

10 June 2020

ILZE EICHSTÄDT ATTORNEYS

FOR ATTN: ILZE EICHSTÄDT

E-MAIL: ilze@eichstadtattorneys.co.za

Dear Madam

ORTHOTOUCH (PTY) LTD (IN BUSINESS RESCUE) & ZEPHAN (PTY) LTD (IN BUSINESS RESCUE)

ALLEGED OUTSTANDING INTEREST PAYMENTS: CERTAIN HIGHVELD SYNDICATION INVESTORS

1. We confirm receipt of your letter of even date.
 - 1.1. At the outset, we record that we do not intend dealing with all the issues raised, whether by correspondence or process, in this or related matters. Our failure to do so should not, in any way, be construed as a waiver of our client's rights to deal therewith at the appropriate time and in the appropriate forum if it becomes necessary.
2. Your "DEMANDS" and "THREATS" as contained in para 6 of your letter to report the matter to numerous bodies is noted with surprise. Our calendar shows it is **10 June 2020** today and your letter came to writer's knowledge just before noon. We suggest that you get in line with the numerous other contenders (colleagues [some whose identity might already be known to you, others maybe not]) also laying claim to the same amount of money.
 - 2.1. Since our previous correspondence to you (**25 May 2020**) a number of other attorneys (not referred to in that letter) also stepped up to the plate about the same issues.
 - 2.2. As to the threats for reporting the matter to various authorities you are more than welcome to do as you wish within the strictures of the law and we will deal with those authorities and their requests for information if and when required to do so.

Associates:

Johan Victor BA (Comm) (NWU (Potch)), LLB (US)
Chelsea Wolffs LLB (UNISA)

Candidate Attorney:

Chris Jordan BA (Social Dynamics), LLB, LLM (*Cum laude*) (US)
Nozipho Hlongwane LLB (NWU (Potch))

- 2.3. It will also be appreciated if you inform the numerous authorities you wish to engage about your clients' claims, that they can likewise direct any and all enquiries to writer at (at the email address johan@jvaa.co.za) in order for us to set the record straight and prevent the matter escalating causing our client's claim against you for malicious and vexatious prosecution to get out of hand.
3. Our client and writer are scheduled to have a comprehensive **2**-day meeting late next week with various other role players to intensively discuss various aspects of the underlying issues of the Highveld Syndication Schemes and the failed Scheme of Arrangement. On the agenda is also the issue of the claims by you (ostensibly on behalf of your 40 clients) as well as the claims by all the other attorneys on behalf of other claimants, to what (in general) can be referred to as the "*Cohen Funds*".
 - 3.1. Considering that there are more than **18 000** total claimants / investors you will agree that splitting, what is allegedly **R1 million**, (the "*Cohen funds*") will give every claimant (on a quick and simplistic calculation) **R55,55** of the "pot".
4. It is our instructions that the *Cohen Funds* were held in terms of an "*Escrow Agreement*" concluded in or about **November 2018**. In terms a Scheme of Arrangement interest payments were to be made to Alternate **1** and Alternate **2** Investors.
 - 4.1. A number of these investors ("the detractors") have elected to set aside the Scheme of Arrangement, alternatively instituted legal action against Orthotouch and / or Zephan and / or Nic Georgiou and / or the Georgiou Family Trust; and
 - 4.2. Orthotouch / Zephan have resolved not to pay the detractors until such time as the disputes have been resolved.
 - 4.3. Monies earmarked for these detractors were to be held in trust.
 - 4.3.1. Your clients, despite if they were detractors or alternate 1 or alternate 2 investors, were at most creditors in the companies (in terms of a scheme of arrangement).
 - 4.3.2. Since the company was placed in Business Rescue (**7 November 2019**) your clients are creditors in the company and their claims, if indeed lodged, will be dealt with in terms of the business rescue plans if accepted by the parties (entitled to vote) on the implementation thereof.
 - 4.4. The Cohen Funds is the property of the companies in business rescue and will be dealt with as such in terms of the provision of the Company's Act and the published Business Rescue Plans.
 - 4.5. The Escrow agreement also provided that any amounts to be paid to the detractors "*will be held in trust until directed by the Receiver to make payment to each investor, alternatively return the payment to Orthotouch / Zephan*".

5. Fact of the matter is that a “Scheme of Arrangement” (“SoA”) was concluded (**pre-2018**).
 - 5.1. That SoA failed dismally and no further effect could be given to it. The companies were since placed into Business Rescue under the control of our client, Jacques du Toit, a licensed Business Rescue Practitioner and, in terms of the Company’s Act, also an Officer of the Court.
 - 5.2. Your preposterous allegations that our client “*intended to steal/misappropriate the funds*” is defamatory in the extreme and the necessary steps against you will be taken unless you forthwith retract this libellous accusation.
 - 5.3. You, and all your colleagues, laying claim to the Cohen Funds, should be well advised to have regard to sections **133** and **134** of the Companies Act dealing respectively with a general moratorium on legal proceedings against a company (in business rescue) and the protection of property interests during business rescue.
6. We are furthermore instructed once again to request that all further communication in this regard would be directed to our offices, for the attention of the undersigned only, (at the email address joohan@jvaa.co.za) and that you will not contact, approach or address our client directly in whatsoever manner or form for whatever reason until this matter is resolved. In the event that you do decide to take legal steps kindly take note that our offices are the appointed address to be used for service of any and all process in terms of Uniform High Court Rule 4(1)(aA).
7. All our client’s rights are expressly reserved.

Yours faithfully,

JOHAN VICTOR ATTORNEYS, LITIGATORS
PER: JOHAN VICTOR

Sent electronically therefore not signed in original.

A signed original of this letter can be obtained on personal request at the physical address of our offices as printed above.