

63.5.3. The amount of 0.21419153 bitcoin with a value of R39,959.50, as pleaded above, disposed of to the twelfth defendant by MTI within 6 months from the date of its liquidation constitutes a voidable preference, as pleaded in paragraph 53.4 above, and stands to be set aside in terms of section 29 of the Insolvency Act.

64. **Dispositions made by MTI to the thirteenth defendant:**

- 64.1. The thirteenth defendant, from time to time, deposited the total sum of 1.34902391 bitcoin in MTI, the total value of which was, calculated at the prevailing value of bitcoin at the time when each deposit was made, in the amount of R162,677.74.
- 64.2. From the bitcoin it received from its investors, MTI, from time to time, transferred the total sum of 1.50924551 bitcoin to the thirteenth defendant, the value of which was, calculated at the prevailing rate for bitcoin at the time when the transfers were made, in the amount of R215,612.29.
- 64.3. The amount of bitcoin by which the bitcoin transferred to the thirteenth defendant exceeded the amount of bitcoin deposited by the thirteenth defendant is in the amount of 0.1602216 bitcoin, with the difference in value of the bitcoin deposited and the value of bitcoin transferred being R52,934.55.



- 64.4. From the bitcoin transferred to the thirteenth defendant by MTI as pleaded above, 0.49424551 bitcoin, with a value of R118,445.75 calculated at the prevailing rate for bitcoin at the time of each transfer, were transferred to the thirteenth defendant within 6 (six) months from the effective date of liquidation of MTI.
- 64.5. A statement reflecting the date, amounts of bitcoin and the value thereof which had been deposited by the thirteenth defendant and the date, amounts and value of bitcoin transferred ~~by MTI~~ to the thirteenth defendant, is attached as Annexure "MTI-18".
- 64.6. MTI's disposition of bitcoins to the thirteenth defendant stands to be set aside as follows:
- 64.6.1. Each disposition of bitcoin made to the thirteenth defendant constitutes a collusive transaction, as pleaded in paragraph 53.1 above, and stands to be set aside in terms of section 31 of the Insolvency Act; and/or
- 64.6.2. Each disposition of bitcoin made to the thirteenth defendant constitutes an undue preference of the thirteenth defendant, as pleaded in paragraph 53.2 above, and stands to be set aside in terms of section 30 of the Insolvency Act; and/or
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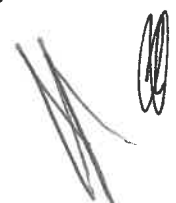
64.6.3. The sum of 0.1602216 bitcoin with a value of R52,934.55, as pleaded above, being the difference between bitcoin transferred to the thirteenth defendant and deposited by the thirteenth defendant, were disposed of to the thirteenth defendant for no value, as pleaded in paragraph 53.3 above, and stands to be set aside in terms of section 26 of the Insolvency Act; and/or

64.6.4. The amount of 0.49424551 bitcoin with a value of R118,445.75, as pleaded above, disposed of to the thirteenth defendant by MTI within 6 months from the date of its liquidation constitutes a voidable preference, as pleaded in paragraph 53.4 above, and stands to be set aside in terms of section 29 of the Insolvency Act.

65. **Dispositions made by MTI to the fourteenth defendant:**

65.1. The fourteenth defendant, from time to time, deposited the total sum of 0.1070053 bitcoin in MTI, the total value of which was, calculated at the prevailing value of bitcoin at the time when each deposit was made, in the amount of R12,778.27.

65.2. From the bitcoin it received from its investors, MTI, from time to time, transferred the total sum of 0.117429 bitcoin to the



fourteenth defendant, the value of which was, calculated at the prevailing rate for bitcoin at the time when the transfers were made, in the amount of R18,308.00.

- 65.3. The amount of bitcoin by which the bitcoin transferred to the fourteenth defendant exceeded the amount of bitcoin deposited by the fourteenth defendant is in the amount of 0.0104237 bitcoin, with the difference in value of the bitcoin deposited and the value of bitcoin transferred being R5,529.73.
- 65.4. No transfer of bitcoin by MTI to the fourteenth defendant occurred within 6 (six) months of the date of liquidation of MTI.
- 65.5. A statement reflecting the date, amounts of bitcoin and the value thereof which had been deposited by the fourteenth defendant and the date, amounts and value of bitcoin transferred by MTI to the fourteenth defendant, is attached as Annexure **"MTI-19"**.
- 65.6. MTI's disposition of bitcoins to the fourteenth defendant stands to be set aside as follows:
- 65.6.1. Each disposition of bitcoin made to the fourteenth defendant was made as part of a collusive transaction, as pleaded in paragraph 53.1 above, and stands to be set aside in terms of section 31 of the Insolvency Act; and/or



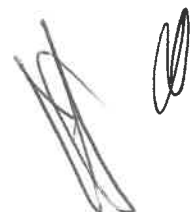
65.6.2. Each disposition of bitcoin made to the fourteenth defendant constitutes an undue preference of the fourteenth defendant, as pleaded in paragraph 53.2 above, and stands to be set aside in terms of section 30 of the Insolvency Act; and/or

65.6.3. The sum of 0.0104237 bitcoin with a value of R5,529.73, as pleaded above, being the difference between bitcoin transferred to the fourteenth defendant and deposited by the fourteenth defendant, were disposed of to the fourteenth defendant for no value, as pleaded in paragraph 53.3 above, and stands to be set aside in terms of section 26 of the Insolvency Act.

66. **Dispositions made by MTI to the fifteenth defendant:**

66.1. The fifteenth defendant, from time to time, deposited the total sum of 0.0045 bitcoin in MTI, the total value of which was, calculated at the prevailing value of bitcoin at the time when each deposit was made, in the amount of R911.30.

66.2. From the bitcoin it received from its investors, MTI, from time to time, transferred the total sum of 0.04150939 bitcoin to the fifteenth defendant, the value of which was, calculated at the



prevailing rate for bitcoin at the time when the transfers were made, in the amount of R10,511.90.

- 66.3. The amount of bitcoin by which the bitcoin transferred to the fifteenth defendant exceeded the amount of bitcoin deposited by the fifteenth defendant is in the amount of 0.03700939 bitcoin, with the difference in value of the bitcoin deposited and the value of bitcoin transferred being R9,600.60.
- 66.4. From the bitcoin transferred to the fifteenth defendant by MTI as pleaded above, 0.4150939 bitcoin, with a value of R10,511.90 calculated at the prevailing rate for bitcoin at the time of each transfer, were transferred to the fifteenth defendant within 6 (six) months from the effective date of liquidation of MTI.
- 66.5. A statement reflecting the date, amounts of bitcoin and the value thereof which had been deposited by the fifteenth defendant and the date, amounts and value of bitcoin transferred by MTI to the fifteenth defendant, is attached as Annexure "MTI-20".
- 66.6. MTI's disposition of bitcoins to the fifteenth defendant stands to be set aside as follows:
- 66.6.1. Each disposition of bitcoin made to the fifteenth defendant constitutes a collusive transaction, as pleaded in paragraph 53.1 above, and stands to be set



aside in terms of section 31 of the Insolvency Act;
and/or

66.6.2. Each disposition of bitcoin made to the fifteenth defendant constitutes an undue preference of the fifteenth defendant, as pleaded in paragraph 53.2 above, and stands to be set aside in terms of section 30 of the Insolvency Act; and/or

66.6.3. The sum of 0.03700939 bitcoin with a value of R9,600.60, as pleaded above, being the difference between bitcoin transferred to the fifteenth defendant and deposited by the fifteenth defendant, were disposed of to the fifteenth defendant for no value, as pleaded in paragraph 53.3 above, and stands to be set aside in terms of section 26 of the Insolvency Act; and/or

66.6.4. The amount of 0.04150939 bitcoin with a value of R10,511.90, as pleaded above, disposed of to the fifteenth defendant by MTI within 6 months from the date of its liquidation constitutes a voidable preference, as pleaded in paragraph 53.4 above, and stands to be set aside in terms of section 29 of the Insolvency Act.



67. Dispositions made by MTI to the sixteenth defendant:

- 67.1. The sixteenth defendant, from time to time, deposited the total sum of 9.47398075 bitcoin in MTI, the total value of which was, calculated at the prevailing value of bitcoin at the time when each deposit was made, in the amount of R1,509,192.17.
- 67.2. From the bitcoin it received from its investors, MTI, from time to time, transferred the total sum of 13.80847603 bitcoin to the sixteenth defendant, the value of which was, calculated at the prevailing rate for bitcoin at the time when the transfers were made, in the amount of R2,385,249.71.
- 67.3. The amount of bitcoin by which the bitcoin transferred to the sixteenth defendant exceeded the amount of bitcoin deposited by the sixteenth defendant is in the amount of 4.33449528 bitcoin, with the difference in value of the bitcoin deposited and the value of bitcoin transferred being R876,057.54.
- 67.4. From the bitcoin transferred to the sixteenth defendant by MTI as pleaded above, 5.77424461 bitcoin, with a value of R1,291,404.99 calculated at the prevailing rate for bitcoin at the time of each transfer, were transferred to the sixteenth defendant within 6 (six) months from the effective date of liquidation of MTI.
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67.5. A statement reflecting the date, amounts of bitcoin and the value thereof which had been deposited by the sixteenth defendant and the date, amounts and value of bitcoin transferred by MTI to the sixteenth defendant, is attached as Annexure "**MTI-21**".

67.6. MTI's disposition of bitcoins to the sixteenth defendant stands to be set aside as follows:

67.6.1. Each disposition of bitcoin made to the sixteenth defendant constitutes a collusive transaction, as pleaded in paragraph 53.1 above, and stands to be set aside in terms of section 31 of the Insolvency Act; and/or

67.6.2. Each disposition of bitcoin made to the sixteenth defendant constitutes an undue preference of the sixteenth defendant, as pleaded in paragraph 53.2 above, and stands to be set aside in terms of section 30 of the Insolvency Act; and/or

67.6.3. The sum of 4.33449528 bitcoin with a value of R876,057.54, as pleaded above, being the difference between bitcoin transferred to the sixteenth defendant and deposited by the sixteenth defendant, were disposed of to the sixteenth defendant for no value, as pleaded in paragraph 53.3 above, and stands to be set



aside in terms of section 26 of the Insolvency Act;
and/or

67.6.4. The amount of 5.77424461 bitcoin with a value of R1,291,404.99, as pleaded above, disposed of to the sixteenth defendant by MTI within 6 months from the date of its liquidation constitutes a voidable preference, as pleaded in paragraph 53.4 above, and stands to be set aside in terms of section 29 of the Insolvency Act.

68. **Dispositions made by MTI to the seventeenth defendant:**

68.1. The seventeenth defendant, from time to time, deposited the total sum of 19.38072994 bitcoin in MTI, the total value of which was, calculated at the prevailing value of bitcoin at the time when each deposit was made, in the amount of R4,187,843.38.

68.2. From the bitcoin it received from its investors, MTI, from time to time, transferred the total sum of 12.37610148 bitcoin to the seventeenth defendant, the value of which was, calculated at the prevailing rate for bitcoin at the time when the transfers were made, in the amount of R2,203,666.76.

68.3. From the bitcoin transferred to the seventeenth defendant by MTI as pleaded above, 7.175 bitcoin, with a value of R1,350,225.71

calculated at the prevailing rate for bitcoin at the time of each transfer, were transferred to the seventeenth defendant within 6 (six) months from the effective date of liquidation of MTI.

- 68.4. A statement reflecting the date, amounts of bitcoin and the value thereof which had been deposited by the seventeenth defendant and the date, amounts and value of bitcoin transferred by MTI to the seventeenth defendant, is attached as Annexure "MTI-22".
- 68.5. MTI's disposition of bitcoins to the seventeenth defendant stands to be set aside as follows:
- 68.5.1. Each disposition of bitcoin made to the seventeenth defendant constitutes a collusive transaction, as pleaded in paragraph 53.1 above, and stands to be set aside in terms of section 31 of the Insolvency Act; and/or
- 68.5.2. Each disposition of bitcoin made to the seventeenth defendant constitutes an undue preference of the seventeenth defendant, as pleaded in paragraph 53.2 above, and stands to be set aside in terms of section 30 of the Insolvency Act; and/or
- 68.5.3. The amount of 7.175 bitcoin with a value of R1,350,225.71, as pleaded above, disposed of to the

seventeenth defendant by MTI within 6 months from the date of its liquidation constitutes a voidable preference, as pleaded in paragraph 53.4 above, and stands to be set aside in terms of section 29 of the Insolvency Act.

69. **Dispositions made by MTI to the eighteenth defendant:**

- 69.1. The eighteenth defendant, from time to time, deposited the total sum of 2.25410608 bitcoin in MTI, the total value of which was, calculated at the prevailing value of bitcoin at the time when each deposit was made, in the amount of R347,076.57.
- 69.2. From the bitcoin it received from its investors, MTI, from time to time, transferred the total sum of 43.12869094 bitcoin to the eighteenth defendant, the value of which was, calculated at the prevailing rate for bitcoin at the time when the transfers were made, in the amount of R8,867,417.14.
- 69.3. The amount of bitcoin by which the bitcoin transferred to the eighteenth defendant exceeded the amount of bitcoin deposited by the sixteenth defendant is in the amount of 40.87458486 bitcoin, with the difference in value of the bitcoin deposited and the value of bitcoin transferred being R8,520,340.57.



69.4. From the bitcoin transferred to the eighteenth defendant by MTI as pleaded above, 37.13110484 bitcoin, with a value of R7,948,672.58 calculated at the prevailing rate for bitcoin at the time of each transfer, were transferred to the eighteenth defendant within 6 (six) months from the effective date of liquidation of MTI.

69.5. A statement reflecting the date, amounts of bitcoin and the value thereof which had been deposited by the eighteenth defendant and the date, amounts and value of bitcoin transferred by MTI to the eighteenth defendant, is attached as Annexure "MTI-23".

69.6. MTI's disposition of bitcoins to the eighteenth defendant stands to be set aside as follows:

69.6.1. Each disposition of bitcoin made to the eighteenth defendant constitutes a collusive transaction, as pleaded in paragraph 53.1 above, and stands to be set aside in terms of section 31 of the Insolvency Act; and/or

69.6.2. Each disposition of bitcoin made to the eighteenth defendant constitutes an undue preference of the eighteenth defendant, as pleaded in paragraph 53.2 above, and stands to be set aside in terms of section 30 of the Insolvency Act; and/or



69.6.3. The sum of 40.87458486 bitcoin with a value of R8,520,340.57, as pleaded above, being the difference between bitcoin transferred to the eighteenth defendant and deposited by the eighteenth defendant, were disposed of to the eighteenth defendant for no value, as pleaded in paragraph 53.3 above, and stands to be set aside in terms of section 26 of the Insolvency Act; and/or

69.6.4. The amount of 37.13110484 bitcoin with a value of R7,948,672.58, as pleaded above, disposed of to the eighteenth defendant by MTI within 6 months from the date of its liquidation constitutes a voidable preference, as pleaded in paragraph 53.4 above, and stands to be set aside in terms of section 29 of the Insolvency Act.

70. **Dispositions made by MTI to the nineteenth defendant:**

70.1. The nineteenth defendant, from time to time, deposited the total sum of 0.06774029 bitcoin in MTI, the total value of which was, calculated at the prevailing value of bitcoin at the time when each deposit was made, in the amount of R10,242.85.

70.2. From the bitcoin it received from its investors, MTI, from time to time, transferred the total sum of 4.37671854 bitcoin to the

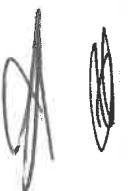


nineteenth defendant, the value of which was, calculated at the prevailing rate for bitcoin at the time when the transfers were made, in the amount of R762,713.68.

- 70.3. The amount of bitcoin by which the bitcoin transferred to the nineteenth defendant exceeded the amount of bitcoin deposited by the nineteenth defendant is in the amount of 4.30897825 bitcoin, with the difference in value of the bitcoin deposited and the value of bitcoin transferred being R752,470.83.
- 70.4. From the bitcoin transferred to the nineteenth defendant by MTI as pleaded above, 2.07271673 bitcoin, with a value of R406,783.57 calculated at the prevailing rate for bitcoin at the time of each transfer, were transferred to the nineteenth defendant within 6 (six) months from the effective date of liquidation of MTI.
- 70.5. A statement reflecting the date, amounts of bitcoin and the value thereof which had been deposited by the nineteenth defendant and the date, amounts and value of bitcoin transferred by MTI to the nineteenth defendant, is attached as Annexure "MTI-24".
- 70.6. MTI's disposition of bitcoins to the nineteenth defendant stands to be set aside as follows:



- 70.6.1. Each disposition of bitcoin made to the nineteenth defendant constitutes a collusive transaction, as pleaded in paragraph 53.1 above, and stands to be set aside in terms of section 31 of the Insolvency Act; and/or
- 70.6.2. Each disposition of bitcoin made to the nineteenth defendant constitutes an undue preference of the nineteenth defendant, as pleaded in paragraph 53.2 above, and stands to be set aside in terms of section 30 of the Insolvency Act; and/or
- 70.6.3. The sum of 4.30897825 bitcoin with a value of R752,470.83, as pleaded above, being the difference between bitcoin transferred to the nineteenth defendant and deposited by the nineteenth defendant, were disposed of to the nineteenth defendant for no value, as pleaded in paragraph 53.3 above, and stands to be set aside in terms of section 26 of the Insolvency Act; and/or
- 70.6.4. The amount of 2.07271673 bitcoin with a value of R406,783.57, as pleaded above, disposed of to the nineteenth defendant by MTI within 6 months from the date of its liquidation constitutes a voidable



preference, as pleaded in paragraph 53.4 above, and stands to be set aside in terms of section 29 of the Insolvency Act.

WHEREFORE plaintiffs claim:

1. **In respect of claim 1 and its alternative claim:**

- 1.1. An order declaring that the insolvent estate of Cornelius Johannes Steynberg, represented by the first and second defendants N.N.O., and the third to nineteenth defendants are liable in terms of section 424 of the Companies Act, 61 of 1973, without limitation of liability, for all the debts and liabilities of Mirror Trading International (Pty) Ltd (in liquidation);
- 1.2. An order in terms of section 424(2)(a) of the Companies Act, 61 of 1973, that the insolvent estate of Cornelius Johannes Steynberg and the third to nineteenth defendants are liable, jointly and severally, to pay to the plaintiffs the amount of **R4,666,077,528.00 (FOUR BILLION SIX HUNDRED SIXTY SIX MILLION SEVENTY SEVEN THOUSAND FIVE HUNDRED TWENTY EIGHT RAND)**, plus interest at the rate of 7% *per annum a tempore mora*, to the plaintiffs in their aforesaid capacities for the purpose of enabling them to pay the debts of MTI to its creditors;



2. In the alternative to prayer 1:

2.1. An order declaring the insolvent estate of Cornelius Johannes Steynberg, represented herein by the first and second defendants N.N.O., and the third to nineteenth defendants are liable, in terms of section 77(3) and/or section 218(2) of the Companies Act, 71 of 2008, for all the liabilities and/or losses incurred by MTI.

2.2. Judgement in favour of the plaintiffs in their aforesaid capacities against the defendants, jointly and severally, in terms of section 77(3) and/or section 218(2) of the Companies Act, 71 of 2008, for:

2.2.1. Payment of the amount of **R4,666,077,528.00 (FOUR BILLION SIX HUNDRED SIXTY SIX MILLION SEVENTY SEVEN THOUSAND FIVE HUNDRED TWENTY EIGHT RAND)**; and

2.2.2. Interest on the aforesaid sum at the rate of 7% *per annum a tempore morae*.

3. In respect of the plaintiffs' further claims:

3.1. That each of the dispositions made by MTI to each of Mr Cornelius Johannes Steynberg, the third to fifth defendants and the seventh to nineteenth defendants, as pleaded in paragraphs 49 to 70 and as set out in Annexure "MTI-8" to "MTI-24", is hereby set aside



in terms of section 31(1) and/or section 30 of the Insolvency Act, 24 of 1936.

3.2. That each of the insolvent estate of Mr Cornelius Johannes Steynberg, represented herein by the first and second defendants N.N.O., the third to fifth defendants and the seventh to nineteenth defendants be ordered to return to the plaintiffs the amount of bitcoin set out below or in default thereof, to pay to the plaintiffs the greater of the value of the bitcoin transferred to such defendant or the value of such bitcoin on the date of this order, whichever is the greater:

3.2.1. The first and second defendants, in their capacity as the trustees of Mr Cornelius Johannes Steynberg, 31.33569713 bitcoin, *alternatively* R5,427,211.31, being the value of the bitcoin on the date of each disposition by MTI to Mr Cornelius Johannes Steynberg, or the value of the bitcoin disposed of to Mr Cornelius Johannes Steynberg as at date of this order, whichever is the greater;

3.2.2. The third defendant, 7.89112396 bitcoin, *alternatively* R1,878,562.02, being the value of the bitcoin on the date of each disposition by MTI to the third defendant, or the



value of the bitcoin disposed of to the third defendant as at date of this order, whichever is the greater;

3.2.3. The fourth defendant, 0.31107597 bitcoin, *alternatively* R66,541.10, being the value of the bitcoin on the date of each disposition by MTI to the fourth defendant, or the value of the bitcoin disposed of to the fourth defendant as at date of this order, whichever is the greater;

3.2.4. The fifth defendant, 25.78292183 bitcoin, *alternatively* R4,586,609.95, being the value of the bitcoin on the date of each disposition by MTI to the fifth defendant, or the value of the bitcoin disposed of to the fifth defendant as at date of this order, whichever is the greater;

3.2.5. The seventh defendant, 289.8723002 bitcoin, *alternatively* R58,528,749.14, being the value of the bitcoin on the date of each disposition by MTI to the seventh defendant, or the value of the bitcoin disposed of to the seventh defendant as at date of this order, whichever is the greater;

3.2.6. The eighth defendant, 43.80773142 bitcoin, *alternatively* R8,967,379.82, being the value of the bitcoin on the date of each disposition by MTI to the eighth defendant, or the



value of the bitcoin disposed of to the eighth defendant as at date of this order, whichever is the greater;

- 3.2.7. The ninth defendant, 2.24362727 bitcoin, *alternatively* R455,884.34, being the value of the bitcoin on the date of each disposition by MTI to the ninth defendant, or the value of the bitcoin disposed of to the ninth defendant as at date of this order, whichever is the greater;
- 3.2.8. The tenth defendant, 14.5176913 bitcoin, *alternatively* R4,004,859.66, being the value of the bitcoin on the date of each disposition by MTI to the tenth defendant, or the value of the bitcoin disposed of to the tenth defendant as at date of this order, whichever is the greater;
- 3.2.9. The eleventh defendant, 60.32592343 bitcoin, *alternatively* R14,082,534.54, being the value of the bitcoin on the date of each disposition by MTI to the eleventh defendant, or the value of the bitcoin disposed of to the eleventh defendant as at date of this order, whichever is the greater;
- 3.2.10. The twelfth defendant, 0.21419153 bitcoin, *alternatively* R39,959.50, being the value of the bitcoin on the date of each disposition by MTI to the twelfth defendant, or the

value of the bitcoin disposed of to the twelfth defendant as at date of this order, whichever is the greater;

- 3.2.11. The thirteenth defendant, 1.50924551 bitcoin, *alternatively* R215,612.29, being the value of the bitcoin on the date of each disposition by MTI to the thirteenth defendant, or the value of the bitcoin disposed of to the thirteenth defendant as at date of this order, whichever is the greater;
- 3.2.12. The fourteenth defendant, 0.117429 bitcoin, *alternatively* R18,308.00, being the value of the bitcoin on the date of each disposition by MTI to the fourteenth defendant, or the value of the bitcoin disposed of to the fourteenth defendant as at date of this order, whichever is the greater;
- 3.2.13. The fifteenth defendant, 0.04150939 bitcoin, *alternatively* R10,511.90, being the value of the bitcoin on the date of each disposition by MTI to the fifteenth defendant, or the value of the bitcoin disposed of to the fifteenth defendant as at date of this order, whichever is the greater;
- 3.2.14. The sixteenth defendant, 13.80847603 bitcoin, *alternatively* R2,385,249.71, being the value of the bitcoin on the date of each disposition by MTI to the



sixteenth defendant, or the value of the bitcoin disposed of to the sixteenth defendant as at date of this order, whichever is the greater; and

3.2.15. The seventeenth defendant, 12.37610148 bitcoin, *alternatively* R2,203,666.76, being the value of the bitcoin on the date of each disposition by MTI to the seventeenth defendant, or the value of the bitcoin disposed of to the seventeenth defendant as at date of this order, whichever is the greater.

3.2.16. The eighteenth defendant, 43.12869094 bitcoin, *alternatively* R8,867,417.14, being the value of the bitcoin on the date of each disposition by MTI to the eighteenth defendant, or the value of the bitcoin disposed of to the eighteenth defendant as at date of this order, whichever is the greater.

3.2.17. The nineteenth defendant, 4.37671854 bitcoin, *alternatively* R762,713.68, being the value of the bitcoin on the date of each disposition by MTI to the nineteenth defendant, or the value of the bitcoin disposed of to the nineteenth defendant as at date of this order, whichever is the greater.



3.3. To the extent which the defendants, or any of them are ordered to return bitcoin to the plaintiffs or to pay the value of such bitcoin to the plaintiffs consequent to the setting aside of those dispositions in terms of section 31(2) of the Insolvency Act, 24 of 1936:

3.3.1. That each such defendant be ordered to pay a penalty in an amount equal to the value of the bitcoin such defendant is ordered to return to the plaintiffs or, failing the return of such bitcoin, equal to the amount which that defendant is ordered to pay to the plaintiffs, *alternatively* such amount as this Honourable Court may adjudge; and

3.3.2. It is declared that any claim which any such defendant may have against the insolvent estate of MTI, is forfeited.

3.4. In the alternative to prayer 3.1, 3.2 and 3.3, that the dispositions made by MTI to Mr Cornelius Johannes Steynberg, the third to fifth defendants and the seventh to nineteenth defendants be set aside in terms of section 26 of the Insolvency Act, 24 of 1936, to the extent which the bitcoin transferred by MTI to such defendants exceeded the amount of bitcoin such defendants deposited, and/or, to the extent which any such dispositions of bitcoin by MTI to any of these defendants were made within 6 months before the



liquidation of MTI, that such dispositions be set aside in terms of section 29 of the Insolvency Act, 24 of 1936.

3.5. That each of the insolvent estate of Mr Cornelius Johannes Steynberg, represented by the first and second defendants N.N.O., the third to fifth defendants and the seventh to nineteenth defendants be ordered to return to the plaintiffs the amount of bitcoin set out below or in default thereof, to pay to the plaintiffs the greater of the value of the bitcoin transferred to such defendant or the value of such bitcoin on the date of this order, whichever is the greater:

3.5.1. The insolvent estate of Mr Cornelius Johannes Steynberg, represented by the first and second defendants N.N.O.:

3.5.1.1. In terms of section 26 of the Insolvency Act, 24 of 1936, 12.14930285 bitcoin, *alternatively* R1,254,311.96, being the value of the bitcoin on the date of each disposition by MTI to Mr Cornelius Johannes Steynberg, or the value of the bitcoin disposed of to Mr Cornelius Johannes Steynberg as at date of this order, whichever is the greater; and/or



3.5.1.2. In terms of section 29 of the Insolvency Act, 24 of 1936, 28.528922 bitcoin, *alternatively* R5,015,752.88, being the value of the bitcoin on the date of each disposition by MTI to Mr Cornelius Johannes Steynberg, or the value of the bitcoin disposed of to Mr Cornelius Johannes Steynberg as at date of this order, whichever is the greater.

3.5.2. The third defendant:

3.5.2.1. In terms of section 26 of the Insolvency Act, 24 of 1936, 5.75870695 bitcoin, *alternatively* R1,428,609.34, being the value of the bitcoin on the date of each disposition by MTI to the third defendant, or the value of the bitcoin disposed of to the third defendant as at date of this order, whichever is the greater; and/or

3.5.2.2. In terms of section 29 of the Insolvency Act, 24 of 1936, 7.10003389 bitcoin, *alternatively* R1,770,066.66, being the value of the bitcoin on the date of each disposition by MTI to the third defendant, or the value



of the bitcoin disposed of to the third defendant as at date of this order, whichever is the greater.

3.5.3. The fourth defendant:

3.5.3.1. In terms of section 29 of the Insolvency Act, 24 of 1936, 0.30473 bitcoin, *alternatively* R65,498.83, being the value of the bitcoin on the date of each disposition by MTI to the fourth defendant, or the value of the bitcoin disposed of to the fourth defendant as at date of this order, whichever is the greater.

3.5.4. The fifth defendant:

3.5.4.1. In terms of section 26 of the Insolvency Act, 24 of 1936, 23.83342183 bitcoin, *alternatively* R4,258,442.42, being the value of the bitcoin on the date of each disposition by MTI to the fifth defendant, or the value of the bitcoin disposed of to the fifth defendant as at date of this order, whichever is the greater; and/or



3.5.4.2. In terms of section 29 of the Insolvency Act, 24 of 1936, 17.46165057 bitcoin, *alternatively* R3,349,740.88, being the value of the bitcoin on the date of each disposition by MTI to the fifth defendant, or the value of the bitcoin disposed of to the fifth defendant as at date of this order, whichever is the greater.

3.5.5. The seventh defendant:

3.5.5.1. In terms of section 26 of the Insolvency Act, 24 of 1936, 192.4319262 bitcoin, *alternatively* R38,663,417.15, being the value of the bitcoin on the date of each disposition by MTI to the seventh defendant, or the value of the bitcoin disposed of to the seventh defendant as at date of this order, whichever is the greater; and/or

3.5.5.2. In terms of section 29 of the Insolvency Act, 24 of 1936, 229.9218748 bitcoin, *alternatively* R50,544,191.66, being the value of the bitcoin on the date of each disposition by MTI to the seventh defendant,



or the value of the bitcoin disposed of to the seventh defendant as at date of this order, whichever is the greater.

3.5.6. The eighth defendant:

3.5.6.1. In terms of section 26 of the Insolvency Act, 24 of 1936, 31.54492657 bitcoin, *alternatively* R6,341,325.72, being the value of the bitcoin on the date of each disposition by MTI to the eighth defendant, or the value of the bitcoin disposed of to the eighth defendant as at date of this order, whichever is the greater; and/or

3.5.6.2. In terms of section 29 of the Insolvency Act, 24 of 1936, 31.59081375 bitcoin, *alternatively* R7,244,148.94, being the value of the bitcoin on the date of each disposition by MTI to the eighth defendant, or the value of the bitcoin disposed of to the eighth defendant as at date of this order, whichever is the greater.



by MTI to the tenth defendant, or the value of the bitcoin disposed of to the tenth defendant as at date of this order, whichever is the greater; and/or

3.5.8.2. In terms of section 29 of the Insolvency Act, 24 of 1936, 14.5176913 bitcoin, *alternatively* R4,004,859.66, being the value of the bitcoin on the date of each disposition by MTI to the tenth defendant, or the value of the bitcoin disposed of to the tenth defendant as at date of this order, whichever is the greater.

3.5.9. The eleventh defendant:

3.5.9.1. In terms of section 26 of the Insolvency Act, 24 of 1936, 53.1375386 bitcoin, *alternatively* R12,820,155.15, being the value of the bitcoin on the date of each disposition by MTI to the eleventh defendant, or the value of the bitcoin disposed of to the eleventh defendant as at date of this order, whichever is the greater; and/or



3.5.9.2. In terms of section 29 of the Insolvency Act, 24 of 1936, 46.09624052 bitcoin, *alternatively* R12,128,175.06, being the value of the bitcoin on the date of each disposition by MTI to the eleventh defendant, or the value of the bitcoin disposed of to the eleventh defendant as at date of this order, whichever is the greater.

3.5.10. The twelfth defendant:

3.5.10.1. In terms of section 29 of the Insolvency Act, 24 of 1936, 0.21419153 bitcoin, *alternatively* R39,959.50, being the value of the bitcoin on the date of each disposition by MTI to the twelfth defendant, or the value of the bitcoin disposed of to the twelfth defendant as at date of this order, whichever is the greater.

3.5.11. The thirteenth defendant:

3.5.11.1. In terms of section 26 of the Insolvency Act, 24 of 1936, 0.1602216 bitcoin, *alternatively* R52,934.55, being the value of the bitcoin on the date of each disposition by MTI to the



thirteenth defendant, or the value of the bitcoin disposed of to the thirteenth defendant as at date of this order, whichever is the greater; and/or

3.5.11.2. In terms of section 29 of the Insolvency Act, 24 of 1936, 0.49424551 bitcoin, *alternatively* R118,445.75, being the value of the bitcoin on the date of each disposition by MTI to the thirteenth defendant, or the value of the bitcoin disposed of to the thirteenth defendant as at date of this order, whichever is the greater.

3.5.12. The fourteenth defendant:

3.5.12.1. In terms of section 26 of the Insolvency Act, 24 of 1936, 0.0104237 bitcoin, *alternatively* R5,529.73, being the value of the bitcoin on the date of each disposition by MTI to the fourteenth defendant, or the value of the bitcoin disposed of to the fourteenth defendant as at date of this order, whichever is the greater.



3.5.13. The fifteenth defendant:

3.5.13.1. In terms of section 26 of the Insolvency Act, 24 of 1936, 0.03700939 bitcoin, *alternatively* R9,600.60, being the value of the bitcoin on the date of each disposition by MTI to the fifteenth defendant, or the value of the bitcoin disposed of to the fifteenth defendant as at date of this order, whichever is the greater; and/or

3.5.13.2. In terms of section 29 of the Insolvency Act, 24 of 1936, 0.4150939 bitcoin, *alternatively* R10,511.90, being the value of the bitcoin on the date of each disposition by MTI to the fifteenth defendant, or the value of the bitcoin disposed of to the fifteenth defendant as at date of this order, whichever is the greater.

3.5.14. The sixteenth defendant:

3.5.14.1. In terms of section 26 of the Insolvency Act, 24 of 1936, 4.33449528 bitcoin, *alternatively* R876,057.54, being the value of the bitcoin on the date of each disposition



by MTI to the sixteenth defendant, or the value of the bitcoin disposed of to the sixteenth defendant as at date of this order, whichever is the greater; and/or

3.5.14.2. In terms of section 29 of the Insolvency Act, 24 of 1936, 5.77424461 bitcoin, *alternatively* R1,291,404.99, being the value of the bitcoin on the date of each disposition by MTI to the sixteenth defendant, or the value of the bitcoin disposed of to the sixteenth defendant as at date of this order, whichever is the greater.

3.5.15. The seventeenth defendant:

3.5.15.1. In terms of section 29 of the Insolvency Act, 24 of 1936, 7.175 bitcoin, *alternatively* R1,350,225.71, being the value of the bitcoin on the date of each disposition by MTI to the seventeenth defendant, or the value of the bitcoin disposed of to the seventeenth defendant as at date of this order, whichever is the greater.



3.5.16. The eighteenth defendant:

3.5.16.1. In terms of section 26 of the Insolvency Act, 24 of 1936, 40.87458486 bitcoin, *alternatively* R8,520,340.57, being the value of the bitcoin on the date of each disposition by MTI to the eighteenth defendant, or the value of the bitcoin disposed of to the eighteenth defendant as at date of this order, whichever is the greater; and/or

3.5.16.2. In terms of section 29 of the Insolvency Act, 24 of 1936, 37.13110484 bitcoin, *alternatively* R7,948,672.58, being the value of the bitcoin on the date of each disposition by MTI to the eighteenth defendant, or the value of the bitcoin disposed of to the eighteenth defendant as at date of this order, whichever is the greater.

3.5.17. The nineteenth defendant:

3.5.17.1. In terms of section 26 of the Insolvency Act, 24 of 1936, 4.30897825 bitcoin, *alternatively* R752,470.83, being the value of the bitcoin on the date of each disposition



by MTI to the nineteenth defendant, or the value of the bitcoin disposed of to the nineteenth defendant as at date of this order, whichever is the greater; and/or

3.5.17.2. In terms of section 29 of the Insolvency Act, 24 of 1936, 2.07271673 bitcoin, *alternatively* R406,783.57, being the value of the bitcoin on the date of each disposition by MTI to the nineteenth defendant, or the value of the bitcoin disposed of to the nineteenth defendant as at date of this order, whichever is the greater.

4. That the defendants be directed to pay interest on the amount which the defendants, or any of them, are directed to pay at the rate of 7% *per annum a tempore morae*.
5. That the defendants be directed to pay the costs of suit, jointly and severally, the one to pay, the other to be absolved.
6. Further and/or alternative relief.

IN THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION, PRETORIA

Case No: 24-145/22

In the matter between:

ADRIAAN WILLEM VAN ROOYEN N.O.	First Plaintiff
HERMAN BESTER N.O.	Second Plaintiff
CHRISTOPHER JAMES ROOS N.O.	Third Plaintiff
JACOLIEN FRIEDA BARNARD N.O.	Fourth Plaintiff
DEIDRE BASSON N.O.	Fifth Plaintiff
CHAVONNES BADENHORST ST CLAIR COOPER N.O.	Sixth Plaintiff

and

JACQUES ANDRÉ FISHER N.O.	First Defendant
REUNERT NDIYHUHO KHARIVHE N.O.	Second Defendant
CHARLES THOMAS WARD	Third Defendant
MONICA COETZEE	Fourth Defendant
JOSEPH USHER BELL	Fifth Defendant
FREDERIK COENRAAD RADEMAN	Sixth Defendant
CLYNTON HUGH MARKS	Seventh Defendant
CHERI MARKS	Eighth Defendant
MARIA MATSHIDISO RAMANAMANE	Ninth Defendant
THOMAS WILLIAM FRASER	Tenth Defendant
ELIZABETH KATHLEEN MALTON	Eleventh Defendant
ROMANO LORENZO SAMUELS	Twelfth Defendant
JACOBUS ECKLEY	Thirteenth Defendant
VINCENT WARD	Fourteenth Defendant
LEONARD WESLEY GRAY	Fifteenth Defendant
ANDREW GRANT CAW	Sixteenth Defendant
NERINA STEYNBERG	Seventeenth Defendant
GERALD LASSEN	Eighteenth Defendant
NGQABUTHO DON NKOMO	Nineteenth Defendant

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FIRST AND SECOND DEFENDANTS' PLEA

1. AD PARAGRAPHS 1.1 TO 2.3

- 1.1. The first and second defendants ("the Steynberg trustees") admit the names, addresses and citation of the first to sixth plaintiffs ("the MTI liquidators").
- 1.2. Save as aforesaid, the Steynberg trustees deny each and every allegation in these paragraphs and the MTI liquidators are put to the proof thereof.
- 1.3. The Steynberg trustees deny that the MTI liquidators are acting jointly as required by s382 of the Companies Act 61 of 1973 ("the 1973 Act") as read with item 9 of schedule 5 of the Companies Act 71 of 2008 ("the 2008 Act"), in respect of the institution and prosecution of this action. The MTI liquidators are put to the proof thereof.

2. AD PARAGRAPHS 3.1 TO 3.5

- 2.1. The Steynberg trustees admit:
- 2.1.1. their names;
- 2.1.2. that they are insolvency practitioners and liquidators;
- 2.1.3. their appointment as trustees in the insolvent estate of Cornelius Johannes Steynberg ("Mr Steynberg");

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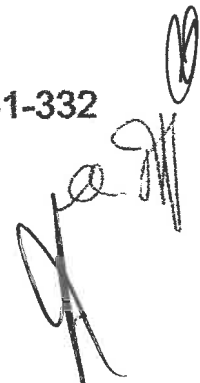
- 2.1.4. that they are cited in their nominal capacities;
- 2.1.5. that Mr Steynberg is married out of community of property to the seventeenth defendant ("Mrs Steynberg");
- 2.1.6. the court orders in terms of which the estate of Mrs Steynberg was provisionally and finally sequestered.
- 2.2. Save as aforesaid, the Steynberg trustees deny each and every allegation in these paragraphs and the MTI liquidators are put to the proof thereof.
- 2.3. The second defendant practises as Insolvency practitioner and liquidator at Stockhoff Trust at 250 Johnny Claassens Street, Garstfontein, Pretoria.

3. AD PARAGRAPHS 4 TO 17 AND 19 TO 20

- 3.1. The Steynberg trustees admit the names of the third to sixteenth and eighteenth to nineteenth defendants.
- 3.2. Save as aforesaid, the Steynberg trustees deny each and every allegation in these paragraphs and the MTI liquidators are put to the proof thereof.

4. AD PARAGRAPH 18

- 4.1. The Steynberg trustees admit that Mrs Steynberg is cited as the seventeenth defendant.



- 4.2. Save as aforesaid, the Steynberg trustees deny each and every allegation in this paragraph and the MTI liquidators are put to the proof thereof.

5. AD PARAGRAPH 21 (INCLUDING 21.1 TO 21.6)

- 5.1. The Steynberg trustees admit that:

- 5.1.1. Mr Steynberg was a director of MTI from 30 April 2019 when MTI was registered until 29 December 2020 when MTI was liquidated; and

- 5.1.2. Mr Steynberg was the shareholder of MTI.

- 5.2. Save as aforesaid, the Steynberg trustees deny each and every allegation in these paragraphs and the MTI liquidators are put to the proof thereof.

- 5.3. The Steynberg trustees deny that the MTI liquidators are possessed of primary facts to prove the disputed allegations in these paragraphs and the MTI liquidators are put to the proof thereof.

6. AD PARAGRAPH 22 (INCLUDING 22.1 TO 22.2)

This is admitted.

7. AD PARAGRAPHS 23 TO 27.2

- 7.1. The Steynberg trustees admit that:

- 7.1.1. Mr Lee presented an application for the liquidation of MTI on 23 December 2020;
- 7.1.2. MTI was provisionally liquidated on 29 December 2020;
- 7.1.3. MTI was finally liquidated on 30 June 2021;
- 7.1.4. the copies of the court orders referred to in paragraph 25 of the particulars of claim;
- 7.1.5. the deemed date of commencement of liquidation in respect of MTI is 23 December 2020.
- 7.2. Save as aforesaid, the Steynberg trustees deny each and every allegation in these paragraphs and the MTI liquidators are put to the proof thereof.
- 7.3. Without derogating from the generality of the aforesaid denial, the Steynberg trustees dispute that the MTI liquidators are possessed of primary facts, annual financial statements, management accounts or any financial records to prove the allegations that:
- 7.3.1. the liabilities of MTI exceeded its assets at any time prior to, or after, its liquidation; and
- 7.3.2. MTI was unable to pay its debts at any time prior to, or after, its liquidation.
- 7.4. Accordingly, the Steynberg trustees deny that MTI is a company unable to pay its debts as contemplated in s339 and s340 of the 1973

Act and that any of the relief sought in this action is competent. The MTI liquidators are put to the proof thereof.

8. AD PARAGRAPH 28 (INCLUDING 28.1 TO 28.5.3)

8.1. The Steynberg trustees admit the registration and incorporation of MTI as a private company with limited liability on 30 April 2019 and its registration number and registered address.

8.2. Save as aforesaid, the Steynberg trustees deny each and every allegation in these paragraphs and the MTI liquidators are put to the proof thereof.

8.3. The Steynberg trustees deny that the MTI liquidators are possessed of primary facts to prove the disputed allegations in these paragraphs and the MTI liquidators are put to the proof thereof.

9. AD PARAGRAPH 29 (INCLUDING 29.1 TO 29.1.13)

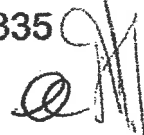
9.1 The Steynberg trustees deny each and every allegation in these paragraphs and the MTI liquidators are put to the proof thereof.

9.2. The Steynberg trustees deny that the MTI liquidators are possessed of primary facts to prove the allegations in these paragraphs and are put to the proof thereof.

10. AD PARAGRAPH 30 (INCLUDING 30.1 TO 30.2.3)

10.1. The Steynberg trustees admit that:

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- 10.1.1. the Financial Sector Conduct Authority conducted an investigation in respect of *inter alia* Mr Steynberg;
- 10.1.2. the Texas State Securities Board issued an order on 7 July 2020 against *inter alia* MTI and Mr Steynberg;
- 10.1.3. FX Choice froze all Bitcoin held in account number 174850 in the name of Mr Steynberg ("the Steynberg account");
- 10.1.4. at the time of freezing the Bitcoin, 1,282 Bitcoin were in the Steynberg account;
- 10.1.5. only Mr Steynberg had a valid claim to, and in respect of, the Bitcoin in the Steynberg account;
- 10.1.6. only Mr Steynberg had access to and could transact in respect of the Bitcoin held in the Steynberg account.
- 10.2. Save as aforesaid, the Steynberg trustees deny each and every allegation in these paragraphs and the MTI liquidators are put to the proof thereof.
- 10.3. The Steynberg trustees deny that the MTI liquidators are possessed of primary facts to prove the disputed allegations in these paragraphs and the MTI liquidators are put to the proof thereof.
11. AD PARAGRAPH 31 (INCLUDING 31.1 TO 33.3)
- 11.1. The Steynberg trustees deny each and every allegation insofar as the alleged conduct of Mr Steynberg is concerned and the MTI liquidators

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are put to the proof thereof.

11.2. Without derogating from the generality of the denial in 11.1 above, the Steynberg trustees deny:

11.2.1 the shortfall of Bitcoin;

11.2.2 the value of the alleged shortfall of Bitcoin;

11.2.3 the number of Bitcoin which the MTI liquidators allege should have been held by MTI in December 2020;

11.2.4 the total Rand value of the alleged shortfall of Bitcoin, or the Bitcoin itself,

as alleged in paragraphs 33.1 to 33.3 of the particulars of claim, and the MTI liquidators are put to the proof thereof.

11.3. The Steynberg trustees deny that the MTI liquidators are possessed of primary facts to prove the allegations in these paragraphs and the MTI liquidators are put to the proof thereof.

12. AD PARAGRAPH 34 (INCLUDING 34.1 TO 34.7)

12.1. The Steynberg trustees deny each and every allegation in these paragraphs.

12.2. The Steynberg trustees deny that the MTI liquidators are possessed of primary facts to prove the allegations in these paragraphs and the MTI liquidators are put to the proof thereof.

12.3. Without derogating from the generality of the aforesaid denial, the Steynberg trustees aver that the MTI liquidators made application to the Western Cape High Court for an order declaring MTI and/or its "underlying business model" to be an unlawful Ponzi-type investment scheme, which application was opposed by *inter alia* the seventh defendant ("Mr Marks") and other individuals. Judgment was reserved and as at the date hereof, has not been handed down.

13. AD PARAGRAPHS 35 (INCLUDING 35.1 TO 35.10) AND 36 (INCLUDING 36.1 TO 36.2) AND 37 (INCLUDING 37.1 TO 37.2)

13.1. The Steynberg trustees deny each and every allegation in these paragraphs and the MTI liquidators are put to the proof thereof.

13.2. The Steynberg trustees deny that the MTI liquidators are possessed of primary facts to prove the allegations in these paragraphs and the MTI liquidators are put to the proof thereof.

13.3. Without derogating from the generality of the aforesaid denial, the Steynberg trustees deny that MTI is a company unable to pay its debts within the meaning of s339 and s340 of the 1973 Act. The MTI liquidators are put to the proof thereof.

14. AD PARAGRAPH 38 (INCLUDING 38.1 TO 38.3.22)

14.1. The Steynberg trustees deny that the MTI liquidators are possessed of primary facts to prove the allegations in these paragraphs,

accordingly the Steynberg trustees deny each and every allegation in these paragraphs and the MTI liquidators are put to the proof thereof.

- 14.2. Without derogating from the generality of the denial, the Steynberg trustees deny that the MTI liquidators are possessed of primary facts, financial statements, management accounts, financial documentation and financial records to prove the allegations of the MTI liquidators that MTI:

- 14.2.1. conducted business;
- 14.2.2. traded;
- 14.2.3. made distributions to Mr Steynberg and others;
- 14.2.4. owned, had access to, or was enabled to trade, Bitcoin;
- 14.2.5. owned, had access to, or was enabled to trade or transact upon, Bitcoin held in the Steynberg account;
- 14.2.6. had any valid claim to the Bitcoin in the Steynberg account.

15. AD PARAGRAPHS 39 TO 40

- 15.1. The Steynberg trustees deny each and every allegation and the MTI liquidators are put to the proof thereof.
- 15.2. The Steynberg trustees deny that the MTI liquidators are possessed of primary facts to prove the allegations in these paragraphs and the MTI liquidators are put to the proof thereof.

16. AD PARAGRAPHS 41 TO 43

- 16.1. The Steynberg trustees deny each and every allegation and the MTI liquidators are put to the proof thereof.
- 16.2. The Steynberg trustees deny that the MTI liquidators are possessed of primary facts to prove the allegations in these paragraphs and the MTI liquidators are put to the proof thereof.

17. AD PARAGRAPHS 44 TO 48

- 17.1. The Steynberg trustees deny each and every allegation and the MTI liquidators are put to the proof thereof.
- 17.2. The Steynberg trustees deny that the MTI liquidators are possessed of primary facts to prove the allegations in these paragraphs and the MTI liquidators are put to the proof thereof.
- 17.3. Without derogating from the generality of the denial, the Steynberg trustees aver that:
- 17.3.1. the MTI liquidators have submitted a claim for proof against the insolvent estate of Mr Steynberg, which claim was accepted by the presiding officer at a meeting of creditors, in terms of s44 of the Insolvency Act 24 of 1936 ("the Insolvency Act");
- 17.3.2. on 25 January 2022, the Steynberg trustees made application to the Master of the High Court, Polokwane, for expungement of the claim in terms of s45 of the Insolvency Act;

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17.3.3. the application for expungement of the claim is pending and as at the date hereof, the Master has not decided the application.

18. AD PARAGRAPHS 49 TO 53.4.2 AND 54 (INCLUDING 54.1 TO 54.6.4)

18.1. The Steynberg trustees deny each and every allegation in these paragraphs and the MTI liquidators are put to the proof thereof.

18.2. Without derogating from the generality of the denial, the Steynberg trustees deny:

18.2.1. that the liabilities of MTI exceeded its assets and/or that it was, or is, a company unable to pay its debts, as required by s339 and s340 of the 1973 Act, and the MTI liquidators are put to the proof thereof;

18.2.2. that the MTI liquidators are entitled and empowered to claim from the insolvent estate of Mr Steynberg in accordance with the provisions of s424 of the 1973 Act and in accordance with the provisions of s26, s29, s30 and s31 of the Insolvency Act, and the MTI liquidators are put to the proof thereof;

18.2.3. that Mr Steynberg deposited Bitcoin in MTI, as is alleged in paragraph 54.1 of the particulars of claim, and the MTI liquidators are put to the proof thereof;

18.2.4. that Bitcoin was transferred by MTI to Mr Steynberg, as is alleged *inter alia* in paragraphs 54.2 to 54.4 of the particulars of claim, and the MTI liquidators are put to the proof thereof;

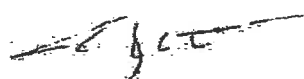
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- 18.2.5. that Bitcoin was transferred from MTI to Mr Steynberg,
- 18.2.6. that there was any disposition to Mr Steynberg within the meaning of s2 of the Insolvency Act, and the MTI liquidators are put to the proof thereof.
- 18.3. The Steynberg trustees aver that the MTI liquidators are not possessed of primary facts to prove the allegations in these paragraphs and the MTI liquidators are put to the proof thereof.
19. AD PARAGRAPHS 55 TO 70.6 (INCLUDING ALL THE SUB-PARAGRAPHS)
- 19.1. The Steynberg trustees plead that these claims and allegations are not made against them and accordingly the Steynberg trustees are not required to respond thereto.
- 19.2. To the extent that the MTI liquidators rely on any of these allegations in support of the claims made against Mr Steynberg, the Steynberg trustees deny each and every allegation in these paragraphs and the MTI liquidators are put to the proof thereof.
- 19.3. The Steynberg trustees deny that the MTI liquidators are possessed of primary facts to prove the allegations in these paragraphs and the MTI liquidators are put to the proof thereof.

WHEREFORE the Steynberg trustees claim for judgment in their favour alternatively for a dismissal of the claims, with costs.

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Dated at Pretoria on this the 5th day of September 2022.


J.E. SMIT
Counsel for First and Second
Defendants


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To: THE REGISTRAR OF THE HIGH COURT
GAUTENG DIVISION
PRETORIA

And to: STRYDOM RABIE HEIJSTEK AND FAUL INC
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EX PARTE : ESTATE J STEYNBERG

AA6

IN RE: : ENTITLEMENT TO CERTAIN CRYPTOCURRENCY

OPINION

INTRODUCTION

1. FX Choice Ltd, a virtual trading platform, reflected 1 281.7 bitcoin standing to the credit of account number 174850 ("the Bitcoin" and "the Account") in July 2020 when FX Choice suspended the Account (or rather, prevented the accountholder from trading on the FX Choice platform). Mr Steynberg, the alter ego of Mirror Trading International (Pty) Ltd ("MTI"), had initially opened the Account. FX Choice at some point amended the name of the holder either to include MTI or to substitute MTI's name for Mr Steynberg. How and why this came about and the factual and legal consequences thereof are explored in some detail below. In any event, during the second half of 2020 Mr Steynberg and MTI were publicly accused of fraud and various other forms of wrongdoing as a consequence of which Mr Steynberg fled South Africa on 16 December 2020. His flight triggered Mr Lee, an alleged creditor of MTI, to apply for MTI's liquidation, which he did on the 23rd of December 2020 (the order was granted on 29 December 2020). Shortly after their appointment, the provisional liquidators of MTI ("MTI", shorthand, where appropriate, for "the provisional liquidators of MTI") requested FX Choice to transfer the Bitcoin in the Account to them, which FX Choice did on 2 March 2021. In April 2021 MTI successfully applied for the sequestration of Mr Steynberg's estate.



2. The question which I am instructed to consider is whether FX Choice had the right to transfer and MTI the right to demand and receive the Bitcoin on that date or, to put it differently; who was entitled to the Bitcoin in the Account on March 2, 2021: MTI or Mr Steynberg? The question signifies two areas of enquiry namely the rights of MTI versus Mr Steynberg in and to the Bitcoin and the contractual relationships between each of them and FX Choice.
3. I have to say something about the evidentiary material from which the few facts are culled that are relevant to my enquiries. The greater MTI debacle and the affairs of MTI and Mr Steynberg have already been investigated from various angles by various bodies for various purposes and it is the subject-matter of ongoing proceedings. The investigations have thus far produced masses of paper, some of which were included in my brief. One is the draft report of the Financial Sector Conduct Authority ("the FSCA") dated 18 January 2021 as well as the transcripts of the evidence of the persons interviewed by the FSCA. I was also given the reports of the commissioner (Mr Justice Fabricius, retired) who chaired an inquiry into MTI's affairs in terms of section 217 and 218 of the 1973 Companies Act. Of particular importance are affidavits of Mr Daniel Stephenson of FX Choice, the first dated 28 October 2020, the second undated, which were handed to me.
4. I was also provided with copies of the contracts which ostensibly contained the terms and conditions of the scheme that Mr Steynberg ran ("the Scheme") called "Terms and Conditions of Agreement between Mirror Trading International (Pty) Ltd ("MTI") and its members". I refer to the MTI counterparties

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as "the Members" because they are referred to therein as members of a club. The second contract contained the terms and conditions of the agreement between either Mr Steynberg or MTI, depending on who was the principal on that side, and FX Choice, called "FX Choice Standard Client Agreement". I refer to these two agreements below as "the MTI Agreement" and "the FX Choice Agreement".

5. I moreover received the combined summons (without annexures) in an action which the liquidators of MTI have instituted against the trustees of the Steynberg estate and others. It is of tangential importance to my instructions because the action does not as such deal with the Bitcoin in the Account but rather with the claims of the liquidators under our insolvency legislation and it concerns bitcoin other than the Bitcoin in issue herein. It also has claims based on the company law liability of directors for some or all of the debts of the company in question.
6. This opinion lies within narrow parameters and I accordingly do not consider or summarise all the facts as they have emerged thus far, or the claims by or against MTI. What makes the opinion even narrower is that the focus herein falls on the period before the transfer of the Bitcoin to MTI and it is thus also limited in time. Of particular importance, however, are the factual instructions which I received from my instructing attorney, Mr Bento. Mr Bento addressed questions about the opening of the Account to FX Choice. The answers that he received are summarised below.

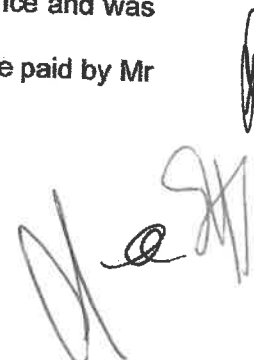
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7. Another point that I should make by way of introduction is that I am presently instructed by the trustees of the Steynberg estate (represented by Mr Bento) to consider the issues which I have delineated above. I have some historic knowledge of the MTI liquidation because I was asked for my views on the classification of the claims of certain of the alleged Members against the MTI estate for purposes of determining voting rights in the nomination process of the liquidators at the first meeting of the creditors. To that end I considered the nomination forms. I had no factual instructions. I concluded that the alleged Members probably do not have contractual claims against MTI but clearly have delictual claims against it. Enrichment could perhaps provide causes of action as a longstop. The views that I expressed then accordingly have no bearing on the issues which I address herein.
8. To frame the questions that I consider herein, I have to give a very broad overview of the background facts as I understand them. This includes a high-level summary of some of the features of the cryptocurrency known as bitcoin. In this regard I rely heavily on the collection of essays published as **Cryptocurrencies in Public and Private Law** edited by David Fox and Sarah Green, Oxford University Press 2019 (to which I refer as "Fox and Green"). It is to my knowledge the most comprehensive compendium of legal analysis of the conceptual and practical problems that cryptocurrencies pose around the globe.

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THE FOUR ENTITIES

9. For a better understanding of the narrative, the four entities to whom I have already referred should be introduced in more detail. The first is Mr Steynberg, a native of Polokwane. He has since the end of 2020 been a fugitive from justice and is presently in a prison in Brazil awaiting trial on charges that are unrelated to the present enquiry. Mr Steynberg was the originator of the Scheme.
10. The second is the cohort of victims of the Scheme. As noted, I refer to them as "the Members". I use this term because the purported aim of the Scheme was to attract persons who had cryptocurrency (bitcoin to be exact) to surrender same to a club of which they would be the members. The club would pool the bitcoin and put them up as a fund for trading in foreign exchange. I do not refer to them as "investors" because (if the MTI Agreement can be believed) they did not make investments but put their bitcoin up as a combined stake (i.e. as a deposit for trading on margin) as members of a trading club. According to the Scheme, they could turn a profit, but they could also lose the transferred bitcoin if things went poorly with the trading or perhaps if the bitcoin were stolen or rendered useless ("hacked").
11. The third is MTI itself. MTI was incorporated during April 2019 and liquidated with effect from 23 December 2020. MTI was at all times an empty shell. As I explain below, MTI itself did not receive any bitcoin (or any other currency) nor did it transfer any bitcoin. It did not even receive the revenue generated by the Scheme into its own bank account. It had no corporate governance and was not registered for any tax. Whatever debts it might have had were paid by Mr

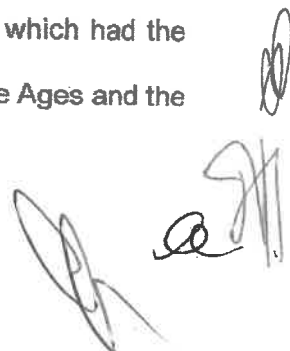
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Steynberg. It was also not licenced or authorised by any South African or foreign regulator to render any regulated service. Whether the law should recognise MTI as a company or whether its ostensible corporate personality should be ignored, are not questions which I consider herein. (That MTI is a candidate for the piercing of its corporate veil seems obvious, cf **Cape Pacific Ltd v Lubner Controlling Investments (Pty) Ltd** 1995 4 SA 790 (A). Whether this could and should be done and, if so, when and how, are not part of my brief.)

12. The fourth is the company referred to in paragraph 1 above, FX Choice. It is incorporated in Belize (a Caribbean country, formerly the British Crown Colony known as British Honduras). It offers services in web-based trading in foreign exchange, about which more below. Belize is a member of the Common Law family and its judicial system is based on the English model which allows for appeals to the Privy Council. Insofar as I could gather, it generally follows English precedents.

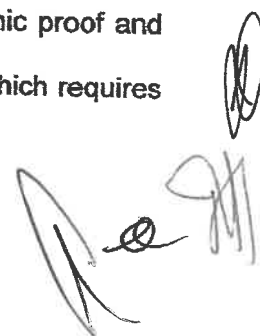
CRYPTOCURRENCIES IN GENERAL

13. Before turning to the doings of Mr Steynberg, some remarks about bitcoin and the derivative trade in currency exchanges should be made. By way of introduction it should be noted that although Mr Steynberg committed an ancient confidence trick, he updated it for the modern victim by choosing bitcoin as the object of the trick and currency arbitrage as the diversion. These two modern phenomena gave an aura of sophistication to the trick which had the same mystic allure that the philosopher's stone had in the Middle Ages and the



tulip madness in enlightened Holland for the gullible and the greedy. To its intended audience the Scheme was pure magic – it created wealth wrapped in mystery. But these were only the ways and means of Mr Steynberg's object namely to get as many traceless bitcoin of others into his own wallet as possible.

14. For the sake of contextualising the remarks that are made below, it may be helpful to give my understanding of the legal nature of bitcoin and the practice of currency trading at the outset. It is specifically necessary to record that as I understand the position, bitcoin to demonstrate does not constitute property and is not constituted by a contract. It is rather currency, a medium for exchange. The importance of this point of departure is that the remedy of the victim of a confidence trick whereby the victim lost its bitcoin is not the law of property or a contractual claim against an entity such as a bank, but a delictual claim against the fraudster. I can do no better than to paraphrase the short and to the point overview of the genesis of cryptocurrencies which Falk J gave in **Tulip Trading Ltd v Bitcoin Association for BSV** [2022] EWHC 667 (Ch). The facts of Tulip Trading do not have to be recited because they have no bearing on the issues considered herein. Tulip Trading concerned the cryptocurrency concept of mining, which is not presently relevant.
15. Falk J pointed out that the harbinger of cryptocurrency was the publication of the so-called White Paper under the title "Bitcoin: A Peer-to-Peer Electronic Cash System" by Satoshi Nakamoto (a pseudonym) in 2008. He proposed the creation of an electronic payment system based on cryptographic proof and using digital assets as an alternative to conventional currency which requires

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financial institutions as payment system. The assets created in the crypto system would not be money in the traditional sense (which has since the introduction of cryptocurrencies increasingly become known as "fiat" money, from the Latin, "fio", indicating an ex cathedra dictate or fiat that only the medium in question serves as legal tender in a given political area), but an intangible concept to which participants spread across international boundaries, and untouched by governmental regulation, would by informal convention (that is, trust) allocate value. The system would be based on trust by its participants and used as payment mechanism in cyber space. Payment would thus be removed from governmental control and would exclude banks as payment channels.

16. Various crypto payment models have since been developed, bitcoin arguably being the most prominent "asset group", as understood in the instantly developed crypto language.
17. The bitcoin model involves digital assets (bitcoin, made up of bits, but for ease I refer herein only to bitcoin, not to bits) that are recorded in a ledger, known as a blockchain, which is a public registry recording every transaction in each and every bitcoin. No bitcoin can be transferred more than once at the same time. This feature generates the trust on which the whole system is based.
18. The following important caveat to the publicity of bitcoin transactions should be made: Whilst the blockchain provides proof that a transaction has taken place and no transaction can take place without it being reflected on the blockchain,

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the blockchain does not disclose the identities of the parties to any transaction. Bitcoin are shown to be held at digital addresses. All these addresses have public keys which identify them on the blockchain and also private keys which allow the "holders" of the bitcoin access and the power or ability to transact with them. Both sets of keys consist of unique sequences of letters and numbers. The private key number of a bitcoin becomes ineffective when the bitcoin has been transferred. The "transferred bitcoin" is held by the transferee under a new number and is actually a different bitcoin from the one that the transferor held. If a private key is lost (the precise sequence of letters and numbers are for instance forgotten), the bitcoin exists untethered in cyber space and has no value to anyone, its public address is known but no-one has the means to access it. When a bitcoin is transferred from A to B and the transaction is for some reason reversed, the private key number changes so that what is returned is not what was given. The important point is that whilst all transfers are public, the identity of the transferor and that of the transferee are private.

19. Bitcoin fulfils all three conditions which are usually set for the classification of an object as money. It functions as medium of exchange, it is a store of value and it is a unit of account (Fox and Green 13 and further). Bitcoin was thus not only conceived of as money, but it functions as money. Two features of bitcoin flow from its categorisation as money, an internal feature and an external feature. Internally, that is between the transferor and the transferee, bitcoin has value and it can be used to express an item's price. Externally, it has a relative value if compared to other currencies so that it can be said that one bitcoin is worth so much US dollars at a given moment. Bitcoin is thus both a method of

internal payment and an investment in the external sense; bitcoin can be acquired to hold in the expectation of its external value increasing as against other currencies and exchanged for such currency when it may be opportune to do so, like a foreign currency speculant does (illegally in South Africa). The converse is of course also true. Losses can be made. I belabour this point because the Scheme was not intended to acquire bitcoin cheap and sell it dear. It was to use as deposit for currency speculation on margin. Furthermore, Mr Steynberg could as well have convinced members to put fiat money up as pooled stake – it made no difference to FX Choice whether the deposits would be in fiat currency or cryptocurrency. Two reasons spring to mind why the Scheme was based on bitcoin. The first is that it added to the mystery and thus the allure of the Scheme, it was exotic to - and not fully understood by the target. Second, once transferred away, bitcoin cannot be traced which opened the door for various aspects of the fraud to step out. One was that no Member could see and identify his or her bitcoin in the pool, so that the few bitcoin which were pooled as promised, could be held up as those of inquisitive Members. The second was that Mr Steynberg could pocket the bitcoin without suspicion and trace.

20. The point that cryptocurrency functions as a method of payment, thus as money as between participants in such a payment channel, must be stressed. Cryptocurrency, such as bitcoin, is not an actual thing (as understood at Common Law, or as a res in the Civil Law). It does not fall comfortably under the rules relating to the private law of property (choses in property and choses in action in the Common Law or a possessory remedy like the mandament van



spolie or an ownership remedy like the *rei vindicatio* in the Civil Law tradition). The legal systems which originated in the West will have to be developed dramatically to accommodate cryptocurrencies as independent objects of rights. No known legal system has done so as yet. Some terminological clarification is required: As cryptocurrency cannot be owned or possessed and cannot be the object of rights, it would be wrong to speak of ownership and possession of bitcoin in the traditional sense. As our law has not yet developed concepts to categorise the interests of someone over specific bitcoin vis-à-vis the rest of the world, property law concepts such as ownership, possession and delivery (transfer) do not apply to bitcoin. But if it is accepted that bitcoin is not property and that the use of these terms does not import the body of law behind the jargon, the judicious borrowing of these terms is unobjectionable. I accordingly refer to the entity entitled to any specific bitcoin and who is able to deal with the bitcoin (because the entity has the private key thereof) as the "holder". "True holder" in turn refers to an entity entitled to one or more bitcoin in the abstract but who cannot deal with it because the entity does not have the private key thereto. Bitcoin is also not a contract. "Bank money" is sometimes described as a contract. A client with a positive balance has a right against the bank and the bank a concomitant obligation to the client. In the bank-analogy, the bank is the holder and the client has a contractual claim against the bank. With cryptocurrency there is no such contract because there is no second party. Bitcoin is neither a thing nor a contract. It is a peer to peer form of payment. (The propositions set out in this paragraph are based on the following paragraphs of Fox and Green: I.r.o. the law of property in the Common Law




tradition, see para 6.01 and further and in respect of the Civil Law, para 7.01 and further, i.r.o. the law of contract, see para 9.01.)

21. With regards to the point that a cryptocurrency is not a contract, a qualification should be made: where there is the interposition of a third party, such as a digital wallet holder, in the crypto payment channel, contractual aspects between the title-holder of the digital asset (to coin a name) and the wallet service provider, are encountered. This relationship is in effect a contract of mandate in our law. This is also the position in the Common Law tradition (see Mark Hapgood QC gen ed **Pagét's law of banking** 13 ed 149 and further re the implied duties of a bank). The written terms thereof, if any, of course require interpretation to determine the contents of the contract, but various duties are imposed by operation of law including the duty to account. Digital wallets are contractual undertakings between the bitcoin holder and a service provider who enables the transfer of the bitcoin for the holder in and out of the wallet. A wallet is in essence an internet-based application which provides accounting support for the cryptocurrency (bitcoin) holder. The relationship between the bitcoin holder and the wallet provider is contractual and will (if tested in court) probably be held to be analogous to the rights and obligations between a bank and its client (Fox and Green 239 and 247 and further). The point is that a wallet provider will probably be held to owe fiduciary duties to the bitcoin holder similar to the duties of a bank owing to a client. Although FX Choice does not call the accounts of its clients digital wallets, they share crypto DNA with such wallets. The importance of this for the present enquiry is that FX Choice not only has the anti-money laundering obligations of a financial institution but that there is

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privity of contract between it and its client, which includes the fiduciary such as the duty to act within the given mandate, which in turn implies strict liability in the Common Law (cf **Midland Bank Ltd v Seymour** [1955] 2 Lloyd's Rep 147, 168 and Fox and Green 240).

22. The remarks made in the last few paragraphs concern the private relationships between the parties to a transaction in bitcoin. I do not consider any public law aspect of bitcoin herein. Nor do I consider urgent interdictory type remedies to hold over questions to entitlements in specific transactions. Although bitcoin may be difficult to house in the traditional taxonomy of private law, there is no doubt that bitcoin has economic value and that the interests therein will as such receive legal protection where required.
23. As I explained above, I use "holder" in a metaphorical sense. "Transfer" is used in the same manner. It signifies the act by which a holder empowers another to become the holder. In the case of bitcoin this is done by the first holder giving the private key, i.e. the code recognised as such by the blockchain, to the second holder. If someone other than the present holder claims to be the holder, he or she must prove his or her assertion by ordinary evidence because there is no registry of bitcoin. The consequence is that, for all practical purposes, were the holder of bitcoin to provide any other person with the private key thereto and that person were to transfer the bitcoin on, the bitcoin disappears into the ether of cyberspace and the bitcoin transferred can never be recovered. It is only if the second holder still holds the original key, has not spent the bitcoin so that the private key can be transferred back, that the actual bitcoin can be



"recovered", "recovered" because in this situation it was not transferred but the private key shared. The second person has spent it, the transaction is reflected on the blockchain. Should the transferee for some reason return a bitcoin, he or she has to transfer the private key to another bitcoin to the first holder.

DERIVATIVE CURRENCY TRADING

24. Some introductory remarks should also be made about currency trading and FX Choice.
25. FX Choice is, as mentioned, an electronic platform or marketplace specialising in currency trading. It renders services as a broker to facilitate trades. Although many aspects of its services remain obscure, what seems to be clear is that it allows clients to transfer either fiat or cryptocurrency into an account which is used to fund trades on margin. Profits are credited and losses debited to such account. To use a practical example: A client may open an account with FX Choice and transfer a given number of bitcoin to FX Choice with the necessary recordal on the blockchain. Trades are then conducted. The wins or losses are reflected in the client's FX Choice account which means that FX Choice transfers the number of bitcoin from the account because it holds the private key to them, or receives transfer of the profit bitcoin by obtaining the private keys to them. The client can withdraw the resultant bitcoin which requires recordal on the blockchain. FX Choice particularly facilitates trades in currency pairs through "CFDs" namely contracts for difference which means that a trader can adopt a position in respect of price movements between two currencies (a

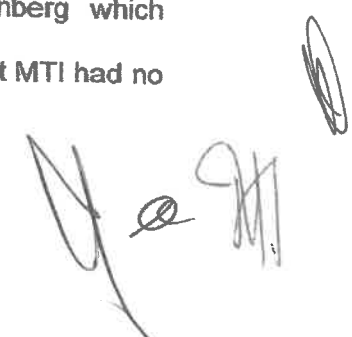
currency pair) without having to acquire any asset (i.e. any currency). It is a derivative form of trading.

26. FX Choice is subject to the laws of Belize, including the requirement that it must know its clients to combat financial crime ("KYC") as imposed by the Money Laundering and Terrorism (Prevention) Act 2008, Belize, read with the rules laid down by the Central Bank of Belize (which apply to financial institutions such as FX Choice). It is regulated by the International Financial Services Commission of Belize.

THE BACKGROUND FACTS

27. I now turn to the most important events which form the background to this opinion.
28. By 2019 Mr Steynberg (who has no tertiary education, save for some private training in computers) knew something of crypto currency – how much is unknown, but probably more than his friends at the Polokwane golf club where he was a regular. He was also somewhat knowledgeable of foreign exchange trading and that profits can be made from such speculation. He came across FX Choice who had the platform for such trades against deposits of bitcoin. Mr Steynberg had some experience of mirror trading, a well-known concept where someone follows an experienced trader's every transactional move. As pointed out in the FSCA report, the events that followed may be divided into three phases.

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29. The first phase commenced with Mr Steynberg obtaining MTI through which he would conduct trading. He managed to get other persons to join him (how many is unknown) to put their bitcoin into an account that he had with FX Choice, mirroring an experienced trader trading in derivative instruments based on forex pairs. The exercise was a disaster. Most of the bitcoin deposited were lost thanks to poor trades, the balance transferred from FX Choice and the account was closed. This account plays no role in the events which are relevant hereto.
30. In August 2019 the second phase began when Mr Steynberg changed tack. He held himself out to be a forex trading genius and that he could make money for anyone who had bitcoin. All that was required was for them to let Mr Steynberg have their bitcoin. Mr Steynberg stood in the centre of a personality cult. To expand his reach, a husband and wife team of multi-level marketers was brought in and they designed a complex bonus system, whereby Members who brought in further Members would earn bonuses. They marketed the Scheme in cyber space on various social platforms. To give some credence to the scheme, MTI was said to be the other contracting party. The Members were told that their bitcoin would be transferred to wallets which were to be held for them by MTI. Bitcoin would be transferred from there to a pool which would be used for trades. MTI had a software programme which could show the rise and fall of credit which MTI would maintain for them. MTI had a software programme which showed the balances in the accounts of the Members. The integrity of the programme was dependent upon the integrity of the inputs. Alas, these were pure fiction. The Scheme worked well. Many Members sacrificed their bitcoin by transferring their private keys to Mr Steynberg which transactions were recorded on the blockchain. The truth was that MTI had no
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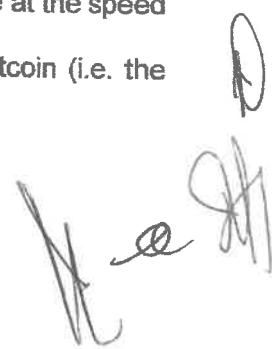
wallets. Mr Steynberg stole the bitcoin. (As pointed out by Fox and Green, criminal law is much more adept at dealing with thefts of immaterial things like bank balances than the protection given by the private law.)

31. To facilitate the Scheme, Mr Steynberg opened the Account with FX Choice (which is the pivotal event herein, I return to the opening of the Account below). He did transfer some bitcoin to FX Choice to be held in the Account to enable trades and hold up pretences. But an unknown number of bitcoin were retained by Mr Steynberg or sold or used for other purposes. Mr Steynberg was free to do with the bitcoin of the investors as he saw fit. How many bitcoin of others he kept for himself or sold to get money to fuel the Scheme is not known. It is unclear how successful Mr Steynberg in fact was.
32. Mr Steynberg (aided by the spouses Marks) held out that incredible numbers of people, across almost 200 countries, were Members and thus participants in the Scheme. This gave out that the Scheme was successful beyond belief and thus trusted by multitudes. It had the imprimatur of vast numbers of people committing vast funds to the Scheme. In actual fact the Scheme was, for the greatest part, a simple confidence trick to enable Mr Steynberg to get hold of as many bitcoin as possible for his own benefit. As remarked above, the movement of bitcoin can be tracked, but the identity of the holders of a private key is unknown. Although there is no clarity on the point, it appears that Mr Steynberg sold some of the bitcoin that were sacrificed to the Scheme to generate revenue with which to pay the Members who claimed payment of the benefits promised to them under the Scheme as well as the debts due to bona



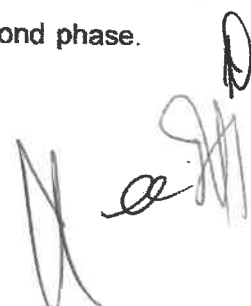
fide creditors, such as the employees of MTI. It was a pyramid scheme which was bound to fail.

33. The first sign of the implosion of the Scheme to come was in July 2020 when the Scheme reached the US state of Texas. The regulatory authorities there would have none of the Scheme in their jurisdiction and they obtained interdicts against everyone involved with it in Texas, including MTI and Mr Steynberg. News of the "cease and desist order" in Texas reached Belize placing FX Choice on guard. In South Africa, the FSCA learnt of the Scheme which lead to an investigation (but, surprisingly, not to any other action such as the appointment of a curator or some form of interdict).
34. The third phase commenced with the FSCA interviewing Mr Steynberg who, when confronted with the illegality of the Scheme, made promises to rehabilitate MTI (such as bringing in a dual independent and professional board of directors, registering for tax, doing what was required to obtain the necessary authorisations). Some of these things were attempted but in reality Mr Steynberg had a new plan namely to get a replacement for FX Choice and publicly state that the trading activities were transferred from FX Choice to this new entity, which he called Trade 300, where the trade would no longer be in foreign exchange but in crypto derivatives. Mr Steynberg at this stage (after October 2020) told one lie after another on social media in an attempt to catch new Members and to placate existing Members. The litany of lies is incredible. He told stories of a "bot", an infallible algorithm which could trade at the speed of light. But there never was such a deus ex machina. The Bitcoin (i.e. the

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1,281 held in the Account) were not transferred to Trade 300 because there was no Trade 300 facility and because FX Choice had in any event suspended trading on the Account. Mr Steynberg, and it must be said his marketers, the Marks team, told long tales of eye-watering profits – but there were none. It also seems that during this phase, Mr Steynberg wildly transferred bitcoin to Members who were threatening to expose the Scheme to keep them quiet. He toiled day and night to keep up the lies reflected on the accounts of the Members (the back office). The court action referred to above essentially deals with this phase.

35. The chronology of the most important events falling mostly in the third phase for purposes hereof bears repetition: FX Choice suspended trading on the account in July 2020. Thereafter the FSCA investigation was launched. On 16 December 2020 Mr Steynberg fled from South Africa. That gave rise to fear amongst the Members. One of them, Mr Lee, applied for the liquidation of MTI on 23 December 2020 (which application was granted on the 29th). The Master appointed the provisional liquidators in January 2021. They demanded transfer of the bitcoin in the FX Choice account. On the 2nd of March 2021 FX Choice transferred the Bitcoin to a digital wallet which the liquidators had opened for purposes of receiving the Bitcoin with the crypto currency wallet provider and bitcoin exchange, LUNO. Mr Steynberg's estate was sequestrated during April 2021.
36. Although FX Choice transferred the Bitcoin to MTI at the end of the third phase, the events of consequence for this opinion really fall into the second phase.

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This is so because the rights and obligations as between MTI and Mr Steynberg on the one side and FX Choice on the other were established and developed during that phase. It ended with the suspension of the Account which froze the rights and obligations that had been created by then.

37. Before summarising my instructions on the point, I should stress that by all accounts Mr Steynberg dealt with many more bitcoin than the 1,281 Bitcoin which concern this opinion. How many of the Bitcoin in issue were initially Mr Steynberg's own bitcoin, which he placed with FX Choice, is not known. The number of Members whose bitcoin was obtained under the Scheme and whose bitcoin was placed with FX Choice is not known. The percentage of the overall bitcoin which Mr Steynberg appropriated or placed into other wallets than the FX Choice account is also not known. All that is known for sure is that the Bitcoin in issue were in the Account when it was suspended and this is the number which FX Choice transferred to the MTI provisional liquidators.

THE FACTS RELATING TO THE ACCOUNT

38. The facts regarding the opening, maintenance and termination of the Account are very limited.
39. Mr Steynberg had the previous account with FX Choice referred to in the narrative regarding the first phase. The grading on this account led to very substantial losses and the termination of that account. It is consequently not of any relevance hereto.

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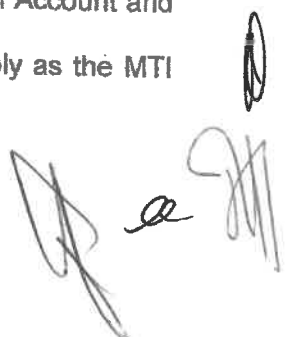
40. Mr Steynberg opened the Account in issue with FX Choice in his own name on 5 May 2019. FX Choice has not provided all the account opening documentation but confirmed that Mr Steynberg was the client. FX Choice also informed Mr Bento that the opening of the Steynberg account, viz the Account, was done in terms of the standard "Client Agreement" to which I referred above as "the FX Choice Agreement". A few remarks about the FX Choice Agreement may be made.
41. The FX Choice Agreement is a substantial document and deals with various aspects pertaining to the relationship between FX Choice and the counterparty, "the client" herein. It provides that the client has to prove his or her identity to FX Choice in terms of the know your client rules of Belize. FX Choice informed Mr Bento that the KYC requirements were completely complied with and that only after full compliance did FX Choice open the Account opened in his name.
42. The FX Choice Agreement makes it clear, at a number of places, and expressed in various ways, that privity of contract exists between FX Choice and its client. This appears, for example, from clause 2.2 of the FX Choice Agreement: "By accepting the Client Agreement the Client enters into a binding legal agreement with FX Choice," Clause 3.2 is in the same vein. It provides: "The Client Agreement is non-negotiable and overrides any other agreements, arrangements, express or implied statements made by FX Choice unless FX Choice, in its sole discretion, determines that the context requires otherwise. If the Client Agreement were to be amended, reasonable notice shall be given to the Client." Some clauses, such as clause 3.3, make it plain that the client can

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by way of a formal power of attorney appoint someone else to transact on his or her account (see also clause 5.1). But such an appointment can only be to transact on the account on behalf of the accountholder, not to become the accountholder. The account cannot be ceded by one client to another. The reason for this is obvious: A client cannot be foisted onto FX Choice. The onus is with FX Choice to vet a potential client before accepting him or her as a party to a contract. This theme is taken further in clauses such as clause 8 where the potential client has to confirm that any funds deposited as contemplated in clause 9 "belong" - to the would-be client, and that he or she is not a representative or trustee of any third party. It would only be possible for the client to deal with a third party's funds if "he/she produces to the satisfaction of the Firm document(s)". FX Choice did not inform Mr Bento that any of this had ever occurred.

43. Another provision of consequence is that the client is required to mandate FX Choice to merge the client's funds which seems to indicate that FX Choice may join two or more accounts of a client together, as bankers are sometimes allowed to do to avoid an unauthorised overdrawn position on one account. This, together with a plethora of other provisions, indicate that where a client deposits cryptocurrency, FX Choice is authorised and empowered to deal with the cryptocurrency. In other words, FX Choice has to be placed in possession of the private key or keys of the bitcoin deposited which transactions would be reflected on the blockchain.

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44. Clause 9.4 provides that the client has the right to withdraw any part of the funds equal to the free margin that is available in the trading account. To achieve this, the client has to notify FX Choice of the withdrawal and FX Choice must effect the pay-out in the same currency (fiat or crypto) as was used to fund the account. Once again, FX Choice must be the holder, pro tem, of the bitcoin thus transferred to it. In the case of the account terminating, clause 17.6 provides expressly that "FX Choice shall immediately transfer to the Client any amount available in the relevant trading account minus any outstanding amount that is due to Firm by the Client". The obligation is owing to the client.
45. From all this it is manifest that there was privity of contract (as understood in the Common Law tradition). Mr Steynberg was the client pertaining to the Account. The implication is that any amount from the Account could be transferred only to Mr Steynberg and to no one else.
46. FX Choice also informed Mr Bento that in August 2019 there was an attempt to open a "corporate account" for MTI with FX Choice. But the attempt failed. The KYC requirements set by FX Choice were not met as late as June 2020. No corporate or any other account was opened for MTI. Mr Bento was informed that FX Choice expressly rejected the application to open such an account for MTI.
47. Incongruous as it may seem and for reasons that remain unexplained FX Choice referred to the Account from August 2019 as the MTI Account and it seems that FX Choice referred to the Account interchangeably as the MTI
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account of Mr Steynberg's account. Mr Steynberg's particulars were the particulars of the Account. This never changed. MTI's name thus appeared on the Account albeit that the Account was a contract between Mr Steynberg and FX Choice, that it had not been transferred to MTI and that it would have been legally impossible to do so given the strictures of the Belize KYC legislation. FX Choice had refused to accept MTI as its client. It allowed only Mr Steynberg to transact on the Account.

48. FX Choice furthermore informed Mr Benito that it had concerns about the Account when third parties started making enquiries about the Account in the third period. As this was Mr Steynberg's account, FX Choice was concerned that third parties made enquiries. By July 2020 the trading on the Account had also become increasingly erratic and FX Choice became even more concerned. When it learnt of the Texas cease and desist order (which was not effective in Belize, it affected the status of FX Choice in the United States), FX Choice decided to suspend trade on the Account.
49. FX Choice professed to give full cooperation to the FSCA and later the liquidators of MTI. FX Choice has not provided information as to how it came about that it transferred the Bitcoin from the Account to the liquidators of MTI. It is difficult not to think that FX Choice wanted to rid itself as quickly as possible of the link with what was being fêted at the time as the biggest bitcoin swindle ever and that it gave the Bitcoin to the first official sounding claimant, not contemplating whether it was not perhaps committing breach of contract in doing so.

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50. Whether FX Choice had the power or right to transfer the Bitcoin to MTI from the Account is a legal question which must be answered with reference to the Common Law legal tradition as the laws of Belize applies the Common Law. FX Choice was to my mind entirely justified in suspending trading on the Account when it learnt of the incongruities and alleged frauds pertaining to Mr Steynberg. Mr Steynberg was the client, not MTI. MTI had no right or entitlement to the Account. It did not stand in contractual privity with FX Choice. FX Choice was the debtor of Mr Steynberg and not of MTI. By paying MTI, FX Choice breached its contract with Mr Steynberg. FX Choice's conduct was for this reason unlawful. It should have refused to transfer the Bitcoin to MTI and should have insisted to transfer the Bitcoin only to Mr Steynberg unless directed differently by a competent court. Perhaps FX Choice believed that it acted as a trustee de son tort, a form of unauthorised intermeddling at Common Law in that FX Choice adopted the role of a trustee in a constructive trust. This was however, as I understand the Common Law on trusts, not possible because Mr Steynberg was the creditor and FX Choice the debtor and whilst that relationship endured, FX Choice could not assume the role of trustee. (See for example **Rowlandson v National Westminster Bank Ltd** [1978] 3 All ER 370 and Paget op cit paragraph 21.6 547 and further.)
51. It seems to me that the position would be the same in South African law. Where a bank (assuming that the relationships between banks and their clients apply mutatis mutandis to that between FX Choice and its client, Mr Steynberg) holds funds for a client, the bank's estate is neutral because whilst it is the owner of

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the funds which it holds (i.e. FX Choice is the holder of the Bitcoin transferred to it because the transaction is recorded on the blockchain and it has the personal keys), the bank also owes an equal debt to the client to pay the amount held to the client (or to a third party at the client's instruction). Should it transpire that the client is for whatever reason not entitled to the funds, the bank would be enriched and if it transpires that some other entity was impoverished and a causative link can be drawn between the impoverishment and the enrichment, the bank may have to pay the funds to the impoverished party. (See for example **First National Bank of SA Ltd v Perry NO 2001 3 SA 960 (SCA).**) A bank or other entity in the position of FX Choice cannot unilaterally take the law into its own hands and pay who it may believe should get the money other than its client. It has to pay its client. Or await a court order.

52. In my view the transfer of the Bitcoin from the Account to the provisional liquidators of MTI was unlawful and without any legal consequence.
53. The right of the provisional liquidators to demand payment from FX Choice requires separate consideration: The right appears to emanate from the assertion that MTI was the true holder of the Bitcoin. But this cannot be. For one thing, the MTI Agreement did not in terms or by implication state that MTI would in any circumstance become the holder of any bitcoin. It promised a wallet to the Member, which meant that the Member still controlled his or her bitcoin in the wallet as holder. From there the Member would transfer it into the trading pool and the trading platform would hold it in own right. But the major difficulty with the assumption is that the MTI Agreement was in any event

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not put into practice. The would-be Members transferred their bitcoin to Mr Steynberg. He became the holder. Some of the bitcoin (it is unclear how many, it should be stressed) found their way into the Account, where FX Choice was the holder. It is not known many were dealt with differently. It seems to be the bulk of the bitcoin transferred to Mr Steynberg. Mr Steynberg did not steal MTI's bitcoin, MTI never held bitcoin, he stole the bitcoin of the Members through false pretences. Whilst MTI was not a victim, it might be a joint wrongdoer with Mr Steynberg. MTI never had the right to claim holdership of bitcoin contractually or on the basis of an ownership or possessory remedy (choses in action or choses in possession) from anyone, not Mr Steynberg or from FX Choice. The MTI liquidators had no greater right than MTI.

54. The position as between a Member and MTI is similar: The Member had no right qua contract to the (re)transfer of any bitcoin from MTI. The Member lost holdership of the bitcoin when it was transferred to Mr Steynberg or, as the MTI Agreement envisaged, from the wallet with MTI (which was, as remarked, never in fact created) to the platform. The Member did not enter into a contract of deposit (bailment at Common Law) with MTI. The Member thought that it was putting up a stake in a risky trading venture. MTI did not promise to re-transfer any bitcoin whatever the outcome of the trade. If the stake would be lost through trading losses or if it were lost due to the platform of the trader (FX Choice) being hacked and the bitcoin stolen or if it would be stolen by someone like Mr Steynberg, the loss would fall with the Member.
55. One further point which requires attention concerns the trading statement that MTI had to provide to a Member, the back office. The purpose of the statement



was twofold. The first was to show the bonuses that were owing by MTI to the Member under the Scheme. These were part of an illegal contract (as clearly spelt out in the combined summons in the action referred to above) and on first principles the Member had no right to those amounts. These amounts may be left aside for present purposes because they were either paid and thus are irrelevant or they cannot be claimed due to the illegality. The second purpose of the statement is of importance herein. It was to reflect the growth and losses on the trading platform. The MTI Agreement (assuming it to be valid and enforceable) had to reflect the truth. There is no clause in the MTI Agreement holding MTI liable for fictions reflected in a statement. The truth that should have been reflected on a Member's account was that the bitcoin that came from him or her was not on a platform earning or losing because it was not in the pool.

56. The true facts are however that MTI never acted in terms of the MTI Agreement. It never received bitcoin, it never pooled bitcoin, it never placed bitcoin on a trading platform. The MTI Agreement was used as part of Mr Steynberg's trick.
57. I cannot come to any other conclusion but that MTI had no proprietary or contractual interest in the Bitcoin or in the Account or against FX Choice. I doubt that it had any contractual obligation to the Members. Insofar as it actually existed as a legal entity, MTI incurred delictual liability jointly with Mr Steynberg.

CONCLUSION

58. At the highest level my views could be summarised as follows:

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- 63.1 Given the legal nature of bitcoin namely that it is not by itself a thing or a res in Common Law and in the Civil Law, the Members had no ownership-based or possession-based claims to any bitcoin which they transferred away under what they believed to be the MTI scheme.
- 63.2 The Members have no viable contractual claims against MTI. The MTI Agreement is a portmanteau of different and confusing concepts and thoughts and was clearly uncritically and inexpertly copied from other documents. It does not entail a contract of depositum (bailment) and, in any event, the Members did not transfer their bitcoin to MTI. MTI did not have wallets and MTI at no point controlled the transferred bitcoin. Apart from a claim as depositor (which I do not believe exists) the Members would at most have a claim for breach of contract against MTI for not dealing with the transferred bitcoin as MTI represented that it would have done. But the claims of the Members cannot be based on the accounting (back office) which MTI provided because it was pure fiction. MTI's breach occurred at the beginning of its relationship with a Member i.e. when it assisted Mr Steynberg in his frauds. MTI was a vehicle for fraud and the corporate veil surrounding it should probably be pierced so that the rights and obligations of the parties can be determined on the true facts.
- 63.3 This does not mean that MTI cannot be visited by a delictual claim. The problem is, however, that if successful, MTI will not be able to make good any judgment because it has no assets and is impecunious, save for the

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Bitcoin that it obtained from FX Choice. A claim against MTI has no value if the Bitcoin should not fall into that estate.

63.4 MTI should never have obtained the Bitcoin from FX Choice. It was not a client of FX Choice and there was no contractual privity between them. FX Choice should have refused to transfer the Bitcoin in the Account to anyone other than to Mr Steynberg or it had to hold onto the Bitcoin until such time as an order of court had been obtained to direct FX Choice what to do. MTI thus had no contractual right to obtain the Bitcoin and its ongoing position and conversion thereof to cash are open to challenge.

63.5 The Members were not members of any club. The club story was part of the tissue of lies. They were defrauded by Mr Steynberg and MTI was part of the confidence trick. Their claims lie against Mr Steynberg. The claims are delictual in nature. The Members have to be placed in the position (insofar as it is possible to do so and taking into account matters such as contributory negligence) that they were in before they acted on the fraudulent misrepresentations of Mr Steynberg. Every asset of the Steynberg estate should be brought into the estate in order to make good the losses (insofar as it may be possible to do so) which Mr Steynberg caused.



59. I have consequently reached the conclusion that the Bitcoin in the Account should not have been paid to the provisional liquidators of MTI and that the latter had no right to receive the Bitcoin and have no right to hold onto same.



P F LOUW SC

Chambers, Sandton

30 May 2022



Our Ref : JLister/kk/MTI
e-mail : john@listerco.co.za

19 December 2024

TO: MOSTERT AND BOSMAN

krugervd@mbalaw.co.za
pierred@mbalaw.co.za

Dear sirs

URGENT

RE: MTI CONSOLIDATION APPLICATION

I refer to the above matter and my recent telephonic discussion with Kruger upon my return from leave.

I enclose evenly herewith notice of opposition which is filed to protect my clients rights in the interim.

As Kruger mentioned, the matter could be adjourned and I would suggest that it be adjourned sine die or to a date after discovery has been made by the plaintiffs.

In previous correspondence which you addressed to us (which is annexed to your application) it was suggested that you wanted to amend so as to create a universal set of pleadings. In this regard, it is also important to mention that your initial summonses against inter alia Nico Van Der Merwe differ considerably from your more recent summonses that have been served by your clients in various divisions including the Western Cape division.

Indeed, we would also then consequently want to amend our pleadings by deleting inter alia the lis pendens plea (which is obviously been knocked out by the virtue of the fact the application for leave to the Constitutional Court by Clynton Marks did not materialise) and to bring all our pleadings into line with recent pleas which we have filed.

It is also come to our attention from recent interviews with witnesses that clients who believed they were paying bitcoin to the MTI club (which was administered by MTI in liquidation) that their bitcoin did not go to MTI but were received up with the late Johan Steynberg whose estate was sequestrated and hence there is a challenge to locus standi. We have raised this in pleas we have lately filed and would want to amend all our pleas on this point (once we have seen Plaintiffs discovery).

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Tel : 031 765 7477 ▪ Email : john@listerco.co.za
John Anthony Lister (B.Proc)



WHO DARES, WINS

I also pause to mention that the following defendants which you have included in this application are not my clients and the parties legal representatives will have to be notified accordingly. Presumably you will be doing so but we would never the less be pleased if you could provide us with their details.

These Defendants are: -

M Van Der Walt – Moster and Bosman

TR Swart – Vezi De Beer

In addition to this I also enclose Marked JAL1 a further list of defendants which are not mentioned in your papers who are also represented by me.

I also mentioned to Kruger that I would not be able to notify all my clients timeously of this application and take instructions and indeed it is impossible to do this within such a short period. Also, my senior Counsel Advocate Jaap Cilliers SC will only be able to consult with regard to the suggestions contained in your letter annexed to the papers.

I submit that consolidation application, is for the moment, premature and should stand over until such time as all pleas/defences have been filed. Furthermore, I believe that it is imperative that all defendants in the Western Cape Division who are represented by other attorneys should also have been joined in these proceedings. In this regard there may well be other defences taken by such defendants which we may not have raised in our pleadings which may be material and which should be properly be ventilated in the consolidated action and not on the shelf so to speak, for subsequent determination in the Western Cape Division. I submit that in the interest of justice that all defendants actions in the Western Cape Division should be consolidated.

By including parties that I do not represent in this application, by implication you accept that all other Western Cape defendants should be joined. Indeed, having regard to your letter your also imply that other matters from other divisions could be transferred to the western cape division.

As you know I represent a considerable number of defendants in different divisions (in total approximately 1000 including defendants in the Western Cape). Be that as it may at the very least all Western Cape division matters should properly be consolidated and not only matters in which I represent defendants.

It is also apparent that in all the separate actions that have been instituted in the western cape division and in other divisions that your clients are not ready to proceed by virtue of the fact that there has not been discovery and in particular a full discovery of the back office of MTI.



In this regard I enclose herewith a letter received from attorneys Strydom and Rabie marked JAL2.

In that letter they refer to a defended action out of the Gauteng Division relative to a section 424 claim coupled with claims in terms of section 26 29 30 and 32(3) of the insolvency act. The pleadings were long since closed and one of the defendants in that action, Usher Bell, was forced to bring an application to compel discovery after your clients failed to discover timeously.

That application strangely enough was opposed mainly because your clients were not ready to discover and the Gauteng High Court has ordered them to discover in February 2025.

It would appear from the aforementioned letter that your clients are contending that the discovery in that matter applies to all the separate defended actions against defendants in the various divisions of the High Court. Whilst this contention remains to be seen we have in order to be constructive nevertheless held off with applications to compel discovery in all the matters in which we act (not only in the Western Cape Division) whatever the case as you well know, most of the defendants I represent have had no knowledge of the internal workings of MTI and under the circumstances discovery is critical because it may well be that other defences will emerge and further it may be necessary to amend our pleadings.

Under the circumstances I do not believe that with amendments in the offing, that pleadings can be considered to be closed in all the matters and hence this is also a reason for this application to be adjourned until this has been achieved. Once this happens there can perhaps be constructive discussions between the parties legal representatives so that the Court can in terms of rule 11(c) make an appropriate order with regard to further procedure in relation to the conduct of the matter.

We would be pleased under the circumstances if you would confirm that the matter would be adjourned sine die.

We would also be pleased if you could provide us with full details of all other Defendants and their legal representatives as we wish to engage with them regarding the consolidation application, we may mention that we have already spoken to Advocate Carlo Viljoen who together with Tammy Victor represent approximately twenty defendants. He has indicated that his clients must be joined in the application for consolidation.

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John Anthony Lister (B.Proc)



Please note that we reserve all our clients rights in their entirety.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'J. Lister', written over a horizontal line.

JOHN LISTER
LISTER & COMPANY

Handwritten initials or a signature in the bottom right corner, consisting of a large 'J' and a smaller 'L'.

JAL1

COURT	ATTORNEY	REF	NAME	SURNAME	CASE NO
WESTERN CAPE	ENDERSTEIN	144	NICO	COETZEE	10977/24
WESTERN CAPE	ENDERSTEIN	374	RETHA	KOEGELENBERG	4676/24
WESTERN CAPE	ENDERSTEIN	619	MORGAN	ROSS	10080/2024
WESTERN CAPE	ENDERSTEIN	637	ROELOF	SAUNDERS	10939/24
WESTERN CAPE	MOSTERT	WJ6206	FAZANA	GANIE	10172/24
WESTERN CAPE	STRYDOM	50	TIAAN	DE KOCK	3092/2024
WESTERN CAPE	STRYDOM	84	JACOBUS	LEUVENNINK	13041/24
WESTERN CAPE	STRYDOM	268	LUZELKE	VAN HEERDEN	6037/2024
WESTERN CAPE	STRYDOM	333	MATHYS	VENTER	1609/24
WESTERN CAPE	VEZI	7032602	GARY	CASTLE	6958/24
WESTERN CAPE	VEZI	6039387	PIETER	DE VRIES	22182/23
WESTERN CAPE	VEZI	5925227	ARMANDT	DU PLESSIS	3327/24
WESTERN CAPE	VEZI	12519518	LOREN	DYER	7317/2024
WESTERN CAPE	VEZI	7721793	LOUIS	FOORD	22476/23
WESTERN CAPE	VEZI	1740638	DEREK	KOOPMAN	3206/24
WESTERN CAPE	VEZI	88979767	HENRY	LE CLUE ARENDSE	7093/2024
WESTERN CAPE	VEZI	81635577	DIANA	MASON	7720/24
WESTERN CAPE	VEZI	5603005	RAMON	ODENDAAL	22089/23
WESTERN CAPE	VEZI	4130728	CHRIZELDA	SWART	22031/23
WESTERN CAPE	VEZI	4895904	JACOBUS	TRUTER	22021/23
WESTERN CAPE	VEZI	4309527	ANDRIES	VAN DER MERWE	22058/23

MISSING FROM THEIR LIST






STRYDOM RABIE INC.
ATTORNEYS CONVEYANCERS NOTARIES

JAL2

Our Ref:
Date:

S STRYDOM/MTI
01 November 2024

LISTER & CO.

E-mail: john@listerco.co.za / admin@listerco.co.za

Sir,

IN RE: ADRIAAN WILLEM VAN ROOYEN N.O. & 7 OTHERS // VARIOUS DEFENDANTS

1. The above matter as well as your clients' notices in terms of rule 35(1)(6)(8)(10) served electronically on even date refer.
2. As you are aware, our clients have instituted more than 5000 actions, similar to the one instituted against your clients.
3. One of the other defendants brought an application to compel our clients to discover.
4. A copy of the pleadings exchanged as well as the order granted on 22 August 2024 are attached hereto marked "A". Kindly note that annexure "A" will be sent via We Transfer as the document is too large to send via email.
5. You will note from the order that our clients' discovery has to be filed by the end of February 2025.
6. As our clients' discovery will be similar in the various actions where you are representing various defendants, but for pleadings and correspondence exchanged in each action. For this reason, we request a postponement to serve our clients' discovery affidavit by end of February 2025 in the various matters.
7. We await your response and in the meantime our clients' rights remain reserved.

Yours faithfully

STRYDOM RABIE INC.

Per: Susanna Strydom

Direct email: susan@strydomrabie.co.za

(electronically sent without signature)

DIRECTORS: SUSAN STRYDOM (BLC LLB) JACQUELINE RABIE (LLB)
ASSISTED BY: KARLIEN OOSTHUIZEN (LLB)

012 786 0954 | admin@strydomrabie.co.za | www.strydomrabie.co.za
SR House, 152 Mackenzie Street, Brooklyn, 0081 | PO Box 7111, Pretoria, 0001
Reg. No.: 2018/481721/21 | VAT No.: 4070289485
In Association with Tintingers Inc.

To help prevent fraud, please contact Strydom Rabie Inc. to verify the banking details before making payment at accounts@strydomrabie.co.za / 012 786 0954

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U VERW / YOUR REF

ONS VERW / OUR REF

YOUR REF: P DU TOIT/Antoinette/WJ7991

OUR REF: MTI RABIE/HANEKOM/ESS

27 January 2025

MOSTERT & BOSMAN ATTORNEYS

BY EMAIL: antoinette@mbalaw.co.za

IN RE: MTI CONSOLIDATION APPLICATION

1. We confirm that we act on behalf of Tobias Nicolaas Hanekom under case number 10405/24 and Eddie Rabie under case number 10877/24 both summoned by Enderstein Malumbete Inc out of the Western Cape High Court.
2. We take note that there is a pending application instituted by you for various MTI matters to be consolidated in the Western Cape High Court, and it appears that in excess of 100 matters will be applied for.
3. As stated above, our firm is representing clients for matters in the same court and we wish to express our dissatisfaction with the fact that certain matters are grouped together while others are not. We further place on record, and attach hereto for your attention, a letter dated 27 September 2024 received from Enderstein Malumbete Inc confirming that they are running a series of "test cases" to assess our defences raised in our Special Pleas, and that no further legal action will be taken until the test cases have been concluded.

ATTORNEYS | MEDIATORS | CONFLICT NEGOTIATORS

ATTORNEY:

Eloise Engelbrecht – Steyn

CLIENT LIAISON OFFICER / LEGAL ADVISOR:

Janus Henning

IN ASSOCIATION WITH:

Fuchs Roux Attorneys Conveyancers:

Nicolene Schnettler Attorneys and Notaries

WWW.ENGELBRECHTATLAW.CO.ZA



Semper Paratus

PROKUREURS | BEMIDDELAARS | KONFLIK BEMIDDELAARS

PROKUREUR:

Eloise Engelbrecht – Steyn

KLIËNTSKAKELINGBEAMPTTE / REGSADVISEUR:

Janus Henning

IN SAMEWERKING MET:

Fuchs Roux Prokureurs Aktebesorgers:

Nicolene Schnettler Prokureur en Notaris

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U VERW / YOUR REF

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4. We therefore struggle to understand what makes your matters different. Should you proceed with this consolidation application, the findings (if any) made by the court in your matters will affect our matters even though Enderstein Malumbete Inc already admitted to halting legal action due to the running of the test cases. We cannot allow your clients to be ambushed in this manner.
5. We are further of the opinion that you are premature with the application to consolidate the matters as discovery of documentation needed to complete all the pleadings have not been done, and as there is further going to be factual disputes in certain matters as not all the quantum's claimed in the annexures attached to the Particulars of Claim are the same, as certain of the defendants before court might be nett-winners or nett-losers, or defendants who paid in and withdrew, meaning they will be under the different classes of investors in MTI.
6. As such we are highlighting our opposition to any consolidation applications regarding the MTI matters and we therefore further enquire why only certain matters are being consolidated when others are not?
7. Should you continue with the consolidation of matters, we will be left with no alternative but to take the necessary steps to ensure that our clients rights to a fair trial is indeed guaranteed and also that the principals of the *Audi Alterum Partum*-Rule is adhered to and that discovery

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Semper Paratus

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PROKUREUR:

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KLIËNTSKAKELINGBEAMPTER \ REGSAADVISEUR:

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U VERW / YOUR REF

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is done to place us and yourselves in the position to comply with the discovery of any necessary documentation.

8. As you should be aware, there are various exceptions to your summonses and we are still of the opinion that your Particulars of Claim are lacking, that they are faulty, and that they are plainly bad in law.
9. As such we request clarity regarding the consolidation of matters that is scheduled to take place on Wednesday, 29 January 2025, in the Western Cape High Court, and provide us with clarity of how the determination was made that only certain matters are consolidated, as there are numerous law firms representing defendants with matters in the Western Cape High Court. Why are all of them not consolidated?
10. We are of the opinion that you are simply cherry-picking certain matters and we will not idly stand by and let you proceed in this fashion as this will affect all the defendants represented by various firms, as a whole.
11. We await your urgent response herein.

Kindest regards,

ATTORNEYS | MEDIATORS | CONFLICT NEGOTIATORS

ATTORNEY:

Eloise Engelbrecht – Steyn

CLIENT LIAISON OFFICER / LEGAL ADVISOR:

Janus Henning

IN ASSOCIATION WITH:

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Attorney at Law

International Certified Associate Mediator and Conflict Negotiator |

LLB(UP) | (ADR.Med) | (ADR.Neg) |

ATTORNEYS | MEDIATORS | CONFLICT NEGOTIATORS

WWW.ENGELBRECHTATLAW.CO.ZA

PROKUREURS | BEMIDDELAARS | KONFLIK BEMIDDELAARS

ATTORNEY:

Eloise Engelbrecht – Steyn

CLIENT LIAISON OFFICER | LEGAL ADVISOR:

Janus Henning

IN ASSOCIATION WITH:

Fuchs Roux Attorneys Conveyancers:

Nicolene Schnettler Attorneys and Notaries



Semper Paratus

PROKUREUR:

Eloise Engelbrecht – Steyn

KLIËNTSKAKELINGBEAMPTTE | REGSADVISEUR:

Janus Henning

IN SAMEWERKING MET:

Fuchs Roux Prokureurs Aktebesorgers:

Nicolene Schnettler Prokureur en Notaris

Our Ref : JLister/kk/MAT
e-mail : john@listerco.co.za

27 January 2025

MOSTERT AND BOSMAN

Per Email : pierred@mbalaw.co.za

Dear Sirs,

RE : MTI CONSOLIDATION

Please find our amended notice of opposition which includes and address 15km within the court. Please note, that we will be using that address for all our cape town matters.

We had lengthy discussions with Jaap and he has advised that for various reasons including the issue of discovery your consolidation application is premature.

Further please be advised that he together with ourselves will be quite prepared to engage constructively in regard to a possible consolidation or the issue of test cases but only once there has been proper discovery. We also wish to remind you that you have not responded to our rule 35(14) notices in relation to the back office and the back office is particularly important in relation to amendments we intend making but which we are holding off until we see your proper discovery.

Please note furthermore, that discovery of documents is also important relevant to issues of prescription.

As we have mentioned, you have also indicated that you wish to amend and we have not seen an amendment from you at this time. under the circumstances, the pleadings are far from settled for there to be a meaningful discussion regarding consolidation.

Yours faithfully,



JOHN LISTER
LISTER & COMPANY

Office Suite 3, Astron Energy Centre, 105 Inanda drive, Hillcrest
▪ P. O. BOX 1601, KLOOF, 3640 ▪ DOCEX 14 Hillcrest
Tel : 031 765 7477 ▪ Email : john@listerco.co.za
John Anthony Lister (B.Proc)



WHO DARES, WINS

AA10

MIRROR TRADING INTERNATIONAL (PTY) LTD (IN LIQUIDATION)

REGISTERED ADDRESS : 43 PLEIN STREET, UNIT 1, 1ST FLOOR STELLENBOSCH, WESTERN CAPE

REG NO : 2019/205570/07

MASTERS REFERENCE : C906/2020

(Date of Provisional Liquidation - 29 December 2020)

FIRST LIQUIDATION AND DISTRIBUTION ACCOUNT

LODGED BY :

BARNARD, Jacolien Frieda

BASSON, Deidre

BESTER, Herman

COOPER, Chavonnes Badenhorst St Clair

NDLOVU, Daniel Sandile

TITUS, Kevin

ROOS, Christopher James

VAN ROOYEN, Adriaan Willem

JOINT LIQUIDATORS

c/o INVESTRUST
64 STELLA STREET
BROOKLYN
PRETORIA
0.0184

REF: Riaan van Rooyen - 5 JUNIE 2023



MIRROR TRADING INTERNATIONAL (PTY) LTD. (IN LIQUIDATION)
MASTERS REFERENCE: C906/2020
RECONCILIATION STATEMENT

<u>BALANCE AS PER BANK STATEMENT AS AT 03/06/2023</u>	35,756,160.84
<u>BALANCE AS PER BANK STATEMENT AS AT 27/05/2023 (ABSA)</u>	767,390,235.97
	803,146,396.81
<u>Less: Refund deposited into wrong account</u>	7,036.50
	803,139,360.31

MASTERS FEES 275,000.00

PROVISION FOR RENEWAL OF SECURITY BOND

PROVISION FOR BANK CHARGES 5,000.00

PROVISION FOR ADVERTISING
as per Special Meeting 75.64

Refund : Investrust
Accommodation 10,835.13
Credit amount to open Estate account 50.00

SARS
28% Income Tax payable 29,576,716.59

INVESTRUST
Storage of records 1,050.00
Petties, Postage & Stationery 600.00
1,650.00
Add : VAT 15% 247.50 1,897.50

LIQUIDATORS FEES
Free Residue Account 120,438,500.44
Add : VAT 15% 18,065,775.07 138,504,275.51

BALANCE AVAILABLE FOR DISTRIBUTION
AND AWARDED AS FOLLOWS :-

Transfer to Second Account 634,765,585.58
Less: Special Meeting Costs 75.64 634,765,509.94

R 803,139,360.31 R 803,139,360.31

MIRROR TRADING INTERNATIONAL (PTY) LTD (IN LIQUIDATION)
MASTERS REFERENCE : C906/2020
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Less: Special Meeting Costs 75.64 634,765,509.94

R 803,139,360.31 R 803,139,360.31

[Handwritten signatures and initials]

MIRROR TRADING INTERNATIONAL (PTY) LTD (IN LIQUIDATION)
 MASTERS REFERENCE: C906/2020
 PROVISIONAL LIQUIDATORS ACCOUNT
 FREE RESIDUE ACCOUNT

RECEIPTS
 V/H
 NO

09/03/2021 Investtrust - credit to open Estates Bank Acc 50.00
 10/03/2021 **NEDBANK LTD** 1
 Debtor collected 743,299.65

LUNA ACCOUNT

Proceeds of BTC sold via Luna Platform

DATE	DESCRIPTION	AMOUNT	CUMULATIVE
10/03/2021	**1207240249	5,050.00	5,050.00
12/03/2021	**1207240249	499,950.00	499,950.00
18/03/2021	**13428627	1,010,000.00	1,010,000.00
18/03/2021	**13442588	2,525,000.00	2,525,000.00
18/03/2021	**13443438	4,329,755.63	4,329,755.63
18/03/2021	**13441810	4,349,504.42	4,349,504.42
18/03/2021	**13438054	4,365,818.63	4,365,818.63
18/03/2021	**13444297	9,361,240.55	9,361,240.55
18/03/2021	**13442257	12,979,349.41	12,979,349.41
18/03/2021	**13444091	13,012,222.74	13,012,222.74
18/03/2021	**13444255	16,160,000.00	16,160,000.00
18/03/2021	**13443194	66,351,865.68	66,351,865.68
19/03/2021	**13454620	4,297,143.16	4,297,143.16
19/03/2021	**13447596	8,596,007.68	8,596,007.68
19/03/2021	**13457303	39,110,044.77	39,110,044.77
19/03/2021	**13459922	43,079,187.41	43,079,187.41
20/03/2021	**13471758	4,322,383.12	4,322,383.12
20/03/2021	**13468849	21,676,819.53	21,676,819.53
20/03/2021	**13470927	38,961,792.68	38,961,792.68
20/03/2021	**13471895	43,045,561.97	43,045,561.97
23/03/2021	**13499050	20,200,000.00	20,200,000.00

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23/03/2021	**13515111	48,752,828.61
23/03/2021	**13513625	83,829,835.35
24/03/2021	**13534588	855,690.10
24/03/2021	**13520761	4,116,950.71
24/03/2021	**13526443	11,789,085.27
24/03/2021	**13529100	16,714,631.20
24/03/2021	**13526121	27,504,374.05
24/03/2021	**13525769	28,211,449.35
25/03/2021	**13545679	11,962,978.55
25/03/2021	**13541768	12,035,697.91
25/03/2021	**13548788	12,060,677.90
25/03/2021	**13542641	31,688,021.21
26/03/2021	**13552832	7,752,779.26
26/03/2021	**13558744	19,746,063.65
26/03/2021	**13559943	23,571,003.56
26/03/2021	**13558615	36,169,421.97
27/03/2021	**13578858	8,274,398.38
27/03/2021	**13580220	20,384,511.24
27/03/2021	**13578485	54,210,421.22
Balance carried forward		817,871,536.87
		743,349.65

MIRROR TRADING INTERNATIONAL (P) LTD. (IN LIQUIDATION)		MASTERS REFERENCE: C906/2020	
PROVISIONAL LIQUIDATORS ACCOUNT		FREE RESIDUE ACCOUNT	
RECEIPTS	V/H	NO	
Balance brought forward			
29/03/2021	**13608701		817,871,536.87
29/03/2021	**13603220		859,430.46
29/03/2021	**13602599		20,929,412.20
29/03/2021	**13587610		21,014,403.30
29/03/2021	**13600718		29,139,365.12
29/03/2021	**13599921		41,865,618.90
30/03/2021	**13615867		53,754,710.75
30/03/2021	**13617457		33,896,659.37
			49,180,904.22
			743,349.65

Less: As per Agreement and Negotiations		1,068,512,041.18	
Admin Cost for trading of BTC to Luno=1%		10,579,327.14	1,057,932,714.04
DEBTORS COLLECTED			
JG COVEIA			
14/01/2022	Joshua G Goveia	304,515.53	
24/01/2022	Joshua G Goveia	115,224.22	
05/05/2022	Joshua G Goveia	70,224.22	
23/06/2022	Joshua G Goveia	75,448.44	
26/07/2022	Joshua G Goveia	84,775.78	
03/10/2022	Joshua G Goveia	20,000.00	
05/10/2022	Joshua G Goveia	50,000.00	
10/10/2022	Joshua G Goveia	45,224.21	
(2 x Installments awaits @ R115224.22)		765,412.40	
15/11/2022	H Hanekom	111,000.00	
01/12/2022	IT Pollard	2,800,000.00	
13/12/2022	Walter Bell delivered BTC - liquidators sold	2,868,797.63	
15/12/2022	PJ Botes	7,629,939.01	
01/02/2023	C Bronkhorst - Proceeds of settlement	618,000.00	
16/05/2023	L Beets	972,458.75	15,765,607.79
20/05/2022	REGISTRATION OF CREDITOR in terms of Section 43 - C Marks		25.00
31/05/2022	LIQUIDATOR - BARNARD Refund Recoverable expenses		5,046.20
REFUNDS / TRANSFERS FROM ATTORNEYS			
07/12/2021	Vezi De Beer Attornes	110,000.00	
09/09/2022	Honey Att - 199051	1,242.00	111,242.00

Balance carried forward 1,074,557,984.68

RECEIPTS		MIRROIR TRADING INTERNATIONAL (PTY) LTD. (IN LIQUIDATION)	
		MASTERS REFERENCE: C906/2020	
		PROVISIONAL LIQUIDATORS ACCOUNT	
		FREE RESIDUE ACCOUNT	
		V/H	NO

Balance brought forward 1,074,557,984.68

STANDARD BANK and ABSA BANK
Interest as per schedule "B" 51,973,819.83

ABSA BANK
Interest as per schedule "B" 67,390,235.97

GRAND TOTAL 1,193,922,040.48

MIRROR TRADING INTERNATIONAL (PVT) LTD. IN LIQUIDATION
MASTERS REFERENCE : C906/2020
PROVISIONAL LIQUIDATORS ACCOUNT
FREE RESIDUE ACCOUNT

DISBURSEMENTS
V/H
NO





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Premium & Stamp Duty on Security

18/03/2021	Bond from 12/01/2021 TO 12/01/2022	575,000.00
22/04/2021	SAF524002PTA - 1st payment	1,000,000.00
23/04/2021	SAF524002PTA - 2nd payment	1,000,000.00
26/04/2021	SAF524002PTA - 3rd payment	1,000,000.00
26/04/2021	SAF524002PTA - 4th payment	1,000,000.00
28/04/2021	SAF524002PTA - 5th payment	1,175,000.00
25/11/2021	Increase amount on premium to R1,1b	575,000.00
17/01/2022	Bond from 12/01/2022 to 12/01/2023	6,325,000.00
29/12/2022	Bond from 12/01/2023 to 12/01/2024	18,975,000.00

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VEZI DE BEER ATTORNEY

06/09/2021	Taxed Bill of costs - Liquidation application	56,000.00
06/09/2021	Taxed Bill of costs - postponedment	54,000.00
13/09/2021	Taxed Bill of Costs - Oppose liquidation	478,061.11

BARN TRUST

01/04/2021	Travelling - Airline	2,899.00
23/03/2021	Travelling - Airline	4,163.00
01/03/2023	Payment	4,472.00

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BILL OF COSTS - INTERROGATION**ITO SECTION 417/418**

24/06/2021	Coombe Attorneys	1,123,407.45
21/05/2021	Coombe Attorneys	1,384,991.86
05/05/2021	Prorecordings (Pty) Ltd (1-4 June 2021)	8,114.40
05/05/2021	Coombe commercial - Brooklyn Chambers	23,000.00
23/04/2021	Coombe commercial - MPOT/MTI/0001 - \$15,000-00	214,353.15
21/04/2021	Coombe Attorneys	1,088,467.53
21/04/2021	Coombe Attorneys	323,618.70
21/04/2021	Coombe Attorneys	54,224.45
20/04/2021	Coombe Attorneys	502,687.06
	Less: Paid	204,200.00
23/03/2021	Coombe Attorneys	298,487.06
29/07/2021	Coombe Attorneys	644,304.09
29/07/2021	Coombe Attorneys	518,221.33
27/08/2021	Coombe Attorneys	966,540.06
	Coombe Attorneys	388,431.32

07/10/2021	Coombe Attorneys	465,570.96	
07/10/2021	Coombe Attorneys	94,498.97	
14/10/2021	Coombe Attorneys	19,167.16	7,615,398.49
TRANSCRIPTIONS			
21/05/2021	Inlexso - Urgent recordings typing	52,704.50	
09/04/2021	Inlexso - Urgent recordings typing	44,079.50	
09/12/2021	Inlexso - Urgent recordings typing	9,027.50	
27/01/2022	Inlexso - Urgent recordings typing	18,717.40	
02/03/2022	Invusa Trading 991	26,674.25	
18/03/2022	De Klerk & Van Gend	121,957.10	
30/03/2022	Invusa Trading 911	9,648.50	
	Balance carried forward	282,808.75	27,189,793.60

MIRROR TRADING INTERNATIONAL (PTY) LTD (IN LIQUIDATION)

MASTERS REFERENCE : C906/2020

PROVISIONAL LIQUIDATORS ACCOUNT

FREE RESIDUE ACCOUNT

DISBURSEMENTS

V/H
NO

23/05/2022	Balance brought forward	282,808.75	27,189,793.60
28/06/2022	Invusa Trading 911	14,518.75	
28/06/2022	Invusa Trading 911	25,852.00	
28/06/2022	Invusa Trading 911	13,736.75	
22/07/2022	Invusa Trading 911	5,209.50	
1/09/2022	Invusa Trading 911	29,727.50	
03/02/2023	Invusa Trading 911	3,852.50	
03/02/2023	Invusa Trading 911	7,256.50	
03/02/2023	Invusa Trading 911	22,896.50	
31/03/2023	Invusa Trading 911	64,448.50	470,307.25

MOSTERT & BOSMAN ATTORNEYS MB
Legal costs as per "Schedule Moster & Bosman"

STRYDOM, RABIE, HEIJSTEK & FAUL SRH
Legal costs as per "Schedule Strydom Rabie"

<u>TINTINGERS INC</u>	TT				801,106.23
Legal costs as per "Schedule Tintingers Inc"					
<u>DAVID H BOTHA DU PLESSIS</u>	14				
Services Rendered			56,350.00		
Services Rendered			566,795.80		613,145.80
<u>HANLIE DU PLOOY</u>	15				
Services Rendered					15,000.00
<u>JGL FORENSIC SERVICES</u>	16				
Specialist Investigation services					12,880.00
Forensic Investigation					320,571.10
<u>INVEST TRUST</u>					
Refund - Travelling & accommodation			33,635.14		
Refund - Travelling & accommodation			52,935.73		
Refund - Travelling & accommodation			29,503.00		116,073.87
<u>ALDO VAN ZYL</u>	17				
Upliftment of documents			400.00		
Assisting with submission on creditors Mtg			3,500.00		
Assisting with submission on creditors Mtg			1,500.00		
Assisting with submission on creditors Mtg			1,500.00		
Assisting with submission on creditors Mtg			1,500.00		8,400.00
<u>EXCELLENT GUEST HOUSE</u>	18				
Accommodation Cape Town Interrogation					10,835.13
<u>THE COMPUTER GUYZ</u>	CG				
Crypto Investigation Services per					
Schedule "The Computer Guys"					13,667,553.35
Balance carried forward					92,142,390.41

MIRROR-TRADING INTERNATIONAL (Pty) Ltd IN LIQUIDATION

MASTERS REFERENCE C906/2020
PROVISIONAL LIQUIDATORS ACCOUNT
FREE RESIDUE ACCOUNT

DISBURSEMENTS
V/H
NO

Balance brought forward			92,142,390.41
ADV VICTOR - Crypto Invest Services	VV		
Crypto Investigation Services and			
Interrogation services per Schedule "Adv Victor"			5,966,003.67
KOPANO AUCTIONS	19		
Travelling - serve of documents			14,203.41
EBBE DOMNISSEE BESTUURSDIENSTE	20		
23/08/2021 Media liasing		13,800.00	
23/08/2021 Media liasing		57,500.00	
26/08/2021 Rapport		70,794.00	
13/09/2021 Arena Holdings - Media		33,972.84	
06/10/2021 Media liasing		34,500.00	
18/11/2021 Media liasing		30,000.00	
09/12/2021 Media liasing		39,000.00	
07/03/2022 Media liasing		34,500.00	
06/05/2022 Media liasing		21,562.50	
27/05/2022 Media liasing		39,675.00	
12/11/2022 Media liasing		29,325.00	
04/05/2023 Media liasing		28,175.00	
			361,504.34
ADMINISTRATION ASSISTANCE	21		
03/08/2021 Miller Cost consultancy		18,105.60	
21/12/2021 A Rossouw		20,000.00	
27/01/2022 A Rossouw		1,698.84	
02/02/2022 A Rossouw		20,000.00	
02/03/2022 A Rossouw		20,000.00	
30/03/2022 A Rossouw		20,000.00	

29/04/2022	A Rossouw	20,000.00			
30/05/2022	A Rossouw	20,000.00			
01/07/2022	A Rossouw	20,000.00			
29/07/2022	A Rossouw	20,000.00			
11/08/2022	De Oliveira Serrao	1,925.56			
30/08/2022	A Rossouw	20,000.00			
12/10/2022	A Rossouw	11,650.00			213,380.00
COST CONSULTANCE - COETZEE CK					
Cost as per Schedule " Coetzee Cost Consultant"					
					407,474.89
L DREYER 22					
Enquiry - subpoena					
					1,389.00
ADV SJ VAN RENSBURG 23					
25/04/2022	Attending pending court case - briefings	136,440.00			
25/04/2022	Attending pending court case - briefings	68,670.00			
25/04/2022	Attending pending court case - briefings	116,370.00			
22/07/2022	Attending pending court case - briefings	68,400.00			389,880.00
Balance carried forward					
99,567,525.72					
MIRROR TRADING INTERNATIONAL (PTY) LTD (IN LIQUIDATION)					
MASTERS REFERENCE: C906/2020					
PROVISIONAL LIQUIDATORS ACCOUNT					
FREE RESIDUE ACCOUNT					
DISBURSEMENTS					
Balance brought forward					
COST FOR SECOND/GENERAL MEETING					
18/11/2021	Media 24 - waste cost for re-convening	1,047.88			
25/11/2021	Media 24	1,047.88			
17/01/2022	Independent Newspaper	899.30			
17/01/2022	Independent Newspaper	899.30			
22/02/2022	CS Stewart - attending meeting on behalf				
99,567,525.72					

08/03/2022	of investor creditors Schabort & Potgieter - attending meeting on behalf of investor creditors	300,000.00	
06/05/2022	Schabort & Potgieter - attending meeting on behalf of investor creditors	84,286.43	
30/05/2022	Schabort & Potgieter - Recoverable	198,480.41	
29/07/2022	Government Printer - F2	3,467.63	
		37.82	590,166.65
25/04/2022	<u>BECKER ATTORNEYS</u> Costs!!!!		690.00
	<u>SCHABORT & POTGIETER INC</u> SP Legal Costs as per "Schedule Schabort & Potg"		3,544,857.16
12/09/2022	<u>HONEY ATTORNEYS</u> Legal Costs	56,199.35	
16/11/2022	Legal Costs	728,437.33	
13/12/2022	Legal Costs	386,721.38	
31/03/2023	Legal Costs	544,934.39	1,696,292.45
12/11/2022	<u>MAZARS</u> Audit iro SARS claim and negotiations	177,251.43	
13/12/2022	Audit iro SARS claim and negotiations	67,477.50	
31/03/2023	Audit iro SARS claim and negotiations	55,890.00	300,618.93
06/05/2022	<u>CLEVERCOM (PTY) LTD</u> Services Rendered	1,552.50	
06/05/2022	Services rendered	29,325.00	30,877.50
09/06/2022	<u>KONICA MINOLTA</u> Rental of Bizhub copier plus copies	2,992.30	
01/09/2022	Rental of Bizhub copier plus copies	6,762.85	
12/11/2022	Rental of Bizhub copier plus copies	3,579.30	
06/12/2022	Rental of Bizhub copier plus copies	3,579.30	
13/12/2022	Rental of Bizhub copier plus copies	2,113.07	
03/02/2023	Rental of Bizhub copier plus copies	5,421.72	
18/04/2023	Rental of Bizhub copier plus copies	1,683.53	

18/04/2023 Rental of Bizhub copier plus copies

10,936.46

37,068.53

STORAGE OF RECORDS

Add: VAT 15%

1,050.00

157.50

1,207.50

Balance carried forward

105,769,304.44

MIRROIRTRADING INTERNATIONAL (PTY) LTD (IN LIQUIDATION)
 MASTERS REFERENCE : C906/2020
 PROVISIONAL LIQUIDATORS ACCOUNT
 FREE RESIDUE ACCOUNT

DISBURSEMENTS

V/H	NO

Balance brought forward

105,769,304.44

BANK CHARGES

Bank Charges - Current Account

6,058.70

Bank Charges - Investment Account

-

Provision for Bank Charges

5,000.00

11,058.70

PETTIES, POSTAGE & STATIONERY

Add: VAT 15%

600.00

90.00

690.00

SARS

Income Tax as per Schedule "B"

29,576,716.59

MASTERS FEES

Maximum Payment on Masters Fees

275,000.00

INVESTMENT

Refund on credit to open Estate Bank Account

50.00

02/03/2022 Suspense account - recoverable disbursements

8,000.00

11/10/2022 Suspense account - recoverable disbursements

39,210.00

09/12/2022 Suspense account - recoverable disbursements

20,698.96

67,958.96

WILCO / CLAIMS

30

18/03/2022 Receiving, scrutinizing and administering investors claims for the period of 12 months approximately 1500 claims completed and appears to be in order for prove.

A further 4500 claims received for scrutinizing and administering for prove
Average time spend per claim - 30 min @
rate of R500,00 per hour including petties

16/05/2022	Scrutinizing	375,000.00	
22/07/2022	Scrutinizing	123,000.00	
12/09/2022	Scrutinizing	103,500.00	
05/10/2022	Scrutinizing	73,840.00	
03/11/2022	Scrutinizing	107,500.00	
02/12/2022	Scrutinizing	76,025.00	
15/12/2022	Scrutinizing	126,825.00	
26/01/2023	Scrutinizing	126,025.00	
31/03/2023	Scrutinizing	116,450.00	
02/06/2023	Scrutinizing	158,300.00	
		136,875.00	1,523,340.00

LIQUIDATORS FEES

10% on R1,068,512,041-18
1% on R743,299-65
10% on R15,765,607-79
10% on R51,973,819-83
10% on R67,390,235-97

106,851,204.12
74,329.97
1,576,560.78
5,197,381.98
6,739,023.60
120,438,500.44
18,065,775.07

Add: VAT 15%

Balance carried forward

138,504,275.51
275,728,344.20

MIRROR TRADING INTERNATIONAL (PTY) LTD IN LIQUIDATION

MASTERS REFERENCE: C906/2020

PROVISIONAL LIQUIDATORS ACCOUNT

FREE RESIDUE ACCOUNT

DISBURSEMENTS	V/H	NO
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Balance brought forward

275,728,344.20

BALANCE AVAILABLE FOR DISTRIBUTION
AND AWARDED AS FOLLOWS:-

PREFERENT ITO SECTION 99

Claim No: 3126A - Full & Final settlement

*This payment was done subject to the
order postponed to 2 Nov 2023 for final granting*

283,428,110.70

Balance transfer to Second Account

634,765,585.58

RM193,922,040.48



**CHRONOLOGY OF EVENTS IN THE ESTATE OF
MIRROR TRADING INTERNATIONAL (PTY) LTD (IN LIQUIDATION)
("MTI") – MASTER'S REF: C906/2020**

DATE	EVENT	DESCRIPTION
2020		
23.12.2020	Application for liquidation of MTI as instituted by Mr AFM Lee under case number 19201/2020.	
29.12.2020	MTI was placed under provisional liquidation as per the order of the Honourable Mr Justice Rogers in the Western Cape High Court, Cape Town.	
2021		
20.01.2021	Certificate of appointment of provisional liquidators issued by the Master of the High Court, Cape Town.	Mr Van Rooyen, Mr Bester, Ms Barnard, Ms Basson and Mr Roos were appointed as the joint provisional liquidators of MTI ("the provisional joint liquidators")
21.01.2021	Application for the extension of the powers of the provisional liquidators issued in the Western Cape High Court, Cape Town under case number 935/2021. This application was instituted in order to extend the powers of the provisional liquidators (which is limited in accordance with the applicable legislation) in order to allow the provisional joint liquidators to instruct attorneys, to commence enquiries and to institute the necessary legal applications/actions.	Application for an order extending the powers of the provisional liquidators in terms of Section 386(5) and 387(3) of the Companies Act, 61 of 1973 (as amended) ("the 1973 Companies Act") read with item 9 of schedule 5 of the Companies Act, 71 of 2008 (as amended) ("the 2008 Companies Act") and for the convening of a commission of enquiry in terms of the provisions of Section 417 and 418 of the 1973 Companies Act and the appointment of a commissioner in terms of Section 418 of the 1973 Companies Act, read with item 9 of schedule 5 of the 2008 Companies Act.
22.01.2021	Order granted by the Honourable Justice De Villiers (acting) in the Western Cape High Court, Cape Town in terms of	

	which the powers of the provisional liquidators were extended.	
19.02.2021– 26.02.2021	The provisional liquidators gave instruction to their attorneys to proceed with an enquiry in terms of Sections 417 and 418 of the Companies Act in respect of the management of MTI.	The attorneys issued subpoenas against inter alia Mr Marks, Ms Marks, Mrs Steinberg, Mr Samuels, Ms Coetzee and Ms Kritzinger.
10.03.2021	Interim report issued by Commissioner Fabricius	The interim report dealt with the evidence given by the management of MTI and Commissioner Fabricius provided his interim findings.
23.03.2021– 30.03.2021	The further enquiry of management and certain investors in MTI.	The enquiry in respect of management was continued, based on the previous evidence. Certain of the top 50 biggest winners were interrogated during this round of enquiry. It is important to take note that these winners were identified based on the "leaked" MTI data and not the actual Maxtra data which was later retrieved by TCG Forensics.
06.04.2021	The attorneys for the liquidators issued subpoenas to the various crypto currency exchanges in South Africa, in order to ascertain whether the top 50 biggest winners (again based on the "leaked" MTI data) held any crypto currency wallets in the respective South African exchanges. The purpose of this exercise was to ascertain whether there was any bitcoin situated within South Africa, against whom the liquidators could pursue preservation applications.	
08.04.2021	Application issued in the High Court of South Africa, Limpopo Division, Polokwane under case number 2368/2021 for the sequestration of the estate of Mr Cornelius Johannes Steynberg.	
13.04.2021	Order granted by the Honourable Judge President Makgoba in the High Court of South Africa, Limpopo Division, Polokwane under case number	

	2368/2021 in which the estate of Mr Cornelius Johannes Steynberg was placed under provisional sequestration.	
22.04.2021	Commissioner Fabricius issued his second report on the 417/418 enquiries	
07.05.2021	Application issued in the Western Cape High Court under case number 19201/2022 ("the application to declare the business model of MTI unlawful").	The joint liquidators of MTI intervened in the liquidation application of MTI and sought an order to <i>inter alia</i> declare the business model of MTI unlawful, declare bitcoin as immovable property and to seek certain declaratory relief pertaining to Sections 26 and 29 of the Insolvency Act. This application was later opposed by Mr Marks, Mr Honiball and the GetAQuid Group as well as certain MTI investors. This application was subject to various postponements (as can be seen from this timeline), due to various interlocutory applications, including <i>inter alia</i> applications for postponement, application for referral to oral evidence, counter applications etc.
10.05.2021	The provisional liquidators of MTI issued instruction to TCG Digital Forensics CC to electronically acquire a back-up file of the so-called MTI back-office from the Indian company, Maxtra Technologies, who provided the hosting services for the back-office to MTI.	Maxtra Technologies provided hosting services for the MTI back-office. Upon the disappearance of Mr Steynberg, the MTI back-office collapsed and therefore TCG was instructed to obtain a copy thereof. It is important to note that the management of MTI did not keep any formal books or records of the company and the MTI back-office was seen as the only complete form of recordkeeping pertaining to bitcoin invested by and paid out to investors. The process of the reinflation thereof was a massive undertaking, which, to date, is still being undertaken. It is important

		to note that various investors opened numerous accounts under fictitious names and that the only requirement for an account in MTI was either a telephone number or an e-mail address. Therefore, the tracing and respective clustering of the MTI investors remains a difficult process.
15.06.2021	The liquidation application was argued in the High Court of South Africa, Western Cape Division, Cape Town and the application to declare the business model of MTI unlawful was postponed.	The liquidation application was opposed by Mr Marks on various grounds.
16.06.2021	Commissioner Fabricius issued his third report on the 417/418 enquiries. The report dealt with the evidence provided during the enquiries, which report would be utilised for various future applications and actions.	
30.06.2021	MTI placed under final liquidation by order granted by the Honourable Acting Justice De Wet in the Western Cape High Court under case number 19201/2020.	
27.07.2021	Order granted by the Honourable Judge Muller in the Limpopo High Court, Polokwane under case number 2368/2021.	The estate of Mr Cornelius Johannes Steynberg was finally sequestrated.
03.08.2021	Application issued in the High Court of South Africa, Limpopo Division, Polokwane under case number 5517/2021, in which the provisional liquidators applied for the liquidation of JNX Online (Pty) Ltd.	JNX Online (Pty) Ltd was a company of which Mr and Mrs Steynberg were directors. As MTI had no bank account, Mr Steynberg abused the bank account of JNX Online, in which the ZAR value of MTI bitcoin that was sold were deposited, in order for JNX Online to pay the day-to-day expenses of MTI. The purpose of the liquidation application was for the company to be liquidated, whereafter liquidators would be appointed to investigate the potential claims of MTI against JNX Online and vice versa.

31.08.2021	Order granted by the Honourable Judge President Makgoba in the High Court of South Africa, Limpopo Division, Polokwane under case number 5517/2021 in terms of which JNX Online (Pty) Ltd was finally wound up.	
03.09.2021	The joint liquidators issued a new Notice of Motion under case number 15426/2021 in the application to declare the business model of MTI unlawful.	At the instance of the Acting Judge de Wet, the joint liquidators issued a new Notice of Motion under a new case number (in terms of which all papers previously filed under case number 19201/2020 were deemed to be part of the record of this application. The joint liquidators continued with the same relief sought in the application to declare the business model of MTI unlawful.
08.09.2021	The application to declare the business model of MTI unlawful was argued in the Western Cape High Court, Cape Town in front of Acting Madam Justice De Wet.	The opposed application was argued and postponed to a future date, due to various interlocutory applications.
10.09.2021	Postponement of the first meeting of creditors before the Master of the High Court, Cape Town	
05.11.2021	The first meeting of creditors was held before the Master of the High Court, Cape Town	
10.11.2021	The attorneys for the liquidators at the time (M&B and SRI) received a list from TCG Forensics containing the particulars of investors, who would later be classified as the top 200 biggest "winners" in MTI.	After the list had been received, the attorneys were instructed to proceed with enquiries against the top 200 winners and to pursue the applicable claims in terms of the provisions of the Insolvency Act. Kindly take note that up until this time, TCG had only attended to identify, investigate and cluster the top 200 biggest "winners" (i.e. the top 200 biggest claims in terms of Section 26 of the Insolvency Act). After the list was received, the relevant subpoenas were issued and the enquiries against the

		respective "winners" commenced up until at least the middle of 2023.
11.11.2021	Certificate of appointment by the Master of the High Court Cape Town of joint liquidators.	The provisional liquidators were appointed as final liquidators, together with Mr Chavonnes Cooper.
30.11.2021	The joint liquidators filed the report in terms of Section 402 of the Companies Act No 61 of 1973, as amended, to be submitted at the second statutory meeting of creditors and contributories	
06.12.2021	Application issued in the Western Cape High Court under case number 20660/2021 ("Boshoff & Others v Bester N.O. & Others")	6 MTI Investors (being some of the biggest "net winners" in the MTI scheme) issued an application in terms of which they seek an order to set aside the 417/418 enquiry process. These 6 investors were part of the top 200 biggest "winners" in MTI and were subpoenaed to appear before a commission of enquiry on 8 to 9 December 2021.
07.12.2021	The matter of Boshoff & Others v Bester N.O. & Others was argued in the Western Cape High Court, Cape Town.	During the argument it was agreed between the parties that a draft order would be prepared (which would form an agreement prior to judgment) that only the enquiry in respect of the Sixth Applicant would be postponed pending the final determination of the matter and that the enquiry in respect of the remaining investors would continue.
08.12.2021- 10.12.2021	M&B attended to an enquiry in respect of certain of the top 200 "winners". The importance of this enquiry was to ascertain the veracity of the reinflated MTI data, by comparing same with the exchange wallets and internal records of the witnesses who gave evidence during the enquiry. It was also important to ascertain the quantum of the respective claims against the winners. This was the first round of enquiry against the top 200 biggest "winners" of MTI and this process continued up until	

	such time as M&B and SRI received instructions to proceed with the first round of enquiry in respect of the top 100 biggest winners. These enquiries were continuously convened and M&B thereafter held enquiries during February 2022, March 2022, May 2022, June 2022, August 2022, November 2022 and January 2023 in respect of the top 200 biggest "winners". The top 200 biggest winners were all subpoenaed to appear at the enquiry. These enquiries were attended to by both M&B and SRI.	
2022		
11.01.2022	Mr and Mrs Marks issued an application in the Western Cape High Court, Cape Town under case number 609/2022 seeking to restrain and interdict the liquidators from proceeding in any way with an enquiry against Mr and Mrs Marks.	This matter has not been finalised and is set down for hearing on 9 May 2024.
19.01.2022	Judgment electronically delivered by the Honourable Justice Baartman.	Judgment granted in terms of which, pending the final determination of this application, the interrogation of the Applicants in the commission of enquiry under Section 417 and 418 of the Companies Act, 61 of 1973, authorised in terms of the order of this court under case number 935/2021 dated 22 January 2021, was stayed.
04.02.2022	The second meeting of creditors was held before the Master of the High Court Cape Town and the resolutions submitted by the liquidators in terms of Section 402 of the Companies Act, 61 of 1973 was adopted.	
08.02.2022- 11.02.2022	The joint liquidators instructed their attorneys to proceed with an enquiry against certain of the top 200 biggest winners in the MTI estate (based on the "reinflated" MTI back-office). *This process was continued up until	

	November 2023 and the enquiries have not yet been finalised.	
18.02.2022	Application issued in the Western Cape High Court under case number 2955/2022 in which the joint liquidators seek an order preserving MTI bitcoin in the wallet addresses belonging to Mr JU Bell and Mr NJ van der Merwe.	
20.02.2022	The application to declare the business model of MTI unlawful was further argued in front of Acting Madam Justice De Wet.	The matter was postponed to a further date.
30.03.2022	Application issued against Mr GFM Beetge in the Western Cape High Court under case number 7512/2022.	Preservation application issued in terms of which the joint liquidators of MTI seek to preserve an immovable property which was purchased with bitcoin directly emanating from MTI.
11.04.2022	Commissioner Fabricius issued his fourth report on the 417/418 enquiries.	
11.04.2022	Order granted by the Honourable Justice Papier in the Western Cape High Court under case number 7512/2022.	Preservation order granted against the immovable property of Mr GFM Beetge.
29.04.2022	The application to declare the business model of MTI was further argued in front of Acting Madam Justice De Wet.	The matter was postponed to a return date.
03.05.2022	Action instituted in the High Court of South Africa, Gauteng Division, Pretoria under case number 24145/2022 ("the 424 action")	The liquidators of MTI issued a summons against the management of MTI
16.05.2022	The application to declare the business model of MTI unlawful was further argued in front of Acting Madam Justice De Wet.	
25.05.2022	The joint liquidators issued an action in the High Court of South Africa, Gauteng local division, Johannesburg under case number 18751/2022 against Ipeleng Risk Management Services (Pty) Ltd.	The liquidators issued an action against Ipeleng Risk Management Services (Pty) Ltd for repayment of monies in terms of Section 341(2) of the 1973 Companies Act, for security services that were rendered by Ipeleng to the management of MTI.
31.05.2022	Order granted by the Honourable Justice Cloete in the Western Cape High Court.	Order granted preserving the bitcoin in the relevant wallets of Mr JU Bell and Mr NJ van der Merwe.

31.05.2022	The application to declare the business model of MTI unlawful was further argued in front of Acting Madam Justice De Wet.	This was the "final argument" in the matter. Upon the Instance of Acting Madam Justice De Wet, the parties were ordered to prepare certain notes in respect of new issues that was raised during argument.
31.05.2022	The first batch of summonses was issued against members of the top 200.	These were the first summonses that were issued. The issuing of summonses against the top 200 and above 1 bitcoin winners thereafter continued as and when the enquiries were finalised and the relevant information obtained. It is important to note that summons were first issued against the top 200 (as the investigation into the top 200 biggest "winners" were the first batch that was completed by TCG, thereafter against the 1 bitcoin winners and thereafter the remaining investors of MTI (which instruction was only given during late 2023).
17.08.2022	Application issued in the Western Cape High Court under case number 13721/2022 ("the claims declarator application").	The joint liquidators seek an order declaring how they should deal with claims by and against those who deposited bitcoin in MTI, based on the three separate classes of investors as dealt with in the application. The liquidators further seek declaratory relief how to deal with claims received by the creditors of the MTI estate, specifically relating to the three classes of investors.
31.08.2022	Provisional order granted by the Honourable Justice Dolamo in the Western Cape High Court under case number 13721/2022 (the claims declarator application).	It was ordered that the joint liquidators were permitted to prosecute this application on an <i>ex parte</i> basis and a return date of 31 October 2022 was given for interested and/or effected parties to show cause why the order should not be made final.

14.09.2022	Application issued in the Western Cape High Court under case number 15488/2022 (second preservation application against Mr Van der Merwe)	The joint liquidators issued an application in terms of which they sought an order preserving MTI bitcoin situated within the listed wallet addresses of Mr NJ van der Merwe. The purpose of this application was to preserve the total of 58.111 bitcoin that flowed directly from MTI into the respective wallets of Mr Van der Merwe. The application sought to obtain an order to restrict Mr Van der Merwe to deal with the bitcoin in any manner whatsoever, up until such time as any action proceedings against him had been finalised.
16.09.2022	Provisional order granted by the Honourable Justice Mantame in the Western Cape High Court in terms of which all interested persons were called upon to appear and show good cause on 1 November 2022 on why the order in the second preservation application against Mr Van der Merwe should not be made final	
20.09.2022	Order granted by the Honourable Justice E Steyn under case number 20660/2021 ("Boshoff & Others v Bester N.O. & Others") in terms of which the interim order granted on 8 December 2021, was discharged and in terms of which the First to Fifth Applicants were directed to appear in person at the commission of enquiry of MTI on the dates provided for in the order and to furnish the relevant documentation as per annexure "A" thereto.	
03.10.2022	Application issued in the High Court of South Africa, Northern Cape Division, Kimberley under case number 1951/2022 against Mr and Mrs Moelich for the preservation of certain immovable property ("the Moelich preservation application").	The preservation application was instituted based on the fact that the immovable property was entirely purchased with the proceeds of bitcoin received from MTI.



22.10.2022	The Moelich application was argued in the High Court of South Africa, Northern Cape Division, Kimberley. A <i>rule nisi</i> was successfully granted with a return date being 2 December 2022.	
08.11.2022	The application to declare the business model of MTI unlawful was finally argued in the Western Cape High Court, Cape Town in front of Acting Madam Justice De Wet.	At the instance of the Honourable Acting Justice De Wet, the parties were requested to return to court in order to deal with certain aspects of the previous argument. During the argument, counsel for Mr Marks raised new matter and the judge subsequently requested that certain notes be prepared by the parties, which were attended to. Judgment in the matter was reserved.
02.12.2022	Order granted by the Honourable Acting Justice Sleserhagen in the High Court of South Africa, Northern Cape Division, Kimberley in the Moelich application in terms of which the <i>rule nisi</i> was confirmed and the preservation order granted.	
2023		
05.04.2023	Certificate of appointment by the Master of the High Court Cape Town. Mr DS Ndlovu and Mr K Titus were added as co-liquidators in terms of Section 374 of the Companies Act, 61 of 1973, with the original joint liquidators.	
26.04.2023	Order granted by the Honourable Acting Justice De Wet in the High Court of South Africa, Western Cape Division, Cape Town under case number 15426/2021 (the application to declare the business model of MTI unlawful)	It was ordered that the business model of MTI was declared to be an illegal and unlawful scheme, that all agreements concluded between MTI and its investors in respect of the trading/management/investment of bitcoin for the purported benefit of the investors, were declared unlawful and <i>void ab initio</i> and the remainder of the relief of the Applicants were refused and costs associated with the opposition of the application was granted. The respective interlocutory applications,

		including <i>inter alia</i> the counter application of the Second Respondent (Mr Marks) and the application for referral of oral evidence by the Third Respondent (Mr Honiball) was dismissed with costs.
16.05.2023	Application issued in the Western Cape High Court under case number 7689/2023 ("the application for declaratory relief regarding SARS settlement").	The joint liquidators of MTI sought declarator relief from the Western Cape High Court regarding settlement with SARS.
19.05.2023	Mr Marks issued an application in the High Court of South Africa, Western Cape Division, Cape Town under case number 15426/2021 for an application for leave to appeal against the judgment granted by the Honourable Acting Justice De Wet on 26 April 2023.	
23.05.2023	Order granted by the Honourable Acting Judge Adhikari in the Western Cape High Court, Cape Town under case number 7689/2023 (SARS Settlement Application)	Acting Judge Adhikari made a provisional order in which the settlement agreement between the joint liquidators and SARS was approved with provision being made for publication and a return date on which any interested and/or effected party may oppose the final relief sought
23.06.2023	Argument was heard by the Honourable Acting Justice De Wet in the High Court of South Africa, Western Cape Division, Cape Town under case number 15426/21	The argument in the application for leave to appeal was heard by Acting Judge De Wet. After the conclusion of the argument, the parties were requested to file further supplementary notes on which date the Applicants delivered their supplementary note, pertaining to Uniform Rule 49(1) and new grounds raised during argument on even date.
21.08.2023	Order granted by the Honourable Acting Justice De Wet in the High Court of South Africa, Western Cape Division, Cape Town under case number 15426/2021	The application for leave to appeal by Mr Marks was dismissed with costs.
20.09.2023	Mr Marks instituted an application for leave to appeal in the Supreme Court of Appeal (case number 947/2023) against	

	the order of Acting Judge De Wet (court a quo case number 15426/2021)	
27.09.2023	MTI training was convened during which M&B, SRI and TCG provided a brief background on MTI, as well as the proposed manner in which the panel of attorneys should proceed with the collection against the investors against whom there were claims in terms of the applicable Insolvency Legislation.	At this stage TCG were still busy refining the MTI back-office data by attending to the further clustering of accounts, as well as the allocation to the respective attorneys.
24.10.2023	The panel of attorneys received instructions from the liquidators to proceed with the issuing of summons against the investors allocated to each respective firm (this excluded the top 200 and above 1 bitcoin winners, against whom M&B and SRI had already taken the necessary steps). This exercise entailed that all possible claims in terms of Section 26, 29 and 30 of the Insolvency Act would be instituted against the investors to which it was applicable.	
02.11.2023	Order granted by the Honourable Acting Judge President Goliath under case number 7689/2023 (SARS Settlement Application)	In terms of the order, the provisional order issued out of the Western Cape High Court on 23 May 2023 was confirmed and the costs of the application was ordered to form part of the costs of the winding up of MTI.
09.11.2023	Judgment delivered electronically by Acting Judge Maher in the claims declarator application.	The judgment dealt with the manner in which the liquidators must deal with claims received by the MTI creditors, specifically relating to the three classes of investors.
28.11.2023	Court order handed down by the Supreme Court of appeal under case number 947/2023 in which the application for leave to appeal of Mr Marks was dismissed with costs on the grounds that there is no reasonable prospect of success in an appeal and that there was no other compelling reason why an appeal should be heard	

20.12.2023	Mr Marks instituted a Section 17(2)(f) reconsideration application in the Supreme Court of Appeal	The liquidators filed their answering affidavit on 7 February 2024. Mr Marks did not file any further affidavit(s).
17.04.2024	Order granted by the Honourable Justice Molemela in the SCA regarding the Section 17(2)(f) reconsideration application	The reconsideration application was dismissed with costs for the reason that no exceptional circumstances warranted reconsideration or variation of the decision refusing the application for leave to appeal.






08 April 2021

Deposits Into and Withdrawals of Bitcoin from Mirror Trading International

During the investigation by the FSCA into Mirror Trading International (Pty) Ltd, also known as MTI, search and seizure operations were conducted on 26 October 2021 by FSCA appointed investigators (which included investigators from JGL Forensic Services) at three premises identified as linked to MTI. One of these premises was the residential address of Mr Cornelius Johannes Steynberg (also known as Johann Steynberg) in Polokwane. During the execution of the search and seizure warrant at the residential address of Mr Steynberg, a copy of the MyMtiClub database as last updated on 17 October 2020 was seized.

MyMtiClub contains the recordkeeping system of Bitcoin in MTI, this includes deposited by members, transferred between members in MTI, so-called returns on bitcoin generated by trading, the leadership bonuses awarded to those who qualified, the referral bonuses to members who referred others, and the record of withdrawals made by members. In short – it is the full administrative record of the bitcoin in the scheme. On 17 October 2020, the MyMtiClub database contained records for 203,055 members.

Subsequent analysis by JGL Forensic Services of deposits of Bitcoin into MTI based on the seized 17 October 2020 version of the MyMtiClub database, revealed that deposits amounting 29,421.03379 Bitcoin, indicated as "Payment Approved" on the system, were made into MTI.¹

Withdrawals of Bitcoin from MTI based on the 17 October 2020 MyMtiClub database version seized amounted to 21,681.20112 Bitcoin.

The difference indicated a value of 7,739.83266 Bitcoin in the MyMtiClub system as at 17 October 2021.

A handwritten signature in black ink, appearing to read 'Lombaard'.

Dr C. Lombaard
Lead Investigator: JGL Forensic Services

¹ This excluded one "Payment approved" entry of "2826413650.11035" for user ID 4759784 which based on the value appears to have been a typographical error. User ID 4759784 was assigned to "Inuwa Salihu-Dogo" who appears to be from Nigeria.

AA12

NB3

X
22/1/21

Extension of Powers

IN THE HIGH COURT OF SOUTH AFRICA
[WESTERN CAPE DIVISION, CAPE TOWN]

Case No. 935/2020

CAPE TOWN, On Friday the 22nd of January 2021

Before his Honourable Justice De Villiers (Acting)

In the ex parte application of:

HERMAN BESTER N.O.

2021-01-22

First Applicant

ADRIAAN WILLEM VAN ROOYEN N.O.

Second Applicant

CHRISTOPHER JAMES ROOS N.O.

Third Applicant

JACOLIEN FRIEDA BARNARD N.O.

Fourth Applicant

DEIDRE BASSON N.O.

Fifth Applicant

*(In their capacities as the duly appointed joint provisional liquidators of
Mirror Trading International (Pty) Ltd (in provisional liquidation))*

(for an order extending the powers of the Applicants in terms of Section 386(5) and 387(3) of the Companies Act, 61 of 1973 (as amended) ("the 1973 Companies Act") read with Item 9 of Schedule 5 of the Companies Act, 71 of 2008 (as amended) ("the 2008 Companies Act") and for the convening of a Commission of Enquiry in terms of the provisions of Section 417 and 418 of the 1973 Companies Act and the appointment of a Commissioner in terms of Section 418 of the 1973 Companies Act read with Item 9 of Schedule 5 of the 2008 Companies Act)

[Handwritten signatures]

ORDER

HAVING READ THE PAPERS FILED OF RECORD and having heard counsel for the Applicants an order is made in the following terms:

1. Authorising the applicants to bring this application in terms of the provisions of section 386(5) and 387(3) of the Companies Act, 61 of 1973, as amended ("the 1973 Companies Act") read with Item 9 of Schedule 5 to the Companies Act 71 of 2008, as amended ("the 2008 Companies Act").
2. Authorising the applicants in terms of section 386(5) and 387(3) of the 1973 Companies Act read with section 386(4) to:

2.1 Institute or defend actions or other legal proceedings in terms of section 386(4)(a);

2.2 Obtain legal advice on any question of law affecting the administration of Mirror Trading International (Pty) Ltd ("MTI") and to engage the services of attorneys and counsel in connection with any matter arising out of or relating to MTI;

Agree with such attorneys and counsel on the tariff or scale of fees to be charged by and paid to such attorneys and/or counsel for the rendering of services to MTI and to conclude written agreements with the attorneys and/or counsel in the form contemplated in and by section 73(2) of the

2021-01-23

Insolvency Act, 24 of 1936 read with section 339 of the 1973 Companies Act;

- 2.4 Pay the attorneys and/or counsel the agreed costs and the disbursements incurred by the attorneys and counsel out of the funds of MTI as costs in the administration of MTI as and when such services are rendered and disbursements are made;
- 2.5 Agree to any reasonable offer of composition made to MTI by any debtor and to accept payment of any part of a debt due to MTI in settlement thereof or to grant an extension of time for the payment of any such debt in terms of section 386(4)(b);
- 2.6 Open an on-line cryptocurrency trading account in the name of, alternatively on behalf of MTI and to receive cryptocurrency to be recovered on behalf of MTI, in such account;
- 2.7 Sell any movable property of MTI, including any Bitcoin or other form of cryptocurrency, by public auction, public tender, private treaty or relevant platform, as the case may be, and to give delivery thereof in terms of section 386(4)(h)
- 2.8 Engage the services of bookkeepers, accountants, auditors, forensic accountants, forensic digital experts, investigators, key staff or any other person for any purpose for which they may be required in relation to the

affairs of MTI and to treat the costs so incurred as costs in the administration in terms of section 386(4)(i).

3. Ratifying and confirming all such actions already taken by the applicants as fall under section 386(4)(a) of the 1973 Companies Act, including the engagement by the applicants of attorneys and counsel to bring this application.
4. That a commission of enquiry into the affairs of MTI be held in terms of the provisions of section 417 read with section 418 of the 1973 Companies Act read with Item 9, Schedule 5 of the 2008 Companies Act ("the enquiry").
5. That Mr Adriaan Serfontein Hurter, Mr Lambertus Von Wielligh Bester, retired Judge Eberhard Bertelsmann and, conditional upon his acceptance of this appointment pursuant to the granting of this order, retired Judge Hans-Joachim Fabricius, be appointed as commissioners in terms of section 418(1)(a) of the 1973 Companies Act and that they be authorised to fix the time(s) and place(s) for the holding of the enquiry as they in their sole direction deem fit.
6. That the Master of the High Court, Cape Town be authorised to appoint commissioners in addition to the court appointed commissioners, upon the Applicants' duly motivated request to do so ("the additional appointed commissioners").
7. That the enquiry be referred to the court appointed commissioners and, applicable, to the additional appointed commissioners and to the duly designated magistrate in any one of the following magistrate courts:

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(i) Magistrate Court, Stellenbosch;

(ii) Magistrate Court, Cullinan;

(iii) Magistrate Court, Durban.

("the designated magistrates")

8. That the applicants are authorised to proceed with the whole or any part of the enquiry before any one of the court appointed commissioners and/or the additional appointed commissioners and or any of the designated magistrates (collectively referred to as "the commissioners").
9. That the commissioners are authorised and empowered to summon or cause to be summoned before them any person to be examined at the enquiry by counsel or any attorney on behalf of the applicants or by any other competent party as is provided for in section 418(1)(c) of the 1973 Companies Act. Such persons may include, but are not limited to:

NAME

CAPACITY

- | | |
|---------------------------------|------------------------------|
| 1. Cornelius Johannes Steynberg | Director of MTI |
| 2. Nerina Steynberg | Second in command of MTI |
| 3. Coenie Rademan | Past Director of MTI |
| 4. Clynton Hugh Marks | Head of Referral Program and |

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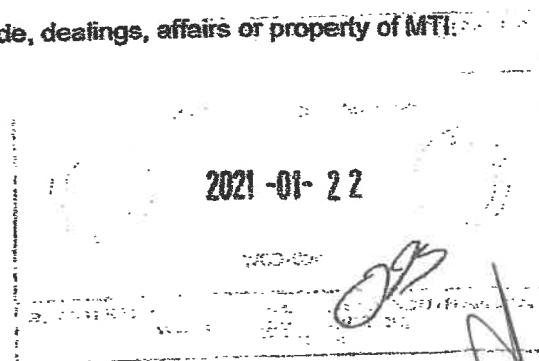
Members of MTI

5. Cheri Marks Head of Communications and Marketing of MTI
6. Liz Malton Management Team member and Training and Presenting Team member of MTI
7. Charles Ward COO of MTI
8. Monica Coetzee Head of Corporate Services and Training and Presenting Team member of MTI
9. Romana Samuels Head of Member Support of MTI and staff member at MTI's Stellenbosch office
10. Vincent Ward Head of International Expansion of MTI
11. Leonard Gray Head of Legal of MTI
12. Jaco Eckley Management Team member and staff member at MTI's Stellenbosch office
13. Tom Fraser Management Team member of MTI
14. Gerald Lassen Member of MTI and Manager of MTI's Strand office
15. Duly authorised representative(s) of FXChoice
16. A certain Ms Camila Senior Account Manager of Trade300
17. Duly authorised representatives of Standard Bank (being the bank of MTI)
18. Duly authorised representatives of ABSA, FNB and Standard Bank

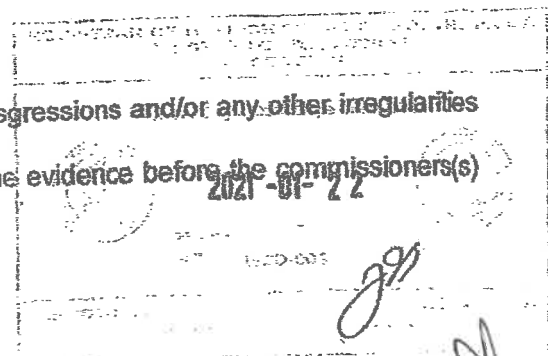
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(being the banks of Steynberg)

19. Duly authorised representative(s) of any other bank in respect of bank statements of any party that may be identified as being relevant for purpose of investigation the affairs of MTI
 20. Individuals already identified, and still to be identified, who received referral commission in the form of bonus and who made "profits" on their purported investments with MTI
10. That the commissioners are authorised and empowered to summons further persons before them who, as a result of the evidence led before them or representations made to them, appear to them to be capable of giving information concerning their knowledge of or dealings and associations with the business, trade, property and affairs of MTI.
 11. That all persons summoned before the commissioners may be examined concerning the trade, dealings, affairs and property of MTI.
 12. That all persons summoned by the commissioner be ordered to produce at the enquiry inter alia all books, record and documents, whether in printed form or sorted in digital form (including documents stored through the utilisation of computer hardware or software), in their possession, custody, power or under their control or in possession, custody, power or under control of the firm, company, or any entity by which they are employed or which they represent in respect of all matters concerning the trade, dealings, affairs or property of MTI.

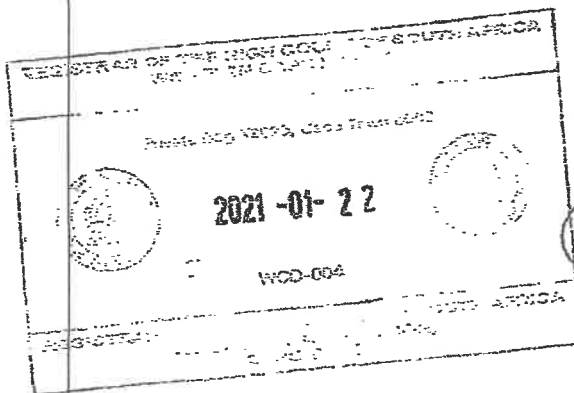


13. That the signature of the relevant commissioner or the Master of the Western Cape High Court, Cape Town on the summons (subpoenas) to be issued, shall be sufficient for the validity thereof.
14. That the record of this application and all proceedings before the commissioners shall be kept private and confidential and shall not be disclosed without the prior leave of the court or the relevant commissioner having been obtained.
15. That the applicants and commissioners are authorised and empowered to conduct any part of the enquiry, as identified by the applicants, via an appropriate virtual platform in a format to be determined by the relevant commissioner.
16. That the commissioner(s) be directed and instructed to report to the Master of the High Court, Cape Town, in respect of the following, although not limited thereto:
 - (i) The identity of the witnesses who gave evidence before the commissioner(s);
 - (ii) Which assets and/or monies were discovered, if any, through the inquiry and which advantage was derived to the creditors of MTI as a result thereof; and
 - (iii) Whether any unlawful acts, transgressions and/or any other irregularities were discovered by means of the evidence before the commissioner(s)



and whether such matters should be referred to the relevant authority for consideration.

17. That the costs and expenses of this application and the enquiry on an attorney own client scale, be costs in the administration of MTI.
18. That the applicants be granted such further and/or alternative relief as the court may deem necessary.



BY THE ORDER OF THE COURT

COURT REGISTRAR

Box 97
 Mosler and Bosman
 Fourth Floor
 Madison Square
 c/o Carl Cronje & Tygerfalis Boulevard
 Bellville
 Ref: PDT/AE?M7098