

## MEDIA RELEASE

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23 MARCH 2021 – MELBOURNE, AUSTRALIA

### **Response to Federal Court Judgement Decision in ASIC v Mayfair Wealth Partners Pty Ltd**

Today's Federal Court decision in the ASIC v Mayfair Wealth Partners Pty Ltd matter was an outcome expected by Mayfair 101. The Group chose not to contest the matter instead focusing its resources on restructuring efforts to minimise any further damage caused by proceedings brought by ASIC.

Group Managing Director, James Mawhinney commented "We had a defensible case however it was not feasible to defend ourselves against an infinitely well-funded Government department. All our advertising was signed off by the Group's lawyers and was deemed compliant within the Corporations Act."

"Ms Karen Chester of ASIC only today has been quoted saying "that's a matter for Parliament" in relation to ASIC's desire to change wholesale investor rules. I question why Ms Chester did not raise this prior to putting at risk \$210 million investors monies, all of which complied with existing wholesale investor laws. Our investors deserve to be outraged by this senseless abuse of power."

ASIC will seek to issue penalties against three Mayfair 101 Group companies. Those penalties will have the effect of diluting the returns available to Mayfair 101's investors resulting from the envisaged restructure and asset realisation. A further dilution is likely if liquidators and lawyers are involved.

When penalties are issued, ASIC itself will become a creditor of the companies, further disadvantaging Mayfair 101's investors for the financial benefit of ASIC.

The irony of ASIC's attempt to protect investors by utilising a litigation strategy is that it is the investors in the Mayfair 101 products who will lose the most; a position these proceedings could not have possibly contemplated prior to being launched by ASIC.

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#### **MEDIA ENQUIRIES**

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