



ESTATE AGENCY AFFAIRS BOARD
OF SOUTH AFRICA

Constantia Sectional Title Management (Pty) Limited

Following receipt of a recent disclosure by the Estate Agency Affairs Board (“the EAAB”) regarding, inter alia, the alleged misuse and/or misappropriation of trust monies by Constantia Sectional Title Management (Pty) Limited (“CSTM”), the EAAB launched an investigation into the activities of CSTM. The preliminary findings of the investigation gave cause for concern since they seemed to indicate that shortfalls had occurred in the trust account of CSTM and, moreover, that trust monies may possibly have been utilised for the payment of personal expenses.

The EAAB was obliged, therefore, to launch an urgent application out of the Gauteng South High Court requesting, in addition to other relief claimed, that CSTM be interdicted from operating its trust accounts and that a curator be appointed to control and administer such trust accounts.

Prior to the hearing of the application, however, a settlement arrangement was concluded between the EAAB and CSTM pursuant to which:

- Mr. Lawrence Moepi, a chartered accountant, was to be appointed to monitor the trust accounts of CSTM. CSTM agreed, in this respect, to cooperate fully with Mr. Moepi and also to ensure that he be given full and free access to all relevant accounting records;
- The investigation into the activities of CSTM would, in the interim, continue. The inspectors appointed by the EAAB would be granted unhindered access by CSTM to all books, records or other documents in its possession or under its control;
- The application brought by the EAAB would, in the interim, be indefinitely postponed while each of the parties would be able to file supplementary affidavits regarding the matter at a later date after reasonable notice;
- The costs of the application were to be reserved for consideration by another court, if necessary, at a later date.

The terms of the settlement agreement were subsequently made an Order of Court and are currently being implemented. This matter, therefore, presently remain subjudice. The EAAB will issue such further reports on the matter from time to time as may either be required or in the interests of consumers.