

# COMPETITION TRIBUNAL OF SOUTH AFRICA

**Case No: 27/LM/Feb09**

In the matter between:

**RZT ZELPY 5506 (PTY) LTD**

Acquiring Firm

and

**SEESA LIMITED**

Target Firm

---

Panel	:	D Lewis (Presiding Member), N Manoim (Tribunal Member) and Y Carrim (Tribunal Member)
Heard on	:	1 April 2009
Order issued on	:	1 April 2009
Reasons issued on	:	14 April 2009

---

## **Reasons for Decision**

---

### **Introduction**

[1] On 1 April 2009 the Tribunal approved the merger between the abovementioned parties. The reasons follow below.

### **The transaction and parties**

[2] The transaction involves the acquisition by RZT Zelpy which is controlled by Corvest 6 (Proprietary) Limited, which in turn is controlled by RMB Corvest (Pty) Ltd, which is ultimately controlled by FirstRand Limited, a firm active in the financial industry. The primary target firm is SEESA Limited which is not controlled by any single firm, and which is active in labour and BEE consulting. The current shareholders in SEESA are; Gideon Gerber (47%), Dries Pretorius (47%), Brandon Topham (5%) and Simon Mathlare (1%).

- [3] The structure of the proposed transaction has four steps:
- [3.1] In the first step RMB Corvest will form a new company, RZT Zelpy, in which RMB Corvest will own 100%.
- [3.2] In the second step RMB Corvest will acquire 100% of the shares in SEESA from SEESA's current shareholders.
- [3.3] In the third step, RMB Corvest will dilute its shareholding to 80% with the remaining 20% shareholding going to various members of management. Gideon Gerber and Dries Pretorius, who were equal majority shareholders in SEESA will exit as shareholders.<sup>1</sup>
- [3.4] In the fourth step, RZT Zelpy will acquire the business and assets of SEESA.
- [4] On completion of the transaction, the business and assets of SEESA will be housed in RZT Zelpy and the shareholding in RZT Zelpy will be held as 80% by RMB Corvest and 20% by the then shareholders of SEESA.

#### **Rationale for the transaction**

- [5] The acquiring firm views the proposed transaction as an attractive investment opportunity. Mr Gideon Gerber and Mr Dries Pretorius wished to exit as shareholders of SEESA, and the proposed transaction facilitates their exit, thus creating an opportunity for other members of management to acquire shares in the company.

#### **Effect on Competition**

- [6] The proposed transaction does not have any competition implications. There is no horizontal overlap as the acquiring firm does not have any interest in labour and BEE consulting, where the target firm is active. No market share accretion will result from the merger, and there is also no vertical integration which arises.
- [7] In light of the above the Tribunal finds that the proposed transaction is unlikely to substantially prevent or lessen competition in any of the relevant markets.

---

<sup>1</sup> Those now holding shares in RZT Zelpy will be: Brandon Topham (5%) and Simon Mathlare,(1%). Ursula Botha, Kobus Badenhorst and Banie Oostendorp will collectively subscribe for the remaining 14%.

## **Public Interest**

[8] There are no public interest concerns.

---

**N Manoim**

**14 April 2009**  
Date

**D Lewis and Y Carrim concurring.**

Tribunal Researcher:	L Xaba
For the merging parties:	Cliffe Dekker Hofmeyr
For the Commission:	Kwena Mahlakoana