



Federal Court of Australia
District Registry: New South Wales
Division: General

No: NSD900/2015

SEAN LYNCH
Applicant

CASH CONVERTERS PERSONAL FINANCE PTY LTD and another named in the
schedule
Respondent

ORDER

JUDGE: JUSTICE ROBERTSON

DATE OF ORDER: 14 November 2019

WHERE MADE: Sydney

BY CONSENT, THE COURT ORDERS THAT:

Notice to Group Members

1. Pursuant to section 33Y(2) of the *Federal Court of Australia Act 1976* (Cth) (**Act**) the form and content of the notice of proposed settlement to Group Members set out in Annexure A to these orders (**Notice**) be approved.
2. Pursuant to s 33Y(3) of the Act, the Notice is to be provided to Group Members in the proceeding according to the following procedure:
 - (a) From no later than 4:00pm on 20 January 2020 until 20 March 2020, Maurice Blackburn is to display a copy of the Notice on its website.
 - (b) During the period from 20 January 2020 to 31 January 2020 Maurice Blackburn will cause a copy of the Notice to be sent by email to all Group Members for whom Maurice Blackburn holds a valid email address.
 - (c) During the period from 20 January 2020 to 31 January 2020 Maurice Blackburn will cause a link to a copy of the Notice to be sent by SMS to all Group Members for whom Maurice Blackburn holds a mobile telephone number.



- (d) During the period from 20 January 2020 to 31 January 2020 Maurice Blackburn is to cause a third party mail house to send a copy of the Notice by ordinary post to the last known postal address for all Group Members for whom no valid email address is known.
 - (e) The Notice may be amended by Maurice Blackburn before being posted or emailed in order to correct any postal, website, email address or telephone number, any typesetting or typographical error or any other formatting issue or to insert a link or code as indicated.
3. The costs of sending, displaying and publishing the Notice as described in Order 2, above, be paid by the applicant, on the basis that all of these costs will subsequently fall to be dealt with by the Court as part of the applicant's costs of the proceeding.
 4. Maurice Blackburn will display the text in **Annexure B** on its website from 20 January 2020 until 20 March 2020.

Proposed Settlement Scheme

5. The applicant serve on the respondents a draft copy of the proposed settlement scheme (**Proposed Settlement Scheme**), in accordance with the terms of the Settlement Deed by 21 February 2020.
6. The respondents provide any comments on the Proposed Settlement Scheme to the applicant by close of business on 6 March 2020.

Application for approval of settlement

7. An application for approval pursuant to s 33V of the Act be listed for hearing at 10.15am on 24 March 2020 (**Section 33V Application**).
8. On or before 13 March 2020 the applicant:
 - (a) provide to the Associate to Robertson J and to the respondents, a copy of the orders proposed by the applicant to be made on the hearing of the Section 33V Application;
 - (b) provide to the Associate to Robertson J and to the respondents, a copy of the proposed Settlement Scheme;

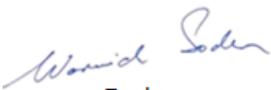


- (c) provide to the Associate to Robertson J, a copy of any confidential material on which the applicant seeks to rely for the purposes of the Section 33V Application over which he intends to seek confidentiality orders;
 - (d) file and serve any submissions for the Section 33V Application.
9. The applicant file and serve any affidavits in support of his application for approval of the Conditional Settlement and serve any non-confidential exhibits on the respondents by 13 March 2020.
 10. The respondents file and serve any affidavit material and any outline of submissions in relation to the Section 33V Application by 17 March 2020.
 11. Any Group Member in the proceeding who intends to object to the proposed settlement, may attend the hearing of the Section 33V in person and seek leave to be heard for that purpose, but should use their best endeavours to notify Maurice Blackburn in writing by 13 March 2020 of the intention to do so.
 12. Within three days of receiving notice from any Group Member of their intention to object to the proposed settlement in accordance with order 11 above, Maurice Blackburn advise the respondent of receipt of that notice and provide a copy of any written notice to them.

Miscellaneous

13. Grants liberty to apply on three days' notice.

Date that entry is stamped: 15 November 2019.


Registrar



Schedule

No: NSD900/2015

Federal Court of Australia

District Registry: New South Wales

Division: General

Second Respondent **SAFROCK FINANCE CORPORATION (QLD) PTY LTD**



Annexure A

NOTICE OF PROPOSED SETTLEMENT CASH CONVERTERS QUEENSLAND “PERSONAL LOANS” CLASS ACTION

[CUSTOMER TITLE & FULL NAME]

[CUSTOMER ADDRESS (IF NOTICE SENT BY POST)]

A Federal Court class action against Cash Converters has been settled in principle. As part of the settlement, Cash Converters has agreed to refund money to some Personal Loans customers.

This is not a scam. Refunds can only be paid if the Court approves them as fair.

The Federal Court of Australia has ordered Maurice Blackburn Lawyers to send this Notice to you. You can see Court orders in the case on the Federal Court’s website by clicking **[LINK TO COMCOURTS]**

You are receiving this notice because you have been identified as a Group Member in the Class Action. If the settlement is approved by the Court you will be eligible to receive a refund. The class action will otherwise be dismissed.

TO GET A REFUND YOU MUST CHECK THE DETAILS WE HAVE FOR YOU ARE CORRECT. YOU MUST DO THIS BY 6 MARCH 2020.

If the Court approves the refund, your refund will be paid into the account details given to us by Cash Converters or otherwise held by Maurice Blackburn unless you update them by **[6 March 2020]**.

The bank details we have for you are:

BSB number: ___ - ___ *[insert all 6 digits]*

Account No: _____ *[***mask all but last 3 digits].*

If these details are **correct** you do not need to do anything.

If these details are **incorrect**, click **[here]** or go to **[PORTAL]** to update them.

You will need this personal ID code to register: **[CODE]**

If you have any questions or do not understand anything in this notice please call 1800 550 587 (free call) or email ccqld@mauriceblackburn.com.au

How much will my refund be?

When will the refund be paid?



<p>We cannot say at this stage.</p> <p>If the settlement is approved by the Court, you will get a refund of part of the amount/s you paid to Cash Converters as 'brokerage' fees. The amount of the payment will be calculated on a pro rata basis and will depend on how many Group Members can be found to be paid.</p>	<p>If the settlement is approved, the earliest that a refund will be paid is late May 2020. Refunds will be paid in tranches and some may not be paid until December 2020.</p>
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FURTHER INFORMATION

What is the Cash Converters Queensland Personal Loans Class Action?

In 2015 Mr Sean Lynch, represented by Maurice Blackburn Lawyers, commenced a class action against Cash Converters on behalf of approximately 68,375 people, like yourself, who obtained a Cash Converters Personal Loan in a Queensland store (or online, and the borrower lived in Queensland) between 30 July 2009 and 30 June 2013.

Mr Lynch argued that customers paid too much for these Personal Loans and that Cash Converters acted unfairly. He alleged that Cash Converters charged 'brokerage' fees on these loans which required customers to pay more than 175% per annum in interest, in breach of consumer protection laws which say that interest rates are not allowed to be more than 48% per annum. The allegations are denied by Cash Converters.

Mr Lynch claimed refund money for himself and all Group Members in the Class Action. From 22 October 2018 to 9 November 2018 the Class Action went to a hearing at the Federal Court of Australia in Sydney. Before the judge handed down her decision, the parties agreed to settle the matter out of Court. In agreeing to settle the claims, Cash Converters did not admit liability. The effect of the settlement will ultimately be that the proceedings will be dismissed following payments to group members.

Do I have to pay anything if I want a refund?

No. Maurice Blackburn has been paying all the costs of the Class Action. If the Court approves the settlement, these costs will be paid from the settlement sum.

What if I don't agree with the settlement?

You have a right to object to the settlement being approved. You should tell Maurice Blackburn if you object and the reasons why by **13 March 2020**.



If you object to the settlement being approved, you or your lawyer can go to the hearing where the Federal Court judge will decide whether to approve the settlement and explain why you object. The hearing will be on **20 March 2020 at 10.15am at the Federal Court of Australia, Queens Square, Sydney NSW 2000.**

I have more questions. What should I do?

You can get advice from your own lawyer or you can:

Visit the Cash Converters Class Action website:

<https://www.mauriceblackburn.com.au/class-actions/current-class-actions/cash-converters-class-action-in-queensland/>

You can find there a summary of the case and copies of important legal documents.

Email Maurice Blackburn Lawyers at:

ccqld@mauriceblackburn.com.au

Call Maurice Blackburn Lawyers on: **1800 550 587**. It is free to call.



Annexure B [Website]

NOTICE OF PROPOSED SETTLEMENT CASH CONVERTERS QUEENSLAND "PERSONAL LOANS" CLASS ACTION

Sean Lynch v Cash Converters Personal Finance Pty Ltd (ACN 110 275 762) and Anor (NSD900/2015)

On 21 October 2019 an in-principle agreement to settle the Cash Converters Personal Loans Class Action was reached.

This means that Cash Converters has agreed to refund money to eligible Personal Loans customers.

The Federal Court must approve the settlement before it becomes final and refunds can be paid. The settlement approval will be heard by the Court at **10.15am on 20 March 2020**.

Summary of the Proposed Settlement

The key terms are:

- Cash Converters agreed to pay a total of \$42,500,000, including costs.
- The settlement sum will be paid in two tranches: The first tranche of \$32,500,000 in late 2019 the second tranche of \$10,000,000 before 30 September 2020.
- Refunds to group members will also be paid in two tranches. The first tranche of refunds will be paid in around **May 2020**.
- The costs of running the class action and administering the settlement must be approved by the Court as reasonable before they are paid.
- In agreeing to settle the Class Action, Cash Converters have not admitted any liability.
- Group members will be deemed to have released Cash Converters from the time that the settlement becomes final and will not be able to bring any further claim in relation to these matters.

FURTHER INFORMATION

1. Am I a Group Member?

A Group Member is someone who took out a "Personal Loan" (typically between \$600 and \$2000 paid off in about 6 months) from a Cash Converters store in Queensland (or online if they were a Queensland resident) between 30 July 2009 to 30 June 2013 and paid a fee styled as a 'broker's' fee or 'brokerage' fee.

Pawn broking loans and other Cash Converters products, including Cash Advances, are not included in this class action settlement. Information about the Cash Advances Class Action, which has now concluded, can be found here **[LINK]**



2. Steps required to receive a refund

Group Members will be sent a Notice of Proposed Settlement (**Notice**) during the period from 20 January 2020 to 31 January 2020. A copy of the Notice can be found here **[LINK]**.

The Notice will be sent to the last known contact details Cash Converters held for each Group Member. The Notice will also contain the bank account details which the refund will be paid into.

If you did not receive a Notice but believe you are a Group Member please contact Maurice Blackburn at the contact details listed below.

Maurice Blackburn will rely on the Group Member contact and bank details provided by Cash Converters to process refunds.

If you received a Notice and the bank details listed are **incorrect**, they must be updated by no later than **6 March 2020**. You can update your details via **[LINK]** using the unique ID Code that was provided to you in the Notice.

If you received a Notice and the bank details listed are **correct**, you do not need to do anything.

If you are having difficulty updating your details, please call Maurice Blackburn on **1800 550 587** by no later than **6 March 2020**.

3. When will the refunds be paid?

If the Court approves the settlement, it is likely that the first tranche refunds will be paid in late May 2020. The second tranche payment will be paid in around December 2020.

4. How much will my refund be?

The exact amount of the refund cannot be determined now.

Refunds will be calculated on the basis of the 'brokerage' fee paid by each Group Member. The Court must approve the proposed method of calculation as fair.

5. Legal consequences of the settlement

Group Members' legal rights will be affected by the proposed settlement. Group Members will be deemed to have provided a release to Cash Converters if the Federal Court approves the settlement and either:

- (a) No appeal is commenced within 49 days; or
- (b) An appeal is commenced but the result of that appeal is that the settlement is approved.



6. Court approval hearing - 20 March 2020

At 10.15am on **20 March 2020**, at the Federal Court of Australia, Queens Square, Sydney NSW 2000, the Federal Court will hold a hearing to decide if the settlement is fair and reasonable and in the interests of the Group Members. It is not necessary for Group Members to attend this hearing in order to receive a refund, but Group Members may attend if they want to.

7. What if I don't agree with the settlement?

You have a right to object to the settlement being approved. You should tell Maurice Blackburn if you object and the reasons why by 13 March 2020.

If you object to the settlement being approved, you or your lawyer can go to the hearing where the Federal Court judge will decide whether to approve the settlement and explain why you object. The hearing will be on 20 March 2020 at 10.15am at the Federal Court of Australia, Queens Square, Sydney NSW 2000.

8. What is the class action about?

This Class Action was started in 2015 in the Federal Court of Australia by Mr Sean Lynch, represented by Maurice Blackburn Lawyers.

Mr Lynch said customers paid too much for their Personal Loan products with Cash Converters in Queensland. He said this was because Cash Converters charged a 'brokerage' fee on Personal Loans which meant that customers were paying more than 175% per annum in interest. Mr Lynch alleged that this was in breach of consumer protection laws which provides that interest rates are not allowed to be more than 48% per annum. Mr Lynch also argued that Cash Converters acted unconscionably by charging the 'brokerage' fees and interest upon those fees.

Mr Lynch claimed refund money for himself and everyone who obtained a Cash Converters Personal Loan in a Queensland store (or online, and the borrower lived in Queensland) between 30 July 2009 and 30 June 2013, and paid a brokerage fee.

The allegations are denied by Cash Converters.

From 22 October 2018 to 9 November 2018 the Class Action went to a hearing at the Federal Court of Australia in Sydney. Before the judge handed down her decision, the parties agreed to settle the matter out of Court. In agreeing to settle the claims, Cash Converters did not admit liability. The effect of the settlement will ultimately be that the proceedings will be dismissed following payments to group members.

9. Further information

Documents relevant to the case and settlement can be found here [\[LINK\]](#)

If there is anything you do not understand or if you have any questions, do not contact the Federal Court or Cash Converters. You may seek independent legal advice or



contact Maurice Blackburn.

Our contact details are:

Maurice Blackburn Lawyers
Level 32, 201 Elizabeth St Sydney NSW 2000
Email: ccqld@mauriceblackburn.com.au
Phone: 1800 550 587