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## **ALL CLEAR FOR HENRY KAYE CLASS ACTION**

The finance company being sued by former students of property entrepreneur Henry Kaye has lost its latest Supreme Court bid to block their class action.

For the second time, Australian Finance Direct Limited, a subsidiary of the Hanover Group, had sought to end the class action and force thousands of investors to take individual action to end their contracts with the company which financed their hefty tuition fees.

Lisa Nichols of law firm Slater & Gordon, which is representing more than 200 people, says today's decision by Justice Elizabeth Hollingworth in the Supreme Court of Victoria is a green light for the class action to go ahead.

"These victims of Henry Kaye can now look forward to having their claims determined on their merits by the court," Ms Nichols said.

"Today's decision affirms the practicality of class action system and the opportunity this gives small claimants to pursue their legal rights as a group.

"AFD – recognising that investors have strength in numbers – had wanted to divide and conquer, forcing investors into the impossible position of funding and running hundreds of separate legal actions.

Slater & Gordon filed proceedings in the Supreme Court of Victoria in June on behalf of lead plaintiff Daniel Hall of Sydney.

Mr Hall is among the many students of Henry Kaye's National Investment Institute who were directed to Australian Finance Direct Limited to borrow tuition fees of around \$15,000.

Claimants in the class action relied on misrepresentations by the National Investment Institute that their course was ASIC-approved, and that they could get a refund on their fees at any time if they were not satisfied with the course.

"With National Investment Institute now in liquidation, Australian Finance Direct is continuing to pursue former students for the fees they borrowed, despite many students being dissatisfied with the course and seeking refunds, while some received no tuition at all," Ms Nichols said.

In addition to the class action seeking to terminate these financial contracts, Slater & Gordon is representing former students who are being sued by Australian Finance Direct.

There are potentially several thousand people eligible to be part of the class action which means the total amount at stake is in the region of \$30 million.

### **For more information**

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