

Dear Ms. Bezuidenhout

1. Many thanks for the opportunity to respond to the queries raised in your email. We are not certain if the context of your queries are in relation to an article pertaining to ourselves per se or to a broader article about our client and other advisors or in relation to the Mothepu case or otherwise. Please would you clarify this by return email before publishing as your response may necessitate a further reply from ourselves.
2. Where an answer to the queries posed in your email would entail us breaching client privilege or confidentiality we would have to ask the client to waive this before we would be in a position to reply. No doubt you will not draw any inferences by our failure to answer a question where doing so would result in a breach of privilege or client confidentiality. As attorneys we are briefed by clients to render legal services and are obliged to do so in a manner that preserves client confidentiality and precludes us from talking about client matters. You are obviously more than welcome to approach our erstwhile client with the same questions to the extent that you would ask them to waive confidentiality.
3. As indicated to you previously, we appreciate that there are a number of factual and legal background principles that you would have to clarify in order to fairly and accurately report on the subject matter contained in your queries. Where we have dealt with these on a cursory level in our responses below, we are happy to spend more time with you in providing you with the necessary background to ensure fair and balanced reporting. You are also welcome to revert to us with any questions that you may have in this regard.
4. We set out below our responses to your queries:
  - 4.1. When was Stein Scop first contracted to perform work for companies in the Trillian stable. This includes Trillian Capital Partners, Trillian Financial Advisory, Trillian Management Consulting and Trillian Asset Management.
    - 4.1.1. Stein Scop was briefed between 2016 and 2017. During the second half of 2017, we withdrew as Trillian's attorneys of record in the various matters in which we were acting. New attorneys were duly appointed.
    - 4.1.2. Where we have been called upon to provide assistance or materials to the new attorneys we have done so as part of a handover process. Where matters are dormant we may not have formally filed notices of withdrawal but to be clear we are no longer acting in this matters. From a client confidentiality perspective, we cannot provide you with reasons for our withdrawal save to say that our firm took a decision to withdraw from all such matters. Please ensure that you publish this response in any article that deals with our tenure as attorneys for this client.
    - 4.1.3. Please also ensure that when you publish you make it clear that we were not the only attorneys who acted for Trillian in the relevant period and that you publish a list of the lawyers (most of them large South African and international law firms) set out below who also acted and received fees in matters pertinent to the subject matter of your enquires. For example, we were advised that the contract work for the Eskom / McKinsey deal was handled for Trillian by attorneys Eversheds. The banking licence application worked on by Trillian as advisors for Habib Bank was jointly attended to by Norton Rose Fulbright acting for one of the two shareholders in the bank. Before and during our involvement in the Mothepu matter, the matter was handled by other labour lawyers. Eric

Wood was initially represented by Edward Nathan Sonnenbergs in the move of the Regiments consulting business to Trillian and later when one of the Edward Nathan partners moved full-time to Regiments, Dr. Wood was represented by CDH attorneys.

4.2. Over and above any commercial or legal work the firm may have provided to the various Trillian companies, kindly indicate whether Stein Scop was also hired to perform work for Mr. Eric Wood personally.

4.2.1. Where Dr. Wood was personally cited in matters such as the dispute against his erstwhile partners at Regiments Capital, we were on record for him as well.

4.2.2. We acted for Dr. Wood in these matters in conjunction with Trillian.

4.3. Records show that your firm handled an extended portfolio of legal work for Trillian between 2016 and sometime in 2017. Have all those briefs come to an end as yet? Kindly explain within the bounds of legal privilege.

4.3.1. As aforesaid, we withdrew from all of these matters.

4.3.2. Save to state that we are no longer acting as aforesaid, the exact nature and scope of the legal services rendered in the past remains subject to client confidentiality in terms of our professional conduct rules unless waived by client. Please advise whether you have approached our former client to waive such confidentiality and if so in which matters in order that we may then provide you with a more comprehensive response in relation to these matters.

4.4. Stein Scop handled the various labour matters involving Trillian, Mr. Eric Wood and Mosilo Mothepu. Information obtained by Daily Maverick suggest that your firm was paid in excess of R9million for work on these cases in particular. Kindly comment.

4.4.1. We set out below our response in relation to the scope of our brief in the Mothepu matter.

4.4.2. We are not certain as to the source of your information as to what our firm was paid and whilst we appreciate that you would protect your own sources, we cannot comment on the amount of fees paid to us and the range and scope of the matters in respect of which fees were charged by ourselves and the various counsel at the Bar that we retained on behalf of Trillian which would have been included in any fee notes to our former client without being given an opportunity to consider what this information is based on. Please ensure that you publish this response in any article that you may publish in relation to fees charged.

4.5. In view of Trillian currently being embroiled in an asset forfeiture/preservation order debacle involving the National Prosecuting Authority's Asset Forfeiture Unit, that may well still be challenged, kindly indicate whether you would agree that, as a matter of law, any moneys paid by Trillian to 3<sup>rd</sup> party service providers, including lawyers, could be deemed the proceeds of crime.

4.5.1. By way of a clarification of the factual position in relation to the preservation order against Trillian and McKinsey, it has in so far as we are aware in fact been challenged in whole or in part by Trillian and McKinsey and Eskom has also apparently commenced review proceedings in relation to that order as well to set it aside. This will no doubt be ventilated in our courts in due course whereupon all South Africans will have clarity as to the scope and effect of this

order. We are not a party to this order and are not acting for any party to this order. We believe that it would be premature for you to publish any article in relation to any service providers paid by Trillian until such time as these matters have been properly concluded and determined.

4.5.2. In the interim we have been interacting with the curator in so far as his mandate extends to work that we did for Trillian in the past.

4.5.3. Should you persist in publishing comments on fees paid to third party service providers (which for reasons stated above would be premature), we cannot comment on the funds paid to attorneys referred to in our responses above or other Trillian service providers (of which we understand there have been many) and the steps that they may have taken in regard to determining the identity of their clients and sources of funds. No doubt this will be dealt with in due course depending on the outcome of the litigation in relation to the preservation order referred to above.

4.5.4. From our own perspective, we have a comprehensive FICA and KYC procedure which we follow for all clients without exception before taking on a matter or dealing with client funds. This procedure is audited in terms of our professional rules and we are satisfied that we took all appropriate steps in this regard.

4.6. Given information in the public domain concerning the likely illicit source of Trillian's wealth, what steps, if any, did you take to satisfy yourself that your fees were not paid with the proceeds of crime?

4.6.1. We took significant steps as were legislatively required as well as having implemented our own strict internal policies and procedures that we apply to clients.

4.6.2. As a general comment, it is unfair legally and factually to assume that the funds that Trillian used to pay service providers were the proceeds of crime or to report that any such service provider is the recipient thereof. Please exercise caution in such reporting as it would be unlawful and incorrect to categorise any service provider as such without having reference to work done, the timing of when such work was done and the nature of services rendered and funds paid. It would be equally unfair to categorise the funds in Trillian's coffers as illicit without having a complete understanding of how Trillian was funded and who all of its own customers were and without waiting for the outcome of the proceedings referred to above.

5. If you do not hold this view, kindly explain or comment on the position of your firm in this regard.

5.1.1. Please see response above.

6. In the case of KPMG, the auditing firm has offered to repay moneys it earned in fees through alleged dubious dealings by some of their clients (the Guptas). How would you say Stein Scop's position as a service provider who was paid by Trillian with funds that may be deemed the proceeds of crime under the Prevention of Organised Crime Act, is any different from the position of KPMG or any other company that has inadvertently been drawn into the state capture scandal and or investigations.

- 6.1.1. It is neither fair nor correct to equate the work that we did to the work done by KPMG. Whilst we are not fully apprised of what KPMG has stated other than in the press, we understand that they acted as reporting accountants or publishers of reports in regard to SOE's and listed companies and that their comments were in regard to such matters.
  - 6.1.2. As attorneys we are entitled to take on work for clients and as aforesaid, we retain strict KYC and work policies with all of our clients. Trillian was no exception.
  - 6.1.3. We trust that you will report on the fact that attorneys and counsel are (subject to our governing legislation) ethically obliged to act for all manner of clients and you will no doubt report that any attorney so acting may do so consistently with the roles and responsibilities of the legal profession as well as the rights of clients to representation. We would be happy to assist you by providing you with the relevant legislation and constitutional rights to client representation. Please consider this before publishing.
  - 6.1.4. Please ensure that you report that Stein Scop has not been the recipient of any funds that have been deemed to be the proceeds of crime. We have not been drawn into any state capture "scandal" or investigations as suggested in your comment regarding KPMG. We acted as attorneys for our former client in accordance with prevailing legislation and codes of conduct as did a number of other firms in the period relating to your queries.
- 6.2. Does Stein Scop consider it ethical that the firm may have been paid by Trillian to pursue one of the most important whistleblowers in the state capture case.
- 6.2.1. Please ensure that in any article you publish, you clarify that Ms Mothepu is not considered a "whistleblower" from a legal standpoint as during the period that we acted in the matter, Ms Mothepu did not enjoy protection under the Protected Disclosures Act and even if Ms Mothepu did enjoy protection under the Protected Disclosures Act, Ms Mothepu abandoned any allegations that she had made a protected disclosure in relation to her case before the CCMA (we can refer you to the relevant pre-arbitration minute if necessary). We were not called upon to act in any capacity in relation to her as a "whistleblower". We were Trillian's labour lawyers in proceedings instituted by Ms Mothepu.
  - 6.2.2. More pertinently though it is with respect (and possibly based on incorrect information which you may have to hand) unfair and unbalanced reporting to state that Stein Scop pursued "*one of the most important whistleblowers in the state capture case*". Stein Scop was briefed by Trillian to defend the constructive dismissal claim instituted by Ms Mothepu in the CCMA. Ms Mothepu was *dominis litus* (i.e. had herself brought the action seeking compensation from Trillian) at the CCMA and any claims which Trillian may have lodged at the Labour Court against Ms Mothepu were contractual claims based on Trillian's allegations of Ms Mothepu's breach of her employment contract and were settled by senior counsel. As aforesaid, clients have a constitutional right to institute and defend actions in our legal system and to be represented by attorneys and counsel in these matters.
  - 6.2.3. Importantly, in order to pursue her CCMA case Ms Mothepu briefed Werksmans Attorneys and senior counsel. She also briefed Werksmans Attorneys to institute a review application in the Labour Court aimed at reviewing and setting aside the Commissioner's ruling that she was barred from

pursuing her case until she complied with a subpoena which had been served on her. The review application was later taken over by Haffegge Roskam & Savage Attorneys. Ms Mothepu also briefed Webber Wentzel to institute a defamation claim against Trillian and Dr. Wood even after Trillian and Dr. Wood had removed the allegedly defamatory comments from its website. Ms. Mothepu was well represented in these matters by two of the five largest law firms in the country and by senior counsel and this should also be disclosed in the interests of fair and balanced reporting.

6.3. In January 2017, when the matter involving Mosilo Mothepu and Trillian came before the CCMA in Johannesburg, an attorney (identified during the hearing as a Stein Scop attorney) was overheard by this journalist saying “We are going to bleed her dry.” This was said to two individuals who were introduced during the hearing as Ms. Anuska Wood and Ms. Susan Newall. Could you kindly ask Mrs. Amelia Hart what she had meant with that statement on the day and please comment on whether this was the position of the firm in its handling of the case against Ms. Mothepu at the time.

6.3.1. We have investigated the allegation in this query and advise that this statement is untrue as it appears to have been based on a misunderstanding of context. In fact, the comment ascribed to Ms. Amelia Hart could only have been in respect of a statement made privately by Ms. Hart to her then client and counsel that by setting down what were simple preliminary issues in the CCMA matter for protracted periods, Ms Mothepu’s own team might be “bleeding her dry” where such preliminary issues would not need that long to be ventilated – i.e. this would in her opinion be an unnecessary waste of legal fees. Stein Scop has verified this version of events with a member of our former client present at the hearing and with client’s then senior counsel who was also present. In the circumstances, we would submit that it would be incorrect to publish what may have been overheard without context – however should this be published please ensure that our complete response in this regard is also published together with the fact that senior counsel and our former client’s then employee are prepared to verify the context of what Ms. Hart stated.

6.3.2. Whilst we believe that we have dealt with what was overheard in the paragraph above, we nonetheless, record that the position of the firm was never to bleed Ms Mothepu dry. The firm dealt with the various pieces of litigation (most of which were instituted by Ms Mothepu herself) based on their merits and our former client’s instructions. Please also record that there were settlement discussions pursued by all parties in the matter which unfortunately did not reach fruition.

7. We are mindful that the queries and our responses cover a range of topics and we reiterate our willingness to discuss these topics more fully with you in the context of any specific pieces in which you may consider publishing your queries and our responses thereto. We trust that in turn you will also afford us a reciprocal opportunity to respond in context and we would be grateful for a fair opportunity to do so. Please also ensure that your article reflects that any member of the public who comes under any form of negative comment or attack on their rights is just as constitutionally entitled to be represented by the legal profession as anyone else and that no matter how unpopular the cause, the legal profession will continue to act for all manner of clients in accordance with its ethical responsibilities – the constitution guarantees this to all members of society.

8. In the meantime, should you proceed with publishing any article in relation to the subject matter above without reference to any further interaction with ourselves please ensure that in the interests of fair and balanced reporting that you take into account all that we have

set out above and that you make this complete response available as a link or annexure to any such publication.

Regards

Stein Scop Attorneys