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AFFIDAVIT of EXPERT WITNESS

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I, the undersigned,

**Garth Zietsman**

hereby make oath and say that –

1. I am an male, statistician, residing and domiciled in Sun Valley, Cape Town an expert in the field of statistics.
2. I have a degree from University of South Africa achieved in 1986 and after that worked for the HSRC as a psychometrics researcher and then for a major South African bank in the field of statistics. I have also worked for CII, a management consultancy working with statistics. I now do various consultancy projects in the field of statistics including some for persons connected with the University of Cape Town. I was the testing officer of Mensa, a high IQ society, for ten years and Chairman in Johannesburg between the years of 2008 and 2009
3. The facts that I set out herein are true and correct and are within my personal and expert knowledge unless the contrary is indicated.
4. This sworn statement is intended not just for one court case but for any court case in which the same facts occur.
5. My understanding of the facts are that the banks disclose in their accounts and elsewhere that they securitise a percentage of their bonds, usually somewhere between 10 and 30%.



6. Nevertheless, when consulting the deeds registry it appears that the banks do not register the bonds they securitise as the securitised entities rarely if ever appear in the deeds registry as the holders of the bond. I am advised this would be the case if they had registered the bonds they had securitised.
7. I am also advised that the banks regularly aver on affidavit that they have not securitised bonds basing their statement on a statement from the deeds registry as if they registered all the bonds securitised
8. I am advised that several persons have done studies where they have taken the 50 or 100 erfes around their homes and looked for the names of securitised entities. Instead of the accepted 10- 30% being in the names of securitised entities, there are none in each of the cases.
9. The question then before me as an expert is then with hundreds of thousands of bonds out there, what is the statistical chance that this is just a fluke. In other words that the two or more groups of 50 erfes or houses just so happen to be ones that have not been securitised.

10. The formula to be used in cases like derives from the binomial theorem and is expressed as:

$$\text{Probability of } k \text{ drawn from } n = \frac{n!}{k!(n-k)!} p^k (1-p)^{n-k}$$

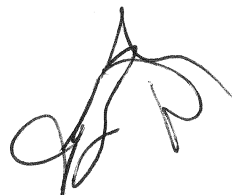
where

n=number of bonds checked (100 in this case),

k=the number of securitised loans found (zero in this case) and

p=proportion of loans the banks claim are securitised (10-30%).

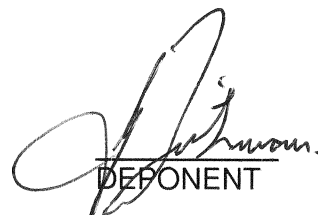
11. Thus for various values of p, the proportion of loans the banks have securitised:



- 11.1. For 10% the probability of one hundred cases all being unsecured is 1 in 37 648.
- 11.2. For 12% the probability of one hundred cases all being unsecured is 1 in 356 232.
- 11.3. At 13% it's already 1 in a million.
- 11.4. For 20% the probability of one hundred cases all being unsecured is 1 in 4 909 093 465 (1 in 4.91 billion).
- 11.5. For 30% the probability of one hundred cases all being unsecured is 1 in 3 091 690 408 090 220 (1 in 3.09 quadrillion).
- 11.6. This is evidence then, well beyond the balance of probabilities and even reasonable doubt, that the banks do not in fact register the bonds they securitised with the deeds registry

12. I have studied this matter in detail and my expert opinion is as follows:

The probabilities indicate that the banks do not in general register their bonds with the deeds registry. They are thus knowingly attempting to deceive the judges who hear cases when they support their contention that a particular bond is not securitised by reference to the deeds registry. They would be aware that they have not, in fact, properly registered their securitised bonds there. They would also then be aware that providing an entry from the deeds registry would prove nothing.

  
DEPONENT



I hereby certify that the deponent has declared that he knows and understands the contents of this affidavit and that to the best of his knowledge and belief it is the truth, which affidavit has been signed and sworn to before me at Johannesburg on this the 16 day of FEB 2014 and that the provisions of the regulations as contained in government notice r1258 of the 31<sup>st</sup> of July 1972, as amended, have been complied with.

*I certify that the DEPONENT has acknowledged that he/she knows and understands the contents of this affidavit, that he/she does not have an objection to taking the oath and that he/she considers it to be binding on his/her conscience, and that he/she has signed and sworn to and signed before me and that the administering oath complied with the provisions of Government Gazette No. R. 1258 of 21 July 1972, as amended.*

**COMMISSIONER OF OATHS**

FULL NAMES:

DESIGNATION:

BUSINESS ADDRESS: 5

SIGNATURE

Commissioner of Oaths

Designation: BRANCH MANAGER

Date: 2015-05-16 ex officio: Republic of South Africa

Place: SUN VALLEY

Business Address: SHOP 101/102 ONE BEAR MALL

DOMINIQUE GEUKEN  
FULL NAMES

2015 -02- 16  
FOLIO 2