

MINUTES OF THE 6TH MEETING OF THE WORK GROUP OF THE TASK GROUP FOR ORGANISING THE TURNAROUND AND BUSINESS RESCUE INDUSTRIES

DATE: Monday 28 June 2004
TIME: 17H00
VENUE: 18TH Floor1 Merchant Place, Sandton, Johannesburg
CHAIRPERSON: Themba September
SECRETARY: Lawrence Ngobeni

1. WELCOME

1.1 APOLOGIES

Robin Taggart
Christo Faul
Jan Bickert
Paul Winer
David Burdette
Mervin King
Sarel Lategan

1.2 PRESENT

Themba September	Corporate Renewal Partners
Jan van der Walt	Corporate Renewal Partners
Patrick Daly	Daly Incorporated
David Gewer	Weksmans
John Evans	Deloittes
Martin Leigh	RMB
Rowan Gordon	Credit Management Services
Ricardo Graham	Maximus Business Turnaround
Trevor Murtgatroyed	ABSA
Stephen Claassen	FNB
Lawrence Ngobeni	University of Pretoria

1.3 MINUTES OF PREVIOUS MEETING

Minutes were presented, read and approved. It was suggested that the nature of the professional body to be formed be further discussed and clarified. This discussion is recorded under paragraph 2 below.

1.4 MATTERS ARISING

No matters arose from the minutes.

2. FORMATION OF INDUSTRY ASSOCIATIONS

- Jan presented a document on business rescue model and explained the difference between turnaround and formal business rescue. Turnaround not necessarily business rescue, rescue can take place without turnaround.
- Difference in turnaround and formal business rescue entails that two separate organizations be formed.
- Proposed name of turn around body, Turnaround Association of South Africa (TASA). This will enable affiliation with TMA in need.
- Proposed name of regulatory body, Business Rescue Association of South Africa (BRASA). Name not accepted see below).
- Proposed name of working group, Task Group for the organisation the turnaround and business rescue industries.
- It was suggested that both organizations be formed, but the most critical is BRASA.
- Suggested name for regulatory body: Association of Business Administrators and Rescue Professionals (ABARP). Name agreed to as it is in line with the name of the proposed legislation. BRASA name dropped.
- Patrick reported that Enver Daniels is quite busy and won't be available soon. It was suggested that a meeting be set up with the DG of DoJ to present proposed new body (ABARP). He said that it may take up to two years for the proposed legislation to be effective, but we must present our concept to government so as to secure buy in time. Patrick to set up the meeting with the DG, preferably for next week.
- Regulatory sub-committee (Group of Four, see minutes of 5th meeting paragraph 3) to prepare for meeting with DG. Sub committee must present final draft of articles and memorandum of ABARP next Monday. Sub-committee to meet before Monday.
- Meeting suggested that there is enough information to give a fair indication to the DG of the regulatory concept as contemplated for ABARP.
- Meeting suggested that detailed structure of ABARP not be finalized completely so as to allow for input from government. Only registration is urgent for now.
- Meeting suggested that a broad regulatory framework be adopted, as is the case with the regulation of attorneys and accounts. The Australian model is too technical and detailed and is not appropriate for local conditions.

3. EXPANDING THE WORK GROUP MEMBERSHIP

- The chairman reported that Judge Ralph Zulman has expressed interest in joining the work group.
- It was felt that due to a possible separation of powers and conflict with DoJ, the timing is not right to bring him in now. It was acknowledged that the Judge is knowledgeable, and that he can be involved in other ways or at a later stage.
- It was suggested that DoJ could be asked whether they have any objection to the Judge's involvement, possibly in the next meeting.
- Martin presented a fax from Marcus Evans, conference organizers. They propose to host a business rescue conference on business rescue in October, and request a possible sponsorship or some sort of participation by the work group. It was suggested that the conference is premature since there is no legislation or industry yet.

There being no further business, the meeting was adjourned.

Date of next meeting: Monday 05 July 2004 at 17h00, 18th floor 1st Merchant Place, RMB Sandton.