

Attn: Mr Duncan Hughes
Reporter
Australian Financial Review
By email: duhughes@afr.com.au
Cc: Michael Stutchbury
mstutchbury@afr.com

1 April 2021

Dear Mr Hughes,

RE ARTICLE 'HOW SCAMMERS ARE USING OUTDATED LAWS TO RIP OFF INVESTOR MILLIONS'

I refer to your article published in the Australian Financial Review on 31 March 2021 entitled '*How scammers are using outdated laws to rip off investor millions*'.

It is a devastating position Mayfair 101's investors find themselves in. Their position is not enhanced by identifying effected people and publicly showcasing the personal difficulties they are experiencing along with hundreds of others and our Group itself. Your article shows no respect for privacy or for someone who is going through a difficult time.

Please be advised of the following:

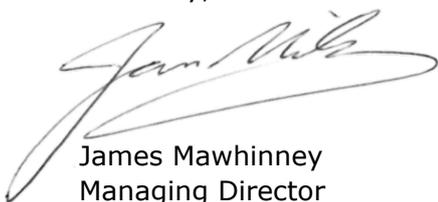
- (a) Your article suggesting Mayfair 101 is a "scam" and has "ripped off" investors is misleading of its readers;
- (b) No Court in Australia or overseas has found any Mayfair 101 company to be a "scam" or to have "ripped off" investors;
- (c) Every document or piece of marketing collateral published by Mayfair 101 had legal sign-off by a qualified law firm in accordance with current legislative requirements. A "scam" does not go to such lengths nor incur such expense to remain compliant;
- (d) Mayfair 101 was entitled to rely on existing s708 Corporations Act requirements. Your article misleads readers to suggest complying with existing legislation is unlawful. This is not the case. Your article misleads its readers by inferring this;
- (e) Ms Parolin's is a current investor with Mayfair 101. The company she is invested in is not the subject of external administration, and therefore no loss has actually occurred (see *Klees v M101 Holdings Pty Ltd* at paragraph 117). Your article misleads its readers by suggesting otherwise;
- (f) The misleading & deceptive conduct case in the Federal Court went uncontested, however this does not mean we did not have a valid defence. The case is not yet finalised and we are working on addressing what we consider to be serious errors in the judgment. An uncontested case is no sole basis for legislative reform. Your article does not recognise the fact that the case was uncontested nor that there is a counterargument to every point raised by ASIC;

- (g) No charges have been brought against Mayfair 101 or myself as there has been no conduct warranting such charges. Your article misleads investors to suggest unlawful conduct in the form of a "scam" had occurred, when it had not;
- (h) ASIC's written and oral submissions to the Federal Court stated I was not "dishonest" and "never was". ASIC's own public statements confirms that Mayfair 101 is not a "scam" nor had it set out to "rip off" investors. Your article is inconsistent with ASIC's assessment and is therefore misleading;
- (i) Melissa Caddick defrauded investors and is facing numerous criminal charges. Drawing on Caddick as a comparison to Mayfair 101 by inference in the same article is highly defamatory and misleading to its readers;
- (j) You have evidently failed to research Mayfair 101 for yourself, the allegations made against Mayfair 101, and Mayfair 101's response to those allegations, prior to publishing the article. Your article is misleading by inferring adequate research had been undertaken, when it clearly had not;
- (k) Relying on the poorly researched conclusions of other Australian Financial Review journalists including Jonathan Shapiro and Liam Walsh, and an uncontested case, is flawed journalism. Over 70 articles have been published about Mayfair 101 yet not once have I been interviewed by any journalist from the Australian Financial Review. The credibility of these articles is questionable given they rely on second or third-hand information which is of itself an unreliable basis to make statements such as those contained within your article;
- (l) You failed to ask me for comment on an article whose primary focus is my company and against which you have made serious allegations of unlawful misconduct. It is unbalanced journalism to publish such a derogatory article without seeking comment from the business and individual the article is solely focused on.

I have filed a formal complaint with the Australian Press Council in relation to your article.

I strongly suggest you (a) retract the article immediately, and (b) publish a formal apology. Failure to do so by 5:00pm AEDT on Tuesday 6 April 2021 will result in this letter regarding your conduct will be made public and your article being included as evidence in a significant defamation claim against the Australian Financial Review.

Sincerely,



James Mawhinney
Managing Director
Mayfair 101 Group