

Press Release: MTI liquidators 11 November 2021

Busy MTI liquidators make recoveries and interrogate 60 insiders

The liquidators of the Cryptocurrency scam MTI have made massive progress by interrogating nearly 60 roleplayers, including some masterminds trying to masquerade as legitimate creditors with valid claims, who were unmasked.

All new claims are scrutinized to ensure no duplicate or fake accounts are registered, as massive fraud, dubious trading platforms, excessive commissions, and fictional transactions were rife before the disappearance of Johann Steynberg, who presented himself to investors as the CEO.

At the first meeting of MTI creditors with the Master of the High Court on 5 November, six final liquidators were assigned by the Master. The five provisional liquidators (Herman Bester, Riaan van Rooyen, Jacolien Barnard, Deidre Basson, and Christopher Roos) and Chavonnes Coopers were added as final liquidators.

In line with stipulations of the Companies Act, a second creditors meeting is already scheduled by the liquidators for 10 December 2021, where a detailed progress report from the liquidators will be tabled.

Since the final liquidation of MTI at the end of June, nearly 60 individuals have been interrogated, and various investigations have taken place. Vast amounts of crucial information were obtained in the process, assisting the liquidators and their investigating teams in making further discoveries.

Regarding claims of some so-called MTI management members or heads of departments, it was clearly discovered that they received excessive remuneration packages and, since approximately October 2020, an additional Bitcoin per person per month. It undoubtedly constitutes dispositions without value, and it is doubtful that any employee can still have a claim for arrear salaries against MTI, according to the liquidators. As for suppliers, the evidence collected in questioning confirmed that most suppliers were paid via JNX Online.

Regarding possible fabricated claims, the liquidators followed the following process:

- Claim documents that stood out, i.e., in respect of substantial sums, were identified. If the claim did not correspond with specific verified data, interrogation of some individuals was undertaken.
- A schedule of claims was prepared according to the respective proxies. The questioning was also prioritized according to the schedule.
- The focus is still on the already identified so-called top 200 winners, who collectively profited in the total amount of approximately R700 million.

The interrogations to date (that will be excelled in coming months) have provided invaluable information, without which the liquidators would not have been able to make significant progress with their statutory duties to identify and safeguard the assets of MTI.

Some of the challenges going forward about the recovery of profits from investors will undoubtedly be to further verify and corroborate specific data, especially considering that:

- (i) No KYC (know your client) system was in place;
- (ii) Account holders are, in most instances, not identified by name, but rather by a chosen user name and e-mail address/cell phone number;
- (iii) The system did not prevent account holders from opening numerous duplicate accounts;
- (iv) Several hacks were executed on the database (like the one allegedly a few days before Johann Steynberg disappeared).

Summary of some of the progress the liquidators made:

- Sell/liquidate the approximately 1281 Bitcoin from FXChoice;
- Gathered a vast volume of very crucial information about the affairs of MTI and the dealings of Johann Steynberg and those associated with him, including the management structure of MTI. This formed the basis for other processes.
- To retrieve the authenticated MTI back-office database from Maxtra in India. The database, together with the information obtained through the inquiry, is the key to all other legal processes to follow to recover unlawful gains/commissions/bonuses from investors and recover voidable dispositions in terms of Sections 26, 29, and 30 of the Insolvency Act.
- The filing of a sworn affidavit by FX Choice.
- Obtaining a sworn affidavit from Keith Badenhorst (the alleged creator of the trading bot).
- The liquidators have the complete set of FX Choice trading statements regarding all accounts held at FX Choice associated with MTI and Johann Steynberg.
- The liquidators independently verified the finding of the FSCA that the Trade300 e-mail domain was owned by Johann Steynberg.
- Although the scheme has not yet been declared unlawful by the court, the evidence provided under oath as part of the application papers conclusively proves that the scheme is illegal.
- The evidence obtained through the inquiry and other investigations conducted to date enabled the liquidators to successfully apply for the final sequestration of the estate of Johann Steynberg.
- An application was successful to "collapse" Dulospan (Pty) Ltd into the insolvent estate of Johann Steynberg in terms of the provisions of Section 20(9) of the 2008 Companies Act.
- Dulospan was utilised by Johann Steynberg to acquire 3 immovable properties worth approximately R6.5 million.
- From information obtained from Nerina Steynberg, cryptocurrency

worth approximately R2.1 million was transferred to a wallet opened for this purpose by the trustees of the insolvent estate of Johann Steynberg.

- Based on investigations conducted on behalf of the liquidators, potential crypto wallets linked to MTI/Steynberg were identified in Seychelles. An order of recognition was obtained in the High Court, essentially confirming the powers of the provisional trustees and requesting assistance from the relevant court in Seychelles for the provisional trustees to pursue claims in respect of the crypto wallets there.
- From the information obtained at the Section 418 inquiry, silver worth approximately R1,4 million was recovered.
- Numerous further claims against third parties have been identified and will be pursued by the trustees of Steynberg.
- Once all relevant bank statements, crypto wallets, and electronic data have been duly analysed, further claims will undoubtedly be uncovered.
- The liquidators' lawyers successfully applied for a final liquidation order regarding JNX Online on 31 August 2021. JNX Online was utilised by Johann Steynberg, among other things, to buy and sell Bitcoin most probably derived from MTI and to pay numerous creditors and certain employees of MTI on its behalf. The bank statements of JNX Online also reflect that a monthly payment totaling R933 000 was made to Nerina Steynberg. She testified at the inquiry that JNX Online did not owe her these monies and that she considered it a contribution by Johann Steynberg to the household expenses. Several claims for repayment of amounts paid to Nerina Steynberg will be instituted on behalf of JNX.
- JNX is the registered owner of two expensive 2020 model Jaguar SUVs (the purchase price was approximately R3.2 million, paid for in cash during 2020). According to Mrs. Steynberg's attorneys, these vehicles are safe and will be handed over.
- The liquidation of JNX will enable a further investigation and recovery of substantial amounts that flowed from its bank account to numerous third parties.
- Continuous progress is made with discoveries in foreign entities.

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(Joint statement of the six final liquidators)