

Steinhoff's former auditor Deloitte to pay \$85m to settle certain claims

JOHANNESBURG (Reuters) - Steinhoff said on Monday former auditor Deloitte has agreed to pay \$85mn to certain claimants as part of the retailer's proposed \$1bn global lawsuit settlement plan, and that a company opposing the plan had withdrawn its court application.



The Deloitte Company logo is seen on a commercial tower at Gurgaon, on the outskirts of New Delhi, India. *Reuters/Parivartan Sharma*

The announcement sent Steinhoff's Johannesburg-listed shares soaring 15.70% to reach their highest in nearly two and a half years, while its primary Frankfurt-listed shares jumped by 18.55% by 12.31 GMT.

The move takes the scandal-hit retailer a step closer to a settlement plan proposed in July after an accounting fraud in December 2017 prompted investors to dump its shares and led to a string of top level resignations.

Steinhoff said as part of ongoing discussions with related parties, its former auditor Deloitte had agreed to support the company's proposed global settlement plan and will make an additional payment of up to 70.34mn euros (\$85.28mn) to settle some claims "in exchange for certain waivers and releases."



Could Steinhoff and the likes face a class action suit?

12 Mar 2018



Steinhoff said up to 55.34 million euros of the payment will be made to market-purchase claimants, those who traded in Steinhoff shares. It said 15 million euros would be paid to certain contractual claimants provided that Steinhoff completes legal procedures related to companies in distress in the Netherlands and South Africa as well as other conditions.

"The settlement by Deloitte is not in any way an admission of any liability for the losses incurred by Steinhoff and its stakeholders as a result of the accounting irregularities at Steinhoff," Deloitte said in a separate statement.

Steinhoff also said it had reached an agreement with Conservatorium Holdings LLC and certain entities linked to former Steinhoff chairman and second largest shareholder Christo Wiese, which will result in Conservatorium withdrawing the court application.



Could Steinhoff and the likes face a class action suit?

12 Mar 2018



Conservatorium is the legal successor to claims by seven global banks who advanced 1.6bn euros to a Dutch based company controlled by the Wiese family.

Steinhoff said Conservatorium had filed a court application at the Amsterdam District Court to appoint a restructuring expert at Steinhoff, which could have potentially delayed its global lawsuit settlement plan.

(\$1 = 0.8248 euros)

(Reporting by Nqobile Dlodla and Promit Mukherjee. Editing by Jane Merriman)

Source: Reuters

For more, visit: <https://www.bizcommunity.com>