



COUNCIL FOR MEDICAL SCHEMES

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## PRESS RELEASE

**30 March 2007**

His Lordship Mr Justice P.B. Fourie today placed Pro Sano Medical Scheme under provisional curatorship, following application being made to the Cape High Court by the Registrar of Medical Schemes. Mr Johannes Malose Seoloane was appointed by the court as the provisional curator of the medical scheme.

In terms of the Court Order, the provisional curator's powers include, *inter alia*, the following:

- "generally to take control of and in the place of the board of trustees manage the business of the Scheme in accordance with the provisions of the Act and the rules of the Scheme";
- "to exercise all powers which would ordinarily vest in and be exercisable by the board and/or principal officer of the Scheme, whether in terms of the Act or the rules of the Scheme".

A copy of the Court Order is attached.

The respondent, Pro Sano Medical Scheme, did not oppose the application. Nine persons who had served as trustees, including the former chairperson Mr Brian Jacobs and two others who had previously been purportedly suspended by the scheme, had earlier applied to intervene in the main application for curatorship. These applicants to intervene consented to the order.

The main curatorship application will still be heard in the Cape High Court on 30 April 2007. The applicants to intervene in the matter have until Monday 16 April 2007 to file their papers, if any, in answer to the papers filed by the Registrar of Medical Schemes.

The Registrar of Medical Schemes wishes to advise members and suppliers of Pro Sano that the scheme is now in safe hands. Members and suppliers have no reason to be concerned about the payment of claims or the administration of the medical scheme. The administration of the scheme will be strengthened by the provisional curatorship.

The Registrar also advises that, whereas the medical scheme experienced significant deterioration of financial status during the past financial year under the tenure of the Board of Trustees, the scheme's financial position is still sound. The Registrar is confident that the decline of the financial status of the scheme will be rapidly turned around under the effective management of a curator.

*TP Masobe, 30/03/2007*

**Mr TP Masobe**  
**Registrar of Medical Schemes**

**For further information regarding this matter, please contact:**

**Mr S Harrison: 0829039659**

IN THE HIGH COURT OF SOUTH AFRICA  
(CAPE OF GOOD HOPE PROVINCIAL DIVISION)

CASE NO. 10980/06

Before His Lordship Mr Justice P.B. Fourie

Friday 30 March 2007

In the matter between:

**THE REGISTRAR OF MEDICAL SCHEMES**

Applicant

and

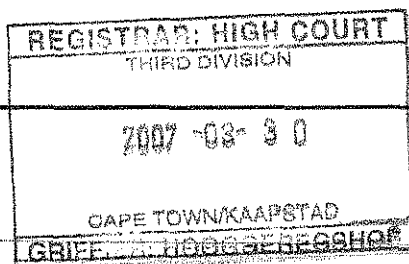
**PRO SANO MEDICAL SCHEME**

Respondent

and

**BRIAN HERALD JACOBS and eight others**

Applicants for leave to intervene

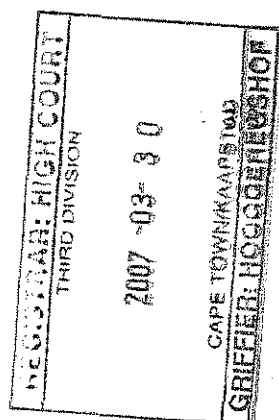


**ORDER**

HAVING HEARD COUNSEL FOR THE APPLICANT AND COUNSEL FOR THE  
APPLICANTS FOR LEAVE TO INTERVENE AND BY AGREEMENT  
BETWEEN THE SAID PARTIES, THE FOLLOWING ORDER IS MADE:

1. Paragraph 6.1 of the order of this Court dated 26 October 2006 is amended by the substitution of Mr Johannes Malose Seoloane for Mr Mzimtsha Vizia Nkonki in paragraph 14 of the registrar's amended notice of motion dated 25 October 2006, which forms part of Part D thereof, and the late amendment of the registrar's amended notice of motion in this respect is condoned.
  
2. Mr Johannes Malose Seoloane ('the provisional curator') is hereby provisionally appointed as curator to take control of and to manage the whole of the business of the Respondent ('the Scheme') until the hearing of this matter on Monday 30 April 2007 in relation to the matters set out in Paragraph 6 of the order of this Court dated 26 October 2006 as amended by paragraph 1 above and in relation to the matters set out in paragraph 8.1 below.
  
3. The provisional curator shall have the following powers:
  - 3.1 generally to take control of and in the place of the board of trustees manage the business of the Scheme in accordance with the provisions of the Act and the rules of the Scheme;
  
  - 3.2 to exercise all powers which would ordinarily vest in and be exercisable by the board and/or principal officer of the Scheme, whether in terms of the Act or the rules of the Scheme;

to incur such expenses and costs on the Scheme's account as may be reasonably necessary or expedient for the purposes of the provisional curatorship and control of the business and operations of the Scheme;



3.5 to institute, defend, settle and/or compromise any legal proceedings on behalf of the Scheme and in its name and for those purposes to appoint and instruct attorneys and counsel:

3.6 to operate the existing bank accounts of the Scheme and to open and operate any new banking accounts in the name of the Scheme as might reasonably be required for the purposes of the provisional curatorship.

4. The provisional curator, after consultation with the Registrar, may apply on 48 hours' notice or *ex parte* if appropriate for any amendment or amplification of the powers granted to him in this Order in the event of his considering it necessary to do so for the effective exercise of the powers and responsibilities of the provisional curatorship.

5. The provisional curator shall be entitled to reasonable remuneration as might be allowed by agreement with the registrar, alternatively and failing such agreement as may be determined later by this Court, and such remuneration shall be paid by the Scheme.

REGISTRAR: HIGH COURT  
THIRD DIVISION  
2007-03-30  
CASE TRAINING UNIT  
GRIFFIN HOOVER SHOF

On Monday 16 April 2007 the applicants for leave to intervene shall deliver their papers, if any, in answer to all of the affidavits of the applicant delivered to date, including the affidavit of Stephen Harrison dated 30 March 2007, and the reports of the investigator dated 14 February 2007 and 23 March 2007.

7. By Monday 23 April 2007 the registrar shall deliver his replying papers, if any.

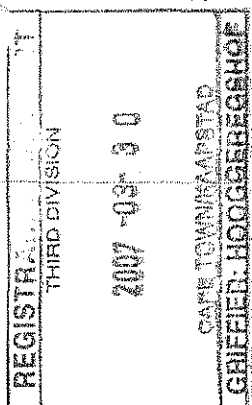
8. By Wednesday 25 April 2007:

8.1 the registrar and the applicants for leave to intervene shall deliver their heads of argument; and

8.2 the provisional curator shall deliver to the Court, the Scheme and the attorneys for the registrar and the applicants for leave to intervene a report of his provisional curatorship, which report shall include a statement of his findings and recommendations concerning the affairs of the Scheme and the continuation of the provisional curatorship or the making of a final order of curatorship.

9. The costs of these proceedings between 27 October 2006 and 30 March 2007, both dates inclusive, shall stand over for later determination.

10. It is recorded that the registrar has consented to this order without prejudice to:



10.1 his right to oppose the application for leave to intervene;

10.2 the notice in terms of Uniform Rule 7(1) delivered to the attorneys who signed that application; and

10.3 his right to deliver any further such notice should another attorney purport to come on record for the applicants for leave to intervene.

