

MEDIA RELEASE

24 JANUARY 2022 – MELBOURNE, AUSTRALIA

Mayfair 101 Appeals ASIC Misleading & Deceptive Advertising Case

Investment manager Mayfair 101 has filed a Notice of Appeal to overturn the 2021 Federal Court decision that found its advertising had misled or deceived investors.

The Notice of Appeal was filed on Friday 21 January 2022, the same day final orders were made by the Federal Court fining the group \$30 million. Mayfair's appeal seeks the dismissal of the Federal Court decision of March 2021 that found Mayfair to have engaged in misleading or deceptive conduct.

Federal Court proceedings were initiated by the Australian Securities and Investments Commission (ASIC) on 6 April 2020 against the four Mayfair entities involved in the distribution of the M+ Notes and M Core Notes under the 'Mayfair Platinum' brand. Around \$130 million was raised in the notes from wholesale clients between July 2019 and April 2020.

ASIC obtained interim injunctions in April 2020 ceasing Mayfair's fundraising in the products, compounding the impact of COVID-19 on the group's investment activities. This de-railed Mayfair's investment in the redevelopment of Dunk Island and Mission Beach, causing financing arrangements to go into default to the detriment of Mayfair's noteholders who were secured by the project.

Mayfair's appeal claims the court erred in reaching its decision that Mayfair had engaged in misleading or deceptive conduct. It claims the court's findings were in error on all four grounds alleged by ASIC, and that the matter should be dismissed with costs.

The Mayfair appeal also claims the three expert witness reports into the security of a Mayfair product, commissioned by ASIC, were inadmissible as evidence and contained incomplete information. The appeal contends that the September 2020 Provisional Liquidators report should not have been relied on by the court because it contained obvious errors.

Managing Director of Mayfair 101 Group, Mr James Mawhinney, said his focus remains on making all Mayfair 101's noteholders whole.

"Our appeals are focused on highlighting the mistakes made by ASIC and those of the insolvency practitioners chosen by ASIC to critique our business. These errors strike at the heart of ASIC's cases. They have resulted in the court being led into error, and Mayfair's noteholders being delivered a terrible injustice.

"Our noteholders have waited for nearly two years while we get this situation put right. I thank them for their continued patience and support."

Mr Mawhinney noted that Mayfair's legal representatives, Robert's Gray Lawyers, had identified 36 grounds of appeal in the 'misleading or deceptive' case. The appeal of Mr Mawhinney's 20-year fundraising ban, filed in June 2021 by Roberts Gray, contains 29 grounds of appeal. Mayfair is seeking to have the matters heard together by the Full Court in May 2022.

--- ENDS ---

MEDIA ENQUIRIES

Mark Abernethy: +61 414 310 924