

INVESTIGATION IN TERMS OF SECTION 258(2) OF THE COMPANIES ACT (NO 61 OF 1973) – CORPCAPITAL GROUP OF COMPANIES

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STATEMENT OF PETER MOSS

1. Introduction

- 1.1 During 1995 I was consulting to the Krupp Group of companies ("KRUPP") and emigrated to Germany.
- 1.2 During this consulting, I negotiated the acquisition of a German-registered company, Werner and Pfeleiderer Industrielle Backtechnik GmbH ("WPIB"), and a South African company, Werner and Pfeleiderer (SA) (Pty) Limited ("WPSA"), Krupp wished to dispose of. The name of WPSA was subsequently changed to Combake International (Pty) Limited ("Combake").
- 1.3 I engaged the services of attorney Gustav Benjamin Liebmann ("Liebmann") to structure the transactions. I also required a financial manager, and I asked Liebmann to assist me in this regard.
- 1.4 After extensive persuasion by Liebmann, I engaged the services of Jeff Liebesman ("Liebesman") as a financial manager on an initial 60/40 partnership basis of a new holding company to be formed. Liebesman would earn his 40% shareholding by performance in terms of added value to the business ventures. ("PM 1").

2. The acquisition of WPIB and WPSA from Krupp

- 2.1 The acquisition of the two companies, WPIB and WPSA, from Krupp was made via a BVI registered holding company named Combined Bakery Holdings ("CBH") ("PM 2").
- 2.2 Offshore trusts were set up for Liebesman, Liebmann and I, to hold the shares of CBH. ("PM 3").
- 2.3 The shares in WPIB were held by three separate trusts ("PM 3"; "PM 4"):
 - 2.3.1 A Swiss-registered trust named International Bakery Investment Trust ("IBIT"). The trustee of IBIT is a resident of Switzerland, Mr Peter Biberstein, and I am the beneficiary of IBIT ("PM 5").
 - 2.3.2 A trust controlled by Liebmann; and

- 2.3.3 A trust controlled by Liebesman (Welbake Investment Trust ("Welbake")) ("PM 6"; "PM 7").
- 2.4 In terms of a written agreement between IBIT, represented by myself, and Liebmann and Liebesman ("PM 8"):
 - 2.4.1 IBIT transferred its shares in WPIB to Welbake; and
 - 2.4.2 CBH, which at the time was the sole shareholder in Combake, transferred its entire shareholding in Combake to IBIT.
- 2.5 The shares in CBH were owned by trusts established by Liebmann and Liebesman.
- 2.6 The acquisition from Krupp provided substantial cash reserves in the German-registered company, WPIB.
- 2.7 Most of this cash pile was brought into CBH through:
 - 2.7.1 the sale of the South African company WPSA, owned by CBH, to WPIB for R10.7 million ("PM9"; "PM10"); and
 - 2.7.2 a loan taken by CBH from WPIB of R32 million.
- 2.8 These funds were then applied to the purchase and initial seed money for the establishment of what became Corpgro. ("PM 11"; "PM12")
- 2.9 At that stage, Liebmann and Liebesman demanded a re-structure of the shareholding of CBH. With these discussions, and mostly one-sided intimidation tactics, the shareholding became 50/50 with Liebesman. Finally, with Liebmann insisting on a share, the shareholding became 43.75 to myself, 43.75 to Liebesman, and 12.5 to Liebmann. ("PM 13")
- 2.10 The shareholding of Corpgro by myself, Liebmann and Liebesman was via offshore BVI Trusts structured by Liebmann with Glenn Unterhalter of Gestinor Services AG in Zurich and London and Ariel Kreutner of New Republic Bank in Zurich ("PM 3").
- 2.11 The initial shareholding of this consortium in Corpgro was approximately 25%.

3. My withdrawal from Corpgro

- 3.1 During 1997 I chose to withdraw from Corpgro and the partnership with Liebmann and Liebesman for a number of reasons.
- 3.2 This became a very acrimonious affair.
- 3.3 Liebmann and Liebesman both used intensive, threatening and intimidating tactics throughout this withdrawal process. (Letters between myself and Liebmann: "PM 14"; "PM 15"; "PM 16").

4. Issues that arose

- 4.1 The shareholding of my trust in Corpgro was disposed of at least 40% below market prices. ("PM 19"). I was to learn later that most was to an offshore company "Frampton Holdings" connected to shareholder / director Errol Grolman and further blocks of shares to Liebmann, Liebesman and Eric Ellerine. ("PM 17"; "PM 18"; "PM 19"; "PM 20"). However, as all the share and scrip transactions were handled by Liebmann and Glenn Unterhalter in London, I do not have substantiated proof of this.
- 4.2 The initial loan from WPIB in Germany to CBH became due for repayment in 1997. I was obliged to repay the full amount as Liebmann and Liebesman stubbornly refused to meet their portion of this liability, and as the German CEO, I was legally bound by German law to do so. The main cause for this refusal was that their Corpgro shares were pledged in some manner to settle Liebesman's liabilities to Trencor. ("PM 21").
- 4.3 On 26 July 1999, I brought a High court application against Liebmann to recover this money ("PM 22"). An out of court settlement was reached. ("PM 23").
- 4.4 I only obtained a partial settlement from Liebmann and Liebesman in 1999 resulting in a further loss of some R8 million – R10 million to myself.

Dated at Sandton on this 18th day of September 2003.



Peter Stone Moss

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