

## AMABHUNGANE ANSWERS TO QUERY RECEIVED 10 MAY 2023

***“As you are aware, the amaBhungane Centre for Investigative Journalism is publishing a series of articles on the Moti Group based on a leak of documents from within the group. Among the issues we have identified is the relationship between the group and Mr. Jonathan Epstein when he was employed by Investec.”***

1. Once again I must object to you referring to these stolen documents as a leak. These documents were not leaked, but were in fact stolen. Your attempt to keep your hands clean by referring to a “leak” will not detract from the fact that you are a party to the ongoing theft of these documents. Since we can now conclusively prove with the metadata that at least some of the documents originated on our system, we will be notifying the authorities that you are without a doubt involved in the theft and are in possession and actively distributing stolen property. We advise that in future when you send someone stolen documents, you remove the metadata. Not doing so is akin to leaving your business card behind during a bank robbery.

***Essentially, documents indicate that Epstein enjoyed significant financial benefits from his association with the group while at the same time representing Investec in its protracted negotiations to restructure the group’s indebtedness to the bank. On Mr. Epstein’s part this represents a severe conflict of interest if not outright corruption.***

2. I deny that any documents you have in your possession could possibly indicate corruption on the part of Mr Epstein. Mr Epstein was employed by Investec as a relationship manager. As a matter of course, he reported to various committees and sub-committees within the bank structure, as well as the board of the bank. Mr Epstein, at least to my knowledge, as a low level employee within the bank never had the authority or ability to influence these negotiations in any way. The only reason why I employed Mr Epstein after he left Investec was that he had institutional knowledge on the group’s business. Mr Epstein had a business opportunity which he declared to Investec. Investec always acted in good faith and our interactions with them were always fair.

***As it relates to the Moti Group it appears, on the face of it, to be an attempt to buy favour or influence within the team at Investec.***

3. As I stated above, Mr Epstein was obliged to report to various committees and the board of the bank. Mr Epstein never had the authority to make any decisions on his own accord, nor did he have discretion to take any actions single handedly.

***In this regard, please address the following questions and observations.***

***On 30 April 2015 Epstein signed a loan agreement with Waleed Investment Holdings providing him with “bridging finance” of R2.5-million related to the development of a new social media app, then provisionally called Hubblez. This occurred at the same time Investec was negotiating a restructuring of the Moti Group’s various debts to Investec. This agreement is attached as “A”.***

***A reasonable inference is that this represents an attempt to buy influence within Investec, a major creditor with whom you were at the time locked in negotiations. Please comment on this inference.***

4. I believe my answers above cover your “inference”. Your inference is incorrect and demonstrates once again that you are driving a pre-determined narrative with the sole purpose of tarnishing my reputation. At this point I want to again point out that the documents you attached to your correspondence with my attorneys still contain the metadata, including the source of the documents and the creation date being 2018. I have forwarded these documents to my forensic company, who have verified that these documents were indeed scanned on one of the Moti Group scanners and are included in the batch of documents stolen by Van Niekerk. We will also provide this new information to the SAPS investigating officer in charge of the case against Van Niekerk. To date we have not opened any charges against you, but I now find myself in the position that I can no longer in good conscience allow you to keep getting away with theft, and accordingly am taking legal advice on my civil and legal duties in this regard.

***Please clarify when and how Epstein and Moti Group came to discuss funding his venture.***

5. During one of my interactions with Mr Epstein he mentioned that he planned on developing a social media app. It appeared to be an interesting opportunity for an investment, and a loan was discussed to provide for additional start-up capital. Unfortunately this never developed into a viable product. It is important to note that this investment in no way conflicted any investments in which Investec are involved, nor did it conflict with any of the financial arrangements between Moti Group and Investec.

***The original loan was followed by a number of further credits up to April 2018 when Epstein's total indebtedness to the Moti Group reached R16,92-million, including interest. These funds were, on paper, meant to fund the development of the proposed app, which by then came to be named Yizoot. A schedule of payments is attached as "B".***

6. I do recall that Mr Epstein approached me for additional capital for the development of Yizoot, which I granted. All of the payments to Mr Epstein were for the development of his app. Yizoot was an existing project, which was to my knowledge declared to Investec by Mr Epstein at the time. I wish to highlight that you do not have the authority to question my commercial transactions, nor do I have the obligation to answer you. I am merely doing so in the interest of transparency and to show that you are driving a false narrative to tarnish my name.

***Can you confirm that the entire sum, being R14,42-million (before interest) was in fact spent on the development of Yizoot?***

7. Yes, based on the representations Mr Epstein made to me at the time.

***Yizoot seems to have been abandoned. Its website has been taken down and the only trace of it is a set of dormant social media accounts. Can you explain what happened to this investment?***

8. As you are no doubt aware, many seemingly promising products are never fully developed. Unfortunately this is the nature of venture capitalism, and is far from unusual. Yizoot was developed up to a point where we were no longer happy with the direction the project was taken. Subsequently we exited this investment. I cannot confirm the current state of the project.

***In April 2018 a term sheet was signed between Epstein and Balen Trust in terms of which it was recorded that Balen would own 35% of***

***Yizoot while Epstein would guarantee the debt in various ways. The term sheet is attached as "C".***

***What prompted this term sheet and the new terms of the arrangement?***

9. As I stated above, additional sums of money were required for the development of Yizoot. Balen therefore signed a term sheet with Mr Epstein which included a certain percentage of the final product to be the property of the trust. Mr Epstein was required to guarantee the debt to protect the trust's interests. This is standard practice in an ordinary commercial transaction.

***In terms of a subsequent settlement agreement Epstein's debt to the Moti Group was purchased by the Red Pine Trust in August 2018 and Epstein was freed of all guarantees the Moti Group could enforce against him. This followed immediately after Epstein took up employment with the Moti Group, which we will return to below. The settlement agreement is attached as "D".***

***Please clarify who the Red Pine Trust is.***

10. As you yourself state, Mr Epstein guaranteed the debt to Balen Trust. He therefore arranged for the debt to be purchased by someone else on terms discussed between him and Red Pine Trust. I do not recall who represented Red Pine Trust, but other than Balen Trust recovering its loan amount, the subsequently terms between Epstein and Red Pine Trust did not concern me.

***Please confirm what happened to the loan account purchased by Red Pine Trust. Was the debt effectively forgiven?***

***If so, why?***

11. I have already stated that I had no interest in Red Pine Trust, and what they did with the loan account you will have to find out from them.

***Epstein took up a position in the Moti Group in August 2018, immediately after leaving the employ of Investec and seemingly in the middle of talks to once again restructure the group's debts.***

***Please clarify at what time the Moti Group offered Epstein employment.***

12. I cannot confirm what the reason was for Mr Epstein leaving the employ of Investec. As you are well aware, a prospective employer does not have the right to question an employee's former employer. I seem to recall that Mr Epstein approached me for

employment around that time after he resigned from Investec. I most certainly did not “poach” Mr Epstein from Investec.

***It is a reasonable inference that Moti Group was in effect acquiring inside knowledge of Investec’s thinking. Please comment on this inference.***

13. I do not agree that this is a reasonable inference at all. As I stated above Mr Epstein reported to various other bank officials and committees. I imagine the processes followed by banks are by and large the same, and Mr Epstein’s employment with the Moti Group would not provide any “inside knowledge”. Mr Epstein did however possess significant institutional knowledge of ACF’s operations, which is why I was willing to employ him.

***Shortly after Epstein’s appointment, Zunaid Moti was imprisoned in Germany. He wrote a large number of letters providing his team in South Africa with often very exacting instructions around the management of his businesses. In one letter, addressed to Ashruf Kaka, he refers to Epstein in the context of debt restructuring negotiations with Investec: “Be wary of GB. Don’t trust too much. Keep JE in all meetings Bro. Keep GB and JE apart.”***

***To which Moti added: “Watch JE. He did it to IBL. He can do it to you.”***

***It is our understanding that “GB” is Investec’s Glynn Burger while “JE” is Epstein and “IBL” is Investec Bank Limited. It can be inferred from this note that (a) Moti believed there would be a problem with having Burger and Epstein together in a room and (b) he feared Epstein might double-cross the Moti Group as he had evidently done to Investec by “switching sides”.***

14. As I have repeatedly stated you refer to stolen documents. I do not recall such a letter. Some, if not all of these purported letters from prison were forged to drive your, or your “sources”, narrative against me. This whole paragraph is baseless speculation and does not warrant a reply. I insist that you publish this reply.

***Regarding the first inference, can it be assumed that Burger and Epstein’s other colleagues at Investec would have been angered by the Moti Group’s poaching of Epstein? In other words, did Moti believe they had been blindsided.***

15. I will not comment further on forged documents. As I said before, I did not poach Mr Epstein, he approached me for employment. To my knowledge Investec was well aware of Mr Epstein’s employment by the Moti Group and did not raise any issues with it with me.

**What did Moti mean when he said that Epstein “did it to IBL”?**

16. I will not comment further on forged documents.

**Among the documents in the leak from the Moti Group is a spreadsheet which you have, in response to us, called a “discussion document” for the potential allocation of indirect shareholdings in African Chrome Fields (ACF). According to the document Epstein would receive an effective 0,45% in ACF which we estimate would have been worth roughly R20-million. You told us that this share allocation was never implemented. Be that as it may, this document seems to show that Epstein was considered “part of the team” at Moti Group - while still employed by Investec.**

**Please comment on this conclusion, that this internally discussed potential share issue to Epstein is indicative of a wholly inappropriate entanglement with the Moti Group while Epstein was employed by Investec.**

17. Once again I must protest your continued insistence on referring to “the leak”. The documents you use to fuel your narrative and assumptions were stolen and most likely forged. You have continually denied that you are in possession of the stolen documents, and yet you keep referring to these same documents. Now somehow you are able to provide me with selected copies of such documents from the “leak”, but fail to provide this forged letter to me. This is very suspicious, don’t you agree? This stolen document was provided to you in Excel format and would probably have been updated to include reference to Mr Epstein after he started his employment with the Moti Group. You appear to stash your information on foreign servers to circumvent our South African legislation. You claim to act in the interest of South Africa, yet you actively seek ways to avoid facing justice in terms of South Africa’s laws.

**In another prison letter Moti tells Kaka “Let’s buy Jonathan Epstein apartment. Me and you?”**

**Please explain what apartment Moti and/or Ashruf bought or intended to buy from Epstein and whether this transaction was carried out.**

18. We never purchased any property from Mr Epstein.