



CAWOOD
ATTORNEYS

CAWOOD ATTORNEYS INCORPORATED
305 MELK STREET
CNR MELK & BRONKHORST STREETS
NIEUW MUCKLENEUK, PRETORIA, 0181
PO BOX 273, GROENKLOOF, 0027

REG No: 2018/401085/21
TEL: 012 072 0109
FAX: 086 562 6897
E-MAIL: info@cawoodlaw.co.za

**TO: LONGTERM FINANCIAL
PLANNING**

PER EMAIL:

riaan@onfinplan.co.za

sean@onfinplan.co.za

Our Reference Cawood/4B090

Your Reference Cawood/4B090

Email

janco@cawoodlaw.co.za

werner@therescuecompany.co.za

Date

18 October 2023

Dear Sir/Madam

**IN RE: BHI TRUST FRAUD- STATE V GRAIG ROY WARRINER // CASE NO:
SCCC 104/23 // SAPS NO: 111/10/23 SANDTON**

We refer to the above-mentioned matter and several discussions between our Mr. Cawood and your Mr. Lessing and Mr. Engelbrecht regarding the arrest of Mr. Warriner, one of two Trustees of BHI Trust.

As you know, Mr Warriner appeared in the Palm Ridge Magistrates Court today. We confirm the following:

1. The writer and Mr. Nel from our office attended the proceedings in court today.
2. It was established that the Prosecutor tasked with the matter is on leave and that the Prosecutor attending to the matter in court today was a substitute Prosecutor with little knowledge of the matter. It was, therefore, impossible to obtain any information



CAWOOD
ATTORNEYS

regarding the matter from the relevant Prosecutor before it was called in open court. We remained in attendance to follow the proceedings.

3. Mr. Warriner was in attendance when his matter was called. He is and remains in custody. The presiding Magistrate explained to Mr. Warriner that the purpose of the proceedings today was for him to be provided with the opportunity to obtain legal representation. It was confirmed that Mr. Warriner previously indicated that he would be representing himself. The Magistrate requested Mr. Warriner to indicate whether he would like to reconsider this position.
4. Mr. Warriner confirmed that he will continue to represent himself. He also confirmed that he waived his right to apply for bail. The presiding Magistrate subsequently postponed the matter to 29 November 2023 for further investigation. Mr. Warriner will remain in custody until the mentioned date.
5. Mr. Warriner confirmed in open court that he wanted to plead guilty. He indicated that he would plead guilty to any charges that may have been brought against him. He stated that this had been his approach from the outset and that he had indicated during his initial appearance in Court that he wished to plead guilty to any and all charges brought against him. He stated that he wished for his guilty plea to be entered on the record and that, following his guilty plea, sentencing procedures could be postponed to a later date. Mr. Warriner stated that he could not understand why the matter needed to be postponed for further investigation.
6. The Magistrate confirmed that the matter is complex and that the prosecution needs to investigate further. She explained that there would probably be multiple charges and complainants. She confirmed that there were three complainants but that this state of affairs will likely change as the investigation unfolds. She confirmed that the accused cannot plead guilty until the state has finalised their investigations and all charges have been correctly formulated.
7. Mr. Warriner then requested the Magistrate to assist him with his request to be moved to a single cell. He stated that he is receiving death threats from fellow inmates. The



CAWOOD
ATTORNEYS

Magistrate confirmed that she had already provided for such an instruction on the docket, which will be sent to the Correctional Services. The matter was then accordingly adjourned.

8. We then visited the Control Prosecutor's office and obtained the contact details of the Prosecutor appointed to prosecute the matter. The State Prosecutor is State Advocate Matabane. I have since contacted Advocate Matabane via WhatsApp. He confirmed that he is on leave and that I should contact him to set up a meeting when he is back at the office tomorrow. I will make contact with Advocate Matabane first thing tomorrow morning.
9. During my discussions with the substitute prosecutor in Court today, the following was established:
 - Mr. Warriner apparently handed himself over to the authorities. He confessed that he had been running the BHI Trust in an irresponsible manner. He has been “using the funds of Peter to pay Paul”.
 - He allegedly suffered significant losses on investment(s) with Trust funds during the 2008 recession. He did not disclose these losses. Instead, he has since been attempting to trade the available funds of the Trust in such a manner as to trade the Trust back to a position of liquidity.
 - In the process, he has made further substantial losses. He believes the Trust will not be able to recover from these losses.
10. As stated, the relevant prosecutor had very little information on the matter and could not provide further information. What is stated above is the writer’s own words to be attributed to what was said by the relevant Prosecutor. The information has not been verified and represents the content of an informal discussion. All of the information obviously represents part and parcel of what is still under investigation, and, as stated, the investigation itself is in its infant shoes.

11. What is clear is that the current situation represents a situation where the financial livelihoods of hundreds, if not thousands, of investors are at risk. We propose the following:

- We believe that the existing funds and assets of the Trust need to be protected as a first step. To achieve this goal, a court-appointed trustee needs to be appointed for the Trust on an urgent basis.
- We suggest proceeding with an urgent application to provisionally sequester the BHI trust. A sequestration order will ensure that a provisional trustee is appointed to safeguard the existing funds and assets.
- The trustee's powers, in turn, can be extended by the Master of the High Court. The trustee will be able to apply for an urgent insolvency enquiry into the financial affairs of the Trust.
- Such an enquiry will provide a platform to subpoena all known persons and parties involved with the Trust. The enquiry manifests as a full investigation that can run in conjunction with the investigation by authorities. The enquiry may lead to the identification of further individuals or persons of interest, which, in turn, may lead to further arrests.

12. We have already briefed counsel on the matter. We thought it appropriate to appoint a junior and senior counsel to assist in the matter. Counsel has been provided with the available information and is already in the process of drafting the urgent sequestration application.

13. We propose that Olga Kotze from Kaapvaal Trust (Pty) Ltd be nominated for the appointment as the provisional trustee of the trust. You have been introduced to Olga, and we believe she has the necessary qualifications and skills to properly administer the affairs of the trust and oversee the process of conducting all investigations going forward.



CAWOOD
ATTORNEYS

14. An application of this nature takes approximately two weeks to be heard by the Judge allocated for urgent court matters. We will inform you of our progress as we proceed with the Court process.
15. As you are aware, our firm also invested funds with the trust. We confirm that we will do our utmost to ensure that the events leading up to the current situation, as well as the current financial position of the Trust, be investigated as soon and as thoroughly as possible. Should recovery of any funds be required, we will assist in this regard without hesitation. We are committed to ensure that justice be served on all individuals who may be found to be guilty of any offence and who partook or assisted in perpetrating what can only be described as a fraud on unsuspecting investors.
16. I will make myself available for a Teams meeting to be held on Friday, 20 October 2023, at 14h00. We invite you and any of your clients who wish to attend for a Q & A session on the legalities going forward. We request that you set up such a Teams meeting for this purpose, should the proposal meet with your approval.
17. We, as a firm, continue to support you in your capacity(ies) as our Financial Advisors and personal friends.

We trust you find the above in order.

Kind Regards

___electronic_____

CAWOOD ATTORNEYS

W CAWOOD

KINDLY TAKE NOTE OF OUR OFFICE HOURS

MONDAY – THURSDAY: 07:30 – 16:30

FRIDAY: 07:30 – 15:30