



LEGAL PROTECTION SERVICES (PTY) LTD

PROVIDERS OF LITIGATION EXPENSE INSURANCE FOR COMMERCE AND INDUSTRY

BROKERS FOR CONSTANTIA INSURANCE COMPANY LIMITED

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Dear Liquidator,

Reference: Funding of Creditor's Claims

You may be aware of our range of services which provide, *inter alia*, cost cover for an adverse award of costs from R50 000 to R10m for own costs and opponent's taxed costs.

Recently we have introduced a facility whereby, through our associates, Messrs SGI Guarantee Acceptances (Pty) Ltd, specialists in court bond business, we are able to offer an on demand guarantee for security for costs for an annual fee of approximately 4%. This guarantee is underwritten by our adverse cost award policy which is ceded to SGI as collateral security. Since we can offer this policy on a "no win no premium basis", it is possible to provide a company in liquidation with a security for costs guarantee for a very small cash outlay.

As a further development we are now also able to fund the larger matters where the prospects of success are reasonable but the company in liquidation is unable to fund the litigation. Funding from R500 000 to R3m is available for suitable cases which are then underwritten by our adverse cost award policy. The amount advanced as a loan is covered by the policy which results in the very beneficial situation of never having to repay the capital of the loan should there be an adverse award of costs.

We are also interested in purchasing from liquidators claims in excess of R1m which claims would require litigation in order to recover thereon.

Should any of the above options be of interest or if you simply require more information, please do not hesitate to contact us.

Yours sincerely,

C D BINNINGTON

Joint Managing Director

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