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**Dear Sir / Madam,**

We hereby confirm that InsolSure Insolvency Practitioners has received an interest for application for the voluntary surrender of your estate and have we proceeded to open a file in this regard. We advise that a reference number has been allocated to your file as displayed in the subject bar of the email hereto and request that the reference number be quoted in all future correspondence entered into.

InsolSure is comprised of various individual law firms specializing in Liquidations, Sequestrations and the Voluntary Surrender of individual estates. InsolSure Insolvency Practitioners have been in business for 20 years with the individual parties having a combined experience of over 50 years in the industry. Because we mostly deal with High Court Applications, we have our own nationwide network of attorney offices and advocates in each High Court Jurisdiction to represent and attend to our client's applications. Our main offices are however situated in Groenkloof, Pretoria, Gauteng.

Once your application has reached this stage it means that all your administration fees have been paid in full and that your contribution amount is all that remains to be paid. The contribution can be paid in one lump sum or in instalments as was explained to you by the consultant when you completed the application. We would like to make use of this opportunity to bring the following to your attention and to inform you of the processes ahead.

**If you will be paying the contribution in one lump sum take note of the following**

- If the contribution is paid in one lump sum we will immediately draft your application on receipt of the proof of payment and once the funds reflect in the trust account.
- It is advisable to pay the whole contribution in one lump sum as this will expedite the process with about 6 weeks. The alternative is to pay over the stipulated instalment period.

**If you will be paying the contribution in instalments please take note of the following.**

- On receipt of the first instalment towards the contribution amount will the application be processed and all the necessary documents be prepared.
- The drafting of the High Court application can vary and usually takes 4-6 weeks.
- Note that there can be various factors out of our control that can influence this time period.
- After the affidavits supporting the High Court application have been drafted will you be contacted to arrange for a consultation in order to attend to the signing thereof.
- Once the required affidavit has been signed will we proceed to place an advertisement in the Government Gazette and local newspaper. A copy of the advertisement is available on request. It is of utmost importance to follow up and make sure that our offices has received the signed documents.
- We advise that from the successful deduction of the first debit order it will take approximately 12-



16 weeks before the application is addressed in the High Court.

- On receipt of your first instalment towards the contribution amount we will be able to provide you with a confirmation letter of your application that you can send to the creditors. This letter will confirm that you have applied for the surrender of your estate. Once you have noticed that the first debit order has been deducted from your bank account, can you request a confirmation letter of your application from our offices.

- You can send your creditors this confirmation letter should they phone you in the interim period before the official court order from the High Court is available.

- This confirmation letter of your application is not legally binding and your creditors will require the court order, or at least a copy of the advert in the Gazette. However the vast majority of the creditors will take note of the impending application and will stop incurring any further cost on your account and will most probably ask you to send them a copy of the advertisement in the Gazette or copy of the court order as soon as possible.

- Should any of your creditors contact you, you can notify them that you have applied for the voluntary surrender of your estate. To keep it simple just explain that you applied for a sequestration and that they can send any inquiries to us.

- Please make sure that our offices can reach you at all time as we might need additional information from time to time. It is advisable to save all our contact numbers as per the letterhead to your phone for easy identification.

- If any emergency arises from any of your creditors please send us a mail explaining the situation and also the contact details for the specific creditor. In certain cases we will be able to send a letter to the creditor resolving the issue until the court order is available.

- Always make sure that there are enough funds in your bank account to honor the debit order deduction in favor of the contribution amount. If the debit order is returned unpaid will the application be stopped with immediate effect. Should it happen please contact us immediately and make alternative arrangements.

- We have had to overcome many obstacles in the process to be able to assist our clients so that the contribution amount could be paid in instalments. Should the process be abused will we not be able to assist you any further and the full balance of the outstanding contribution amount will become payable with immediate effect.

- Should you dishonor your payment arrangement regarding the contribution amount will we have no option but to take legal action and report the matter to the trustee and Master of the High Court. The movable assets will be attached and or an emolument attachment order against your salary for the outstanding contribution amount will be obtained.

We congratulate you on taking your first step to financial freedom and to take control of your financial matters and assure you of our utmost honesty and discretion in handling this matter.

Should you need to inquire about your application please send a query to our dedicated email address. Email address for any inquire – [info@insolsure.co.za](mailto:info@insolsure.co.za)

Please allow 48 hours for a response.

Attached is a summary of the voluntary surrender process. You might already have received similar information but we advise you to acquaint yourself with the content of this information brochure.



We thank you for choosing Arcadia Law to assist you with your financial predicament and we would like to draw you a **free will** to give you and your loved ones future financial security.

Yours faithfully

Insolure Insolvency Practitioners

## INTRODUCTION

**We would like to take this opportunity to thank you for instructing our firm to possibly assist you with your application for sequestration. We have more than 20 years' experience in the insolvency industry and will provide yourselves with our best advice and services at all times.**

## SEQUESTRATION

The purpose of sequestration is to afford you, as our valued client, an opportunity to start a new beginning without any debts. If you are no longer able to pay your creditors for whatever reason, then sequestration should be seriously considered. If sequestrated your creditors can no longer demand that you pay them, hence no sleepless nights anymore or "unknown" numbers.

## ADVANTAGES

- You are debt free;
- Your creditors will stop harassing you; they must lodge their claim with the Trustee;
- You don't appear in court yourself;
- You will in most circumstances be afforded the opportunity to keep your furniture;
- Your salary cannot be attached by creditors and any garnishee orders against your salary will be cancelled upon granting of the sequestration order.

## DISADVANTAGES

- During your sequestration you will not be able to obtain any credit, therefore make any loans;
- You cannot be a director of a Company or a member of a Close Corporation;

## REQUIREMENTS

- You must have more debts than assets;
- You must not be able to pay your debts anymore due to circumstances out of your control for  
Example due to medical expenses, job loss, divorce and even overspending.

## HOW DOES THE PROCESS WORKS

- It is a High Court application that is brought on your behalf by ourselves. (This process is referred to as a voluntary surrender);
- An application can be brought at any stage (even if you are under administration or debt review);



- You will be required to fill in a form providing us with all your personal details and in particular with respect to your income, liabilities, assets and expenses;
- We will also require that you provide us with supporting documents (e.g.: ID, salary advices, etc.);
- We will also require that you provide us with full details in respect of what lead up to your current financial dilemma;
- Once we have obtained all the required information will we draft an affidavit and arrange for the signing thereof by yourselves;
- We will publish an advertisement of your intended application for the voluntary surrender of your estate in the Government Gazette and local newspaper – this formal requirement stays any pending sales in execution (auctions);
- We will inform your creditors of your application as required by law by means of a registered letter.
- Once we have complied with all the required formalities will we obtain a court date and set the matter down to be heard for an order to be granted;
- Once the sequestration order has been granted you are now sequestrated and debt free;
- A trustee will be appointed to administer your estate who will further deal with your creditors should they wish to prove a claim against your estate.

#### **HOW LONG DOES IT TAKE**

- If there is no immovable property and/or vehicles forming part of your insolvent estate will we only start with the process after 3 consecutive payments has been received as per the required debit order mandate;
- If there is immovable property and/or vehicles forming part of your insolvent estate will we start with the process after 1 payment has been received as per the required debit order mandate;
- Once we start the process it takes approximately 6 to 10 weeks to obtain a final court order subject thereto that there were no postponements etc.
- It is paramount that payments are made as per the debit order mandate. **We have a very strict office policy that should any debit order transaction be returned for whatsoever reason will we not proceed with the application and all payments made will be forfeited.**

#### **WHAT HAPPENS IF I OWN IMMOVABLE PROPERTY (HOUSE, FLAT, TOWNHOUSE)**

- Unfortunately you will lose your immovable property;
- You can sell the property beforehand. We can assist with the sale of the property by means of a “friendly auction” or by means of a private sale; or



- Once your estate has been sequestrated the Master of the High Court will appoint a Trustee who will attend to the sale of your immovable property either by means of an auction or by private sale;
- It can take several months for the trustee to be appointed and once appointed for the property to be sold. During this period you will be able to stay in the property.

#### **WHAT HAPPENS IF I HAVE A VEHICLE**

- You will unfortunately lose your vehicle if your vehicle is subject to a Hire Purchase Agreement;
- If your vehicle is paid off, we will be able to assist you.

#### **HOW MUCH DOES IT COSTS (sequestration)**

- This depends from application to application; but our base fee is R6000

This can be paid in a couple of ways

1. All at once. We will start the application immediately
  2. A deposit of R2000 and then 2 payments of R2200 (Total cost R6 400). We will start the application once the second payment has been made. Placement for the court will only happen when the full amount has been paid
  3. Deposit of R1500 and 4 payments of R1250 (Total R 6 500) We will start the application once the third payment has been made. Placement for the court will only happen when the full amount has been paid
- We will evaluate your application and we will inform you of the amount payable;
  - We will inform you accordingly of the monthly installment (contribution)

#### **When may an insolvent apply for rehabilitation?**

Six months

- After six months after the sequestration order has been granted subject thereto that the full contribution amount has been paid **AND** no claims have been proven against the estate, provided the insolvent has not been convicted of certain offences; and has not previously been sequestrated;
- It should however be noted that a report from the Master is required supporting the rehabilitation which is extremely difficult to obtain.

Twelve months

- If the insolvent has not been convicted of certain offences; and has not previously been sequestrated, he may apply for rehabilitation after 12 months have elapsed from the date of the Master's confirmation of the first trustee's account in the estate;



- It should however be noted that it takes approximately 3-4 years for the account to be confirmed.

Ten years

- After 10 years have expired an insolvent is deemed to be rehabilitated unless a court orders otherwise upon the application of an interested person. Such an application must be made within the ten year period.

### **sequestration rehabilitation costs**

Cost for sequestration rehabilitation is R12 000

Options as follow:

1. Deposit of R 6000 – Balance 2 weeks before the court date R 6000. Total R12000
2. Deposit of R 2000 – R 1800 per month for 6 months Rehabilitation cost on option 2Total R 12 800) or
3. Instalments R 2000 for 3 months (until R6000) – then we start with rehabilitation and client continue with R1200 for 6 months. (Total R 13 200)

#### 4. Guardian fund money

In the case of when the Curator informed us of Guardian fund money available we will claim R 12 000 from the outstanding amount.

Or

you are welcome to look at the above options for payment thereof.

Please take note if you are making use of the instalment options and you do not comply with our arrangements we will load you as a “non-payer” on ITC.

Please contact us for further information.

