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Zondo commission – Montana’s lavish wheeling and dealing in property

The commission of inquiry into state capture spent Wednesday probing links between former Prasa CEO Lucky Montana’s property deals from 2013 to 2016 and their suspicious takeover by a company called Precise Trade and Invest. Precise is a shelf company owned by lawyer Riaan Van der Walt, who was at the time a partner at Loubser van der Walt Incorporated.

Transactions involving four upmarket properties in Johannesburg and Pretoria – all secured in Montana’s name – came under the spotlight as three witnesses testified well into the evening, with the last only finishing around 19h00. One of them was Van der Walt’s former partner Nicholas Loubser.

Montana is alleged to have initiated the purchase of all four properties, ranging between R3.5-million and R13.5-million in value, but this would be followed by instructions to transaction lawyers to remove his details from contracts and replace them with those of Precise, without explanation. Van der Walt’s link to Montana is thought to be through former client and property mogul Mario Ferreira, who in turn owns TMM Holdings, of which Prasa service provider Siyangena is a subsidiary.

Van der Walt resigned from the law firm, presumably after being confronted by his partners over the controversial dealings, and is currently living in the US. Siyangena, meanwhile, is the subject of an investigation into alleged tender corruption, launched by a previous Prasa board, as well as litigation involving the state-owned rail agency.

Property developer Karen de Beer told the commission that a property she owned in Waterkloof, east of Pretoria, had hardly been on the market in March 2013 when Montana made a spontaneous offer to buy it.

“The boards had just gone up when he stopped in front of the house and told my agent he wants it,” said De Beer.

The property, which De Beer had run as a guesthouse, was going for R11-million, and when Montana showed interest, he allegedly had it valued behind De Beer’s back, making an offer of R7.5-million as a result. An angry De Beer withdrew the sale offer as she found Montana’s move dishonest, but after the property went up for sale again 18 months later, she welcomed a second offer from Montana, this time for cash.

Montana eventually bought it for R10.5-million, after he put forward a R3-million deposit to secure it. As far as De Beer is aware, the deposit was paid through Montana’s lawyer, Johan Smith, and an agreement was signed in August 2014. Montana told De Beer during a walk-through of the property after the sale that he intended to refurbish it and live in it, having declined through his secretary an offer by De Beer to repaint it before he moved in. The contract was finalised with Precise as the purchaser.

Although the refurbishment started soon after De Beer handed Montana the keys, it appeared that he had never occupied it. She said there was still scaffolding around it to this day. De Beer added that soon after the transaction, private investigator Paul O'Sullivan contacted her to enquire about details of the transaction. He told her that the property was part of an investigation into Montana's conduct during his tenure at Prasa.

Montana bought two Johannesburg properties through estate agent Louis Green. A Hurlingham house that was on show in October 2014 caught Montana's eye, and he made an offer just two days after viewing it. This too was changed from Montana to Precise in the final contract. The property was sold for over R13-million.

The second property was in Sandhurst. It was on the market for R18-million, but Montana was able to bring the final price down to R13.9-million, as the seller needed to secure funds for another property. Again Green was asked to change contract details to reflect Precise as the purchaser, rather than Montana. He received this instruction via fax from Van der Walt. A surprise call from the conveyancer in the transaction soon after the contract was signed notified Green that Montana wanted to remove his name from the offer to purchase, and have it replaced with that of Precise.

Montana's other property was in Parkwood, and was bought for R3.5-million.

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