IN THE SUPREME COURT OF VICTORIA AT MELBOURNE COMMON LAW DIVISION

MAJOR TORTS LIST

No. of 2013

BETWEEN:

DANIEL CHARLES HAYES

First Plaintiff

TEAM 3216 PTY LTD (ACN 134 067 655)

Second Plaintiff

and

ANTONY CATALANO

First Defendant

MMP GREATER GEELONG PTY LTD (ACN 159 938 806)

Second Defendant

WRIT

Date of document:

Filed on behalf of:

Prepared by:

Millens Solicitors

62 Whitehorse Rd

DEEPDENE VIC 3103

16 July 2013

The Plaintiffs

Telephone: (03) 98176530 Facsimile: (03) 9817 5365

Ref: Ross Millen

Email: rmillen@millens.com.au

TO THE DEFENDANTS

TAKE NOTICE that this proceeding has been brought against you by the plaintiffs for the claim set out in this writ.

IF YOU INTEND TO DEFEND the proceeding, or if you have a claim against the plaintiff which you wish to have taken into account at the trial, YOU MUST GIVE NOTICE of your intention by filing an appearance within the proper time for appearance stated below.

YOU OR YOUR SOLICITOR may file the appearance. An appearance is filed by:

- (a) filing a "notice of appearance" in the Prothonotary's office, Level 2, 436 Lonsdale Street, Melbourne, or, where the writ has been filed in the office of a Deputy Prothonotary, in the office of that Deputy Prothonotary; and
- (b) on the day you file the notice, serving a copy, sealed by the Court, at the plaintiff's address for service, which is set out at the end of this writ.

IF YOU FAIL to file an appearance within the proper time, the plaintiffs may OBTAIN JUDGMENT AGAINST YOU on the claim without further notice.

THE PROPER TIME TO FILE AN APPEARANCE is as follows:

- (a) where you are served with the writ in Victoria, within 10 days after service;
- (b) where you are served with the writ out of Victoria and in another part of Australia, within 21 days after service;
- (c) where you are served with the writ in New Zealand or in Papua New Guinea, within 28 days after service;
- (d) where you are served with the writ in any other place, within 42 days after service.

FILED: 16 July 2013

PROTHONOTARY

THIS WRIT is to be served within one year from the date it is filed or within such further period as the Court orders.

- 1 Place of trial: Melbourne.
- 2 Mode of trial: Judge alone.
- This writ was filed for the plaintiffs by Millens Solicitors, 62 Whitehorse Road, DEEPDENE, Victoria 3103.
- The address of the first plaintiff is 35 Montrose Place, Highton, VIC, 3216.
- 5 The address of the second plaintiff is 79 Barrabool Road, Highton, VIC, 3216.
- The address for service of the plaintiffs is C/ Millens Solicitors, 62 Whitehorse Road, DEEPDENE, Victoria 3103 (attention: Mr Ross Millen and Michelle Groves).
- 7 The address of the first defendant is 12 Avoca Grove Caulfield North, Victoria 3161.
- The address of the second defendant is C/ Lawler Draper Dillon, Level 12, 440 Collins Street Melbourne Victoria 3000.

IN THE SUPREME COURT OF VICTORIA AT MELBOURNE COMMON LAW DIVISION

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BETWEEN:

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Second Plaintiff

and

ANTONY CATALANO

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MMP GREATER GEELONG PTY LTD (ACN 159 938 806)

Second Defendant

STATEMENT OF CLAIM

Date of document: 16 July 2013
Filed on behalf of: The Plaintiffs

Filed on behalf of:

Prepared by:

Millens Pty Ltd

The Plaintiffs
Telephone: (03) 9817 6530
Facsimile: (03) 9817 5365

62 Whitehorse Rd Ref: Ross Millen

DEEPDENE VIC 3103 Email: rmillen@millens.com.au

Parties

- 1. The First Plaintiff (Hayes) is and was at all material times:
 - (a) a licensed real estate agent; and
 - (b) a director of the Second Respondent, Team 3216 Pty Ltd (Team 3216).
- 2. Team 3216 is and was at all material times:
 - (a) a company conducting a real estate business in the Geelong area under and by reference to the name "Hayeswinckle"; and
 - (b) a company duly incorporated at law and capable of suing.
- 3. The First Defendant (Catalano) is and was at all material times a director of the Second Defendant (MMP) and the editor of *The Weekly Review Greater Geelong*.

- 4. MMP is and was at all material times:
 - (a) a company duly incorporated at law and capable of being sued; and
 - (b) the owner and publisher of the real estate publication titled *The Weekly Review Greater Geelong*.

Crikey Article

5. On or about 11 February 2013, Catalano published to Andrew Crook, a journalist with the web publication *Crikey*, the following words (**Crikey Words**):

"[It's] interesting, when we launched Mr Hayes seemed to have the ability to move all his clients into a publication in week one even though we had no history. Then, after a couple of visits from News Limited, who in the past have paid Danny \$50,000 a year in illegal kickbacks, he suddenly found his vendors wanted to go back into the Geelong Advertiser. I don't think so, Danny. Danny might learn that in this case diamonds aren't forever. Does Danny honestly expect us to believe that the vendors have all chosen the Advertiser when it has far fewer properties advertised and half the circulation of The Weekly Review? And they deduced to move after News Limited executives behaving like Santa Claus visited his office. The discount rates being offered in the second rate Geelong Advertiser real estate section were available from the time we launched last year. Why have the vendors suddenly decided to take up the offer?"

- 6. Catalano published the Crikey Words in his capacity as a director of MMP and in the course of his duties as a director of MMP, and MMP is accordingly liable, alternatively vicariously liable, for the publication of the Crikey Words.
- 7. On or about 11 February 2013, the Crikey Words were republished on the website for the publication *Crikey* which is accessible from the URL address www.crikey.com.au (**Crikey Website**), from which they were capable of being downloaded and read, and were in fact thereafter downloaded and read, by a wide and extensive audience in the State of Victoria and in each other Australian State and Territory.

PARTICULARS

- (i) The Crikey Words were republished in an article entitled "'How big are your balls?!': Fairfax v News in Geelong ad war" (Crikey Article). A copy of the Crikey Article may be inspected by appointment.
- (ii) The Crikey Article remains accessible to be downloaded and read from the Crikey Website as at the date of this Statement of Claim.

- (iii) Particulars of the extent of publication of the Crikey Article will be provided before trial.
- 8. Catalano and MMP knew and intended that the Crikey Words would be republished in the Crikey Article; alternatively, it was a natural and probable consequence of the publication of the Crikey Words that they were republished in the Crikey Article, and accordingly Catalano and MMP are liable for the republication of the Crikey Words in the Crikey Article.
- 9. The Crikey Words were of and concerning Hayes.
- 10. In their natural and ordinary meaning, the Crikey Words meant and were understood to mean that:
 - (a) Hayes has knowingly received \$50,000 per year in illegal kickbacks from News Limited;
 - (b) Hayes, induced by the past receipt, and promise of future, illegal kickbacks from News Limited, has acted in his own interests rather than those of his vendor clients, by inducing those clients to advertise with *The Geelong Advertiser*;
 - (c) Hayes, when inducing his vendor clients to advertise with *The Geelong Advertiser*, has deliberately concealed from those clients the fact that he has in the past received, and has been promised future, illegal kickbacks from the publisher of *The Geelong Advertiser*, News Limited,

(Crikey Imputations).

- 11. By reason of publication of the Crikey Words, and the republication of the Crikey Words in the Crikey Article, Hayes has been gravely injured in his reputation and feelings, and has suffered distress, embarrassment and humiliation, and has thereby suffered and will continue to suffer loss and damage.
- 12. Further, the Crikey Words were of and concerning the business conducted by Team 3216.

PARTICULARS

(i) Hayes has been a prominent real estate agent in the Geelong area

since about 2004.

- (ii) Since about 2008 Hayes has traded as a real estate agent through Team 3216.
- (iii) Team 3216 is known by vendors and the public in the Geelong area as, and trades under and by reference to, the name "Hayeswinckle".
- (iv) To readers of the Crikey Words as republished in the Crikey Article in and around the Geelong area, alternatively many such readers, Hayes is synonymous with Hayeswinckle, and the Crikey Words were understood to be of and concerning the business conducted by Team 3216, namely Hayeswinckle.
- (v) To those readers, the words "clients" and "vendors" were and were understood to be references to vendors of real estate who were clients of Team 3216 trading as Hayeswinckle.
- 13. Further, in their natural and ordinary meaning, the Crikey Words meant and were understood to mean that:
 - (a) the principal of Team 3216, Hayes, has knowingly received \$50,000 per year in illegal kickbacks from News Limited;
 - (b) the principal of Team 3216, Hayes, induced by the past receipt, and promise of future, illegal kickbacks from News Limited, has acted in his own interests rather than those of his vendor clients, by inducing those clients to advertise with *The Geelong Advertiser*;
 - (c) the principal of Team 3216, Hayes, when inducing his vendor clients to advertise with *The Geelong Advertiser*, has deliberately concealed from those clients the fact that he has in the past received, and has been promised future, illegal kickbacks from the publisher of *The Geelong Advertiser*, News Limited.

(Crikey Statements).

- 14. Each of the Crikey Statements is false:
 - (a) Hayes has not received illegal kickbacks from News Limited;
 - (b) Hayes has not, induced by the past receipt, and promise of future, illegal kickbacks from News Limited, acted in his own interests rather than those of his vendor clients, by inducing those clients to advertise with *The Geelong*

Advertiser,

- (c) Hayes, has not induced his vendor clients to advertise with *The Geelong Advertiser* by deliberately concealing from those clients the fact that he has in the past received, and has been promised future, illegal kickbacks from the publisher of *The Geelong Advertiser*, News Limited.
- 15. Further, in publishing the Crikey Words, Catalano and MMP were each actuated by malice.

PARTICULARS

- (i) Catalano and MMP intended to convey each of the Crikey Statements.
- (ii) Catalano and MMP knew that each of the Crikey Statements was false at the time of publication of the Crikey Words; alternatively were recklessly indifferent to the truth or falsity of the Crikey Statements to the point of wilful blindness.
- (iii) Further or alternatively, Catalano and MMP's dominant motivation in publishing the Crikey Words was to injure Team 3216 and Hayes, and to punish Team 3216 and Hayes for facilitating their real estate clients to place advertisements in The Geelong Advertiser, being the principal competitor of The Weekly Review Greater Geelong.
- 16. By reason of the publication of the Crikey Words and their republication in the Crikey Article, Team 3216 has suffered special damage.

PARTICULARS

- (i) Loss of existing and potential clients.
- (ii) Damage to the trading and business reputation and goodwill of Team 3216.
- (iii) Up-to-date particulars will be provided before trial.

The Email

17. Further, on or about 1 February 2013, Catalano sent an email from the email address twrgeelong@mmpgroup.com.au with the title "MESSAGE FROM ANTONY CATALANO" to 37 recipients and thereby caused to be published in the State of Victoria the words reproduced in Annexure A to this Statement of Claim (Email).

PARTICULARS

- (i) A copy of the Email is contained in Annexure A to this Statement of Claim.
- (ii) The Email was sent to the 37 addressees identified in the email header reproduced in Annexure A.
- 18. Catalano published the Email in his capacity as a director of MMP and in the course of his duties as a director of MMP, and MMP is accordingly liable, alternatively vicariously liable, for the publication of the Email.
- 19. The Email was of and concerning Hayes.
- 20. In its natural and ordinary meaning, the Email meant and was understood to mean that:
 - (a) Hayes has knowingly received and retained rebates and secret commissions that are illegal and in clear breach of the *Estate Agents Act 1980* (Vic);
 - (b) Hayes has dishonestly, deceitfully and deviously concealed from his vendor clients the fact that he has received and retained rebates and secret commissions that are illegal and in clear breach of the Estate Agents Act 1980 (Vic),

(Email Imputations).

- 21. By reason of publication of the Email, Hayes has been gravely injured in his reputation and feelings, and has suffered distress, embarrassment and humiliation, and has thereby suffered and will continue to suffer loss and damage.
- 22. Further, the Email was of and concerning the business conducted by Team 3216.
- 23. Further, in its natural and ordinary meaning, the Email meant and was understood to mean that:
 - (a) Team 3216 has knowingly received and retained rebates and secret commissions that are illegal and in clear breach of the *Estate Agents Act 1980* (Vic);
 - (b) Team 3216 has dishonestly, deceitfully and deviously concealed from its

vendor clients the fact that it has received and retained rebates and secret commissions that are illegal and in clear breach of the *Estate Agents Act 1980* (Vic),

(Email Statements).

- 24. Each of the Email Statements is false, because Team 3216 has not received and retained rebates and secret commissions that are illegal and in clear breach of the *Estate Agents Act 1980* (Vic).
- 25. Further, in publishing the Email, Catalano and MMP were each actuated by malice.

PARTICULARS

- (i) Catalano and MMP intended to convey each of the Email Statements.
- (ii) Catalano and MMP knew that each of the Email Statements was false at the time of publication of the Email; alternatively were recklessly indifferent to the truth or falsity of the Email Statements to the point of wilful blindness.
- (iii) Further or alternatively, Catalano and MMP's dominant motivation in publishing the Email was to injure Team 3216 and Hayes, and to punish Team 3216 and Hayes for facilitating their real estate clients to place advertisements in The Geelong Advertiser, being the principal competitor of The Weekly Review Greater Geelong.
- 26. By reason of the publication of the Email, Team 3216 has suffered special damage.

PARTICULARS

- (i) Damage to the trading and business reputation and goodwill of Team 3216.
- (ii) Up-to-date particulars will be provided before trial.

ABC Radio Words

27. Further, on or about 12 February 2013, in the course of a live radio interview by John Faine from radio station 774 ABC Melbourne, Catalano said and thereby published to a wide and extensive audience in the State of Victoria the words attributed to him that are reproduced in Annexure B to this Statement of Claim (ABC Radio Words).

- 28. Catalano published the ABC Radio Words in his capacity as a director of MMP and in the course of his duties as a director of MMP, and MMP is accordingly liable, alternatively vicariously liable, for the publication of the ABC Radio Words.
- 29. The ABC Radio Words were of and concerning Hayes.
- 30. In their natural and ordinary meaning, the ABC Radio Words meant and were understood to mean that:
 - (a) Hayes has fraudulently received and retained illegal kickbacks, secret commissions and rebates in breach of the *Crimes Act 1958* (Vic) and the *Estate Agents Act 1980* (Vic);
 - (b) Hayes has been induced by the receipt and promise of illegal kickbacks, secret commissions and rebates in breach of the *Crimes Act 1958* (Vic) and the *Estate Agents Act 1980* (Vic) to act in his own interest rather than the interest of his vendor clients;
 - (c) Hayes, when inducing his vendor clients to advertise with the Geelong Advertiser, has duped those clients by deliberately concealing that he has received and been promised illegal kickbacks, secret commissions and rebates in breach of the *Crimes Act 1958* (Vic) and the *Estate Agents Act 1980* (Vic),

(ABC Radio Imputations).

- 31. Further, the ABC Radio Words were of and concerning the business conducted by Team 3216.
- 32. Further, in their natural and ordinary meaning, the ABC Radio Words meant and were understood to mean that:
 - (a) Team 3216 has fraudulently received and retained illegal kickbacks, secret commissions and rebates in breach of the *Crimes Act 1958* (Vic) and the *Estate Agents Act 1980* (Vic);
 - (b) Team 3216 has been induced by the receipt and promise of illegal kickbacks, secret commissions and rebates in breach of the *Crimes Act 1958* (Vic) and the *Estate Agents Act 1980* (Vic) to act in its own interest rather than the interest of its vendor clients; and

(c) Team 3216, when inducing its vendor clients to advertise with the Geelong Advertiser, has duped those clients by deliberately concealing that it has received and been promised illegal kickbacks, secret commissions and rebates in breach of the *Crimes Act 1958* (Vic) and the *Estate Agents Act* 1980 (Vic),

(ABC Radio Statements).

- 33. Each of the ABC Radio Statements is false, because Team 3216 has not received and retained illegal kickbacks, secret commissions and rebates in breach of the *Crimes Act* 1958 (Vic) and the *Estate Agents Act* 1980 (Vic).
- 34. Further, in publishing the ABC Radio Words, Catalano and MMP were each actuated by malice.

PARTICULARS

- (i) Catalano and MMP intended to convey each of the ABC Radio Statements.
- (ii) Catalano and MMP knew that each of the ABC Radio Statements was false at the time of publication of the ABC Radio Words; alternatively were recklessly indifferent to the truth or falsity of the ABC Radio Statements to the point of wilful blindness.
- (iii) Further or alternatively, Catalano and MMP's dominant motivation in publishing the ABC Radio Words was to injure Team 3216 and Hayes, and to punish Team 3216 and Hayes for facilitating their real estate clients to place advertisements in The Geelong Advertiser, being the principal competitor of The Weekly Review Greater Geelong.
- 35. By reason of the publication of the ABC Radio Words, Team 3216 has suffered special damage.

PARTICULARS

- (i) Loss of existing and potential clients.
- (ii) Damage to the trading and business reputation and goodwill of Team 3216.
- (iii) Up-to-date particulars will be provided before trial.

Publisher's Article

36. Further, on or about 14 February 2013, Catalano and MMP caused to be published to a wide and extensive audience in Victoria an article written by Catalano in *The Weekly Review Greater Geelong*, titled "PUBLISHER'S MESSAGE / A NEED FOR GENUINE COMPETITION" (Publisher's Article).

PARTICULARS

- (i) A copy of the Publisher's Article is attached as Annexure C to this Statement of Claim.
- (ii) The Publisher's Article appeared in Issue 16 of *The Weekly Review Greater Geelong* (14-20 February 2013).
- 37. On or about 14 February 2013, Catalano and MMP caused the Publisher's Article to be uploaded to the Internet site located at the URL address www.theweeklyreview.com.au (Website) where Catalano and MMP have permitted it to remain ever since, as a consequence of which the Publisher's Article has been further published to readers of the Website in Victoria.

PARTICULARS

- (i) A copy of the Publisher's Article in the form in which it appears on the Website is attached as Annexure D to this Statement of Claim.
- (ii) The Website is the website for *The Weekly Review Greater Geelong* and contains, among other matters, articles and other material published in *The Weekly Review Greater Geelong*.
- (iii) The Registrant of the domain name <theweeklyreview.com.au> is Diamond Life Family Trust. The Registrant contact for the domain name is Catalano.
- (iv) The Publisher's Article remains accessible to be downloaded and read from the Website as at the date of this Statement of Claim.
- (v) Particulars of the extent of publication of the Publisher's Article from the Website will be provided before trial.
- 38. Catalano and MMP each knew and intended that the Publisher's Article would be further published via the Website; alternatively, it was a natural and probable consequence of the publication of the Publisher's Article that it would be further

- published via the Website, and accordingly Catalano and MMP are liable for the further publications of the Publisher's Article via the Website.
- 39. In its natural and ordinary meaning, the Publisher's Article meant and was understood to mean that:
 - (a) Hayes has knowingly received and retained illegal rebates, secret commissions and kickbacks from News Limited, including yearly payments of up to \$50,000 and a diamond ring bought by the *Geelong Advertiser* for Mr Hayes' partner;
 - (b) Hayes, induced by the receipt and promise of illegal rebates, secret commissions and kickbacks, has acted contrary to the interests of his vendor clients by inducing them to advertise with the *Geelong Advertiser*;
 - (c) Hayes, when inducing vendor clients to advertiser with the Geelong Advertiser, has deliberately concealed from those clients the fact that he has received and been promised illegal rebates, secret commissions and kickbacks,

(Publisher's Imputations).

- 40. By reason of the publication of the Publisher's Article, and the further publication of the Publisher's Article via the Website, Hayes has been gravely inured in his reputation and feelings, and has suffered distress, embarrassment and humiliation, and has thereby suffered and will continue to suffer loss and damage.
- 41. Further, the Publisher's Article was of and concerning the business conducted by Team 3216.
- 42. Further in its natural and ordinary meaning, the Publisher's Article was meant and was understood to mean that:
 - (a) Team 3216 has knowingly received and retained illegal rebates, secret commissions and kickbacks from News Limited, including yearly payments of up to \$50,000 and a diamond ring bought by the *Geelong Advertiser* for Mr Hayes' partner;
 - (b) Team 3216, induced by the receipt and promise of illegal rebates, secret commissions and kickbacks, has acted contrary to the interests of its vendor

- clients by inducing them to advertise with the Geelong Advertiser;
- (c) Team 3216, when inducing vendor clients to advertiser with the Geelong Advertiser, has deliberately concealed from those clients the fact that it has received and been promised illegal rebates, secret commissions and kickbacks,

(Publisher's Statements).

- 43. Each of the Publisher's Statements is false, because Team 3216 has not received and retained illegal rebates, secret commissions and kickbacks from News Limited.
- 44. Further, in publishing the Publisher's Article, MMP and Catalano were each actuated by malice.

PARTICULARS

- (i) Each of MMP and Catalano intended to convey each of the Publisher's Statements.
- (ii) Each of MMP and Catalano knew that each of the Publisher's Statements was false at the time of publication of the Publisher's Article; alternatively was recklessly indifferent to the truth or falsity of the Publisher's Statements to the point of wilful blindness.
- (iii) Further or alternatively, each of MMP and Catalano's dominant motivations in publishing the Publisher's Article was to injure Team 3216 and Hayes, and to punish Team 3216 and Hayes for facilitating their real estate clients to place advertisements in The Geelong Advertiser, being the principal competitor of The Weekly Review Greater Geelong.
- 45. By reason of the publication of the Publisher's Article and its further publication via the Website, Team 3216 has special damage.

PARTICULARS

- (i) Loss of existing and potential clients.
- (ii) Damage to the trading and business reputation and goodwill of Team 3216.
- (iii) Up-to-date particulars will be provided before trial.

Aggravated damages

46. Catalano and MMP each knew that each of the Crikey Imputations, the Crikey

Statements, the Email Imputations, the Email Statements, the ABC Radio Imputations, the ABC Radio Statements, the Publisher's Imputations and the Publisher's Statements was false prior to the time at which they were respectively published; alternatively each of Catalano and MMP was at the time of publication recklessly indifferent to their truth or falsity.

- 47. Neither Catalano nor MMP at any time prior to the publication of the Crikey Words, the Email, the ABC Radio Words, or the Publisher's Article made any or any reasonable attempt to ascertain Hayes' or Team 3216's side of the story, and made no attempt to set out Hayes' or Team 3216's side of the story in the Crikey Words, the Email, the ABC Radio Words, or the Publisher's Article.
- 48. Neither Catalano nor MMP at any time prior to the publication of the Crikey Words, the Email, the ABC Radio Words, or the Publisher's Article took any or any adequate steps to verify the accuracy of the contents of the Crikey Words, the Email, the ABC Radio Words or the Publisher's Article, in so far as they concerned Hayes and Team 3216.
- 49. Catalano and MMP's dominant motivation in publishing each of the Crikey Words, the Email, the ABC Radio Words, and the Publisher's Article, in so far as they concerned Hayes and Team 3216, was to injure Team 3216 and Hayes, and to punish Team 3216 and Hayes for facilitating their real estate clients to place advertisements in The *Geelong Advertiser*, being the principal competitor of *The Weekly Review Greater Geelong*.

50. Further:

- (a) by a Statement of Claim dated on or about 11 February 2013, served in County Court proceeding No. CI-13-00593, MMP alleged, *inter alia*, that:
 - (i) Team 3216 had breached section 48A of the *Estate Agents Act 1980* (Vic) and sections 176 and 179 of the *Crimes Act 1958* (Vic) by accepting rebates and secret commissions from the *Geelong Advertiser* in return for the promise to place vendor advertisement in the *Geelong Advertiser*, and
 - (ii) the rebates and secret commissions have been paid in various forms, including yearly payments of up to \$50,000, hospitality, a diamond

ring bought by the *Geelong Advertiser* for Mrs Hayes, uncommercial discounting and the waiver or postponement of long overdue debt;

- (b) on:
 - (i) 1 February 2013, Catalano and MMP published the Email;
 - (ii) 11 February 2013, Catalano and MMP published the Crikey Words;
 - (iii) 12 February 2013, Catalano and MMP published the ABC Radio Words; and
 - (iv) 14 February 2013, Catalano and MMP published the Publisher's Article,

and in each case Catalano and MMP referred to the County Court proceedings and the substance of the allegations referred to in (a) above;

- (c) by a letter dated 18 March 2013 sent to Catalano and MMP's solicitors, the solicitors for Hayes and Team 3216 pointed out that:
 - (i) the County Court Statement of Claim contained claims that were based on facts that are and must be known by MMP to be demonstrably false;
 - (ii) MMP had fundamentally misunderstood and misconstrued the terms and operation of both the *Estate Agents Act 1980* (Vic) and the *Crimes Act 1958* (Vic); and
 - (iii) the claims relating to the *Estate Agents Act 1980* (Vic) and the *Crimes Act 1958* (Vic) were manifestly hopeless, embarrassing and liable to be struck out; and
- (d) on 20 May 2013, MMP filed and served an Amended Statement of Claim in the County Court proceeding, and on 21 May 2013 MMP filed and served a Further Amended Statement of Claim, and in each instance, the allegations referred to in (a) above were omitted.
- 51. Each of Catalano and MMP has failed to retract and apologise to Team 3216 and Hayes for the publication of the Crikey Words, the Email, the ABC Radio Words,

and the Publisher's Article, in circumstances where a retraction and apology are self-

evidently called for.

52. By reason of the matters referred to in paragraphs 46–51 above, the circumstances of

the publication of the Crikey Words, the Email, the ABC Radio Words, and the

Publisher's Article, and the conduct of both MMP and Catalano since their

publication, has increased the hurt, distress, embarrassment and humiliation suffered

by Hayes, and accordingly warrant an award of aggravated damages.

AND THE PLAINTIFFS CLAIM:

A. A permanent injunction restraining Catalano whether by himself or his agents, from

publishing or continuing to publish, including without limitation via the Website, or

causing to be published, the Crikey Words, the Email, the ABC Radio Words or the

Publisher's Article, or any other material to the same purport or effect, or any

material conveying any meanings to the same purport or effect as those set out in

paragraphs 10, 13, 20, 23, 30, 32, 39 and 42.

B. A permanent injunction restraining MMP whether by itself, its officers, employees or

agents, from publishing or continuing to publish, including without limitation via the

Website, or causing to be published, the Crikey Words, the Email, the ABC Radio

Words or the Publisher's Article, or any other material to the same purport or effect,

or any material conveying any meanings to the same purport or effect as those set out

in paragraphs 10, 13, 20, 23, 30, 32, 39 and 42.

C. Damages.

D. Aggravated damages.

E. Interest pursuant to Statute.

F. Costs.

G. Such further or other orders as this Honourable Court deems fit.

Dated: 16 July 2013

M J COLLINS M MARCUS

MILLENS

Solicitors for the Plaintiffs

ANNEXURE A – THE EMAIL

Pdf of the Email attached.

Annexore A

From: TWR Geeloong <twrgeelong@mmpgroup.com.au>

Date: 1 February 2013 16:19:48 AEDT

To: Adam Natonewski < Adam. Natonewski @hayeswinckle.com.au>,

"Ashleigh.vincent@raywhite.com" < Ashleigh.vincent@raywhite.com>,

"brad@mcdonaldco.com.au" < brad@mcdonaldco.com.au>,

"bradley.brown@fletchers.net.au" <bradley.brown@fletchers.net.au>.

"Briddle@buxton.com.au" < Briddle@buxton.com.au>, "Bwalker@barryplant.com.au"

< Bwalker@barryplant.com.au>, "cmccann@hockingstuart.com.au" <cmccann@hockingstuart.com.au>, "Dale@whitfordproperty.com.au"

<<u>Dale@whitfordproperty.com.au</u>>, Daniel Hayes <<u>Daniel.Hayes@hayeswinckle.com.au</u>>,

"<u>David.cortous@raywhite.com</u>" < <u>David.cortous@raywhite.com</u>>,

"Donna.buckingham@harcourts.com.au" <Donna.buckingham@harcourts.com.au>,

"dtaggert@buxton.com.au" <dtaggert@buxton.com.au>, "ginap@prime-realestate.com.au"

<ginap@prime-realestate.com.au>, "Hiddbarl@jc.com.au" <Hiddbarl@jc.com.au>.

"James.gladman@fletchers.net.au" < James.gladman@fletchers.net.au>,

"james@wilsonsre.com.au" < james@wilsonsre.com.au>, "Jayden@roncon.com.au"

< Jayden@roncon.com.au >, "Jbarnett@professionals.com.au"

< <u>Jbarnett@professionals.com.au</u>>, "<u>Jbarnett@professionals.com.au</u>"

<jbarnett@professionalsgeelong.com.au>, "Jim.cross@raywhite.com"

< Jim.cross@raywhite.com >, "jleonard@buxton.com.au" < jleonard@buxton.com.au >,

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Subject: MESSAGE FROM ANTONY CATALANO

Dear shareholders

Firstly, thank you to all of you who have written or called to support the legal action tough line we are taking with Hayeswinckle and its Directors Danny Hayes and Michelle Winckle, to protect the interests of all shareholders in The Weekly Review Greater Geelong.

We have this week advised Danny Hayes and his advisers that MMP will pursue Hayeswinckle and its Directors for breaching legally binding agreements signed just three months ago. We will begin proceedings in the Supreme Court shortly to hold Hayeswinckle to the agreements they entered into and to recover damages.

We know the long hand and deep pockets of News Limited have played their part in inducing Danny to breach his contracts. The payment of highly-questionable rebates or commissions by News Limited through Leader Newspapers and realestate.com.au remains widespread in metropolitan Melbourne. In many cases, these rebates have been retained by agents in a clear breach of the Estate Agents Act.

It is an issue about which MMP has been very public and very loud: this is a practice that does not act in the best interests of the vendors, is illegal and must be stamped out.

We are currently working with Consumer Affairs Victoria, the Australian Competition and Consumer Commission and the Victorian fraud squad on specific complaints involving agents being offered dodgy rebates and secret commissions from Leader Newspapers and realestate.com.au. It is our intention to write to each of these authorities to advise them of the legal action we are taking against Hayeswinckle and its Directors.

It is, of course, unfortunate when any business partnership becomes difficult, but this case has been particularly regrettable given how much we have achieved in a very, very short period of time. On the strength of the commitment of Geelong's 25 leading residential real estate agents, we invested significant capital and energy to create an outstanding lifestyle magazine with an extraordinary property guide that is clearly ahead of the competitor. At the same time, it has struck a chord with the people of Geelong, best illustrated by the following testimonial from one of Geelong's most prominent personalities, Gareth Andrews, to our editor Eileen Berry:

"Dear Eileen.

I write to confirm the amazing response I have received to the article written by Peter Wilmoth in the 14-20th edition of the Weekly Review. I still continually get reminded of it by people who I meet with each day, both here and in Geelong.

I have had Media publicity in my past life through both football and property but it has never had the powerful reaction as this article has seemingly had.

You have a powerful publication.

regards

Gareth"

The quality of the product is also generating tremendous retail advertising support from leading advertisers in the city.

We should all be proud of what we have created together.

Distribution is a much-improved work in progress, but there is one simple fact: we print and distribute 75,000 copies a week, the Geelong Advertiser reportedly sells 40,000, and we believe this will be lower when last year's final circulation figures are released shortly. We have broadened our footprint with the addition of the Apco service station network, and are continually improving. Many of the specific problems have been addressed, and the addition of PMP walkers has been beneficial. We will continue to work to get this right, but distribution is overwhelmingly a positive. When the next circulation figures are released, we expect our circulation to be more than double the Saturday Advertiser. That is a very powerful selling tool for vendors.

We have attached for your use a flyer that clearly communicates the declining influence of the Geelong Advertiser and the benefits of The Weekly Review Greater Geelong. We are also launching an eight-week bus campaign on Monday in support of the publication.

Ultimately, however, this is your magazine. You own 50 per cent, and The Weekly Review Greater Geelong is already generating strong profits. By any measure the prospects are bright, and we are determined to do all we can to protect our shareholders from dishonest, deceitful and devious conduct.

We will advise you when we begin legal proceedings. If you have any questions, please give Mark Hallo or John Hine (0413 376753) a call.

In the meantime, I know we are all geared up for the new selling season. Good luck, and we look forward to working with you to continue to deliver the best property publication in Greater Geelong.

Regards

Antony

Metro Media Publishing 113-115 York Street, South Melbourne VIC 3205 reviewproperty.com.au theweeklyreview.com.au yourcommunityvoice.com.au

METROMEDIA Publishing

ANNEXURE B – ABC RADIO WORDS

Pdf of transcript of the ABC Radio Words attached.

Annexure B

TRANSCRIPTION OF RADIO INTERVIEW ON ABC 774 12 February 2013

BETWEEN JOHN FAINE AND ANTONY CATALONO

JF refers to John Faine

AC refers to Antony Catalano

JF Down Geelong way, it seems, there's allegations of all sorts of skulduggery being raised about the real estate advertising market. In fact, it looks like Geelong and the Bellarine Peninsula might be going through the same battle for market share with allegations, claims and counterclaims as happened in Melbourne, where newspapers no long carry a monopoly on real estate, the lucrative real estate advertising.

Well, the man who shook up the market here is trying to shake up the market in Geelong as well. Antony Catalano used to be with The Age newspaper. He is now publisher and founder of Metro Media Publishing, publisher of The Weekly Review, and he is suing people over what he says is skulduggery in the Geelong real estate market.

JF Antony, good morning to you.

AC Hi John.

JF What's going on?

AC Well, look, what's going on is that went down to Geelong late last year and launched a publication in collaboration with about 25 agents. One of those agents was, um, a gentleman by the name of Danny Hayes from a firm called Hayeswinckle. Most of the agents down there were disgruntled with the Geelong Advertiser which has had a long period of declining circulation and quite expensive prices for a publication of around 40,000 copies on a Saturday and about 23,000 copies Monday to Friday.

We offered a better alternative, a high gloss magazine a bit like The Weekly, ah well exactly like The Weekly Review in Melbourne.

JF So, you were trying to shake up the Geelong market like you did with the city market?

AC That's right. In Melbourne, we replaced The Melbourne Weekly, which was then a Fairfax own publication with our launch product and really changed the market overnight.

JF Yep

AC We did the same thing in Geelong and launched on the 15 of November and 25 agents moved their advertising across, including Hayeswinckle. Um, we offered the benefits of the product were that it went to every house in Geelong. So we distributed to 75,000 homes.

JF Letterboxing. So you did a deal with a whole lot of agents, but you've come a cropper, you think, with one. Is that the claim?

AC Well, I wouldn't say we have come a cropper, we've um, we've managed to snare somewhere in the order of 8 or 9 million dollars of advertising revenue. Hayeswinckle contracted

himself with us for 3 years for a \$470,000 annual spend. And then, lo and behold, a couple of News Limited executives, um, came to visit him over December and January.

- JF This is an allegation, in a court case?
- AC Well no, this isn't an allegation it's a fact that they came to visit him and are now providing him with staff training and, um, as a consequence he's, having moved all his advertising out of the Geelong Advertiser in The Weekly Review, he came back at the start of the new selling season and moved all his advertising back to.
- JF OK so, that's business though. You've tried to do a deal and they've done a better deal.
- AC No. Business is also about honouring contracts and Daniel Hayes hasn't honoured his 3 year contract with us.
- JF Ok, so, this is, why should the public care if a couple of elephants are fighting over millions of dollars worth of real estate advertising in Geelong?
- AC Well, because the problem is that constituents of Geelong have been duped for years and years by a publisher there that's been paying kickbacks to estate agents
- JF That's a big sweeping allegation to make.
- AC Well, Danny Hayes told me personally that he had received \$50,000 from News Limited, from News limited and he boasted that he'd even bought a diamond ring for his wife.
- JF Again, an allegation that's made rather than anything yet proven.
- AC Well, Danny must ah, Danny must ah live in a fantasy world if he likes to tell me lies.
- JF As it stands, so you've gone to court to do what?
- AC All we're asking is that he honour his commitment and if he doesn't do that then we'll let the courts decide what damages he owes us. He is a shareholder of our business, he has an obligation to all shareholders to perform in the best interests of the business. Um, he's done a deal with News Limited and he has obviously been induced to ah, um, move his advertising back to the Geelong Advertiser.
- JF Again, that's a claim Antony, so you're essentially you're saying that he's trying to back both horses in this race. He's a shareholder in the new real estate magazine whilst still trying to keep sweet and a foot in the door with News Limited over the Geelong Advertiser. Is that right?
- AC Well doesn't quite work that way but at the moment, he's still a shareholder of our magazine.
- JF Yeah?
- AC There are covenants that govern his behaviour as a shareholder.
- JF Well, it's unusual for a company to sue one of its own shareholders

- AC Well, when you have to act in the interest of all shareholders then that is the appropriate course of action if someone tries to damage your business. Look, the fact is, look he, everyone knows, and I don't think News Limited has denied the fact that it makes payment to estate agents it just said it is all above board and proper.
- JF Well that depends whether as a, if I'm a customer and I'm a consumer of the services of the real estate agent and I'm trying to market a property I want to know whether, what I'm paying to the agent, is in fact needing to be as high a price as it is if they are actually getting a secret commission.
- AC Well, that's right. Look, look think of it this way, the legislation was designed and it was introduced from February 1 2004 and agents were prohibited from retaining a rebate. If the rebate was to work in such a way that the bill was \$100 but the rebate meant that you got \$20 back, if it was intended for that rebate to be returned to the vendor why wouldn't you just charge \$80.
- JF Indeed. So, if I'm paying...
- AC Why would you go through an agent?
- JF So, if I'm paying a couple of thousand dollars to market a house that I'm selling and some of that isn't going to the advertising, but it's actually going as a kickback to the agent, who I'm also paying a commission to, I'm entitled to know. So these are very serious allegations you are raising because effectively they are allegations of fraud.
- AC Absolutely. Well it's a breach of the Crimes Act, it's a breach of the Estate Agents Act and its potentially breaches of the Corporations Act as well.
- JF So, we are absolutely required to contact Mr Hayes, which we're doing, to see if he wants to respond. We'll also invite News Limited to respond because the claims that are made in your County Court summons, ah well, they are now called Writs aren't they, that shows my age. Ah, that you claim in your Writ, are um well, they can be described as sensational in every way.
- AC That's right. Look, it also involves obviously there's a local jeweller that's received a payment. Um, there's obviously going to be a fairly interesting tale, or trail I should say, of evidence and part of our court case will be to seek discovery on all of those payments. Look, the reality is that vendors across the state have been duped by this system for a long time because the way it works is that you pay a couple of major players in each suburb a kickback,
- JF Sure
- AC that then means you can raise the rate
- JF Sure. Antony, these are extravagant claims that you're making. I'm not in a position to know whether they are right or they're wrong. They are just claims at this stage, so I'm more than happy to hear both sides of the story but I'm not in a position to know whether your version of a commercial dispute is actually the right version because people often make claims in Writs which turn out to be little more than a strategic ploy in a commercial dispute.

AC That's right. The point I'm making with you is that if you wanted to control prices, ah, then what you would do is that you would elevate the pricing, give kickbacks to a major player, one or two major players in each suburb which means every other agent has to pay the price. It's a way of price fixing at a higher end because why would you pay a rebate if you, if you intended that money to be returned to the Vendor. You would just lower the price.

JF Let's wait and see what the responses are as well, but we will follow it with interest because it is certainly, ah, of interest to the public if they are getting value for money for real estate advertising. Which everyone watches as well when you're a home owner you tend to watch what's going on in your neighbourhood don't you?

Antony Catalano, publisher of The Weekly Review and now having a commercial dispute with some of his own partners in the Geelong market which has broken out into the Courts.

8 minutes to 11, to your calls next to the open line 130022774.

END

ANNEXURE C

Pdf of Publisher's Article attached.



PUBLISHER'S MESSAGE \ A NEED FOR GENUINE COMPETITION

This week marks three months since the launch of The Weekly Review Greater Geelong. Geelong's best weekly lifestyle and real-estate magazine,

Geelong Advertiser Saturday edition sells in Geelong now distributing 75,000 copies a week into every home in community leaders and our shareholders and partners. We are Greater Geelong, DOUBLE the number of copies of the have received from the city: from our readers, advertisers, We couldn't be more thrilled with the welcome we estate agent

vendors with vastly greater distribution. genuine competition to the market and a better product for Advertiser. These agents were committed to bringing 25 of Geelong's largest and most prestigious declining influence and circulation of the Geelong real-estate agents, who were concerned about the The magazine was created in partnership with to retain such

circulation by 5000 copies in three months, and offer better content, more choice and much greater reach circulation and readership. By contrast, we have increased outstanding platform to display Geelong's best properties. better reflect the declining value of the Geelong Advertiser's has forced a monopoly to slash its advertising rates so they And it has certainly brought much-needed competition that Geelong has been an outstanding success, providing an Against that background, The Weekly Review Greater

Unfortunately, one agent, Danny Hayes of Hayeswinckle,

Geelong Advertiser - which is owned by News Limited - to of all our shareholders. Geelong, forcing us to take legal action to protect the interests breach his agreements with The Weekly Review Greater has given notice that he intends, after being induced by the

Legal action was a last resort, after several unsuccessful attempts to find a resolution.

Court seeking almost \$1.4 million in damages The writ and accompanying statement of claim outline the unusually "cosy" relationship Mr Hayes We this week lodged proceedings in the County contracts he signed just over three months ago. flowing from Mr Hayes' decision to disregard the

advertisements. In our writ, issued in the County Court, \$50,000 and a diamond ring bought by the Geelong Advertiser we allege these kickbacks have been paid in various forms, Advertiser in return for the promise of placement of vendor for Mr Hayes' partner. including but not limited to yearly payments of up to rebates and secret commissions paid by the Geelong years, which we believe has included the receipt of has enjoyed with the Geelong Advertiser in recent

of the kickbacks he has allegedly received. If you are a current in the past, you have every right to pursue him for your share vendor, you should ask Mr Hayes if he is receiving any form of serious penalties apply. If you have been a vendor of Mr Hayes For any estate agent to retain such benefits is illegal and

long period of time is threefold: between two publishers. The impact of these payments over a rebate or commission from the Geelong Advertiser. Make no mistake, this is not an esoteric war of words

- They are illegal;
- Thousands of Geelong's property vendors have, for almost properties; and
 They are anti-competitive and prevent other publishers from a decade, paid artificially high rates for advertising their
- competing fairly for agent and vendor business

benefit of Geelong's property vendors. determined to stamp out these insidious practices for the Affairs Victoria, the Australian Competition and Consumer we are pursuing the payment of illegal rebates with Consumer Commission and the Victoria Police fraud squad. We are Apart from the action we are taking in the County Court,

to continue sharing it with you. three months, but the journey has just begun. We look forward magazine in Greater Geelong. We have come a long way in just produce the best-quality, highest-circulation and best-read In the meantime, we are working with our partners to

ANTONY CATALANO

WE WELCOME YOUR FEEDBACK » lettersgeelong@theweeklyreview.com.au



SOFAS & UPHOLSTERY

ANNEXURE D - PUBLISHER'S ARTICLE ON WEBSITE

Pdf of Publisher's Article as it appears on the Website attached.

