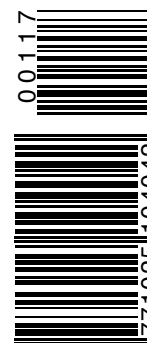
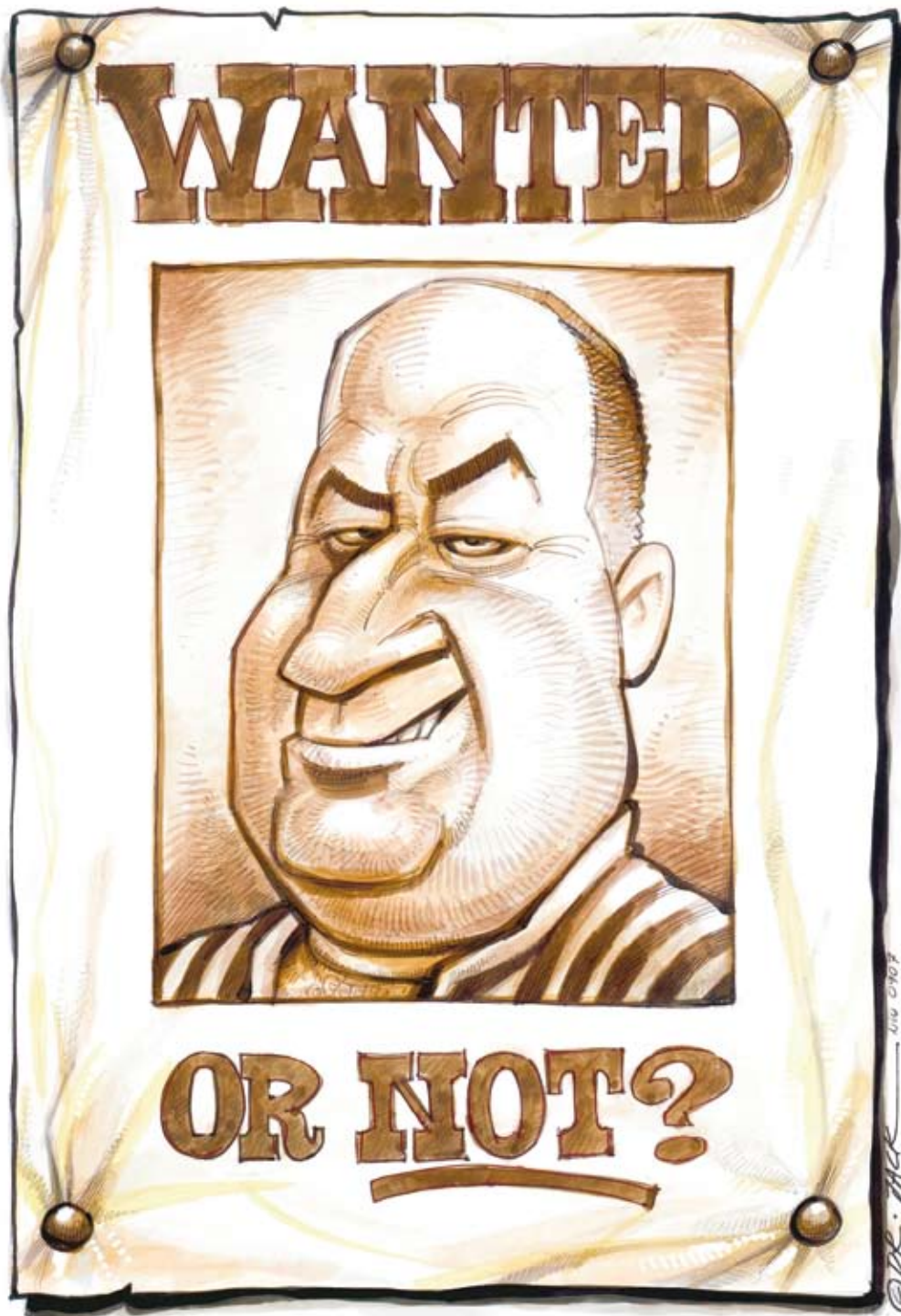


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noseweek

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Mother of all spin

So the mother of all spin, Jessie Duarte, otherwise known as the "National Spokesperson for the ANC" appears to be reading your great magazine! (What's the latest on her predecessor, great struggle hero and ex spin doctor, Carl Niehaus?)

noseweek grew by 16.9%. Carl? You don't kick a dog when he's down. – Ed.

Those who live by the law...

Schadenfreude may be defined as "largely unanticipated delight in the suffering of another, which is cognized as trivial and/or appropriate". This best expresses my response on reading your article on Ivor Lazerson and his will (nose116).

I am one of those who paid handsomely (and I don't mean just money) for meeting this example of mankind. Not that I was reserved special treatment – he really was an equal-opportunity kind of guy. The ongoing problems you describe are just a prolongation of the misery he caused by applying his ability with, and knowledge of, the law

against those who did not do it as well. The parties now embroiled knew full well that this kind of ongoing battle was grist to the Lazerson mill. While they might claim they were not part of it, they nevertheless gave him home comforts – well knowing that how he

regulations and it falls within the parameters of an approved building plan.

The concern raised by neighbours is that the design of the building is such that the building can easily be utilised as a number of flats and the owner is marketing and selling it as a share block scheme where different investors may buy portions (m²) of the building. [But] as long as the utilisation remains that of a single residential building, the City cannot dictate the method of ownership.

An application for a department to permit a guest house has been applied for and the City is currently processing this application.

The purpose of the July 2008 letter to the developer was precautionary: to define and place on record the acceptable status quo for this office, so leaving as little leeway as possible for the developer to deviate from what this department considers acceptable.

Marius Crous

Acting Director: Planning and Building Development Management, City of Cape Town

Your apparent reluctance to enforce the regulations – in effect, to do the job you are paid to do – is both disappointing and puzzling. Your woolly language – "parameters", "method of ownership", "leeway to deviate", "acceptable status quo" – is disingenuous.

By contrast, the letter addressed by your department to the developer in July 2008 was absolutely clear. It read: "During the inspection it came to our attention that you are deviating from the approved plan ... This is an offence in terms of the National Building Regulations."

It is as clear the developer does not intend the building to be a single-family dwelling. Now get yourself some balls and do your job. – Ed.

So the mother of all spin, Jessie Duarte, appears to be reading your great magazine!

Keep up the good work and keep stirring the ANC pot.

Brian A

Johannesburg

Everybody who's anybody in SA now reads noseweek. According to the Audit Bureau of Circulation (ABC) report for the first quarter of this year, of all the magazines published in SA, noseweek showed the highest percentage growth in circulation (compared to the first quarter of last year). Most magazine circulations declined – the FM's by 12.7%;

Gus



applied his trade deprived many others of the same happinesses. Would they like my condolences? I generously offer 10 times, no – 1000 times – what they offered those of us who contributed unwillingly to his retirement fund, and the estate they're fighting over.

I wonder how anyone could ever measure the ongoing sadness he caused? "As the wheel turns...", "live by the sword...", "what goes around..." – a thousand similar clichés apply. I believe that many others will also experience *schadenfreude* at this turn of events.

NBG

Brackendowns

Tall stories

In nose114 ("Building tall in Gordon's Bay") you claim that Straightprops 95, the developers of 177 Beach Road, Bikini Beach, "have made various unauthorised deviations from their approved three-floor single dwelling building. The new building already has four floors (including the basement parking level) and a fifth is currently under construction – despite warnings from the City's director of planning and building development management."

This is not so. The development is well within the height parameters applicable in terms of the zoning

Skin deep

In 1988 Twin Products, under the legal representation of attorney Owen Salmon (then of John & Kernick), assisted by advocate Brian Southwood, overcame an attempt to register a company called Hollywood Curl.

Twin Products was owned by the brothers Abraham and Solomon Krok, who held legal right to the trade mark "Hollywood", which was used in the marketing of skin-whitening creams (laced with hydroquinone) to black people: the implied pitch (whiter is better) was psychologically disfiguring, while the product itself left many disfigured, with grotesquely scarred faces. It is hard to imagine a better symbol for apartheid South Africa's white supremacist thesis. The Supreme Court of Appeal fully agreed with Messrs Krok, Salmon and Southwood.

In 1990 I registered the trademark The Apartheid Museum. In 2000 I finally secured confirmation from Bloemfontein municipality that my museum would be erected in that city.

To my surprise, in November 2001, Gold Reef, the casino company, gathered South African media and told them how Abraham and Solomon Krok, in a moment of deep reflection on the suffering of oppressed black people had embraced the idea of "The Apartheid Museum". But I was already

the registered owner of the trade mark The Apartheid Museum. I sued for infringement.

A company called The South African Apartheid Museum at Freedom Park, registered with Cipro on 14 August 2001, then applied for expungement of my trade mark. Deponent to that sworn affidavit was one Richard Moloko, CEO of Gold Reef. It goes without saying that I did not give Abe and Solly Krok permission to use my trade mark, which was still of full force and effect on the register.

To my total surprise they succeeded in the expungement of my trade mark. Moloko, under oath, boldly asserted that the entity that Abraham and Solomon had embraced "is entitled to use its company name" – The Apartheid Museum.

Counsel for Abe and Solly Krok's company in the matter was none other than advocate Owen Salmon. My trade mark was expunged in the court of the Honorable Mr Justice Brian Southwood.

Mike Stainbank

The Apartheid Museum (Pty) Ltd
Rivonia

I understand that a judge has a discretion to cancel a trade mark which has not been used and that, in the case of the Apartheid Museum, Judge Southwood exercised his discretion against you, despite the fact that you

had made attempts to establish a museum. If you're suggesting that a judge who has previously acted for – and made some serious money from – one of the parties to a case he is hearing should recuse himself, I tend to agree. In an age where we have judges on private monthly retainers, however, this will probably be seen as a somewhat quaint notion. As for the Krok twins sponsoring a museum which commemorates the horrors of apartheid, the absurdity is self-evident. – Ed.

Cipro: an ANC cash cow

I have often wondered: might Cipro's function not be more economically and efficiently performed by SARS? My companies only pay R250 p.a. to Cipro, but the accountants charge R1000 to complete the Cipro returns. Just more red tape to hinder the businessman.

Your article in nose114 about that Valor IT tender makes Cipro's dual purpose clear: to provide lucrative employment for comrades, and to facilitate cash flows to the ANC.

Ian Hurst

Groot Drakenstein

Your assessment is probably right on the latter two scores – but why should that change under SARS' administration? As for your accountants' charge for filling in those returns: that's just another rip-off.

The simple forms should take you no more than 10 minutes to complete. – Ed.

Land Bank

As an environmentalist tired of the indiscriminate development of every open space in our city, I'm concerned about the proliferation of billboards by the company Abalengani. On almost every Sandton property they are selling – on Sandton Drive, Main Road and William Nicol Drive – there's a billboard describing it as having been "Landbanked".

A government-owned



institution with a development mandate, I thought the Land Bank's money was for developing rural/agricultural land for upliftment, not for speculation in premium urban land.

I would appreciate it if we could get an answer from the Land Bank and Abalengani on this.

Keryn House

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Dear Reader

Same old, same old Investec

IN APRIL LAST YEAR (nose102) we told you how Investec Employee Benefits (IEB) ripped off 14 industrial pension funds whose funds it had administered – and plundered – for a decade or more. When, in 2004, the funds were finally driven to issue summons against Investec, they sued for losses that then totalled nearly R1.5bn. Five years later the lawyers were still slugging it out about technicalities, with no progress to report, other than that the funds' had run up a legal bill of over R50m. Keeping them at it was Investec's best offer for settlement: 10% of the original amount claimed – with no interest.

Then, early this year, the trade union alliance, Fedusa (to which most of the fund members belong) persuaded the international union movement to pass a resolution in solidarity with their South African colleagues: it announced that it would not invest in projects or businesses involving Investec.

In March Investec invited the 14 building and electrical industry pension funds to settlement talks at the Melrose Arch hotel. There to receive them was IEB director Ciaran Whelan, as confidently ruthless as ever, plus two men said to represent Lloyds, and half a dozen anonymous men representing "other interested insurance entities". Whelan did all the talking, while the shadowy insurers hovered silently in the background.

Each of the pension fund representatives was presented with a sealed envelope containing a separate settlement offer from Investec. Fund trustees almost immediately decided that they would form a unified front and no-one would settle separately on terms differing from those offered to anyone else.

Investec's first "all-in" offer totalled R380m. This was fairly soon upped to R500m. When that, too, was emphatically rejected, a final "walk-away" offer was made: R700m. Take that, announced Investec's hired Irish thug shamelessly, or face another seven years paying lawyers more tens of millions while we drag you once again from high court, to appeal court, back to high court, back to appeal court and on to the Constitutional Court. (Investec, of course, still has lots of pensioners' money to spend on lawyers.) Whelan did not add, although he may as well have, that by the time they reach the Constitutional Court in a few years' time, the chances are they'll find the dishonourable Mr Hlophe, and five of his best friends, ensconced there. And we all know what Mr Hlophe's attitude is when it comes to looking after the interests of major financial institutions.

The pension funds took the R700m. The case has by now cost them an estimated R70m in fees to lawyers, forensic auditors and other experts. And each year that ticks by thousands more of their members go on pension.

Investec has once more made a killing, in every sense of the word. Which is maybe why a scandalously cheap settlement wasn't all Investec wanted. Next day the bank started three weeks of negotiations to extract confidentiality agreements from each of the pension funds and their lawyers. The only thing Investec worries about these days is how to keep its dirty work secret. (See page 8 for the latest shady Investec case.)

Oh, the settlement agreement with the pension funds also gave Investec 35 working days to pay the settlement amount – just in case a letter got lost in the post, you understand. The bank paid on 25 May – the 35th working day after the deal was signed. They are so predictable. Did you ever doubt that Investec would hang on to every filthy cent until the very last minute?

In these circumstances we can do no better than repeat the editorial we published in April last year:

INVESTEC'S IMMORAL EARNINGS
South African banks, we have said before, are equally venal – and much of a muchness when it comes to run-of-the-mill banking. But there is one that, despite its pretensions to aesthetic and intellectual superiority, is so morally reprehensible – a bank that has so ruthlessly extorted indecently huge returns for itself – that we would suggest that no right-minded person should do business with it.

The ruthless pursuit of profit has always been the hallmark of the famous Investec triumvirate: Stephen Koseff, Hugh Herman and David Nurek. It's always had an ugly edge to it. Koseff's longstanding business relationship with Brett Kebble, and the skill with which he exploited his insider knowledge of Kebble's criminal dealings in effect to extort (secretly) an extraordinary and hugely profitable deal out of JCI and Randgold's patently criminal directors, at the expense of their other creditors, leaves him tainted with the smell of criminality. (See nose90: "Thieves and bankers".)

Any trustee that invests trust or pension funds with Investec is irresponsible; why anyone who buys into an Investec pension scheme is a fool. What of investing in Investec shares? You will be known by the friends you keep.

The Editor



Mr Nose puts it about

The old stick gets fit for print

IN JOZI, MR NOSE has recently been hunting for a new gym. For the past few years the game old stick has been trotting along thrice-weekly for sessions at the Gallo Manor private gym of master trainer Justin Egling.

The other week, however, Egling announced that, after 16 years as a personal trainer, he'd had enough. He's closing his gym with immediate effect to pursue an unlikely new career as a "falsetto" pop singer.

Finding a new gym – and a new personal trainer – is no easy task. Despite his leery impression of Richard Branson, Mr Nose dropped in at Virgin Active's Old Eds and heard all about their one-year contracts (R419/month) and two-year contracts (R399/month). Try cancelling the debit order and you're dead. Personal trainer: an additional R250 a session.

On to Planet Fitness in Rivonia. Mr Nose admits to judging organisations on first impressions – inevitably the receptionist. At Planet Fitness he came face to face with an unsmiling, abrupt old trouper reminiscent of a Soviet prison guard. At his age, Mr Nose may look like an unlikely candidate for the treadmill, but does that justify such rude uninterest?

The day was saved by the arrival of Sam, a polite and neatly clad employee who immediately took Mr Nose under his wing. No nonsense about contracts and debit orders, Sam could offer a "special" – free membership of Planet Fitness for three months with unlimited access, plus his



Justin Egling

recommended personal trainer Alvis thrown in for R225 a session. And if Mr Nose were a member of Discovery's Vitality, after the initial three months he could make a one-off payment of R850 and use the gym free for life.

Since the only gamble concerns which of us has the longer life expectancy, it was no use dithering around. Mr Nose has decided to give Planet Fitness Rivonia a go, despite his qualms about future encounters with its rude receptionist ... and a lingering anxiety about Discovery's long-term vitality. ■

Stent

SO YESTERDAY I WENT TO MARCH FOR PROPER SERVICE DELIVERY

BUT WHEN I ARRIVED THERE WAS ANOTHER MARCH ABOUT SERVICE DELIVERY

SO A FIGHT BROKE OUT BETWEEN THE 2 MARCHES

THEN THE DOCTORS RAN OVER FROM THEIR MARCH TO HELP THE PEOPLE THAT WERE HURT IN THE FIGHTING

THEN THE POLICE CAME AND ARRESTED MOST OF US AND I FINALLY GOT HOME AT ABOUT 11 PM

SO I FED THE CAT AND WENT TO BED

I SEE THERE ARE SOME OTHER MARCHES PLANNED FOR TOMORROW.

I THINK I'LL GO TO THE 2 O'CLOCK

What's Investec hiding?

SOME OF INVESTEC PLC CHAIRMAN Hugh Herman's Cape Town friends and business associates are not happy with his bank. For ten years they haven't repaid Investec R4.5m outstanding on a loan for a property development. For five years the bank held off – interest free – possibly out of consideration for its chairman Hugh's connection. By now the debt has probably doubled (with interest) and the bank is suing, friends or no.

But, perhaps still sensitive to Hugh Herman's position, the bank is not suing in its own name.

Why the astonishing secrecy surrounding the case? Are Investec using a frontman to sue simply to keep nosy journalists away from a routine trial? Or is it that Investec would prefer the public not to know why Hugh Herman's one-time property development partners haven't bothered to pay their debt?

For years Investec bank was the main financier for a series of ground-breaking property developments in Cape Town by an entity known simply as The Partnership. Then chairman of the bank, Hugh Herman took a personal stake in some of the partners' ventures – but things apparently turned sour when, in a late-90s economic downturn, Investec seized one of the few valuable assets the partners had left, and sold it for a song, leading to the R4.5m shortfall. And to the claim against members of The Partnership – Tolly Novick, Geoff Chait and Chait's sons Stuart and Anton.

The bank is suing four of its chairman's friends for non-repayment of a loan, but mysteriously they are using a frontman to do the dirt



Investec chairman Hugh Herman

Andrew Fraser, the administrative clerk in room 1 at the high court, where all case files are kept, told *noseweek* there was no case involving Investec on the roll for 2 December. When pressed, however, he said his computer listed a case – 14194/2006 – in which a Chait was a defendant. But the plaintiff was not Investec, it was one Robert Gottlieb.

Robert Gottlieb? Could that be *noseweek's* old friend who was head of Investec's Cape property finance division until 2002, when he was shunted off to the Geneva office after high jinks with his secretary (*noses41&74*)? Yes,

indeed it is – he's now in London with Investec private bank wealth management.

When *noseweek* applied to see the case file, there was only an empty cover – the contents had been “uplifted”. By whom? “Not I,” said Investec's attorney Steve Levetan, of Edward Nathan Sonnenbergs. “We uplifted the file twice, the second time earlier this year. But we again returned it to room 1,” said Tolly Novick's attorney Francois Pienaar, of Delpont Ward & Pienaar.

Eventually *noseweek* received a terse message from Mrs David, chief registrar at the Cape High Court. The file had been found, she now had it and we could *not* examine it. Under high court rule 62(7), declared Mrs David, a file is not in the public domain until the matter has been called in open court (*see box*).

Is she hiding the file at the request of one of the parties – Investec, to be specific? “I should not even be talking to you about this, so I won't answer any more of your questions. You have to leave now,” was the chief registrar's reply.

Why all the secrecy? How come Investec's chairman Hugh Herman got

“So in the 1990s we had this five-way partnership, which was very creative and very successful. The partnership operated as Newport Property Group, although each project was a separate joint venture, with different partners. Investec were the main financiers,” continues Fife.

The Partnership acquired the old Trust Bank tower block at the bottom of Adderley Street, and with finance from Investec Bank created there the present Absa Centre. Fife wasn't involved in that one, but the bank's chairman, Hugh Herman, took a personal slice of the action.

Investec Bank also funded The Partnership's developments at Hiddingh Village, Picbel Parkade, Dunkley House and the biggest and most ambitious of all, the Victoria Junction hotel complex on Somerset Road. As well as Absa Centre, Herman took personal stakes in Hiddingh Village and Picbel Parkade. For the latter development

Could that be the same Robert Gottlieb who headed Investec's Cape property finance division until he was shunted off after high jinks with his secretary?

involved with The Partnership? Was Investec's generosity when it poured out all those millions to fund their grand developments over the years the result of the chairman's private stakes in some of them?

Our story starts in the 1990s, when Cape Town property developer Ian Fife (now property editor of the *Financial Mail* – *see box on pg11*) was joined at his Newport Real Estate company by two young brothers, Stuart and Anton Chait. “It was very soon quite clear that Stuart had exceptional deal-making abilities,” recalls Fife. Before long, the Chait's father Geoff and his business partner Tolly Novick joined them.

Picbel Parkade Shareblock Pty Ltd was formed in 1996, and its shareholders included Stuart Chait and Hugh Herman.

In 1994 a company called Laughing Brook Properties was formed, with Herman and Geoff Chait among its shareholders. For Hiddingh Village, a residential complex plus hotel next to Cape Town's Gardens Centre shopping complex, Investec Bank put up a R9.5m loan, which it channelled through the Penthouse Bond Trust. All five members of The Partnership were initially involved in this venture.

The Partnership held a 45% stake; a consortium from builders Resnekov &

Nielsen took 40% and Hugh Herman 15%. Herman signed as surety on 15 December 1995, making himself liable for 15% of the R9.5m loan. The liability as sureties of all the others was also limited in line with their slice of the action. Fife withdrew from the project at an early stage and his 5% stake was taken up by Resnekov & Nielsen.

Hiddingh Village was not a success and Investec wanted its loan repaid. Hugh Herman had no problem settling his 15% surety share. But the Chait's were cash-strapped at the time, so Herman and the builders Resnekov & Nielsen bailed them out and Investec's loan was repaid in full. “We bankrolled them because they were partners,” says R&N's Gerald Phillips. “We didn't sequester anybody. We said ‘fine, we'll carry the debt until such time as you can pay’ and at the end of the day they paid back out of other developments where they'd made some money.”

When Hugh Herman signed as surety for Hiddingh Village in December 1995 The Partnership's most ambitious project, a mixed development at Victoria Junction, was already under way. But by 1998, when interest rates hit 25%, the venture foundered.

Investec had put around R32m into Victoria Junction (no personal stake from the chairman in this one) and some R30m was owing when the bank pulled the rug. Most of the sectional titles units by this time had been sold, but Investec held the mortgage bond on the anchor tenant, the hotel which was leased to the Protea group. Investec Bank seized the hotel, which they sold to Protea for R25m. This left the present debt of R4.5m outstanding.

For Investec to let the hotel go for R25m enraged Tolly Novick, for one. In 1997 The Partnership had been negotiating with a Malaysian consortium at R92m, and a couple of years ago Protea sold out to the listed Hospitality Property Fund for R105m.



Victoria Junction



Stuart Chait and Melrose Arch



'Anything to do with banks is in the public interest'

THE HIGH COURT rule cited by Mrs David, Chief Registrar at the Cape High Court when she refused to let *noseweek* examine the file of case 14194/2006 states: "Any party to a cause, and any person having a personal interest therein, with leave of the registrar on good cause shown, may at his office, examine and make copies of all documents in such cause."

A 1957 judgment said: "It has been held that a stranger to a suit is not entitled as of right to inspect documents in the registrar's office before judgment has been pronounced in the matter. It is sometimes said, and seems to be in accordance with current practice, that the records become accessible when the matter has been called in open court."

But things have changed. A legal expert comments: "In post constitutional times there have been any number of judgments which have underlined the right of the press to publish. I would say the chief registrar is taking an extremely narrow-minded and constitutionally very doubtful approach, which ignores the fundamental right of the press to publish matters of public interest and importance."

"Matters in which big banking institutions like Investec are involved are by their very nature of public interest. Not only would the clients and shareholders in the bank have an interest, but also anybody who does any kind of business with any bank in South Africa."

was full-time and he sat on certain management forums. He was included in various management incentive and share ownership schemes. However, since 2005 Hugh has distanced himself from executive responsibilities."

Commenting on the balance of the Victoria Junction debt, 68-year-old Herman says: "The Chait's were involved in that development. When they didn't make payment I think some agreement was entered into. The amount that was due was about R4.5m. They didn't pay and Investec has instituted proceedings against them."

"They were given an interest-free period to pay the balance. I think it was suspended for about five years, without interest. In other words the payment date was deferred for about five years without interest."

Doesn't Investec usually move sharper to recover its loans? Is it usual to give such a period of grace? "Investec are not sharp to get their money back," responds Herman. "Investec operate as a bank and they operate with integrity. I presume the client was not in a position to pay, so they entered into an agreement, which was a compromise. There is a case pending but I'm not really familiar with the details of the matter."

Of his role as an investor in The Partnership's projects, Herman says: "I've known the Chait's for quite a long time. I wasn't involved with them *per se*, I was a co-investor with them. Geoff [Chait] was the one who kicked off most of the developments."

Absa Bank Centre, Pichel Parkade, Hiddingh Village? "Yes, they were one of the investors and I was one of the investors."

Is he still involved with the Chait's? "No, the developments I was in were finalised and sold. They were investments that have been terminated now."

Minutes after *noseweek's* call a clearly agitated Herman calls back. "And me?" he asked. "What's the connection with me? Are you writing a story about this? Perhaps you could enlighten me; am I supposed to have some involvement in this?"

Noseweek explains the mystery of the missing court file and Herman – who comes across as oily and condescending, offering an impression of helpfulness while revealing as little as possible – says this is no problem. Just call Julian Leibman in our Cape Town office – "he has all the information".

But Leibman, Cape property finance

division head at Investec Bank, has no information for us at all. After many attempts to speak to him *noseweek* receives an email from Ciaran Whelan (see *nose102*) in the bank's group risk department: "We recommend that you contact the court registrar to secure access to the file," says Whelan. "As the matter is the subject of court

proceedings, we are unfortunately prohibited from responding to your questions, as I am sure you understand."

Despite Herman's distancing himself from the pending trial ("I'm not really familiar with the details...") Investec's attorney at Edward Nathan Sonnenbergs, Steve Levetan, tells

Scribbling all the way to the bank

IT WAS AT A DINNER IN CAPE TOWN that property developer Ian Fife told Alison Goldberg, then property writer on the *Financial Mail*, how much he loved writing and how he would like to help her out by freelancing for the *FM* on property matters. Good idea! thought Alison. By 1997 Fife had sold his interest in Newport Property Group to long-time partner Geoff Chait and relocated to Jozi to scribble for the *FM* at its then princely rate of R1 a word.

But now the question is: did Fife have a hidden agenda when he bailed out of Cape Town just before The Partnership's Victoria Junction project crashed (see *main story*) to switch to his new career as property writer on the influential weekly?

"He's always writing about the renewal of Joburg inner city and if he's written about Stuart Chait once he's written about him 50 times," complains the chief executive of a major property firm.

"Every single article written by Fife quotes Stuart Chait as this property genius, the smartest guy in property in South Africa. It's absolutely sickening, absolutely ludicrous," adds the chief executive of a leading hotel group.

Well, we've checked, and Fife does often write about the resurrection of inner city Jozi – "the core of SA's Big Apple". He certainly hopes it will. He had discreetly acquired, at knockdown prices, a substantial property empire in rundown Hillbrow, Berea and Yeoville. By 2007 he and his partners boasted a portfolio of 450 flats. But then Fife sold out there – and set about accumulating his present total of 120 inner city flats, through his old Cape Town company, Newport Real Estate.

If and when the inner city blossoms and his portfolio of flats, currently in the circa R100,000 category, soar in value to an anticipated R300,000 each, we estimate that Fife stands to see his empire, presently worth an estimated R12m, swell to, well, three times that or more.

Certainly, over the past 12 years the 66-year-old scribe has written many thousands of words in the *FM* to encourage the revival. Some examples:

"Inner city housing is being snapped up and cleaned up, while suburbia is steadily being transformed into a morass of ill-planned, overcrowded business nodes," he wrote in the 2 March 2001 issue. "Johannesburg's inner city is winning a war to create proper middle and working class housing."

Don't we – and Ian – wish.

And on 22 July 2005 he assured his *FM* readers: "The steady improvements mark the early phases of a renaissance that developers and city leaders hope will restore Johannesburg's status as the grandest city centre in sub-Saharan Africa."

As for Stuart Chait, Ian's former protégé in his Cape Town developer days – *noseweek* has traced no fewer than 35 plugs by Ian Fife in the *FM* for the 41-year-old wonderkid.

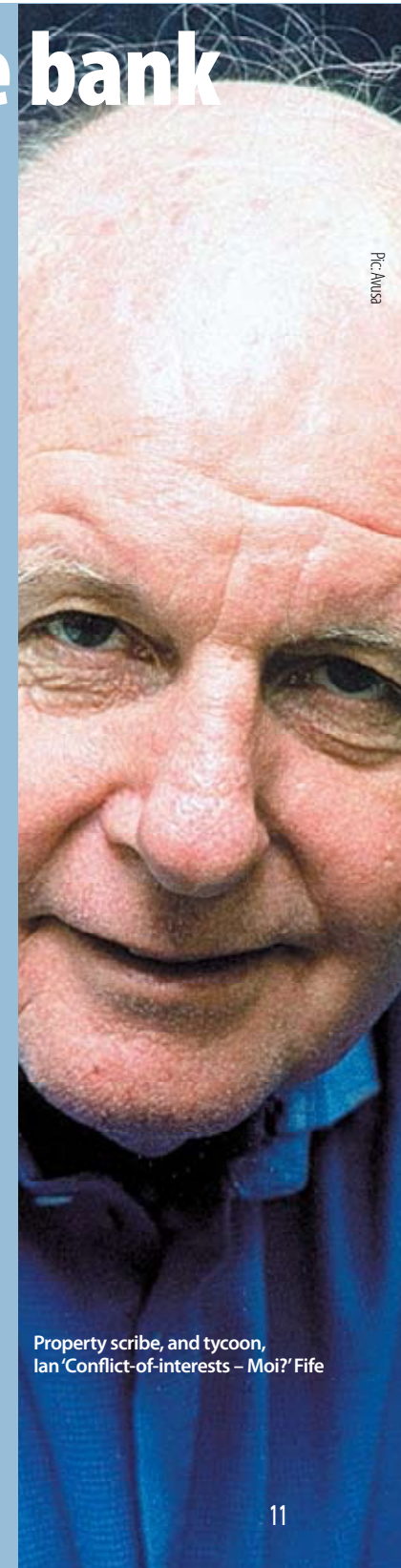
"Chait is an experienced mixed-use developer. He cut his teeth on projects like Cape Town's Dunkley Square and Victoria Junction in Newport Property Group." (*FM*, 18 November 2004.) No mention, of course, that Victoria Junction went belly up for R30m, or of Investec's present pursuit of Chait and his family for their sureties.

In the column, "At Lunch with the *FM*", in the 11 March 2005 issue, Ian was lunching with Stuart Chait "the new owner of Johannesburg's Melrose Arch", and came to the following conclusion: "Chait has the gift of reducing a situation to utter simplicity and picking out the vital issues."

Fife forgets to point out that Chait holds only 12.5% of Property Partners, the property and "mezzanine" finance house that owns the R1.27bn Melrose Arch. The balance of Property Partners is held by the Collier Consortium of Alan Collier. You won't read this in the *FM*, but *noseweek* can tell you that Chait and Collier have fallen out in a big way: Chait is said to have been looking for an angle with which to seize control of Property Partners and thereby a much larger stake in Melrose Arch. Collier no longer shares Chait's office in Cape Town, and lawyers' letters are flying.

Looking back to Fife's early days on the *FM*, Alison Goldberg, who brought him on board, recalls: "When he arrived he said he still had property interests, but if ever there was a conflict he would resign." And that, quite early on, she tried to fire him after a developer complained about his "dual role".

The *FM's* then editor Peter Bruce, piqued that Goldberg thought she had the right to fire a member of his team, responded by hauling Goldberg before an internal disciplinary hearing. Goldberg won, but was later eased out – after eight years on the staff – when she sided with a secretary who was being disciplined after circulating defamatory details of Bruce's office relationships. Leaving Ian Fife to grab her niche as property editor. □



Property scribe, and tycoon, Ian 'Conflict-of-interests – Moi?' Fife

us that it's Hugh Herman "who is monitoring developments in the matter for Investec." How odd, you might think, for the chairman of Investec Plc, who no longer has any standing at Investec Bank, to be monitoring its R4.5m high court action. In view of his role with The Partnership, perhaps he feels he needs to keep an eye on things.

As for The Partnership, it no longer exists. Ian Fife, who held a 20% share in Victoria Junction and signed surety for Investec's loan, pulled out in 1997, a year before the project collapsed, to relocate to Johannesburg and a new

In the last few years Tolly Novick and the Chait brothers have been busy suing each other. In 2005 Novick was ordered to pay R1.2m to brothers Stuart and Anton Chait, owing for his share of the Hiddingh Village debt. Novick's counter claim for R750,000 was dismissed, as was his subsequent appeal.

In 2005 Novick then sued 67-year-old Geoff Chait for R392,803 over the same Hiddingh Village debt. Novick's application for summary judgment was refused. The action was withdrawn in April 2007, nine days before it was due to be heard in the Cape High Court.

In February 2006 Mr Justice Van Reenen ordered that The Partnership be terminated and dissolved, with co-receivers to realise its assets. "The dissolution is still trundling on," says co-receiver Bryan Shaw. "There are still quite a lot of disputes between the partners, Tolly Novick and Geoff Chait."

Of Investec's R4.5m claim against the partners – more than R1m against each – Novick says: "This dispute's been going on a long time. They [Investec] seized the Protea hotel in December 1998. It's ruined many people's lives, mainly mine. I was recovering from a bypass operation and wasn't in a position to fight. I tried to initially, then I was too tired. That's age – I'm 73 now. I didn't have any energy to come back."

Which is as close as we get to a clue to what it's all about: the "friends" at Investec turned nasty and "betrayed" them by seizing their joint asset, Victoria Junction, for what the partners thought was way below its real value – an assessment that was confirmed by its later sale at a huge profit.

For at least some of them it has, it seems, become a matter of principle not to pay Investec the balance of the loan, rather by way of saying: let them take us to court and then let the whole world see what bastards they are. ▣

In the last few years Tolly Novick and the Chait brothers have been busy suing each other

career with the *Financial Mail*. He says he sold his 20% to Geoff Chait in 1997 and his name is not on Investec's summons for the R4.5m.

Did Investec release him from his suretyship? "Well, they didn't. But they didn't summons me," replies Fife. Pressed to explain, 66-year-old Fife says that after he sold out to Geoff Chait in 1997 he phoned Laetitia Peyer, then head of Investec's Cape property finance division and said: "I'm out – release me from my suretyship". She said sure, but left soon afterwards and I wasn't released from my surety. But in the event I wasn't sued."

Was there a falling out within The Partnership? "Never. The Partnership was very successful and we got into our comfort zone. When that happens egos often start running up against each other. But Stuart Chait and I have always been very good friends." Not all the erstwhile Partners have such fond memories of it.

Stuart Chait, now 41, left The Partnership soon after Fife, to become a founding partner in Tokyo Sexwale's BEE property group, Mvelaphanda. Now he's chief executive of Property Partners, the 2004 buyers of Johannesburg's Melrose Arch. "We don't want to make this public," he says of the pending December trial. He adds: "I don't even think it will get to court." Later Chait phones to say: "The matter is obviously in litigation and any comments that we make will be prejudicial."

In 2006 Novick launched a final high court action against Ian Fife and the three Chait brothers, applying for The Partnership to be dissolved. Relations between the partners had "soured irreparably"; there had been bad mouthing and mud-slinging and The Partnership had "disintegrated", he said in court papers.

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Neigh ou maat. Tell Noseweek, in a few witty words, what the zebra is saying about SA banks and banking. Send your fax to 021 686 0573 or email your entry to win@noseweek.co.za before 4pm on Friday 10 July, marked NEIGH in the subject line. Don't forget to include your telephone number. The best entry will win a bottle of Billecart Salmon Reserve champagne valued at R600. The editor's judgment is final. The winner will be informed by telephone.

The masterpiece...

A GOOD PORT DESERVES a good cork. Not one that sucks air. But where to find such an exclusive port? It would be easy to pick a famous Karoo port but that would seriously dent Mr Nose's ego – he's looking for wines you're not supposed to know, remember. So the search was on for an exclusive quality port. He phoned his friend Harry. Yes, he knew of a rare edition. It is called Padrao and only 500 bottles were made! Beautifully wrapped in tissue in a black gift box with enough red wax on top to make sure the cork doesn't suck air. Mr Nose cracked the wax, drew the cork ... and there it was, the deep rich nose of sweet ripe cherries! He phoned Paul Engelbrecht who is the artist-creator of Padrao. This is how he described his port: "Colour: deep dark ruby. Nose: rich ripe berry, hints of chocolate. Palate: loads of black cherry, hints of spice and cigar box. This wine will go brilliantly with dark chocolate mousse."

To make sure that what was inside the bottle was as beautiful as the outside, Mr Nose also sent a bottle to Bill Cooper Williams (CWM) for his expert independent opinion: "It reminds me a lot of a 1797 (yes) Groot Constantia Port that was bought at Sotheby's in London," said Bill. "That also had a good cork and enough wax, like Padrao. It is a very good vintage port. Beautiful long aftertaste. Fruity and rich. Would go very well with a salty matured cheddar or blue cheese. Be careful as the high alcohol could lead to over-indulgence. Could mature for decades to come, although excellent now. I give it 17,5 to 18 points. A masterpiece!"

To put Padrao in perspective – Allesverloren Port rated 4.5 stars and Boplaas Vintage 5 stars in the Platter Guide. Yes, you can order a bottle or two of Padrao. But wait – there is more. With every bottle of Padrao we will send you four bottles of Amehlo, which you may recall is a 4.5 star Bordeaux blend that has disappeared from the wine scene. (There are only a few bottles left after Mr Nose mentioned it in *nose114*.) The whole package – one bottle of Padrao plus four bottles of Amehlo – is going for just R650, and will be delivered to you anywhere in SA at no extra cost. Sorry, we don't deliver overseas.

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Bad cop, no-good cop

Movie scene erupts into real-life car chase and dramatic arrest

SUE SMITH (not her real name) is a middle-aged Brit living in Cape Town. A few months back Sue was arrested and kept overnight in a police cell. What happened to her is ample indication that you may well worry about gangsters, but you should worry every bit as much about the police.

At roughly 10am on 5 March, Sue was behind the wheel of her BMW Z3 on Wynberg Hill, Wynberg, about to turn right into Wolfe Street where she has a business. Waiting behind a panel van that was also about to turn, Sue noticed some people milling around a ladder at the intersection, dropping pink petals onto the pavement. It took her a second or so to realise this was a film shoot.

The panel van began turning right into Wolfe, but suddenly veered sharply back into Wynberg Hill. Sue then turned into Wolfe, but a man in a yellow vest began gesticulating and yelling at her to turn back into Wynberg Hill. What happened next depends on who you believe.

Sue says she thought the man was a car guard and kept going – it was by then unsafe to turn back. When

the man jumped aggressively in front of her car she panicked and drove on, heading up the road towards her business. However, as she arrived there, the “car guard” (who turned out to be a traffic officer whose uniform was obscured by a yellow jacket, which had been reversed) jumped out of the police car in which he had followed her, slammed the half-opened door into her elbow, forcing the door shut, and demanded her driving licence. At that point, as if in some B-grade movie, po-

The bank said someone had tried to put through a R400,000 transaction on her missing credit card

lice cars, sirens blaring, raced up from all directions – the officer had called his buddies, apparently to report that he’d been hit by a car and needed assistance.

Complete mayhem ensued – cops shouting accusations, a man screaming that his film shoot had been ruined and shopkeepers and passers-by gawking. A terrified Sue found herself screaming back at the police. She was handcuffed and forced into a police car, hitting her head in the process.

This isn’t how the constabulary saw it. Furnall April, the traffic officer at the centre of the storm, declares in his official report: “I explained to her an alternative route, when she shouted that she will drive over me, when she knocked me with her vehicle. I explained to her that she will have problems if she doesn’t comply with my instruction. That was when she knocked me again; I moved out of the way and she drove through Wolfe Street.”

Nomfundo Ngesimani, an officer called to the scene, says that when she arrived April “complained about his legs that were in pain due to the motor vehicle that drove into him”. Regarding Sue, Officer Ngesimani says: “I asked her to come with me to the police station, but the lady was rude and having riotous behaviour, refusing to co-operate, resisting to be arrested, calling us names, she was yelling to people to take pictures of us arresting her, accusing our government of employing lazy bastards, and we are bunch of hooligans, who don’t know their job, closing the road so that they cannot go to their workplace.”

Sue points out that the “injured” Officer April was able to run up Wolfe Street after her, follow her in a police car, and lead the troops during the arrest. Afterwards, as a cell-phone photo shows, our hero enjoyed an after-action-satisfaction cigarette, before hopping into Sue’s car and driving it to Wynberg police station – apparently with some gusto.

Meanwhile, at the police station, Sue had her necklace ripped off her neck and her rings pulled off her fingers (which apparently hurts like hell if you have rheumatoid arthritis). She says a foul-mouthed policewoman put rubber gloves on and took great delight in snapping them, telling Sue that she would be body-searched – which, mercifully, didn’t happen. She was given one opportunity to phone

her lawyer, but didn’t get through. No further calls were allowed.

Although Sue’s valuables were taken, no record was made and no receipt was given. She was locked in a cell with a blocked toilet, which reeked of urine and faeces. And there Sue stayed, for hour upon hour. Every now and again, Sue banged on the door and called out that she needed her medication, and that she had to pick up her seven-year-old son from school. The man in charge, Superintendent Nel, ignored her completely.

At midnight Sue was hauled out of the cell and taken to a room with several men who were handcuffed together. Sue asked about her son but was told to shut up. The officer dealt with each man in turn, ignoring Sue. When the officer finally turned his attention to her, he declared that she was being charged with attempted



One of the cops who arrested Sue Smith

murder. Sue was so shocked that she almost fainted.

A friend finally arrived to tell Sue that she had taken her son home. When Sue again demanded her medication, two police officers took her to Victoria hospital. There she and the officers sat for five hours, until, eventually, a doctor told the officers to bring her back at 8am, when medication would be available. Instead, Sue was taken to a holding cell and then to court. There her charge was reduced from attempted murder to reckless driving and resisting arrest. After a brief court appearance she was released. She had spent 24 hours without food or water. Her possessions were returned but her ID book was missing and her credit cards had been removed from her purse and emptied

into her bag. She was told that her car would be kept as evidence. Her ID book has not been returned.

A few days later FNB notified Sue that her credit card was being used to purchase R8600 worth of goods from a US online stationery store. She immediately stopped the transaction. Shortly thereafter her bank manager called to say that someone had tried to put through a R400,000 transaction on her card. Sue immediately cancelled her cards, and applied for new ones – which, without ID, was quite a process, as can be imagined. She eventually got her car back, but it was no longer in pristine condition – a door handle was hanging loose, a seat belt had been ripped off, and the undercarriage had been damaged, no doubt as a result of some low-flying over speed bumps. Three cases of Red Bull had disappeared from the boot.

Sue lodged a complaint with the police’s Independent Complaints Directorate (ICD), which was handled by a Mr Leholo. At first Leholo seemed the real deal, ordering Superintendent Nel of the Wynberg police station to allow Sue to lodge a fraud charge, which Nel had told her wouldn’t be necessary as an investigation would happen anyway. At one stage the Commercial Branch in Belville became involved because a credit card had been used. But then things petered out – the Belville officers stopped calling and Leholo withdrew, claiming that he had no authority over the traffic cops who had arrested Sue (i.e. the ICD wasn’t interested in Sue’s complaints about her treatment by SAPS officers at Wynberg police station).

Sue also submitted a request to the City of Cape Town to discover whether a permit was ever issued for the film shoot, but at the time of going to press she had received no response. Although proprietor of a business in Wolfe Street, she had not been given notice of a film shoot or road closure.

■ Shortly before *noseweek* went to print Sue received notice from the NPA that the case against her would be withdrawn, pending a full internal police investigation.

■ On 29 May the *Hout Bay Sentinel* reported that Sergeant Ferne Rorich had been arrested for fraudulently using a credit card she had stolen from the home of Richard Pickett during a routine assignment visit. Is “borrowing” credit cards now seen as a perk of the job? – Ed. ▯

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Cipro faces massive claim from sacked 'whistleblower'

CIPRO AND ITS CHIEF executive Keith Sendwe are facing a massive legal claim from one of its top IT experts, who has been summarily fired for allegedly talking to *noseweek* about Valor IT, controversial winner of the R153m tender to upgrade Cipro's information technology system (*noses*114&115).

Dr Pieter Engelbrecht was into his fifth month of a two-year contract as programme manager at the Companies and Intellectual Property Registration Office when his labour broker, Kanimambo, received a letter from CEO Sendwe. Sendwe wrote that Engelbrecht must immediately be dismissed for causing them "embarrassment" by informing *noseweek* that Valor IT had stolen a substantial chunk of rival IT company GijimaAst's website (*nose*115). Kanimambo then wrote to Engelbrecht informing him that his contract was ended.

Noseweek had a number of sources for the story of Valor IT's bewildering tender win – and Pieter Engelbrecht was not among them. A whole heap of people at Cipro knew about Valor's website theft from GijimaAst, and had checked out the two companies' sites to examine the shameful evidence.

Cipro is meant to be the guardian of intellectual property in South Africa – and Sendwe should have demanded an explanation from Valor IT for its shoddy conduct. When nothing was done and a Cipro employee flushed the theft into the open by informing *noseweek*, Sendwe should, at least, have quietly approved. Unless, of course, he's been in bed with Valor IT all along.

Why didn't the CEO have the decency to call Engelbrecht in and put the ridiculous charge to him? A senior advocate comments: "Can one be dismissed for pointing out a good reason for embarrassment? I think not."

Mystery man picks up Bredenkamp's fag ends

AUCOR'S AUCTION OF John Bredenkamp's cigarette manufacturing plant fetched a total of R4.3m, which won't go very far towards paying the R150m debt of his liquidated Masters International Tobacco Manufacturing (Pty) Ltd. The SA Revenue service alone is looking for R69m (*noses*113&114).

As always with matters featuring Zimbabwe-based Bredenkamp – sanctions buster, tobacco broker, arms dealer and crony of Mad Bob Mugabe – there's a whiff of mystery around the main buyer, Yusuf Kajee.

Kajee, who lives in Joburg, successfully bid a total of R2.3m for seven lots that comprised the packaging plant. He tells *noseweek* that his company is CK Tobacco (trading as Delta Tobacco) and the machinery is for a cigarette

manufacturing plant he's busy settling up in Pietermaritzburg.

But a fortnight after the 28 May sale, Aucor was still waiting to receive Kajee's R2.3m. "He said payment was coming from overseas," says a source close to the auction house.

CK Tobacco Distributors was incorporated last October. There is only one listed member/director – Catherine Elizabeth Schmidt.

Is he fronting for Bredenkamp? "You must be the fourth person asking that," responds Kajee indignantly. "I had the liquidator phone and ask if I was a front for him. We've got nothing to do with Mr Bredenkamp." Has he met the man? "Yes, on a few occasions," replies Kajee. "He's been quite a naughty boy."



Saga of tax guru's onshore haven continues

THE SAGA OF CHEZ LESTER – the in-your-face Kenton home of tax guru Professor Matthew Lester (locals describe it as "a cross between a McDonalds and an aircraft hangar") – goes on.

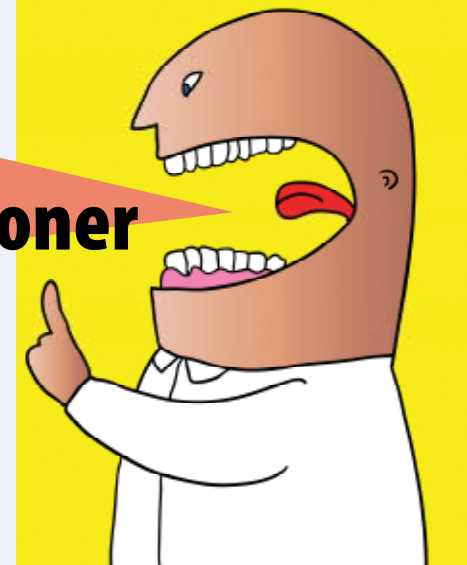
*Noses*59&79 told how Lester's three-storey monstrosity had offended locals, especially a couple whose sea view has disappeared. The local authority, Nd-lambe municipality, has now grabbed the bull firmly by the horns, a mere five years after the house was built. On 29 April 2009, it advertised an application by Lester for departure from the relevant building regulations, as well as for subdivision.

The egregiousness of Lester's erection is evident from the fact that, not

only is he seeking departure from regulations regarding the building line and the insertion of windows in walls which are close to boundaries, but also a relaxation of the height restriction – by a whopping 8.2m. Lester is also seeking subdivision of the property, to cater for the fact that it houses two dwellings rather than the permitted one.

When last heard, 260 objections had been received. What the municipality will make of them remains to be seen – it has already been twice rapped on the knuckles by the high court in this matter, and has blatantly disregarded an opinion which it received from senior counsel, saying that approval of Lester's plans would be unlawful.

Standard Bank squeezes pensioner



STANDARD BANK APPEARS to be reaching "unheard-of" heights in its commitment to making a few bucks more. Mr Brian Black of Edgemead in Cape Town tells *noseweek* that the bank is refusing to repay two years of payments for an unwanted insurance policy sold over the phone to his hard-of-hearing and "mentally confused" 79-year-old mother. He has written in complaint to the ombudsmen of banking and long-term insurance, and is awaiting a response.

Mr Black was recently given power of attorney to act on behalf of his mother (now 81), as she has become increasingly unable to deal with her financial affairs. To make things easier, he consolidated her bank accounts and in the process asked that her Standard Bank Pinelands branch account be closed. Some time later, discovering that the account was still operating, he asked the bank why – and was told there was a Standard Bank insurance-premium debit order on the account. Moreover, said the bank, your mother owes us for unmet debits on the policy.

Black visited the bank with his mother, where she was told that, in March 2007, she had agreed over the phone to purchase a policy for "accidental death and broken bones". Mrs Black had no recollection of such a transaction.

Incensed that a policy could be sold over the phone to a 79-year-old on a small pension, a woman who wears hearing aids in both ears and is often mentally confused, Black registered a complaint with Helga Nel of Standard Bank and Rajesh Magan of Standard Bank Insurance Brokers.

In May he was played the recording of the sale to his mother. In his letter of complaint to the ombudsmen, Black writes that the first thing his mother said when the insurance agent called was "Please speak up, I am hard of hearing".

He writes that her questions to the agent clearly bring out that she was "not hearing or understanding what was being said".

Black is particularly irritated that his mother was not asked whether or not she wanted the policy, but was simply asked to choose between a R75– or R50–a-month policy. "She was not given an option to say 'yes' or 'no'," he emphasises.

He points out that his mother did not receive a policy document – Black deals with all her post, and has checked through all her papers.

Black tells the ombudsmen: "I feel that Standard Bank has acted improperly in passing on details of their elderly clients to the insurance division for telephonic sales. The moment my mother said she was hard of hearing the call should have stopped, and no sale should have been concluded."

He adds that his mother is "traumatised" that the bank should have "taken advantage of her condition by stealing R59 per month out of her account".

Black was told by Standard Bank that the insurance division is satisfied that his mother agreed to take the policy and that this settled the matter. Hence his letter to the ombudsmen.

■ *When a bank justifies telephone marketing of "accidental death" insurance to an 80-year-old pensioner living on a couple of thousand rand a month, and who obviously can't hear and doesn't understand what is being said, one is tempted to call them names. Like "committed" or "dedicated" – to squeezing every cent they can from their clients, no matter what their circumstances. – Ed. ▯*

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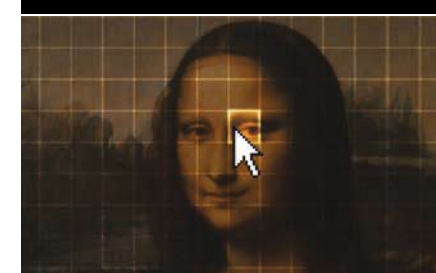


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All's not smooth as silk at the Joburg bar

THERE'S SOME ODD STORIES lurking in the abrupt resignation of Ishmael Semenya SC as chairman of the Johannesburg bar council (the association of advocates). As widely reported, the veteran silk, as upper-echelon advocates are known, stepped down on 14 May, the day the council's silk committee presented its list of 11 junior advocates recommended for this elevated status.

"Ish" Semenya declared he was stepping down because of the "toxic and abominable" selection process. As a leading member of Aft (Advocates for Transformation), a group of advocates (not all black) concerned with transforming what they regard as an unfair and outdated bar, this is not surprising. Aft particularly objects to the way that new silks are chosen: input is made by all of Joburg's 764 advocates, through their 15 group leaders, to the eight silks who make up the Joburg bar council (which also includes eight juniors). Four of these silks are elected to the council and four are appointed by Aft.

Among the 41 juniors who applied for Silk this year were two Aft members, Jacco Venter and Andre Bezuidenhout, both from Semenya's Pitje Chambers. But in the deliberation process over the final list both were excluded.

Semenya was furious that Bezuidenhout was dropped. "He threw his toys out of the cot and said that unless at least Jacco Venter was included then he and the three other Aft silks on the committee wouldn't vote for anyone," says a senior advocate.

As a compromise, 50-year-old Venter was put on the list. But this did not stop Semenya from resigning as bar council chairman the same day.

Why was Semenya so angry that Andre Bezuidenhout didn't make it?

Well, besides their legal partnership, they also have a long-standing business relationship. They are co-directors of Pitje Chambers (Pty) Ltd, which owns Pitje Chambers in Pritchard Street, close to the high court, and, as major shareholders, derive a generous rental income



Ishmael Semenya

from some 70-plus advocates who rent chambers there.

Semenya, 50, and Bezuidenhout, 47, are also directors of Ilangabi Investments, formed in 2001, and Luendo Holdings – "a holding company for diversified investments" – incorporated in 2004. Back in 2006 *Business Report* carried an intriguing story about how Luendo Holdings had attempted to gain a stake in South Africa's Porsche agency. Not in that story was the background to their pitch.

In late 2005 a letter was dispatched to the luxury car manufacturer in Germany – on the letterhead of the Presidency and signed by Mbeki's legal adviser, advocate Mojanku Gumbi. A senior advocate who has seen this letter tells *noseweek*: "It said that the state president had noted with some dismay that Porsche had not seen the light in South Africa. Its agency [LSM Distributors] had not become empowered and was lily-white – and the president considered this was wrong. The letter recommended Luendo Holdings as an empowerment component."

Gumbi, who no longer works in the president's office, is not a member of Aft. Her CV states that she is a member of the Azanian People's Organisation, as well as an executive member of the Black Lawyers' Association.

Semenya and Bezuidenhout duly made a presentation to Porsche late in 2005. To fend off their bid, Toby Venter, whose family had owned exclusive rights to import Porsche cars since 1995, announced that he was giving a 30% stake in LSM Distributors to new empowerment partner Hlongwane Consulting, headed by former Denel director Fana Hlongwane (who was also adviser to then Defence Minister Joe Modise at the time he was nurturing the notorious arms deal).

Semenya did not return *noseweek's* calls. Andrew Bezuidenhout says: "Speak to Jacco Venter, he's the secretary of Aft."

Says 50-year-old Venter: "What I do know [about] is the fight that Ish [Semenya] has fought to transform the bar and to get transparency in [...] the silk process. You can accept as a fact that the reason why he resigned – if Andre Bezuidenhout played a role, it would only be one of the factors."

Porsche SA is aware of the Gumbi letter saga. "But we were never privy to Gumbi's letter," says PR manager Christo Kruger. ■

Trying to forget Barry

Do Ponzi victims want their cover blown? Not likely



BY NOW READERS DON'T NEED to be told who Barry Tannenbaum and Dean Rees are – or that scores of millionaires have been shown up by these two ponzi operators as being both excessively greedy and not very bright. (Pick n Pay CEO Sean Summers told a mutual friend after a week of it: "If another person calls me stupid, I'll pop him one!")

Instead, *noseweek* will take a brief but careful, more critical, look at how it all works – and how this particular ponzi is likely to unravel.

One of the features of a ponzi scheme is that the victim is likely to become the

could be revived with the help of new, foreign investors.

(Barry Tannenbaum did succeed in finding at least one big foreign investor: a businessman in Qatar who invested \$35m in December. The money went into a Hong Kong account [see below] and, within 24 hours, was gone – who knows where. There was one very unhappy Qatari businessman in Johannesburg when the Confederation Cup kicked off last month – and he wasn't here for the soccer.)

But now that the bubble has finally burst, it's all those lucky best friends (such as Dean's friend in the construction business, Chris Harris) at the top of the pyramid who would rather that no-one found out just how much money they made, because – horrors! – they might be forced to give it all back, if not to the losers, then to the liquidators.

That's if the Asset Forfeiture Unit hasn't got to them first and seized it all as the proceeds of a criminal scheme. Those investors are generally not in a hurry to have Barry or Dean back in town, being cross-examined by a smart lawyer on how it all worked, who knew – and who got exactly how much.

Finally, there's the small matter of tax. Where did the millions come from that were so recklessly invested? Had they been declared for tax purposes? A cruel twist: those interest (or "commission") payments that investors so happily allowed Dean and Barry to "roll over" – that was income accrued, although not received. The taxman could add insult to injury by taxing those commissions they were promised but didn't receive.

Noseweek did track down one big investor who would like to see the two in court, if not in jail: Johannesburg property developer Keith van der Spuy, who is said to have lost "up to R50m" that he invested in Barry Tannenbaum and Dean Rees's scheme. Clearly some commiseration is called for. "You must be having sleepless nights," *noseweek* says to him. He surprises us: "I'm sleeping like a baby." Really? "Yes: I wake every

three hours, wet the bed – and then I cry!"

We all laugh. What else to do? He's resigned to not recovering his money – not anytime soon, anyway. In mid May, as soon as he understood what was up, he got practical – and immediately sold his Porsche. It took a week longer before he was prepared to part with his beloved royal blue Rolls, but now that's gone too – for a mere R2m. No point in wasting time. "I've gone from nil to many millions three times before. I'll do it again," he says with the sort of cool that explains it all. But right now, liquidation is the name of the game.

As proof of his investment, Keith was given a letter – one of several – printed on the letterhead of Abated Investments Ltd, a company with undisclosed shareholders, and registered in the British Virgin Islands. Typical of companies registered in such offshore tax havens, a BVI firm of trustees acts as director of Abated Investments Ltd. Abated's business – and its main bank account – are operated from an office in Hong Kong.

The letter to Keith, dated 1 September 2008, is headed: "Your investment with a third party/ies in respect of antiretroviral medicines and more specifically, the active pharmaceutical ingredients contained therein, and aligned investments ... as well as the purchase of dossiers pertaining to formulations [of pharmaceutical drugs]."

A "third party"? Why the mystery about Barry Tannenbaum's role in the scheme if everyone was relying on his reputation as an established importer of pharmaceutical raw materials? (Dean Rees gave Keith a copy of Tan-



ALL IN THE FAMILY: The Tannenbaum clan happy in Australia

scheme operator's co-conspirator: the last thing he wants is for the pyramid to collapse before he's got his money back – if at all possible with the promised profit. The more fearful he is, the more he'll tell everyone what a great investment opportunity it is. That's one possible explanation for why it took the victims so long to complain. The scheme had effectively collapsed by December last year, but six months later the victims were still trying to keep it secret! They were hoping against hope that it



EASY AS PIETY: Barry Tannenbaum donates a new Torah to the Chabad Outreach Centre of Umhlanga Rocks

nenbaum's CV to prove the point.)

The letter commences: "Further to previous discussions between us, we confirm that you have invested, using ourselves as your agent, the sum of ..XX.. to allow the Third Party/ies to pursue the purpose."

According to the letter, Keith was to be paid 17% on his investment, for just seven weeks.

Then follow some most extraordinary confidentiality requirements: "We confirm, in accordance with the financed party's requirements, [that] you have irrevocably undertaken to hold all information given to you with regards to this transaction, and all and any details with regards to the financed party, confidential."

"We confirm that you will not disclose your investment, any documentation in your possession, or any details with regards to the financed party/ies, to any third party, without the prior written

cial friends. (If you knew hundreds of investors had gone before you, you might suspect you were at the wrong end of a ponzi scheme.) Without exception, when the bubble burst in May, the investors were amazed to discover just how vast Barry Tannenbaum and Dean Rees's circle of "special" friends is. Or was. These "friends" were clearly not to know what interest rates other, presumably better, friends had been offered: the rate differed quite markedly from case to case.

In late 2007, identical letters were given to investors – but they were printed on the letterhead of Rees's then law firm, Rees Tshabalala Adams. Groups of those investors had usually been invited to small dinner gatherings with Tannenbaum, who encouraged them to invest in his scheme. Several subsequently joined Rees on a trip to Hong Kong to open offshore bank accounts.

The bottom line: how come these smart businessmen, with their lawyers and accountants, never got around to using some plain common sense? Why didn't they ask: If Barry Tannenbaum can afford to offer 20% for an eight- or ten-week investment – secured by firm advance orders from South Africa's biggest generic drug manufacturer – why wouldn't he take those orders to his own bankers, RMB and Investec, and borrow the money

at an extravagant 4% for two months – keeping 16% for himself? Charitable feelings for his fellow millionaires?

And did any of them give a thought to the idea that they were confident of earning easy millions because of the vast profits apparently to be made out of the desperate need for anti-retrovirals to deal with the Aids crisis?

Quite apart from the obvious questions which Messrs Tannenbaum, Rees and their lower tier agents, such as Darryl Leigh and Benjamin Jowitt (he drives Rees's old Ferrari), are going to have to answer, those are the big questions that the South African public will want answered by these legal experts and masters of finance and industry.

■ A local company called Abated Investments was acquired by Rees (from his friend Harris) in mid 2005. Its business was described as "auxiliary to financial intermediation". Bary Tannenbaum joined him as a director of the company in May 2007 – when the serious business of recruiting investors got going in earnest. ■

Several investors joined Rees on a trip to Hong Kong to open offshore bank accounts

consent of the financed party, and who, in their sole and absolute discretion, may withhold the same."

The final paragraph – "Abated's banking details are as follows: ..."

The account is with the Causeway Bay branch of HSBC Bank in Hong Kong. A swift code is provided to facilitate the fastest possible transmission of the investor's money.

The letter is signed by Dean Rees "on behalf of Abated Investments Ltd".

So why all the secrecy? The most obvious guess: the tax man was not supposed to hear about it. But that assumes every investor's a criminal. Another possibility: the supposed buyers of these products, such as Aspen and Sandoz, were not to hear about it – or they might have blown the whistle by denying they were making such purchases from Tannenbaum's company.

Finally, the investors were not to know about one another, or the scale of the scheme, as this was meant to be an exclusive investment opportunity limited to only a very few spe-

Dear



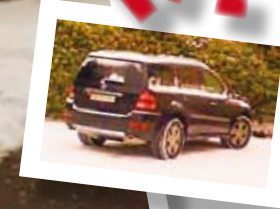
Dominique & Me



xxx Dean Rees



Our Swiss villa - before the renovations - and our wheels.



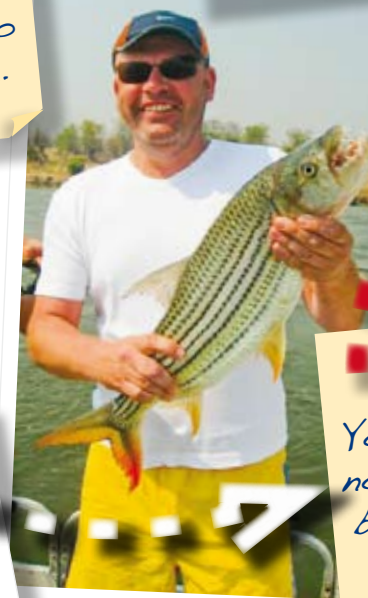
Ponzi putz

Thought you might like to know where your dough went....

First, me n Dominique went out and burnt a bit of spare change on another little runabout.

(I do hope youre not seeing red)

After that, we thought we owed ourselves a little hol, so we hit Kariba.



You might have noticed - I like baiting big fish

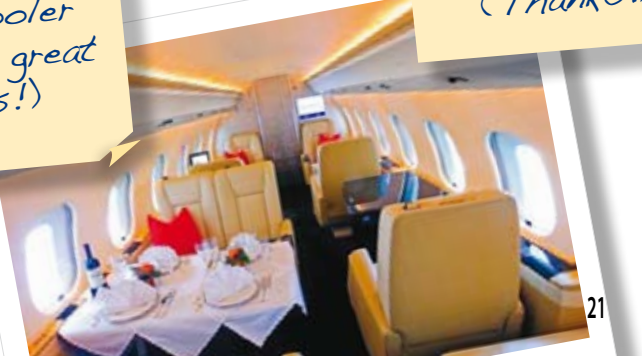


Back in old RSA things were getting a bit hot, so we chartered this private Gulfstream jet. Joburg-Geneva one way: R1.8million.



All aboard! Who says there are no free lunches? (Thanks.)

Destination: Switzerland. (Lot cooler here and great banks!)



The oily MP who is God's gift to Mangosuthu Buthelezi

ONE OF THE MORE interesting characters to join the 2009 National Assembly road show is Chief Mangosuthu Buthelezi's right-hand man Mario Ambrosini, or, as he sometimes likes to be known, Mario Gaspare Oriani-Ambrosini Esq. On occasion he's Dr Ambrosini, usually he's plain mister. His IFP boss has referred to him as "my impenetrable shield" and "my AK-47".

Mr Ambrosini claims that parliament has become ineffective in drafting legislation and supervising the executive. Since he has also declared that his election as an MP presents an opportunity to advance the cause of federalism and the powers of the provinces to draft their own laws, he clearly intends to shake things up. *Noseweek* looks forward to the show.

Whether or not this Italian/American/South African (there's good reason to believe he has three passports) envisages a role for himself in helping to redraft exchange control legislation remains to be seen. Any interest he might show in this role, though, would stem from his involvement in a failed exchange-control application involving a South African patent. This has led to a legal challenge to the Reserve Bank's right to legislate in this domain.

"Playing With Fire" in *nose107* reported how a company represented by Ambrosini, Promethea Corporation of Vanuatu, transferred intellectual property – created in South Africa and relating to the manufacture of a safe paraffin stove – from the South African inventor to itself, without the required Reserve Bank approval. When the Reserve Bank issued an instruction that the transfer be undone, Promethea first tried to negotiate with the bank. When this failed, Promethea boldly went where none have gone before: the company sued the minister of finance and the Reserve Bank for an order declaring the Promethea transaction valid and for another declaring the Reserve Bank unconstitutional.

The case is being defended of course, and Promethea recently filed a reply-



Dr Mario Gaspare Oriani-Ambrosini Esq.

ing affidavit, so the matter is ready to be heard. Among many points of interest is that an auditor for Promethea has valued the invention at a measly \$100, whereas the Reserve Bank has an attorney's valuation putting it at some R20m. Around the time of the valuation BP offered some \$3.4m for Promethea (which was basically nothing but the patent). Another curiosity is a claim that Ambrosini amended an agreement, then forged on it the initials of the inventor, Colin Vale.

Italian-born Ambrosini studied law at the University of Rome then moved to the US to specialise in constitutional law. He arrived in South Africa in the early 1990s, when this was suddenly an interesting place for a constitutional lawyer: initially working for Buthelezi's advisor Walter Felgate, he ended up assisting Buthelezi at the constitutional talks in Kempton Park.

Ambrosini has already been a thorn in the side of the ANC. In an August 2002 statement, "IFP Abuses Public Office Again", the ruling party railed against the fact that Ambrosini was earning a state salary as an advisor to the minister of Home Affairs (Chief Buthelezi) whilst at the same time acting as spokesman and legal advisor to the IFP. The statement declared that "the IFP appears incapable of drawing a distinction between the state and its party. The ANC is sick and tired of the IFP's continual abuse of public office". (What's that about pots and kettles?) Around that time Ambrosini acquired South African citizenship, and it's thought that he also carries US and Italian passports.

Ambrosini and Buthelezi appear to be mutually besotted. In a May 2007 address in Cape Town Buthelezi praised the "genius of my special adviser", whom he referred to as "one of God's gifts to me", a man to compare with "the cowhide shield that protected my grandfather during that battle of Isandlwana".

A year later, on the occasion of Buthelezi's 80th birthday celebrations, Ambrosini reciprocated by describing the chief as "an extraordinary man, the likes of whom I have not met before or since", a "man cast in a greatness which deeply resembles statesmanship of a bygone European and American era" (Bismarck, Jefferson and Lincoln were invoked).

Buthelezi's admiration for Ambrosini was clearly not tarnished by the fact that on his watch Buthelezi oversaw the passing of regulations under the Immigration Act that were subsequently declared unconstitutional – which saw the end of his time as the coalition-minister of Home Affairs.

Ambrosini then turned, around 2004, to the world of business, mainly as "general counsel" for the Knop Organization, the company of Peter Knop, a very wealthy US landowner with whom Ambrosini has been associated since 1985. It appears to have been Ambrosini who actually masterminded the whole scheme

The mystery of Ambrosini's stove

ACCORDING TO THE PARAFFIN Safety Association of South Africa (PASASA), some nine million households in South Africa use paraffin every day. Each year up to 80,000 households experience paraffin-related fires. The stove invented by Colin Vale, which extinguishes immediately it is knocked over, is being sold by Promethea under the name Parasafe (Vale isn't earning anything from this because he's in dispute with Promethea).

PASASA doesn't endorse the Parasafe stove, because it hasn't been SABS certificated. When *noseweek* asked Ambrosini why not, he said that the standard applicable has not

yet been regulated, but the stove had been passed by SABS as fully compliant with the voluntary standard.

Glenn Truran of PASASA told *noseweek* this was nonsense. He said that, although the standard is a voluntary one, Ambrosini certainly could apply for SABS certification by submitting the Parasafe stove for testing (and paying the rather hefty fees). If the Parasafe got the certification, PASASA would certainly recommend it to the public.

With PASASA endorsement, sales would climb – and lives would be saved – so what tomfoolery might be keeping Promethea from ensuring this happens?

to exploit the patent for Colin Vale's safe paraffin stove, by transferring it to a company registered in a tax haven. Knop has acted as the moneybag.

Ambrosini tried to get Reserve Bank approval for the transaction, and in the process was keen to portray himself as an American mover and shaker, looking to help out in a country he knew a bit about.

Negotiations with the Reserve Bank are done through intermediaries, and in February 2006 Ambrosini wrote, as "chief executive officer of Promethea Corporation", to FNB exchange-control head Tracey Botha about the application: "I understand that in terms of South African law IRP are chattels-in-possession or immaterial things or *res...* I also understand that the RSA is a member of the World Trade Organization (WTO) and its parliament has legislated into force the WTO's obligations' regarding IP".

Minutes of a July 2006 meeting, between Ambrosini, FNB and the Reserve Bank, recorded that Ambrosini "advised that as an American citizen he was based in Washington DC in the role of general counsel for venture capital", that "in 1992 he came to South Africa to assist the Government with various change processes", and that he "was employed by the SA Government until 2004". It went on record that "as Dr Ambrosini was well connected in the international community", he would address the matter of South Africa's need for a safe paraffin stove, with Peter Knop, "an international philanthropist".

In January 2007, Ambrosini wrote to Alexander Ellis of the Reserve Bank: "In final response to your letter [...] I am

ple of reluctant answers:

Unsurprisingly, Ambrosini was keen to distance himself from the Promethea matter: "This piece of litigation ... is now run from (sic) Peter Knop and I am not involved in it directly. If you wish, I will gladly help you in understanding its intricacies and wider public import, but cannot be a spokesperson in this matter, nor speak on behalf of the parties to the litigation".

This, of course, is quite absurd, coming as it does from a man who – while not party to the present litigation – has been at the very centre of the matter. In addition to his own involvement, Ambrosini's mother, a lawyer based in Italy, is Promethea's sole director.

Ambrosini wouldn't let on how many passports he has, nor whether he supplied the \$100 valuation for the patent. He claims that he attained a doctorate at the University of Rome in 1984, and went on to do two LLM degrees in the US. As going from doctorate to master's degree isn't too common, *noseweek* wonders if the Rome degree wasn't a *dottore* – a BA in sunny SA.

An MP with multiple roles in business and politics, and allegedly no stranger to the forging of signatures on amended documents should fit right in at the National Assembly. One who is also a helpful American when it suits – well, that's unusual. *Noseweek* looks forward to the show. ■



FINE MUSIC RADIO
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Mozambique's Sugar rush

Pictures: Adam Welz

MASSINGIR IS AN UNREMARKABLE town. The electricity supply here in rural Mozambique is erratic, clean water is hard to come by, and the hotels – well, calling them hotels is a little too polite. The town centre is two ragged blocks of colourful bars, stores, and market stalls arranged along a reddish sandy furrow – the main street – with goods on sale packaged in the smallest possible quantities to match the pinched cash flow of local buyers: individual litres of fuel in old bottles, spoonfuls of soap powder in bright little packets, single cigarettes, microcans of tomato paste and sardines, all laid out in creative patterns to catch the eye. Babies doze in the shade while their mothers gossip, pausing on the way back from the UNICEF tent outside the shabby clinic, while loose-limbed

A land war threatens to undermine our neighbour's hard-won democracy, writes Adam Welz

teenagers play rough games of pool under a thatched *afdak* by the side of the road.

Hardcore nature nuts sometimes pass through Massingir; tourism has been picking up as word spreads of the Great Limpopo Transfrontier Park, a slowly forming “peace park” that will merge the Mozambican wilderness of the nearby Limpopo National Park with South Africa’s Kruger National Park (just across the border) and some adjacent Zimbabwean wildlands to make one of Africa’s largest protected areas.

I’ve arrived here to investigate something bigger than elephants; this backwater is also the beachhead for an enormous project that promises to spend some \$500m (about R4.2bn), employ at least 2,000 people, and clear nearly 30,000 hectares of native woodland and savannah to grow sugar

Biofuel investors claim to have secured rights to use about 5 million hectares – two-and-a-half times the area of the Kruger Park

cane from which to produce ethanol – a substitute for petrol – for the growing global biofuel market. Known as ProCana, it’s an endeavour that, besides transforming Massingir, could also, via a mess of land claims and conflicting promises, put at risk the transnational park. (It’s already derailed another significant conservation project.)

ProCana is just the first in a long line of massive biofuel projects backed by investors ranging from influential local speculators to multinational corporations like BP. Some have asked the government – which, because of its communist history, legally owns all land – for entire districts, the equivalent of large municipal areas in South Africa. Government officials say that biofuel investors have applied for rights to use, or claim (sometimes fraudulently) already to have secured rights to use, about 5 million hectares – this is two-and-a-half times the area of the Kruger Park and nearly one-seventh of the country’s 89 million acres of officially arable land. Some private experts claim the number is much higher, but, whatever the exact figures, the message is clear: Mozambique is expecting the plough. ProCana and its ilk are the vanguard of an under-reported land revolution – a movement that could reshape vast terrains and the livelihoods of millions as international agribusiness sets its sights on the cheap soil of Africa.

MAPUTO, EARLY 2008. I find the big man of ProCana, Izak Cornelis Holtzhausen – Corné to his friends – in an unexceptional ’60s modernist office block with slightly dusty lifts. A secretary shows me to a small boardroom with new furniture, very shiny parquet floors, and a promotional banner for a new coal-mining area along the Zambezi River. Holtzhausen walks in, plants himself sideways at the table, and introduces himself with a charming smile; as we talk, his chubby fingers spin a tiny cell phone in unbalanced orbits on the table.

Holtzhausen is the Mozambique manager of the Central African Mining & Exploration Company (Camec), which owns half of ProCana. He won’t tell me who owns the other half (“Ask me next month”), and he doesn’t want to talk about Camec at all. There’s been too much in the media about the company’s allegedly corrupt mining deals in the Democratic Republic of the Congo, and its connections with those

Who nose and 'ears everything on the Garden Route?

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two notorious Zimbabwean businessmen, Billy Rautenbach (nos-43&106) and John Bredenkamp (nos-9,13,50,113&114), who were blacklisted by the US Treasury Department last November for their support of Robert Mugabe. (Late last year, after this interview took place, a British Virgin Islands-based company named BioEnergy Africa, led by top Camec officials, bought 94 percent of ProCana; Holtzhausen remains its head.)

Born and raised in South Africa (he served in the apartheid-era army), Holtzhausen has taken Mozambican citizenship and married a Mozambican woman of colour. He believes in the place. Many Afrikaners, he says, ask

him for business connections in Mozambique. "Most of them are scum. Absolute scum. They go on about the bad black government over there, and when they start using the k-word, I just put the phone down on them. Afrikaners have caused a lot of trouble in Africa."

Mozambique is set to become a major biofuels producer, Holtzhausen assures me, and other agribusiness ventures are booming, too. (Among other interests, he has a stake in the country's growing beef industry.) ProCana will process its cane in a Brazilian-built factory that can make both sugar and ethanol. It will lay miles of track to link the plant with the national rail network. Trains will take around 36 million litres of ethanol a month down to the Maputo harbour, where it will be pumped into tankers and shipped to Europe. Once the operation is up and running, somewhere past 2011, ProCana will be massively profitable.

Yes, Holtzhausen acknowledges before I even ask, he's putting his plantation in the driest part of Mozambique – but he's investing a fortune in efficient drip irrigation. "You can't produce a green fuel and waste water," he says. Still, ProCana will use more than 400 million cubic metres of water per year, supplied via canal from the nearby Massingir Dam on the Rio dos Elefantes (aka the Olifants River upstream in South Africa). Mozambican newspapers claim that this has downstream farmers worried, but Holtzhausen says



Massingir Dam will provide water to ProCana, but there is no pipe to nearby villages

those stories are pure fiction: "I'll give you a million bucks if you find me one of those farmers!" he brags, grinning broadly.

I've also heard that much of the area ProCana aims to plant had previously been slated to complete the development of the peace park, but that Holtzhausen levered it away, leaving the project in chaos. He laughs this off, too. I tell him of rumours that he got his land rights because powerful people had equity in the venture. (The story around Maputo is that Graça Machel, widow of Mozambique's first president and now wife of Nelson Mandela, is involved in ProCana – though verifying this is near impossible.) "No prominent people have invested in ProCana," he replies, after some thought. "But it will only be good for me if she did." Machel is a friend, he says. "I would be honoured to have her as an investor." Another triumphant smile.

Despite Holtzhausen's disavowals, out in Massingir I discover that many of ProCana's 30,000 hectares had indeed been identified rather precisely (and publicly) as part of the development of the Transfrontier Park. Some 29,000 people still live within Limpopo National Park's borders. As many as 9,000, who live in the heart of the park, the area with the highest wildlife tourism potential, are due to be relocated. After years of delicate negotiations, park authorities have arranged for the "inner 9,000" to move to the valley of the Rio dos Elefantes, just downstream of Massingir Dam. They have – as Mozambican law requires – obtained permission from "receiving" communities to build houses for the newcomers and identified a sufficiently large grazing area for the new residents' livestock.

A ProCana map shows that the company's 30,000 hectares cover this in-

Ernesto Bandi Ngovene, headman of Chitar village, with his two wives and children outside his house



tended grazing zone. The same chunk of land has been promised to both the inner "9,000" and ProCana. How did this happen? I was going to need a 4x4 and two interpreters (Shangaan to Portuguese, Portuguese to English) to find the answer.

ATRIP INTO THE VALLEY of the *Rio dos Elefantes* is a journey into a cliché of Africa: hardworking women in colourful cloth, pecking chickens, and thin, lazy yellow-brown dogs scattered around circular grass-roofed huts. In most village centres a hand-carved flagpole sports a national flag (crossed hoe and AK47, nice bright colours). Take away the occasional T-shirt, radio, and cell phone, and the ever-present cheap plastic buckets and chairs, and you have something like the Mozambique of 500 years ago. Polygamy is common, many children and cattle are a sign of wealth, and the village leader and his elders are not to be crossed. Villagers build their homes near a river, plant crops in the fertile floodplain, and graze cattle in the nearby savannah; like 70% of their compatriots, they rely on the land for their livelihood.

Mozambique was colonised by the Portuguese in the early 1500s; they set up vast plantations whose labourers were kept in line with brutal punishment. In 1975, after Portugal's Carnation Revolution, Mozambique was chaotically catapulted into independence. The civil war that followed, one of the Cold War's many proxy conflicts, shattered the country's infrastructure and killed about a million people, before petering out in 1992. To this day, bullet holes pockmark buildings, amputees beg along the roads, and crushing poverty strangles the country. During one of my trips to Mozambique early last year, riots broke

Izak Cornelis Holtzhausen

out countrywide a day after a high-profile visit by the president of the World Bank, who had congratulated the country on its success in becoming "a major destination for foreign investment". Thousands took to the streets to protest skyrocketing prices. Large parts of Maputo became trashed no-go zones for days and nine died in clashes with police; Mozambique's staple food, maize, had become vastly more expensive as the United States turned an increasing percentage of its crop into ethanol.

"It's important to remember that Mozambican independence was about liberating people and land," Diamantino Nhampossa, a land-rights activist, told me. Mozambique's constitution decrees that all land is owned by the state. Individuals and private companies can acquire rights to use parcels for 50-year periods, but the country's sweep-

ing Land Law requires them to find out if any local people are already using the land and, if so, obtain their permission for any project. In theory, the law gives Mozambican peasants more power to determine their fate than their counterparts around the world. In practice, as I was to discover, the arm of the law has limited reach.

DRIVING DOWN TO the *Rio dos Elefantes* from Massingir along a rough track, I pass a rust-flecked sign announcing a relocation area for a community from the Limpopo Park – the move had been publicly known for some time. I stop in villages along the land ProCana has claimed and, following protocol, ask to speak to the headman and elders in each. Everywhere the headmen tell me versions of the same story: Yes, people from the park are coming to live



The story around Maputo is that Graça Machel, wife of Nelson Mandela, is involved in ProCana

with us here, but we don't know when. Yes, ProCana is taking a lot of land, but we think there will be enough for them, the new people and their cattle. In every village I'm told that ProCana has promised a house for the headman and jobs for others, but while I do see handwritten minutes of meetings with Limpopo Park employees that predate ProCana's arrival on the scene, they have no written evidence of ProCana's promises.

Villagers have conflicting stories about how much land ProCana is taking; eventually, some direct me to Ernesto Bandi Ngovene, nominally just the headman of tiny Chitar village but traditionally the leading headman for the whole area. I find him reclining in the shade outside his home, barely able to move after a stroke. After his wives have lifted him into a seated position and put a shirt on him he tells me he cannot say exactly how much land has been promised to the people from the park, or to ProCana. He can't read and he's been too weak to go out to see where ProCana's boundary is.

One afternoon I run into a couple of village elders when their headman isn't around. They tell me that in the middle of their negotiations with the Limpopo Park people, ProCana came along in 4x4s and took all the valley's headmen away for meetings. These were not held in front of the communities or groups of elders, as is customary. Afterward, their headman told them that he'd signed a paper giving ProCana a large piece of the village's land. They have never seen this paper, they say, and they do not want to give away their land, but ProCana came with powerful people, including a provincial governor, and they are afraid. They have been told that they have rights under the Land Law, that they can say no to ProCana, but they do not have a copy of this law. Could I please send them one?

Driving away from the village with



Massingir fuel salesman

a GPS, it soon becomes clear that ProCana has taken more land than the elders say was agreed by the village. The boundary marks, shown to me by people who were there when ProCana hastily made them, do not add up to the specified distances.

Deep in ProCana's claimed territory, I stop the 4x4. The bush rustles and sings. Birds are everywhere, and the savannah is filled with grey-barked and butterfly-leafed mopane trees, some of the biggest and oldest I have ever seen. A giant baobab, centuries old, provides a backdrop for a screaming flock of parrots, while a black-breasted snake eagle hovers overhead. Holtzhausen told me his environmental people found no trees of value here – charcoal burners, he said, cut them long ago. I'm not sure where those experts looked, because here, in the perfectly cadenced afternoon light, is paradise.

Back in Massingir I ask the Limpopo Park administrators what they make of ProCana swiping the resettlement land from under their noses. They won't say much on the record except some boilerplate about it being a *fait accompli*, about the resettlement being delayed but not scuttled, and that ProCana's 2,000 jobs could be a good thing for the region. Massingir locals, who ask not to be named in my story, tell me ProCana made it very clear that it had the support of "important people," including President Armando Guebuza – a millionaire politician-businessman who has his fingers in many pies and who flew to Massingir to open the project

The sum total of entertainment in Massingir

Holtzhausen told me his environmental experts found no trees of value here. I'm not sure where they looked

officially. Others tell me of ominous rumours that linked Nyimpine Chissano, the late "gangster" son of former President Joaquim Chissano, to ProCana. Chissano died in late 2007, a day before being due to go on trial for "joint moral authorship" of the assassination of Carlos Cardoso, Mozambique's most famous journalist, who was machine-gunned in his driveway after exposing a massive foreign currency scam.

I try numerous times, to no avail, to get formal government comment on ProCana and Mozambique's broader plans for biofuels. A few administrators do agree to talk – but only in secret. "ProCana were smart," one official with intimate knowledge of the Limpopo park relocation tells me in a late-night meeting in a Maputo restaurant. "They approached the leader of Chitar village [the stroke-hobbled Ngovene]

first. They made sure he said yes to the project because they knew the other chiefs in the valley would follow."

Details of land rights in the Massingir area prove hard to find. The district mapping office in Massingir has orders from above not to release any information and the national mapping office in Maputo says they don't have up-to-date information on Massingir. After many meetings I get my hands on several credible maps. They tell a story of appalling land chaos following ProCana's arrival. The company's claim on the Limpopo Park resettlement land has left park officials scrambling to identify another place for the relocatees' cattle. They've found one – but much of this land was previously identified as a community-owned game reserve in which a US conservation group, the African Wildlife Foundation (AWF), had already invested hundreds of thousands of dollars. The Chingangane Community Reserve project has now collapsed (you will find no mention of it on the AWF website, where it once featured) and South Africans, Americans, and Mozambican military officers are claiming fragments of it for private safari and hunting operations.

On one map a big chunk of land adjacent to ProCana's carries the legend "Emelia Machel" – apparently she's a relative of Graça Machel. Maputo insiders say that Machel's land is registered in as many different names as possible, to avoid attracting attention. Local people tell me the Machel family keeps cattle there, cattle that would be very profitably transported to market in Maputo should ProCana's planned railhead be built.

From the maps it's clear that much of the land around Massingir has been allocated simultaneously to two, sometimes three, different people or entities. This is widespread in Mozambique; in practice, land is owned by those who have the most influence, or the money to fence or patrol it, no matter what the documents say. Foreign governments and donor agencies – which supply fully half the government's budget – generally won't get involved in land disputes, even if these conflicts cause projects funded by their own donors' or taxpayers' money to go up in smoke (i.e. into Mercedes-Benzes and Hummers for the fun-loving elite). They refuse to upset the government, which, as it happens, is also busy handing out rights to a string of potentially lucrative gas, oil, and coal deposits.



Sign just outside ProCana land showing area identified for the relocation of a community in the Limpopo National Park. The age of the sign – it was beginning to rust – suggests that the resettlement was agreed to before ProCana arrived

CARLOS CASTEL-BRANCO, a respected Mozambican economist, tells me that the primary function of politicians in Mozambique is to mediate between competing private interests, including their own. They lack both the political will and the administrative capacity, he says, to build a modern state. The current land rush – for biofuel plantations, export-oriented farms, and private hunting concessions – is the first stage in a war over land that Mozambique's fragile democratic and legal systems might not survive. "The government is not politically capable of stopping this process of land speculation. People feel that the dignity of the state and of themselves has been taken away. It's not hopeless, but it's going to be a big fight."

I present a nightmare, but plausible, scenario to ProCana's Corné Holtzhausen. His 30,000 hectare farm/factory, I tell him, will have serious ecological impacts – lost wildlife habitat, greenhouse gases released as natural vegetation is destroyed, massive water consumption and agrochemical pollution. On the greater scale these might be considered small, but ProCana is not alone. When the numbers mount, millions of hectares of land can be ploughed incredibly quickly.

If ProCana lures other investors by making a massive profit, I ask, who will stop his beloved Mozambique from being turned over to vast pesticide-and-fertilizer-soaked monocultures?

Holtzhausen smiles, a great gotcha smile, and pauses. "People like you," he says. "People like you who wear cotton shirts that take 25,000 litres of water to make. People who drive private cars and fly around the world in aeroplanes. The consumer. That's who determines what happens." ■

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Bubble? What bubble?

A BRAND, EXPERTS SAY, is a promise from a company to a consumer, one that may become immensely emotional and personal, a promise which reinforces our identity and self-worth, and which makes us feel special and hopeful. In this sense, the brand belongs to the consumer rather than the company. Clearly a brand is also, thereby, a company asset, whose value is determined on the basis of anticipated earnings.

Gerzema and Lebar – US branding experts attached to the Young & Rubicam Group – claim that at present most world brands are hopelessly overvalued, and that the world is therefore experiencing a “brand bubble”.

Asserting that this presents a very dangerous situation, Gerzema and Lebar claim that some 60% of the total value of world business is now intangible, due to brand overvaluation. For some individual companies the percentages are much higher: at Nike the brand allegedly constitutes some 84% of the total value of the company, and at Prada it's 73%. The brand bubble represents some \$4 trillion in market capitalization, twice the magnitude of

the subprime mortgage market, and accounts for over one third of shareholder value. Scary stuff.

The authors claim that the problem can be traced to a massive gap between what analysts and consumers think about brands. Brand marketers are working with the “optimistic assumption that someone else will always be willing to buy what you are selling, regardless of how irrationally high the price is relative to the bare facts of the product's underlying value”.

But in a world teeming with brands – US citizens, poor bastards, are bombarded with some 5000 marketing messages

per day – brands actually enjoy little trust, and advertising has lost the direct influence it once had. Today's consumers tend to ask probing questions about brands, and, for information on profits, go to sources other than advertising – namely the internet and social networks. In other words consumers now trust each other's choices and opinions more than they trust brand claims. Which means that, although brand valuations keep appreciating, brand perceptions, and actual brand value creation, are depreciating.

What proof does the book give that the brand bubble actually exists? Not much. We're told that “credible evidence suggests that financial markets think brands are worth more than the consumers do who buy them”. According to the authors, their research foretells a significant loss of value for many brands, that will jolt business and investors alike: “Markets, being about expectation, have pushed brand values to unsustainable levels, where the earnings potential imputed to thousands of brands far outstrips their value to the consumer.” That's about all the “evidence” we get.

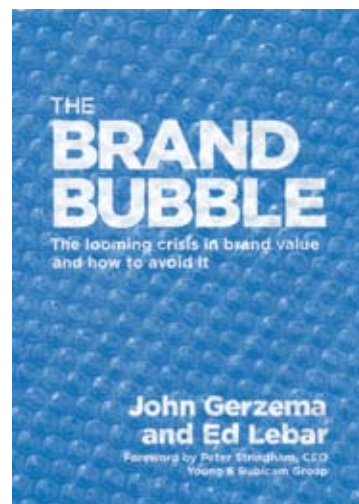
The way to deal with the brand bubble, it turns out, is to manage one's brand properly – and the preferred tool for this just happens to be Young & Rubicam's BrandAsset Valuator. Irritatingly, this is what the book is really about, notwithstanding breathless suggestions on the sleeve that the brand bubble is leading the world towards another major financial crisis.

Gerzema and Lebar nevertheless declare that there are still extremely valuable brands out there, though they're few and far between. What they have in common, apparently, is “energy”, which the authors relate to consumer perceptions of motion and direction. “Irresistible brands”, in case you're wondering, are provocative, make people feel good about themselves, engage consumers on their own terms, constantly reinvent themselves, and have armies of evangelists. People will always pay a premium for irresistible brands.

Predictably, many of these se-

Hans Muhlberg
reviews

The Brand Bubble (Jossey-Bass),
by John Gerzema and Ed Lebar



lected by Gerzema and Lebar are recent arrivals in “brandworld” – Blackberry, Amazon, Google, Facebook, eBay and Wikipedia. Others have been around the block once or twice – Microsoft, Apple, IBM, Starbucks, Subway, Nike and Virgin (which gets special praise for “brilliant basics, magic touches”). And then there are a few real wrinklies – Adidas, Harley-Davidson, Disney, Coca Cola, BMW, Lego, and GE (the authors didn't embarrass themselves by including GM).

For those intent on ensuring that their brand becomes irresistible there's bad news: a “unique selling proposition” will no longer cut it. What a brand needs now is “energized differentiation”: “For a brand to sustain consumer interest it can't just be different, it has to keep being different.”

In essence, for a brand to get ahead and stay there, change must replace consistency. Brands must, in fact, go into a state of constant renewal, subjecting themselves to feedback in order to reshape themselves again and again, continuously modifying and personalising. Quotes aplenty are provided to support this contention: “Consistency is the last refuge of the unimaginative” (Oscar Wilde), or, more prosaically; “The world is changing very fast. Big will not beat small anymore. It will be the fast beating the slow” (Rupert Murdoch). Then there's the authors' own contribution: “*Plus ça change, plus ça change*”.

Energised differentiation requires that the entire company must become marketing-driven, rather than simply having a marketing department. Hence the aphorism: “Marketing is too important to leave to the marketers.” Marketers can also no longer be control freaks: instead of marketing brands to consumers, they must market them with consumers, allowing customers to “co-create”. Examples of personalised products are the customised Nike shoe, or CDs with software that lets listener/users remix the tracks.

Energized differentiation involves satisfying consumers' desire for creativity, which makes them feel good – witness adults acting like kids in an Apple store. It also means satisfying a desire for involvement – people like to talk about brands on blogs, podcasts and social networks, and brands which get consumers talking will succeed.

Marketers will love this book. Anyone expecting a Peter Schiff-type prophecy concerning the next economic crisis will be seriously disappointed. ▮

All a Bad Dream

A VERITABLE STORM HAS BROKEN out in the wake of the *nose114* report on The Dream Centre's fraudulent inflation of invoices to the KZN provincial health department – and it appears the centre's directors, the “Reverends” Les Harris and Neville de Witt and their sons, have been left without income and nowhere to hide.

No sooner had *nose114* hit newsstands than the office of KZN Premier S'bu Ndebele (now Transport Minister) ordered PricewaterhouseCooper to undertake a forensic audit into their operations. Word got out almost immediately that the provincial government was planning to sue the reverend directors – who nevertheless went ahead with the advertised auction of The Dream Centre building, and it was sold for R26m. However, the provincial housing department, which had granted the use of the facility to the directors' NGO, quickly stepped in to bar transfer to the winning bidder.

Meanwhile the KZN health department – apparently under pressure from the premier's office – suspended all service agreements with the Centre. At the same time, the wealthy Porsche-driving Durban doctor who had been plotting to take over the operations of the Centre, quietly withdrew her interest. The Centre has therefore been closed down and staff and patients sent home.

London-based Global Funds, which funds HIV work globally, contacted *noseweek* to say they would not hesitate to suspend their financial support for the KZN health department if it were established that the department had colluded in The Dream Centre fraud.

Apparently the British Home Office has declined to grant either a travel visa or residency permit to Gary de Witt who was also instrumental in the fraud. The Canadian authorities have refused to comment on the status of the residency application made by the other De Witt.

DA member of the KZN parliament John Steenhuisen has submitted a set of questions to parliament that he

wants answered by the KZN health department. These include:

■ How much money has been paid to the Dream Centre?

■ When did the department become aware that the centre was allegedly fraudulently inflating the number of patients whose care was being subsidised?

■ Who in the department was responsible for monitoring and auditing the number of bed nights being claimed by the Dream Centre?

■ Has a new service agreement for the facility been entered into by the department; if so, with whom?

Answers to these questions may implicate the new Speaker of the KZN Parliament, Neliswa Peggy Nkonyeni – until recently the KZN MEC for health. As reported in *nose114*, comrade Nkonyeni did some high visibility PR for the reverends, including officially opening the centre in 2005.

In June Nkonyeni was fighting to have corruption charges against her struck off the roll at the Pietermaritzburg regional magistrates' court. Nkonyeni is alleged to have received a R20,000 cash bribe from Rowmoor Investments (Pty) Ltd, which also paid her bill for a short stay at a luxury Cape Town hotel. In return, Rowmoor were apparently rewarded with the tender to supply a Logiq E Compact Ultra Sound device – at a price of R1.5m.

The device, manufactured by General Electric Healthcare, retails for R425,000 through the sole authorised agent in the country, Medhold GEMS.

A source in the KZN health department informs *noseweek* that Medhold GEMS had submitted their own bid, but didn't mind who got the tender, since they would be supplying the device anyway. However, angry staff in the health department alerted the Scorpions, and Nkonyeni came under scrutiny for her role in the matter.

No wonder Nkonyeni was appointed Mampara of the Week by the *Sunday Times* (23 Nov 2008), which referred to her as the “MEC for death” and the “bride of Frankensmanto”, for encouraging “charlatans touting hocus-pocus potions for treating HIV”. ▮

BEE: Who assesses the assessors?

THOSE IN BUSINESS know all too well about BEE scorecards – questionnaires arrive that demand details of your company’s “racial” make-up. Like a virus the whole thing spreads itself as far as it can go: company A needs company B’s darkie credentials before they can do business together, so company B asks its supplier, company C, for its BEE scorecard; company C then approaches its supplier, company D, for its scorecard. And so on.

If the system was designed to ensure that South African businesses stumble about in uncompetitive confusion, it’s a masterstroke – whilst their foreign counterparts are concentrating on running their businesses, South African entrepreneurs are filling in forms – or, more often than not, paying BEE experts to fill in forms for them.

Emex Trust is one such group of BEE experts, and the advertising on its website is as childish as it is disingenuous. Alongside a picture of a stressed-out white businessman appear the words: “Before – I don’t have time to phone all my suppliers for their scorecards.” Then a pic of a chilled-looking white businessman, with the words: “After – I now spend time on the things that matter.” No mention that before spending time on what matters, you get to shell out for some B-grade labour lawyers to do your scorecard.

If another objective of BEE scorecards was to create a cushy little business for selected people, chalk that up as a big success too – BEE experts have a captive market.

Unsurprisingly, some people have finally had enough. Surprisingly, it’s not the guys burdened by the bureaucratic bollocks who are complaining, but a group of BEE experts who make their living from it.

Turns out there are two types of BEE expert. Some, like Emex Trust, are “verification agencies”, authorised to provide businesses with official reports verifying their BEE status. Many belong to the ABVA (Association of BEE



The empowerment business appears to be designed to spread confusion

Verification Agencies), whose website says that its *raison d’être* is to “lead the black economic empowerment verification industry ... to facilitate the accreditation of qualifying BEE verification agencies ... and guide the development of the industry”.

The directorate of this section 21 company looks remarkably like your typical South African company – a black chair, five white directors and one coloured director. Which suggests that honkies are responsible for much of the darkie verification going on.

The other group of experts, “BEE consultants”, simply assist businesses that opt for self-assessment. And it’s these guys who are fed up. In May eleven BEE consultants – led by one Ivan van der Merwe – lodged a complaint with the Competition Commission against the Department of Trade and Industry and the ABVA, the crux of which is that these entities are squeezing the BEE consultants out of business.

This relates to the fact that the DTI’s position is that procuring entities have the right to require that their suppliers formally verify their BEE status. (The DTI also knows full well that Transnet and Eskom, and some companies, like Tiger Brands, insist on formal verification.) And the ABVA, while acknowledging on its website that the law allows for self-assessment, implies that this is not really an option – giving a long convoluted argument to the effect that self-assessment must be accompanied by “suitable evidence”, and that, as this term is not defined, formal verification is effectively required.

The DTI and ABVA are involved, says Van der Merwe, in a “concerted practice ... to unlawfully exclude business entities from exercising their rights to present their BEE rating status by way of non-verified BEE certificates and/or BEE scorecards”. In other words, they are preventing businesses from opting for self-assessment.

According to the BEE consultants,

the DTI misuses its position of perceived power, whereas ABVA misuses its position as an organisation recognised by the DTI (the DTI logo appears on the ABVA website). The effect is that ABVA members benefit, at the expense of supplier businesses, who feel obliged to use their services, and of BEE consultants, who are losing work to ABVA members.

On the ABVA question of evidence, the BEE consultants argue that it’s precisely this issue that lies at the heart of the problem. A supplier business cannot be expected to reveal confidential information – for example profit margins – to a procuring company, because this would put it at a disadvantage.

The consultants’ argument focuses on the fact that the BEE codes, which provide that businesses may opt for formal verification or self-assessment, have not been amended, and should be upheld. In March, Minister of Trade and Industry Mandisi Mphahla did sign a notice that, as from 1 August, only certificates signed by accredited

Before spending time on what matters, you have to shell out for B-grade labour lawyers

verification agencies shall be acceptable. But, argue the consultants, the notice does not do away with the right of self-assessment. They therefore want the Competition Commission to issue an order requiring the DTI and ABVA to publicly acknowledge the right to opt for self-assessment.

Furthermore, if a procurer, or its appointed verification agency do require evidence to support a self-assessment, the parties must agree on an independent assessor, who will be required to sign a confidentiality undertaking. Finally; the procurer must pay the cost of the assessment.

Ah yes – who assesses the assessors? ■



Patent weaknesses

Test before you litigate

ROBERT MURRAY’S recent patent case – widely reported – against Vodacom exhibits a dangerous weakness in South Africa’s patenting system. It’s one that isn’t about to be remedied – so fine-tune your ideas and make sure your research is up to date if you’re applying for a patent.

Murray had charged that the Vodacom technology that allows customers to buy airtime directly from their cell phones, through the use of a PIN code, infringed his patent. Talk before the case opined that if Murray won he’d be rolling in bucks. As it happened, he was left decidedly buckless.

For starters, Judge Murphy held that Vodacom’s product differed from the system proposed in Murray’s patent. For afters, the judge also said *yebo* to Vodacom’s claim that Murray’s patent had been anticipated by earlier patents. It lacked, in other words, the required novelty and inventiveness, and was therefore invalid.

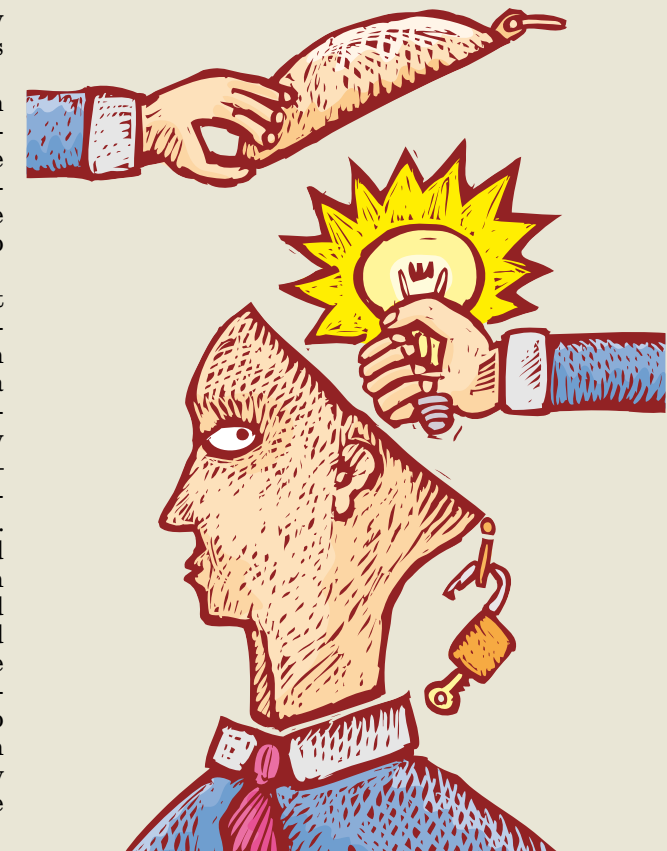
In fact, Vodacom’s claim that the patent wasn’t legitimate was simply the stock response to an infringement claim. The issue is: why does this happen so often?

It stems from the fact that South Africa has a “non-examination system”, with the Patent Office playing a purely passive role. The upshot of this is that basically anything can be patented – which is fine, we’re told, because there are safeguards. For example, if you’re sued on a bad patent you can apply to cancel it. Indeed you can, but there’s a good chance you can’t. Few have the means to cancel a patent – to do so you need to do some serious research on whether the technology already existed at the time the patent was filed.

Not too many people can even afford to register a patent. And of those who can, not too many can afford to defend the patent from serious attack.

And does our “non-examining” system at least achieve the objective of rewarding and therefore stimulating inventiveness? Perhaps. But not if the advice being given is along the lines of “yes I think I may have seen a wheel before, but let’s go ahead and patent it and see if anyone complains”.

Supporters of the “hands-off” system agree that it’s not perfect, but argue that patenting under an “examining system”, like that of the US, costs a lot more. Maybe so, but Rob Murray might have been a lot better off if he’d had to invest a little more on having his patent tested and rejected, instead of spending millions chasing Vodacom under the illusion that his “patent” was being infringed. ■



Is there life after Google?

RECENTLY SOME FRIENDS OF MINE got into an argument about the title of a movie in which Charlize Theron plays a serial killer. I whipped out my laptop and Googled “Theron” and “killer”. The title of the movie came up on the first response. As a result, no blows were exchanged and no relationships damaged. The movie is *Monster*, by the way (www.chasingthefrog.com/reelfaces/monster.php).

So I don't worry too much about such situations. For years now, I've been an obsessive Googler. If I can't remember a trifling fact, a news incident from a few years ago, or a certain date, I head straight for the nearest online computer and enter a few crumbs of information – a couple of words, a title, a line of dialogue – and eventually a Google search will supply me with the information I want. It almost makes human memory superfluous.

It works for any bit of information, trivial or otherwise – Google helps find the answer. The trick is to get online before an argument becomes too heated.

Of course, Google has its limitations. It merely guides you to online content, which may or may not contain information germane to the given disagreement or forgotten factoid. Often enough, the Google search will provide links to websites that have nothing whatsoever to do with the information being sought. That's where the human factor comes in. Not only must one discern differences between various sources of information, but one must judge whether or not what is provided is accurate. (In case you hadn't noticed there's a lot of nonsense

posted online.)

But as useful as a Google search may prove, it nevertheless falls far short of what some people imagined only a few years back about the capabilities of computers. Remember “Hal” from *2001: A Space Odyssey*? Computers are still incapable of answering a simple question posed in simple syntax. In case you haven't noticed, we're eight years past 2001.

But...

For the last while the internet has been abuzz with rumours of a new innovation in data access, called Wolfram Alpha. I first came across this about three months ago. I even signed up for regular emails from the developers. Granted, I received only one response, from “The Wolfram Team”, which read “Thank you for signing up to receive release news about Wolfram Alpha. We have been pleased to see the strong interest in the progress of Wolfram Alpha, and we look forward to sharing more with you soon.” (www.wolframalpha.com/about.html)

But I remained intrigued by information that kept “leaking” out about this supposed revolution in processing and accessing data. Such lines as these had me quivering in anticipation:

“Indeed, when computers were first imagined,

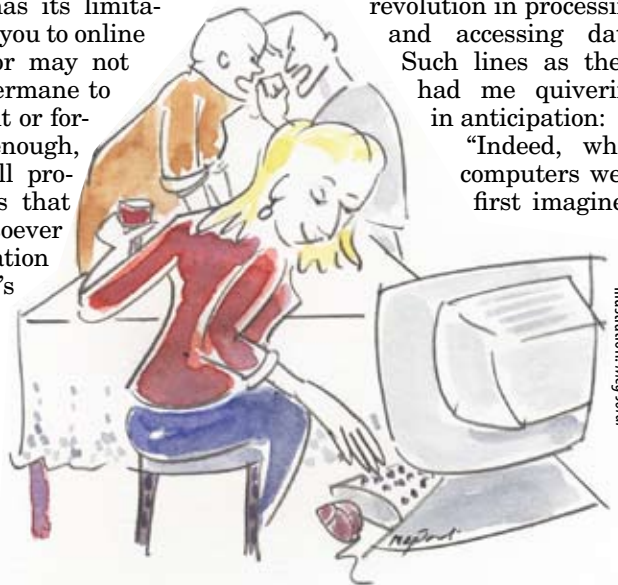


Illustration: Meg Joroff

it was almost taken for granted that they would eventually have the kinds of question-answering capabilities that we now begin to see in Wolfram Alpha.

“You enter your question or calculation, and Wolfram Alpha uses its built-in algorithms and growing collection of data to compute the answer, based on a new kind of knowledge-based computing.” (<http://blog.wolfram.com/2009/03/05/wolframalpha-is-coming/>)

Sounds exciting, doesn't it?

Then came the official launch of Wolfram Alpha on 18 May. Since then, I have queried Wolfram Alpha on a large number of subjects. Surprisingly, the answer I have been given is usually: “Wolfram Alpha isn't sure what to do with your input.”

To give Wolfram Alpha its due, it does give answers to mathematical equations quite readily. I tested it with 2 + 2 and it quickly affirmed my sneaking suspicion that the answer is 4. Since my interest in maths doesn't go far beyond such equations, consider me satisfied on that account.

But I must admit to being a bit disappointed overall. According to internet lore Wolfram Alpha was developed by a mathematical wunderkind (named Wolfram, by some strange coincidence) who got his PhD while still in nappies – so perhaps my questions were a bit lowbrow.

I decided to aim a bit higher and ask a question that stymied medieval philosophers. I timidly typed “How many angels can dance on the head of a pin?”

The answer came almost instantaneously.

“Angels are pure intelligences, not material, but limited, so that they have location in space, but not extension. Therefore, an infinity of angels can be located on the head of a pin.”

I take this as evidence that Wolfram Alpha has a sense of humour. And that goes a long way. I am now eagerly anticipating Wolfram Zeta. ☐

It is with great sadness that we learnt that Marike Roth died at Louisville Hospital, Kentucky, on 14 June. The angels on that pinhead will have to make room for a large spirit. – Ed.



Shiraz shambles

ULIANO MARCHIO, now, was both Capiè and Roman, I mean he really knew about grapes and wine, had no need to posture about these things; also he knew about guitars, made his own, brought the Baroque to life, so he had no need to posture about music either. Uli was a great big bugger, make no mistake, with carpenter's great big hands, a unique Afrikaans Italian English accent, and when he spoke you had better listen. The grape is a European berry, said Uli, winter rainfall, as in Rome and Cape Town, and it is strange to me to see such fine wines come out of Brisbane which is a summer rainfall place; what sorts of cultivar do they have there, hey, and why can't you make wine in Durbs too, which is about the same latitude *nogal*? Good question. The Catawba is a summer rainfall grape and I had a garden wall twenty metres long with vines growing thick and lush along its entire length. I watched and waited like anything, small green pinheads growing to full powdery black beautiful bunches, picked a dozen Checkers bagfuls and got young Joe to wash his feet and jump on them in the family bath. I have heard the Catawba aroma described as foxy, deep, heady. It hung thick on the bathroom air. My wine will be in the nature of Shiraz, thought I. It remained only to find traditional bottles, green, elegant.

But by the time all was ready for bottling I hadn't found any, and settled for temporary storage in a couple of those big Ball jars my granny had used for bottling peaches and things. Two of them I left on the kitchen shelf for a couple of months for maturation, the perfume wafting about the house, out the front door and right down our lane – you could catch a delicious whiff right down at Cohen's Corner Tea Room and Delicatessen. The kids would bring their pals into the kitchen for a sniff. And one day one of these pals who was a forward, cocky little devil climbed up on a kitchen stool with a teaspoon so he could sample a little sip, explaining that since he was now thirteen his dad allowed him a modest glass after Saturday lunch so he knew about wines all right. But it turned out he couldn't sip it because it adhered to the spoon. On examination it

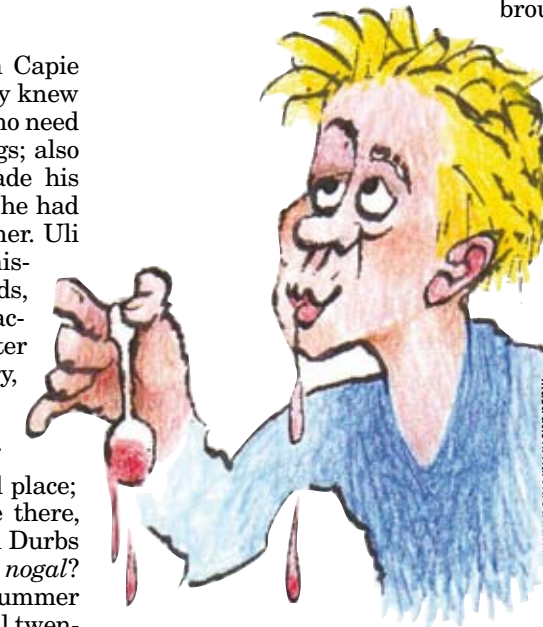


Illustration: Harold Strachan

One day one of these pals who was a forward, cocky little devil climbed up on a kitchen stool with a teaspoon so he could sample a little sip

appeared the wine had got very sticky, jellified, as it were.

I gave it some thought, laterally, and reclassified it as jam. Perfect for the kids' school sarmies. The lovely fumes filled the house and the street, a pair of sunbirds buzzed about Susie's bag along the way to the Berea Girls' School. Next day she brought home a letter from her teacher saying there had been an infestation of flies in her classroom and asking please not to put strange substances on my daughter's sandwiches any more. Well we didn't have such infestation in our kitchen, but I let it pass. In any case the jam had by now got so thick it was impossible to spread without tearing up the surface of the bread. Yet it seemed a shame not to find some other application for such worthy stuff; I gave it much deeper lateral thought and decided simply to rereclassify it as project glue. And it worked very well, in my opinion. Susie's next project involved sticking cut-outs of the continents on a map of Pangea, but the following day Susie brought back a letter from her headmistress saying there was now an infestation of cockroaches and if I cared to examine my daughter's project I would perceive such cockroaches had entirely eaten Africa.

But the poor are always with us. I took the two jars and placed them next to Cohen's Delicatessen with a discreet little note inviting some starving passer-by who couldn't afford the delicatessen to take them home to her/his family for a treat. Next day there came that heavy knocking at the door. Policemen in a passing car had noticed at Cohen's Corner something which their training told them was Semtex, a particularly evil high explosive from the Czech Republic, and sorry sir, their minds had instantly turned to me. Did I mean to demolish the delicatessen and kill Mr Cohen on behalf of the Palestinians or something? If not, would I now in good faith come with them personally to put the stuff in the bomb disposal truck? Please.

The street was sealed off with CRIME SCENE tape. The truck had a big ferro-concrete and steel bucket at the back. I put the Shiraz in the bucket. Sir, said the policeman, would you be so kind as to come with us and take it out again? We slowly drove to the middle of the old rifle range back of the Umgeni mouth mangroves. I took the Shiraz from the bucket and placed it upon the ground. They gingerly packed it around with demolition charges and blew it up. ☐

PAYMENT & TERMS FOR SMALLS

Deadline for smalls is the 1st of the month prior to publication.

Smalls ads are prepaid at R120 for up to 15 words, thereafter R15 per word.

Boxed ads are R200 per column cm ex VAT (min 3cm deep).

Payment by cheque should be made to Chaucer Publications, PO Box 44538, Claremont 7735.

Payment by direct transfer should be made to Chaucer Publications; Account 591 7001 7966; First National Bank; Vineyard Branch; Branch code 204 209.

Payment online at www.noseweek.co.za.

Email ads to ads@noseweek.co.za.

Further info Adrienne 021 686 0570.

PERSONAL

Greetings to all our "Soal" mates. – From Angus, Ros, Bridget.

What happens to all the good souls you "bless" in your "true" revelations magazine? – Rashid.

Good luck noseweek. May you go forward in good health. – Clive Varejes.

LEGAL, INSURANCE & FINANCIAL

Legal services in Kenya? Wanam Associates specialize in IP, Trade Mark, Corporate Law, Conveyancing/Property Law, ICT Law, Litigation, Legal Support/ Resources; www.wanam.co.ke

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Plettenberg Bay Anlin Beach House B&B/Self-Catering. Four-star luxury 100m from Robberg Beach. 044 533 3694; See our website for Winter specials:

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