

Public DEFENDER

John Rolfe

\$220 thousand

Pyramid scheme maximum fine



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Please help!

I need some legal advice

Enter the 'matrix'

Happy snap of trio at height of alleged pyramid scam



Flying high: The trio allegedly behind TVI Express Tina Aroha Brownlee, Lualhati 'Teddi' Jutsen and David Graeme Scanlon

WHEN this photo was taken earlier this year, times were good for the trio behind TVI Express. Times are not so good now though, as they attempt to defend themselves in the Federal Court against allegations of promoting a pyramid selling scheme.

This is the first time that the ACCC has pursued civil action over an alleged pyramid scheme — defined as when a newcomer must make a payment to an existing participant, "induced by the prospect" of making money by introducing more people.

Every previous pyramid scheme prosecution has been criminal in nature. But the Australian Consumer Law, which came into effect on July 1, allows for civil cases.

The maximum penalty for individuals is a fine of \$220,000. Disqualification orders can also be sought.

The ACCC's legal counsel this week told the court that \$315,000 had flowed into the private bank account of Lualhati "Teddi" Jutsen from almost 1000 people, who paid \$330 to become members of TVI in the first half of 2010.

This money was then transferred to a "mysterious" Bangkok-based company.

The deposits followed presentations to potential participants by Ms Jutsen, Tina Aroha Brownlee and David Graeme Scanlon. Would-be participants were promised a six-night holiday, plus a flight for a friend and discounts on other travel.

ACCC legal counsel Simon White SC told the court that there was either no product being sold or the product was of no value and that the presentations were mainly

about "deriving income from introducing others".

The court was played a recording that ACCC undercover investigators made of an online seminar in which Mr Scanlon said TVI participants could develop a "solid income pipeline" with a "revolving matrix".

In the recording, Mr Scanlon said TVI was the "Ferrari of home-based businesses" and expanding into 10 new countries a month.

Mr White told the court that to move through the "revolving matrix", partici-

pants were told it was necessary to recruit others.

He said participants were promised a \$US500 to \$US10,000 credit into their "e-wallet" or rewards such as a laptop, yacht or "luxury villa in an exotic location".

Justice John Nicholas asked Mr White the process for converting e-wallet credits to cash. "We are not aware of anyone being able to do it," Mr White said.

Speaking on behalf of all three, Ms Jutsen told the court that the ACCC case was "deeply flawed".

Fears for final pay packet

LYNN writes:
My employer has recently advised he has sold the business and will be paying out long-service and annual leave owing. However, it is a forced

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sale and he has creditors chasing him. I am very concerned that once the sale has been completed he may not pay the money owing to me. Are there any precautionary steps I could take?

When the business is sold, these entitlements depend on whether you go to work for the new owner. If you do, your entitlement to take long-service leave is transferred to the new owner. However, the new owner has the option of not taking over the requirement to pay your accrued entitlement to annual leave. If the new owner decides to do this, the former owner is obliged to pay you a lump sum for the accrued leave.

There is little the law can do in advance to ensure that you are paid by the outgoing owner but if you aren't paid you could enlist the help of the Fair Work Ombudsman and/or NSW Industrial Relations.

Also, if you aren't paid because of insolvency or bankruptcy, you may be entitled to assistance from the General Employee Entitlements and Redundancy Scheme.

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