of totally unfettered competition and lying, they decided to rename it after the noblest white variety of them all.

Not an unusual practice, around the world, with riesling a major victim: some of the international decline in the grape's fortunes can be ascribed to the damage done to its reputation by inferior masqueraders.

So why does the practice continue in South Africa, despite numerous protests? Surprise: mostly because of entrenched interests in untruth. There is a commission looking into the problem right now, following renewed objections – but the producers of proper riesling are not holding their breaths for a happy outcome.

Back to the wines I reluctantly spent my hard-earned money on. First,

Tim James hits the bottle



Theuniskraal Riesling 2004 (R26). This label has been around since 1948, and they know how to handle crouchen pretty well. In fact, it is a pleasant drink: there's plenty of aroma and flavour (toffee and flowers were some of my associations), with a dry, crisp balance and a drinkability enhanced by a mere 12% alcohol.

In these days of monstrous wines designed to immediately impress rather than offer refreshment, that is attractively modest.

Nederburg Paarl Riesling (R25) is the other big-volume pretender. The 2003 vintage on offer down the road is pushing its luck. Perhaps the 2004 will be better, but I see no reason to be hopeful. While the Theuniskraal is decent value, and has a bit of character, the Nederburg offers little more than a certain freshness and vague greenish flavours that don't bother to hang around once they've put in a token appearance. The even lower alcohol (11%) is not an attraction in this case, as it just makes the wine insipid, given the lack of anything else to preoccupy the tastebuds.

So now for some enthusiasm. Abandon any prejudices you might have about (proper) riesling being a sweetish concoction for girls (are there still any sexists who think like that?) and open your minds and mouths to a treat. Unfortunately, sophistication will cost about twice as much as the abovementioneds, but your enjoyment should be at least proportionate.

here are a dozen or more local weisser or Rhine Rieslings, most of them good (including two predictably satisfying ones from Woolworths, made by Paul Cluver and Villiera). My three favourites are from Thelema, Paul Cluver Estate and Klein Constantia. They all sell for around R45 a bottle, and are remarkably good value. The latter two are just off-dry, but so well balanced that you probably won't notice. All will get even more interesting with a few years in the bottle, but they're also delicious young.

I fell in love with German riesling (the best there is) even before I'd tasted any, when I read a description by the great British wine writer Hugh Johnson. He spoke of rieslings as "clean as steel, haunting with the qualities of remembered scents or distant music". I wanted that! The best local versions have something of the magic: aromatic, thrillingly harmonious, subtle.

But remember to look out for "weisser" or "Rhine" as a prefix: if it says simply "riesling" on the label, it is not riesling ... unless it comes from a country where the authorities are more resolute about quality and authenticity than ours sometimes seem to be.

■ Tim James is editor of Grape magazine (www.grape.co.za). 🖪

BY HAROLDSTRACHAN E CONTROL OF THE CONTROL OF THE

Well I must say in the matter

of fish species a carp always seemed to me something like an old hot water bottle gone cold, a great floppy belly hung below a row of vertebrae, full of hippopotamus manure and miserable mulberries from retrograde trees round stagnant rivers and farm dams. The general dreck of nature: fish, food and anglers, all.

Marine species, now, are living torpedoes in the matter of musculature, inhabiting as they do Great Nature's gym where, never mind getting dash'd in pieces on the rocks if they try to catch a little kip, as soon as they shut their eyes somebody just a bit bigger than they will burst from 'mongst the bubbles and swallow them whole. That's why they have no eyelids. It always surprised me that carp have no eyelids either. They seem to be asleep all the time.

But prejudice is an ugly thing. How can I thus scorn this species if I have never even seen one in the flesh, let alone captured one, nor eaten one? I betake myself to the KZN/Mpumalanga border other side of Wakkerstroom where the angling magazines say the carp are going crazy, to dispel this evil from my persona.

Along the R534 I find myself in Dirkiesdorp where a sign at the tearoom says every kind of carp bait is made there, fresh, daily: kerriepap, vlapap, and a special pap made with minced-up bring-your-own earthworms, and as I contemplate these enticements a ou with the physique of a hot-air balloon heaves into view, his navel like a whale's blowhole staring out between his shirt buttons. His name, says he, is Poetoe.

Hel nou, ou maat, says ou

Poetoe, hauling a bag of flying ants from his pocket for mincing up in today's pap. Nou, man, you come with me to Heyshoop dam now, we got a camp there with tents and I'll show you carp, man! So that's where we go, and that's where the ouens are already into the Klippies-en-kouk at 11am because it's cold, you know, so I have one myself as I rig up my tackle as demonstrated.



He follows her to the tent. The furniture shudders and creaks, the tent poles shake, the canvas flaps about to the great hippo humping Poetoe says the tearoom makes its pap with water from this dam, so it's the best. The water must match. Then they mince it up with the flying ants and custard powder. Or Marmite. Now you put a nice ball of it on a special hook like that needle the doctor uses for sewing people up, and you chuck it right out where the water is deep.

All these things I do. My cast is a bit short, says Poetoe, but I can still be lucky with my sea tackle. All the other ouens I notice have rods perched horizontally on two Y-shaped sticks, with a little lump of pap stuck on the line a metre or so in front of the rod. It is called a poeliesman. When it jumps up and down you know a carp is tasting

your bait down below.

Some have a thing with a torch battery and wires clipped on the line, and when the carp tastes your bait a little light comes on, or a hooter blows, so you can concentrate on the Klippies.

Poetoe makes a moerse cast and the pap falls off his hook. Twice. He needs to get to the deep water. Maria! he yells. There's stirring in a tent behind us. It seems fully furnished, with a sort of big bed with posts pressing against the canvas, and a wardrobe. The flap opens and

out steps another hot-air balloon, female. Warm, from the bed.

He puts a baited hook in her

hand and points at the dam. She bravely steps forth, up to her middle. Poetoe shakes his head. She further steps forth, holding the baited hook above her head, and stops again. He waves her on, up to her armpits. Further waving.

At chin level he gives a thumbs-up. She drops the bait and heads for home, blue, convulsed with cold, hypothermic, her cotton threads stuck to her body like that Bo Derek woman who used to specialise in wet fabrics. Her great fried-egg nipples show mauve and erect through her dripping nightie. Poetoe gets so jags he can scarce place his rod on the two Y-sticks, he's shaking so. Proper inflamed, man.

He follows her to the tent. The furniture shudders and creaks, the tent poles shake, the canvas flaps about to the great hippo humping and cries of glee. Poetoe's poeliesman bobs about a few times, and I get ready to pounce. Nothing. My poeliesman bobs about. Nothing. The pachydermatous thumps and grunts subside anon and Poetoe emerges pulling on his jersey, scratching his armpits and ballas.

Ênnie baaits? he asks.

I think I'll try bass angling, with a lure. At Shongweni. Just outside Durban. **Z**

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What's up doc?

by Ashley Cooper









