

MEDIA RELEASE

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ASIC Relies on Error-Riddled Reports to Crucify Mayfair 101 Investors

Mayfair 101 has today published a 110-page response to Grant Thornton's provisional liquidators report dated 24 September 2020, which was relied on to wind up M101 Nominees Pty Ltd on just and equitable grounds. The company was the issuer of M Core secured notes.

The response sets out where Grant Thornton has made material errors in reporting to Court on the activities of M101 Nominees Pty Ltd and its director, James Mawhinney.

Of the ten conclusions drawn in the Executive Summary just one is factually correct.

The Report demonstrates a flawed understanding of the security structure that was in place, the compliant application of noteholder funds, and the operational activities of the Company within the broader Mayfair 101 Group.

Among the errors found, the report poignantly states Eleuthera Group Pty Ltd had borrowed investor money from M101 Nominees Pty Ltd for 10 years. However, the Facility Agreement in question has a 10-year life, not a loan term of 10 years. The Facility is comprised of individual drawdowns which have a minimum 12-month term and can be repaid at any time.

This salient fact was overlooked by the Report. ASIC relied on the 10 year loan term in the winding up application and a recent media release to suggest the Group had been borrowing short and lending long, which was untrue.

This finding materially changes the solvency assessment of the company. It also shuts down the allegations made in the Report which ASIC has relied on to label the company's business model as "unsustainable".

"The report should be retracted. It is fundamentally flawed. These substantial errors have caused a tidal wave of accusations which have had a catastrophic impact upon our Group and our noteholders. Our noteholders deserve to receive a complete, accurate, thorough, independently verified and scrutinised report." said Mr Mawhinney.

The response also points to a basic error duplicated in the Grant Thornton report and Deloitte Expert report published 12 June 2020 which both concluded first mortgage security was required across all properties held in the collateral pool. The M Core offer document and Security Trust Deed confirm that no such security was required or offered.

The response includes insight as to how the Group planned to leverage \$250 million of real estate acquisitions in Mission Beach and Dunk Island to refinance out noteholders within 24 months and access further institutional funding at conservative loan-to-valuation ratios to fund its development plans for the region.

Mr Mawhinney commented "For nearly 12 months I, my family, our staff and our investors have been under attack by ASIC. The cases against us are based on false assumptions,

presumptions and reports that are riddled with errors. There has been a fundamental lack of fact-checking and scrutiny at ASIC which I am compelled to call out.”

“They have wanted to believe I’m the next Christopher Skase or Michael Gu and had made off with millions as certain media outlets have suggested, however no one checked their facts. Their assumptions have proven to be very damaging, highly defamatory and just plain wrong.”

“The spotlight should be on the validity of the reports, the organisations that published them, the media outlets that have embellished them, and of course the instructions and input coming from ASIC. I have serious concern over ASIC’s influence on the statements made in these reports. It shows no concern whatsoever for our innocent investors.”

As the facts are now coming to light Mayfair 101’s noteholders are becoming more attune and outraged at the damage caused by ASIC. A significant investor who is aware of the circumstances has recently filed a formal complaint with the Ombudsman in relation to ASIC’s conduct.

“I want to thank all noteholders for their continued patience and support. We won’t rest until this is put right.” said Mr Mawhinney.

“I’m calling on James Shipton and Karen Chester to arrange an urgent independent enquiry into our case. I will personally take them through the reports of Dye & Co, Grant Thornton and Deloitte line-by-line and show them where ASIC and the third parties it has relied on have got it so wrong.”

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[Click here to download the Response to the Grant Thornton Provisional Liquidators Report for M101 Nominees Pty Ltd](#)

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