

MEDIA RELEASE

22 DECEMBER 2021 – MELBOURNE, AUSTRALIA

Mayfair will Appeal Advertising Case after \$30 million in Penalties Issued

Investment company Mayfair 101 is preparing an appeal after the Federal Court of Australia ordered that four Mayfair entities pay a total of \$30 million in fines despite the Australian Securities and Investments Commission seeking penalties of \$12 million.

ASIC was seeking the penalties from the Mayfair entities – **MAYFAIR WEALTH PARTNERS PTY LTD, M101 HOLDINGS PTY LTD, M101 NOMINEES PTY LTD (IN LIQUIDATION), and ONLINE INVESTMENTS PTY LTD** – for ‘misleading and deceptive’ conduct in relation to Mayfair’s advertising of two fixed-interest investment products.

However, Justice Stewart Anderson in his decision today more than doubled the penalties, stating those sought by the corporate regulator were insufficient.

The penalty relates to proceedings initiated by ASIC on 6 April, 2020 which focused on Mayfair’s M Core Notes and M+ Notes which funded a range of investments including the purchase of 130 properties in Mission Beach and the Dunk Island freehold in Far North Queensland. On 16 April 2020 ASIC was granted an interim injunction against the defendants marketing or advertising the M+ and M Core Notes.

On 23 March, 2021 the ‘misleading and deceptive’ case was decided in ASIC’s favour and since 29 September ASIC has been arguing for the Federal Court of Australia to fine the defendants \$12 million.

Mayfair argued that it extensively sought formal legal advice on all its promotional materials, that the provisional liquidator had made a critical error in assessing the solvency of the scheme, that ASIC had failed to obtain a legal review of the security structure and the Mayfair noteholders did in fact hold first-ranking unencumbered security over assets in line with representations made in the disclosure document.

Managing Director of Mayfair 101 Group, Mr James Mawhinney, said today’s decision was positive news as it strengthened the Group’s grounds for appeal.

“It is another questionable court decision which we intend on having overturned. It is no surprise the court has stood by its original findings. The case on whether we made misleading representations in our advertising was undefended as ASIC had frozen our business activities, making it unfeasible to defend.

“I have instructed Roberts Gray Lawyers to prepare a Notice of Appeal as our prospects of appeal are strong. I look forward to having both cases heard by the Full Court, along with the appeal of my 20-year ban, in May 2022.”

--- ENDS ---

MEDIA ENQUIRIES

Mark Abernethy: +61 414 310 924