

Century-old CNA enters business rescue

CNA, South Africa's 125-year-old books and stationery retailer, has been placed into business rescue, its management team confirmed on Monday.



The retailer has been hard-hit by the Covid-19 pandemic and the devastating effect it's had on sales, and CNA has failed to pay some of its landlords and suppliers in recent months, [Business Day reports](#). For many years, the chain has also faced mounting competition from other retailers operating in the same space as CNA's core categories.

CNA has a footprint of approximately 163 stores in South Africa and a few others in Namibia, Botswana, Lesotho and Swaziland.

Company in-fighting

In addition to its financial woes, the retailer has been embroiled in controversy over the last few weeks.

Early last year, CNA's former owner Edcon sold the majority 70% stake in CNA [to JSE-listed Astoria Investments](#), with Exclusive Books' former CEO Benjamin Trisk also taking a 30% stake. Last month, CNA's key shareholder Astoria sold its 70% stake in the company to three CNA directors for R1.2m – the amount Astoria initially paid for the stake.

[Business Day reported last week](#) that Trisk, who still holds 30% of the company, intends to approach the courts to have Astoria's sale of the 70% to the other directors be declared unlawful, and he wants to be declared the sole owner instead.

[Fin24 also reported](#) that the CNA directors accused Trisk of contacting business rescue practitioners without their consent, a claim Trisk dismissed at the time as "complete rubbish", adding that the board discussed business rescue during a meeting on 30 March.

In response, CNA director Rob Shortt said Trisk himself is talking "complete rubbish". "He didn't consult us," [Shortt told Fin24](#). Shortt said Trisk submitted documents that claimed that the board agreed to business rescue during a meeting on 11 May. But Shortt says this is false.

Trisk said consulting business rescue practitioners was "absolutely the right [thing] to do" to protect creditors and jobs.

Trisk's alleged resignation

A dispute around Trisk's role as CEO has also been playing out. Shortt confirmed to *Fin24* in May that the board accepted Trisk's resignation as CEO, which Trisk apparently tendered in April. His last day at the company was on 19 May, Shortt said.

But this was [then denied by Trisk](#), who said that he's still CEO and that there "was no resignation letter" or demand for compensation for his exit. Trisk said that his "vision for the company to be a success remains intact".

Responding to Trisk's denial that he had resigned, Shortt said, "We stand by our statement. Benjamin has resigned and we have accepted his resignation. If he feels that our view is incorrect, he must take the matter to another forum, be it the CCMA or the Labour Court. The directors remain committed to the welfare of the business."

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