



Federal Court of Australia

District Registry: Victoria

Division: General

No: VID228/2020

AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION

Plaintiff

MAYFAIR WEALTH PARTNERS PTY LTD ACN 168 878 779

and others named in the schedule

Defendants

ORDER

JUDGE: JUSTICE ANDERSON

DATE OF ORDER: 21 January 2022

WHERE MADE: Melbourne

THE COURT ORDERS THAT:

Pecuniary penalties

1. The First Defendant pay to the Commonwealth of Australia a pecuniary penalty of \$10,000,000 in respect of the First Defendant's conduct declared to be contraventions of s 12DB of the *Australian Securities and Investments Commission Act 2001* (**ASIC Act**).
2. The Second Defendant pay to the Commonwealth of Australia a pecuniary penalty of \$8,000,000 in respect of the Second Defendant's conduct declared to be contraventions of s 12DB of the *ASIC Act*.
3. The Third Defendant pay to the Commonwealth of Australia a pecuniary penalty of \$8,000,000 in respect of the Third Defendant's conduct declared to be contraventions of s 12DB of the *ASIC Act*, such penalty not to be enforced pursuant to s 553B(1) of the *Corporations Act 2001* (**Corporations Act**).
4. The Fourth Defendant pay to the Commonwealth of Australia a pecuniary penalty of \$4,000,000 in respect of the Fourth Defendant's conduct declared to be contraventions of section 12DB of the *ASIC Act*.



Adverse publicity orders

5. Pursuant to section 12GLB(1)(a) of *ASIC Act*, within 30 days of the date on which this order takes effect, the First, Second and Fourth Defendants, jointly and severally, publish, at their own expense, a notice in the terms set out in Annexure A (**Notice**):
 - a. On the website <https://www.mayfair101.com>, ensuring that the Notice:
 - i. Appears immediately upon access by a person to the home page of the website, at the top of the page without having to scroll down, under the heading, “*Misconduct Alert: The Federal Court of Australia found Mayfair Wealth Partners Pty Ltd, Online Investments Pty Ltd, M101 Nominees Pty Ltd and M101 Holdings Pty Ltd engaged in misleading or deceptive conduct, and made false or misleading representations in advertisements for its M+ Fixed Income Notes and M Core Fixed Income Notes*”; and
 - ii. Is not removed for 6 months from the date on which this order takes effect;
 - b. In an email to be sent to each of their email list subscribers as at the date of this order, and to each investor in the M+ Fixed Income Notes or M Core Fixed Income Notes who has provided an email address; and
 - c. In the following newspapers in no less than 8 point font:
 - i. Australian Financial Review;
 - ii. Cairns Post;
 - iii. Courier Mail;
 - iv. Townsville Bulletin;
 - v. Sydney Morning Herald;



- vi. The Herald Sun;
- vii. The Australian; and
- viii. The West Australian.

Injunctions

6. Pursuant to section 12GD(1) of the *ASIC Act* and sections 1101B and 1324 of the *Corporations Act*, the First, Second and Fourth Defendants are restrained from using any of the following phrases in any advertising, promotion or marketing by those defendants:
- a. “bank deposit”, with the exception of statements to the effect that the products are not, and are not comparable to, a bank deposit;
 - b. “certainty”, with the exception of statements to the effect that the products lack certainty;
 - c. “fixed term”, with the exception of statements to the effect that the products are not, and are not comparable to, fixed term investments;
 - d. “term deposit”, with the exception of statements to the effect that the products are not, and are not comparable to, a term deposit; and
 - e. “term investment”, with the exception of statements to the effect that the products are not, and are not comparable, to a term investment.

Costs

7. Costs are reserved.

Stay

8. The operation of this order in respect of a Defendant is stayed until the later of:
- (a) the date which is 29 days after the date of this order, and



- (b) if within 28 days of the date of this order the Defendant lodges an appeal from this order, 29 days after the date on which the appeal is finally determined or a further order of the Full Court of the Federal Court of Australia is made.

Date that entry is stamped: 21 January 2022

Sia Lagos
Registrar



ANNEXURE A

MISCONDUCT ALERT

Ordered by the Federal Court of Australia

On [date], Justice Anderson of the Federal Court ordered Mayfair Wealth Partners Pty Ltd to pay a penalty of \$10 million, Online Investments Pty Ltd to pay a penalty of \$4 million, and M101 Nominees Pty Ltd (in liq) and M101 Holdings Pty Ltd to pay a penalty of \$8 million each, for making false or misleading representations to investors in the M+ Fixed Income Notes and M Core Fixed Income Notes (**Notes**) that:

- The Notes were comparable to, and of similar risk profile to, bank term deposits, when the products exposed investors to significantly higher risk than bank term deposits;
- The principal investment would be repaid in full on maturity, when investors might not receive capital repayments at maturity because Mayfair could extend the time for repayment for an indefinite period of time;
- The Notes were specifically designed for investors seeking certainty and confidence in their investments and therefore carried no risk of default, when there was a risk that investors could lose some, or all, of their principal investment; and
- The M Core Fixed Income Notes were fully secured financial products, when they were not.

During 2019 and 2020, M101 Nominees and M101 Holdings raised approximately \$126 million from investors in the Notes. Redemptions have been frozen since March 2020, and interest payments have been frozen since June 2020. M101 Nominees is in liquidation.

The Court ordered Mayfair Wealth Partners, Online Investments and M101 Holdings to publish this Misconduct Alert.

[for para 5(a)&(b) (website/email) only]: **Further information**

For further information, visit ASIC's media release [here].

See the Court's judgment [here].



Schedule

No: VID228/2020

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Division: General

Second Defendant M101 HOLDINGS PTY LTD ACN 629 777 402

Third Defendant M101 NOMINEES PTY LTD ACN 636 908 159

Fourth Defendant ONLINE INVESTMENTS PTY LTD ACN 134 785 890