

# <sup>1</sup>Foundation of investors in Global Green Plantations

## Press release about Global Green

### Ghanian shareholder misuses Dutch Corporate Law

A few weeks ago Tuesday 18 April 2006 a big Dutch national newspaper wrote at the frontpage 'Swindle with green teakwood'. The newspaper said that a Dutch Court of Justice in Corporate Law, requested by the Ghanian mr. Osei Bonsu, has ordered to examine the financial administration of Global Green. In this newspaper mr. Bonsu, himself 45% shareholder and director of the teakplantations in Ghana, says that he suspects theft of the money Dutch investors have invested in Global Green by mr. John Von Berg.

The Dutch Foundation Participants of Plantations Ghana who represents the interests of the investors in the plantations of Global Green regrets this information that has caused a lot of worry amongst the Dutch investors. The Foundation does not agree with this one-sided information. In fact the facts known to the Foundation are the contrary. In order to inform all investors and other stakeholders in this matter the Foundation wants to show the other side of this case.

### Conflict for power in Ghana

First of all it should be stressed that there are no signs at all of mr. John Von being a swindler. Of the invested money trusted to John Von Berg about 1000 hectares of very good teak have been planted. The trees are really there and have been taken care in order to get after 20 years a good yield of teakwood.

Although the trees are really there the Foundation has diagnosed nevertheless a very serious conflict between both shareholders mr. Osei Bonsu and mr. John Von Berg. This conflict has been running out of hand. The conflict has started in Ghana about the way mr. Bonsu, who was in the beginning responsible of the financial administration, legally represented the company Global Green. In the Netherlands son Bob von Berg was director of the corporation which was responsible for the selling of contracts to the Dutch investors.



The Foundation is in 2003 informed by mr. John Von Berg about this conflict with mr. Osei Bonsu and the way how he contracted as a private person with money of the company. In 1998 and 1999 he took money from the company to contract the landuse of the Mampong-plantation. Mr Osei Bonsu contracted not in name of the company with the regional chief of Mampong but he contracted as private person with the wrong person. Mr Osey Bonsu didn't register this contract with the Lands-Commission. His partner mr. John Von Berg he told that Global Green Ltd had contracted and it was for approval with the Asentehene.

Gradually John von Berg noticed that money of the companies bankaccount were missing and he asked Osei Bonsu how to explain this. As Osei Bonsu could not account for contracts John von Berg dismissed Osei Bonsu as director and took his competence of the bank-

accounts. He also cut his yearly salary of \$ 60.000,-. This triggered Osei Bonsu to start court-cases against the company and John von Berg. He was eager to get the names of the Dutch investors and the amount of money invested in the plantations.

### **Attack at Somanya in 2001**

As in 2000 the lease-contract of the landuse of the Somanya-plantation had to be updated Osei Bonsu tried to frustrate the contract by all means. He even encouraged others to use violence and intimidation. In 2001 the plantation was attacked by local youth. John von Berg was accused to have insulted the local chief of Somanya. For about 1 year John von Berg could not visit the plantation in Somanya.

### **Report of the committee of the board of the forestry commission**

In order to get a contract for leasing the land in Somanya John von Berg asked the Ministry of Forestry to mediate. A committee is appointed to investigate the attack at the plantation. The committee concludes that it is obvious that Osei Bonsu has succeeded in creating a false impression about the financial gains of John von Berg arising out of an alleged contribution of monies by investors in Holland. This has resulted in an unreasonable and high expectation of the Chief and his elders in respect of returns they expect to obtain from the estate. The committee also concludes that the Vonberg team indicate that the team is amenable to an amicable settlement of the matter. The committee is aware of the economical damage of Ghanaian interests. Also the workers at the plantation do understand that their employment is at stake. They petition a request to president Kufour and ask John von Berg to return at the plantation in Somanya.

### **Strike at the plantation in Mampong in 2002**

In the second half of 2002 also emotions rise at the plantation in Mampong. The lease-contract of the Mampong-plantation that Mr. Osei Bonsu personally had contracted was wrecked. Global Green Ltd renewed this contract with the Mamponghene and it has been approved by the Lands-Commission. Bonsu starts court-cases against the regional Chief and Global Green as well. At the plantation a strike is going on workers who are not on strike are severely intimidated and violated. The police is needed to restore law and order at the plantation. The workers who were on strike do write in July 2003 to Osei Bonsu that salaries were promised but were not paid. The commander of police in Mampong supports a criminal case against Osei Bonsu because of 'fraudulent breach of trust'. The police-officer in question, now commander in Brong-Ahafo, confirmed this in a private meeting to the Foundation.

### **A fast track in 2003 about a loan**

Bonsu also starts in 2003 a court-case (fast-track) in Accra. He asks the judge to wreck a loan that Bonsuvonberg Farms had contracted with a pharmaceutical company. Bonsu says that this loan was contracted without his approval. The judge concludes that Bonsu was the initiator of this contract and that it is legitimate. The judge also concludes that the intentions of Osei Bonsu to start this fast track are not sincere.

### **Bonsu loses in Ghana since 2004**

In 2004 the lease-contract in Somanya is signed. Also the criminal court case against Osei Bonsu because of fraudulent breach of trust is accepted by the state attorney in Kumasi. Bonsu has been accused and is tracked by the head of the state attorney in Kumasi. Since 20 December 2005 Osei Bonsu is wanted.

### **The conflict is exported to Holland.**

So a serious conflict is going on in Ghana. Nevertheless the Foundation does diagnose that the trees are there and the use of the lands in Somanya and Mampong are legalised in lease-contracts. In several court-cases in Ghana the position of mr Osei Bonsu has been seriously weakened. For this reason he has been trying the juridical system in the Netherlands.

He has asked a special court in corporate law to investigate the corporation of Global Green in the Netherlands. This corporation is just the promoting organisation of the plantations in Ghana and attracts the investors in these plantations. This court in corporate law has approved to investigate this promoting-office in the Netherlands and has appointed an auditor and a substitute director. This substitute director has declared this promoting office bankrupt without informing himself in the background of the situation in Ghana. Mr. John Von Berg has refused to cooperate in this investigation. He doesn't want to have the names of the investors in public. This court of corporate law has not yet given the verdict. The Foundation has written a letter to this court and to the auditor who investigate the administration. The auditor has asked all bank-accounts, the names of all investors and the money they have invested.

The reason why the judge has approved the investigation is because Osei Bonsu as minority shareholder has not been informed properly. This is correct because a serious conflict was going on. Attempts to have shareholder meetings were deliberately frustrated by mr. Osei Bonsu. The refusal of Mr. John Von Berg to give the names of the investors is to understand because as mr. Osei Bonsu knows the names his lawyers will try to convince investors to get their money back.

The Foundation stresses that this is nonsense because the trees are growing and are being maintained. It only harms the company severely. At the moment no investors are willing to invest in Ghana any more, the cash-flow is stopping and it keeps mr. John Von Berg and the managing Ghanians from their work at the plantations. So in the end it will ruin the plantations. This could be never of interest to the company and investors.

The Foundation has introduced themselves as a stakeholder in this conflict and has shown the court the other side of the story. It has been stressed that the facts in Ghana are the opposite of swindling by mr. John Von Berg. The Foundation also stresses that not both shareholders but the investors have financed the plantations.

### **Interests of Ghana and the environment are damaged**

The conflict both shareholders are fighting in the Ghanian and Dutch courts as well is not in the interest of the investors. It is in the interest of the investors that work is going on in the plantations in order to fulfil the obligations that are contracted with the company.

Not only interests of the investors are damaged but also the interests of Ghana are severely damaged. Mr. Osei Bonsu does not contribute to the welfare of his fellow countryman by

scaring of potential investors in Ghana. He also damages investing in large scale teakplantations in general as an alternative for tropical wood. The environment and the ordinary Ghanian will be victim again.

Why should be invested in large scale teakplantations in Ghana ? The main reason is that large scale producing of tropical wood in plantations is very effective. In order to stop the deterioration of tropical forest people in poor countries should earn a decent income. Poverty is the main reason of the illegal logging of trees in the tropical forest. Plantations need a lot of labour and do create a lot of employment. Because of this intensive maintenance, mowing, pruning and thinning trees are growing fast. Plantations are also the first step in getting tropical forest back. Large scale plantations that are financed with money from Dutch investors can bridge the long term that trees need to grow. These plantations do give a good example in the neighbourhood. Facilities are there for the workers and farmers are supplied with small trees to grow them themselves.



So it is very important for Ghana to have investors coming. Ghana has the people, the space and the climate for large scale producing of tropical hardwood to be sold at the worldmarket. A company like Global Green should be a promotion of Ghana in order to attract new investors. Ghana can show that it is working in improving good governance.

Most investors have primarily invested their money because of improving the social conditions in Ghana and to stop the decline of the tropical forest. They also have invested their money to make a profit.

### **What should be the next steps:**

The Foundation will adress Global Green to give information to the investors about the situation and the financial aspects. They would like to know if there is enough money to finance the plantations till the end. The Foundation will also address all stakeholders like government and embassy to ask them to get this conflict between both shareholders-directors and the court-cases initiated by Osei Bonsu stopped immediately.

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<sup>1</sup> The Foundation facilitates since 1996 the interest of the investors in the plantations in Ghana. The Foundation regularly discusses the management of the plantations with Global Green in the Netherlands. Once a year the plantations are visited and a report is published in the newsletter that is send to all investors. The plantations were visited in December 2005. The Foundation do stress that it has no legal instruments to force Global Green to give essential information about the company. Recently a new law about investments in teakplantations has been introduced in he Netherlands.