

Business Day  
Monday, 30 May 2005  
Bottom Line By...David Gleason

## .... and another thing

**I**N A paid announcement last week, Corpcapital revealed that it intends to create a mirror image of itself, and will then seek a delisting and voluntary winding-up of (old) Corpcapital.

The original Corpcapital was the owner of the group's stake in that online gaming company, Cytech, at the epicentre of the great fight that resulted in the group's collapse. Corpgro became Corpcapital. Now we are to have New Corpcapital inflicted upon us. It seems there is to be no end to companies carrying this benighted name.

It looks very much as though the latest plan is to exploit a technical loophole in the Companies Act. Old Corpcapital's assets will be sold to

New Corpcapital, I presume in exchange for shares. These will be unbundled; old Corpcapital will go off into oblivion.

New Corpcapital will have no proven creditors, only contingent ones. And, if they want their money, they will have a devil of a job on their hands to prove their case.

This is all perfectly legal — and very slippery. But what it cannot do is exempt old Corpcapital's directors from any personal liability they may carry for their actions in the past.

As I observed last week, some things never go away. And the Corpcapital affair promises to be around for a long time yet. After all, there remains the matter of that inspectors' report and the trade minister's views on it.