

AND

Anna Aletta Johanna, a major female cited in her personal capacity and as a member of the First Defendant, situated at Plot 358, Sakabuka Street, Pretoria.

(“Second Defendant”)

AND

Dr. Willem Adolf Krige, a major male cited in his personal capacity and as a member of the First Defendant, situated at Plot 358, Sakabuka Street, Pretoria.

(“Third Defendant”)

THAT

Denzhe Primary Care NPO (Registration number: 098-122 NPO), a duly registered non-profit organisation registered in terms of the Non-Profit Organisation Act, 71 of 1997, duly listed on the register of non-profit organisation with its offices situated at Garsfontein Office Park, 645, Jacqueline Drive, Pretoria, 21A.

(“Plaintiff”)

HEREBY INSTITUTES ACTION against the Defendants, in which action the Plaintiffs claim as stated in the Particulars of Claim, attached hereto.

PARTICULARS OF CLAIM

1.

The Plaintiff is Denzhe Primary Care NPO (Registration number: 098-122 NPO), a duly registered non-profit organisation registered in terms of the Non-Profit Organisation Act, 71 of 1997, duly listed on the register of non-profit organisation with its offices situated at Garsfontein Office Park, 645, Jacqueline Drive, Pretoria, 21A.

2.

The First Defendant is Freedom Therapy CC, a close corporation duly incorporated in terms of the laws of South Africa, having its place of business situated at Plot 358, Sakabuka Street, Pretoria.

3.

3.1. The Second Defendant is Anna Aletta Johanna, a major female cited in her personal capacity and as a member of the First Defendant, situated at Plot 358, Sakabuka Street, Pretoria.

3.2. The Second Defendant is the registered owner of Plot 358, Sakabuka Street, Pretoria (hereinafter referred to as "the property").

4.

4.1. The Third Defendant is Dr. Willem Adolf Krige, a major male cited in his personal capacity and as a member of the First Defendant, situated at Plot 358, Sakabuka Street, Pretoria.

4.2. The Third Defendant at all material times acted as the agent of the Second Respondent when the Second Defendant did not act personally.

5.

During 2016 the First and/or Second and/or Third Defendant represented to the Plaintiff:-

- 5.1. that the First and/or Second and/or Third Defendant had approximately thirty years of experience in the field of running and/or management of legal drug rehabilitation centres;
- 5.2. that the First and/or Second and/or Third Defendant had a one hundred percent success rate with patients at their drug rehabilitation centres;
- 5.3. that the First and/or Second and/or Third Defendant and/or their drug rehabilitation centre was compliant with legislation and regulations regarding such centres;

- 5.4. that the First and/or Second and/or Third Defendant had a good relationship with the Department of Social Development and/or the department who attended to the monitoring of such centres;
- 5.5. that should any new or further licences and/or permits and/or registration be required for a new rehabilitation centre and the lease thereof, that those licences and/or permits and/or registration could be obtained to run a lawful drug rehabilitation centre;
- 5.6. that the First Defendant has a very sound and trustworthy "board of directors" to run its drug rehabilitation centre at Plot 358, Sakabuka Street, Pretoria;
- 5.7. that Plot 358 Sakabuka Street, Pretoria was suitable for the building of a new drug rehabilitation centre which could be leased to conduct the business of a drug rehabilitation centre;
- 5.8. that Plot 358 Sakabuka Street, Pretoria was zoned to conduct the business of a legal drug rehabilitation centre;
- 5.9. that the Plaintiff could lease a drug rehabilitation centre built on the property for 99 years;
- 5.10. that the Plaintiff was entitled to build and use a rehabilitation centre on the Second Defendant's property at Plot 358 Sakabuka Street, Pretoria.

6.

As a result of the material representations set out above:

6.1. the Plaintiff was induced to agree with the Second Defendant personally, alternatively represented by the Third Defendant, to pay for and have a rehabilitation centre built on the property in exchange for the use of the property for a period of 99 years;

6.2. the Plaintiff was induced to give effect to the above agreement by entering into two written agreements attached hereto as Annexure "A1" and Annexure "A2" respectively;

6.3. the Plaintiff further agreed with the Second Defendant that the management of the property as drug rehabilitation centre would be conducted by the Third Defendant for the duration of its use of the property.

6.4. In terms of Annexure "A1" (herein also referred to as the "Lease Agreement"):

6.4.1. the Plaintiff leased the above property from the First Defendant as represented by the Second Defendant;

6.4.2. the use of the premises was specifically recorded as being for drug rehabilitation in schedule 1;

6.4.3. the management of the drug rehabilitation centre was to be conducted by the Third Defendant for the duration of the use.

6.5. In terms of Annexure "A2" (herein also referred to as the "Memorandum of Understanding"):

6.5.1. the First Defendant was appointed as a business development partner and to expand the drug rehabilitation market reach of the Plaintiff;

6.5.2. the First Defendant warranted that it had been part of the drug rehabilitation market for over thirty years.

7.

The above representations were false, in that:

7.1. The First and/or Second and/or Third Defendant did not have thirty years' experience in the field of running and/or management of legal drug rehabilitation centres.

7.2. The First and/or Second and/or Third Defendant, had been served with an Enforcement Notice in terms of the Treatment of Substance Abuse Act, 70 of 2008 (“the Act”) which stated, *inter alia*, that:

7.2.1. the First, Second and/or Third Defendant was advised about the requirements and procedure for registration as prescribed by Act 70 of 2008;

7.2.2. the First, Second and/or Third Defendant were operating as an in-patient treatment centre without being registered in terms of section 19 of Act 70 of 2008

7.2.3. the First, Second and/or Third Defendant was instructed to stop operating as an illegal in-patient treatment centre and to refrain from admitting patients.

7.3. The First and/or Second and/or Third Defendant:

7.3.1. were not registered in terms of the relevant legislation to treat drug rehabilitation patients on an in-patient / residential basis;

7.3.2. did not comply with the relevant legislation or regulations relating to drug rehabilitation centres;

7.3.3. did not use recognized or acceptable treatments for drug rehabilitation;

7.3.4. treated people without being licensed to do so, alternatively without being licensed for that specific treatment;

7.3.5. treated mentally ill patients without being licensed to do so, alternatively without having duly qualified and registered personnel to do so.

7.4. The property was zoned for "Agricultural purposes" and was not correctly zoned for a drug rehabilitation centre.

7.5. The First, Second and/or Third Defendant did not have a one hundred percent success rate with patients while running a legal and registered drug rehabilitation centre.

7.6. The First, Second and/or Third Defendant were not able to obtain licensing for a drug rehabilitation centre on the property.

7.7. The First and/or Second and/or Third Defendant have proceeded to market the property for sale.

7.8. A lawful drug rehabilitation centre cannot be conducted on the property.

7.9. The Defendants owed the Plaintiff a legal duty not to make the misrepresentations.

8.

The Defendants and/or their agent knew the representations were false alternatively they should have with the exercise of reasonable care that the representations were false.

9.

9.1. The representations were made to induce the Plaintiff to pay an amount of R17,000,000.00 for the building of a drug rehabilitation centre on the property and to enter into the agreements set out above.

9.2. The Plaintiff was induced to pay the amount of R17,000,000.00 for the building of a drug rehabilitation centre and to enter into the agreements.

9.3. The payment was made in the *bona fide* belief that the payment was due in terms of the agreements.

10.

In the above premise:

10.1. The Agreements and Annexure "A1" and "Annexure "A2" are void *ab initio*, alternatively voidable, and stand to be set aside.

10.2. As a result of the misrepresentations, the Plaintiff has suffered damages in the amount of R17,000,000.00 (Seventeen Million Rand).

10.3. The amount of R17,000,000.00 is calculated as the amount paid to build the rehabilitation centre on the property.

11.

11.1. In the alternative the Second Defendant has been enriched and the Plaintiff has been impoverished by the Plaintiff paying for the building of a drug rehabilitation centre in the amount of R17,000,000.00 on the Second Defendant's property.

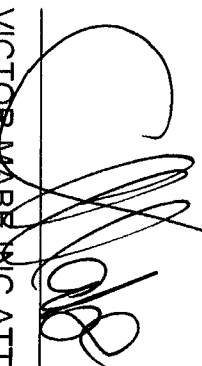
11.2. The enrichment of the Second Defendant is at the expense of the Plaintiff.

- 11.3. The enrichment is not justified, alternatively is as a result of the illegal alternatively unenforceable contracts.

WHEREFORE THE PLAINTIFF PRAYS for an order against the First, Second and Third Defendant, jointly and severally, in the following terms:

1. That the agreements between the parties, including Annexure "A1" and Annexure "A2" be declared void *ab initio*, rescinded and set-aside, alternatively cancelled.
2. Payment of an amount of R17,000,000.00 (Seventeen Million Rand).
3. Alternatively to prayer 2 above, that the Second Defendant pay an amount of R17, 000,000.00 (Seventeen Million Rand).
4. Interest on the above mentioned above at a rate of 10,25% from date of service of summons.
5. That the Defendants pay the Plaintiff's costs as between attorney and own client.
6. Further and/or alternative relief.

DATED at PRETORIA on this _____ day of September 2018


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VICTOR MABE

Plaintiff's Attorneys with right of
appearance in the High Court of
South Africa in terms of Section 4
(2) of Act 62 of 1995