

happy families

And my parents finally realise that I have been kidnapped and they snap into action immediately: They rent out my room.
- Woody Allen

Liza Bagley enjoys resolving conflict; she likes dealing with real life problems. So it was no surprise when Liza grabbed the chance to join our Litigation Department and specialise in family law.

Family law covers a range of subjects, from divorce and maintenance, to custody disputes and domestic violence. This area of law is extremely dynamic, with the introduction of the new Children's Act and new case law on customary, traditional and

other religious marriages, being recent highlights.

Liza has spent time in our Commercial and Property Departments. She joined Venn Nemeth and Hart as a candidate attorney in 2006, after graduating from the University of KwaZulu-Natal, Durban.



Liza Bagley
Litigation Division

trust in us

Where there's a will, I want to be in it.
- bumper sticker on John Wallace's filing cabinet

Our Trustee Division - which handles estate planning, wills, deceased estates and the establishment and management of trusts - has been growing. We would like to introduce some new members of our team:

Leigh Mustard has been appointed an estates paralegal after working with Simon Francis in our Commercial Division for four years. Leigh assisted Simon with wills and trusts, and her experience is proving invaluable to the team.

Another fresh face is **Ansley le Roux**, who comes to us with a valuable accounting and estates background. Ansley is completing her B Comm, while holding down a full-time job as an estates paralegal. Ansley intends tackling an LLB next!

Both these ladies have embraced their new positions with enthusiasm and dedication, and we welcome them to the team.

While not new to the Trustee Division, **Tina van Wyngaard** now heads up our recently-formed Master's Office agency service. Tina, who previously worked at the Master's Office for many years, can get trusts registered, estates files opened and other problems resolved at speed. Tina provides this valuable service not only to Venn Nemeth and Hart, but to attorneys, accountants and trust companies from around the country.



Tina van Wyngaard, Ansley le Roux and Leigh Mustard
Trustee Division

specialised recoveries beefs up

No man's credit is ever as good as his money.
- Edgar Watson Howe

Mohammed Motala has joined our Specialised Recoveries Team, where he will be involved in the recovery of high balance matters and liquidations.

Mohammed schooled at Kharina Secondary School and obtained his LLB degree at the University of KwaZulu-Natal in Pietermaritzburg. He was also awarded a Dean's Commendation and a Certificate of Merit for

Sale, Lease and Credit Agreements.

Mohammed enjoys travelling and is a keen soccer player, having represented his school and the University. He also enjoys playing social cricket and squash.



Mohammed Motala
Debt Recoveries Division

sixty-seven minutes

For to be free is not merely to cast off one's chains, but to live in a way that respects and enhances the freedom of others.
- Nelson Mandela

The directors and staff of Venn Nemeth and Hart recently recognised Mandela Day by getting stuck into some sandwiches. Everyone contributed jars of peanut butter, tins of jam, tubs of margarine and loaves of bread, and started slicing and spreading.

After a messy 67 minutes, the sandwiches were packed and ready to be transported. Foodbank (formerly Food Feedback) collected the crates of sandwiches and delivered them to the

Nobuhle and Siphamandla crèches near Pietermaritzburg.



Mary Ann Merckel, Nosipo Mgojo, Protus Mbanjwa (Foodbank Durban), Leigh Mustard, Marcel Sandells and Lejan Lindsay.

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LAW LETTER

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Hannah Szudrawski
John Wallace
Simon Francis

Trusts & Wills
Bob Williams
Hannah Szudrawski
John Wallace
Simon Francis

coffee with john

If one thing defines John Wallace, it has to be his grasp of information technology. If you have an IT question, chances are that he will have the answer at his fingertips. John, a former chief executive officer of our firm, is a director in our Commercial Division and managing director of Finlaw, our financial services partner. We found out more about this multi-skilled attorney over a cup of coffee...

I joined the firm as a 21-year-old surfer dude. I still have a letter from Oliver Hart informing me that I had been accepted for articles, provided that I had my hair cut to "accepted professional standards". The letter also mentioned that my salary would be the princely sum of R100 per month, subject to review if I showed "the necessary initiative and enthusiasm"!

I have always been intensely curious about how things work. This started with wanting to know what made my mother's cake mixer tick - I found out, but with some cogs and screws to spare! I guess this curiosity has been the central theme of a fairly diverse career. I enjoy helping clients assess the advantages and disadvantages of alternative business structures, estate planning solutions and financial products.

I began my career in administering deceased estates, really by chance. I ran out of money and had to leave university (the rumours of expulsion are groundless!). I headed up to Johannesburg and joined the trustee division of a bank. After gaining some experience, I started looking around for articles with a law firm, which would allow me to study part-time.



John Wallace
Commercial Division

Surprisingly, estates administration is a great way to pick up business skills. Estates often include one or more businesses, and you have to pick up the pieces and keep the businesses going. This exposure has helped me to understand clients' businesses and to develop business-like solutions to their problems. The experience also stood me in good stead as chief executive officer of our firm over almost two decades.

I then moved into commercial law, tax planning and business structuring. My natural problem-solving approach helps a lot in this kind of work. When a client tells me that he wants X, I have to ask why. I need to know what his desired outcome is, and then I have to ask myself whether there is not a better way of getting there.

I put my hand up when we established Finlaw. I now spend a fair amount of time looking after clients' investments, but again it's about understanding financial problems and identifying the best solution. I really enjoy interacting with Finlaw's clients.

Our technological capacity has grown massively over the years. I have headed the technology drive since the seventies and, believe me, it was a *drive*! When I joined the firm, we had two or three electric typewriters. In 1983 we bought our first mainframe computer and had to lift it into the building with a crane! Now Venn Nemeth and Hart is at the forefront of legal technology. I guess it all comes back to mom's cake mixer!

close corporations and why we love them!

Only the paranoid survive.
- Andrew Grove, long-standing CEO of Intel Corporation

Close corporations have been one of the resounding success stories of the South African legal system. They have been formed by the thousand and are now the preferred legal structure for many small businesses.

Why are they so popular? There are several reasons.

Firstly, close corporations are easy and inexpensive to form. Anyone can complete the necessary forms and send them to the Registrar of Close Corporations in Pretoria with a cheque. Setting up a company is not nearly so easy.

Secondly, close corporations can be administered with a minimum of formality. By contrast, the 440 sections of the Companies Act impose a heavy (and expensive) compliance burden on companies.

But what is the legal effect of a close corporation? In essence, a close corporation is an incorporated partnership; meaning that it is a legal entity in its own right, separate from its members. Hence, if a close corporation incurs a debt, the legal liability for payment rests on the corporation, not its members. As with companies, if a member of a close corporation causes the corporation to incur a debt *knowing* that the corporation will be unable to pay (which is fraudulent) or without *reasonable grounds for believing* that the corporation will be able to pay (which is reckless), then a court can order that the

member is personally liable for the debt.

The legal relationship between the members of the close corporation is also similar to that of partners. As in a partnership, every member of a close corporation is entitled to participate in the management of the business. A close corporation does not have a split between owners and managers (shareholders and directors in the case of companies). In a close corporation (as in a partnership) every member is also automatically an agent of the corporation, and does not need the permission of the other members to enter into contracts on the corporation's behalf. Consequently, if a member of a close corporation enters into a foolish or ill-advised contract on its behalf, the corporation will be bound by the contract.

When the new Companies Act comes into force (some time after April 2010), no more close corporations can be registered, but existing close corporations will continue to exist and can carry on business as before. If you are thinking of establishing a close corporation, now is the time to act!



Bob Williams
Commercial Division