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# Bombed St Elmo's owners get payout, but doors stay shut

MURRAY WILLIAMS

STAFF REPORTER

**The owners of the bombed St Elmo's pizzeria in Camps Bay are to be paid out more than R1-million by insurers, but its doors remain shut – a scar left from Cape Town's season of terror.**

The St Elmo's pizza franchise company has protested that it did everything possible to help the franchise holders reopen the restaurant's doors.

This comes after the franchise holders, the Nash family of Camps Bay, obtained a provisional liquidation order in the Cape High Court last week, claiming their insurance company had refused to pay for loss of profits it suffered over the festive season after the bomb blast on November 28.

The money to be paid out is for material loss and fixed costs, such as salaries and rent.

In their application, the Nashes also accused St Elmo's franchise company of being "extremely unreasonable" by demanding that the restaurant be reopened by yesterday.

The Nashes had special riot and terror insurance cover, underwritten by the SA Special Risks Insurance Association (Sasria), but this cover included only material damage and fixed costs. It did not cover any loss of profits sustained through an act of terror.

Mike Strydom, managing director of Sasria, said the pizzeria had been running at a trading loss before the blast – so there could not have been a loss of profits claim even if Sasria offered such cover to its clients, which it did not.

The Nashes disagreed with this assessment of their profitability, saying yesterday they had pumped almost R1m into the business in anticipation of a bumper season and good profits.

At the time of seeking liquidation last week, the Nashes had already been paid out about R300 000 of their estimated R1,1m claim.

A legal representative for the Nashes, Derek Wille, said yesterday his clients had received their first insurance payout of R150 000 on December 24, and the second cheque, for the same amount, on January 20. A substantial amount of the first payment had gone towards employees' wages and salaries. But Mr Wille said the two payouts had been well below the estimated R600 000 needed to reopen the restaurant. He said the franchiser's ultimatum to the Nashes to reopen by January 31 or have their franchise contract cancelled had been received only on January 6. "We had no choice, (but to apply for liquidation)," Mr Wille said.

The St Elmo's franchiser said yesterday there had never been any suggestion that the restaurant's material damage and fixed costs were not covered. Therefore, repair work could have gone ahead while the owners waited to be paid out, as the contractors would only have to have been paid after the repair work was complete.

St Elmo's managing director Ian Halfon said the building's landlords, Broll Real Estate Pty Ltd, had repaired the structural damage "in record time".

Mr Halfon said they had been forced to step in after "no attempt had been made by the franchisee to reopen this store".

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