

## **Proposed class action looks to teach an expensive lesson to Aussie private equity firm and directors behind the Intueri Education Group failure**

Help is near to hand for the more than 800 shareholders who invested in Intueri Education Group Limited, the NZX and ASX-listed company that was put into liquidation over two years ago.

A funded class action is proposed which aims to secure compensation from the company's promoters and former directors - alleging they are legally responsible for misstatements and failing to make proper disclosure both at Intueri's initial public offering and subsequently.

Heavily promoted by Australian private equity firm Arowana International which pocketed more than \$100 million in the process, Intueri was listed in May 2014, with its shares initially trading at \$2.35 a piece. Intueri's public offering raised \$177 million, with some of the proceeds used to acquire Quantum Education Group, which comprised three private training establishments. Arowana's managing director, Kevin Chin, personally took home a bonus of approximately AUD\$13m on the back of the IPO and he will also be named as a defendant along with directors of Intueri itself.

However, Intueri became worthless in 2017, when it was put into voluntary administration, and then into liquidation. This came after the company's business practices were investigated by authorities and regulators in both New Zealand and Australia.

The lawyers on the claim are Neil Campbell QC (Shortland Chambers) and Zane Kennedy (Mills Lane Chambers) instructed by Adina Thorn Lawyers, a firm currently running the large James Hardie action in respect of the alleged failure of cladding products, and the Shadowclad class action by home owners against Carter Holt Harvey in respect of the alleged failure of Shadowclad cladding.

Funding for this class action has been secured from New Zealand's largest litigation funder, LPF Group Limited. LPF is also funding the CBL class action, the Kiwifruit class action against the Ministry of Primary Industries, and the Mainzeal action.

LPF's director Phil Newland says "This is a meritorious case and we are pleased to be able to assist shareholders of Intueri to obtain compensation – people who would otherwise not be able to mount a lengthy and expensive legal fight to right a wrong".

Adina Thorn says Intueri's performance has been publically described by one respected business commentator as being: "as bad as it gets in terms of poor board governance,

inadequate scrutiny of related party transactions, the huge price paid to the Australian vendors through the IPO process and woeful management practices.”

Adina Thorn further says:

“I believe this proposed class action provides significant opportunity for the company’s shareholders to be compensated for losses they have suffered in the hands of those responsible. No one need feel embarrassed about coming forward and I am pleased to confirm that the proposed class action has some institutional shareholder support”.

The benefit of this proposed action is that it would be fully funded, which means that those who join will gain access to legal and other expert representation, without facing any upfront or ongoing costs. If the action is successful, the funder will take a percentage of the recovery, after the deduction of such costs.

The liquidation reports of McGrathNicol highlight that as things stand there will not be any payment to the shareholders.

Conor McElhinney, one of the Liquidators and a partner of McGrathNicol says: “I cannot comment on the precise allegations in the claim, but at this stage there will not be any recovery to shareholders from the liquidation of Intueri and its related entities. This proposed class action is therefore currently the only option we are aware of for shareholders to recover anything from their investment”.

If you held shares in Intueri Education Group Limited and wish to register, or to know more, please visit [www.adinathorn.co.nz](http://www.adinathorn.co.nz)

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