

UPDATE ON THE COURT CASES

The Star Lion Group

It will be recalled that the Bank has already submitted an application to the High Court for the liquidation of the Star Lion Group, in order to facilitate the repayment of investors' deposits. Before the matter could be heard, the Star Lion Group requested that the presiding judge, being, Justice Guni, recuse herself from the case on the grounds that they perceived her not to be impartial. The judge has thus recused herself, and this matter is now being handled by Judge Monaphathi, with effect from 30th October 2008. Arguments on the liquidation application have been set-down for the week of 1st December 2008.

Millennium Goal Society (MGS)

In its findings, PricewaterhouseCoopers had established that MGS had collected about M16 Million from the public, yet the amount of money that was found in the custody of, or as belonging to MGS at the start of the investigations amounted to only M8 Million. In the consideration of the main case brought before court by the Bank, requesting the Court to hold MGS as operating illegal banking business, the Judge has ruled on 30th October 2008 that in fact, MGS was operating a banking business illegally. He further ruled that before he could make an Order for distribution of the assets of MGS, the management of MGS should be given up to 1st December 2008, to account for the missing M8 Million and bring same to the Bank. The Court places sensitivity to the public getting their investments in full from this entity, such that in its opinion, it would not be desirable for the depositors to share the available money on a pro-rata basis without having first exhausted all possible avenues to recover the short-fall.

PUBLIC RELATIONS DIVISION

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