

19 November 2014

MTF provides update on Sportzone case

In a release to the market on 22 October 2014, MTF noted that the High Court had released a second judgment (the Quantification Judgment) in the Sportzone case. The Quantification Judgment seeks to apply the 'close relevance test' stated in the Court's original judgment (the Liability Judgment). The Quantification Judgment does not quantify the amount by which the fees at issue under the 39 Sportzone loans, which are the subject of the proceeding, are deemed to be unreasonable in terms of the Liability Judgment. MTF noted that precise quantification requires further calculations to be made by the Commerce Commission and MTF.

MTF is working with the Commerce Commission on the calculations. The calculations are now almost complete but subject to consideration by the Court.

On the basis of the further calculations, and pending consideration by the High Court, the aggregate amount by which the MTF fees in respect of the 39 Sportzone loans would be said to be unreasonable would be less than \$10,000.

The calculations are based on the Liability Judgment and the Quantification Judgment. MTF considers that those judgments are incorrect. Both judgments are subject to appeal. The hearing in the Court of Appeal in Wellington is set for 19 and 20 November 2014.

MTF is not in a position to finally quantify any ultimate liability in relation to the 39 Sportzone loans or any other loans originated by MTF shareholders.

MTF will not be making any further comment, while the matter remains before the Court.

Angus Bradshaw
Managing Director

