

MEDIA RELEASE

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Potential class action against Retail Food Group expanded to assist disgruntled franchisees

On 21 December last year, Bannister Law announced investigations for a potential shareholder class action into Retail Food Group (RFG) over possible contraventions of provisions of the Corporations Act in connection with its stated profits guidance during the first half of financial year 2018.

Bannister Law has expanded the scope of its investigations and is now exploring the relationship between RFG and its franchisees. A number of concerns have been raised by a multitude of franchisees including the disclosure provided upon purchase and other representations made to incoming franchisees, including the terms of operation, and contributions made by the franchisees including, but not limited to, marketing fees.

According to Bannister Law founder Charles Bannister, “Accounts by many franchisees suggest that some franchisees may have been forced into severe financial hardship. Many have been left devastated – financially and personally.”

Bannister Law is working with franchisees and the action group *Franchise Redress* to investigate the potential of a class action or other action on franchisees behalf.

Co-founder of Franchise Redress, Maddison Johnstone, said, “We’ve had contact from over 100 franchisees, many of whom have raised concerns around RFG’s conduct. They allege issues around the company’s goodwill, the viability of stores at sale and the lack of appropriate disclosure on a range of matters including the prior performance of stores at purchase.

“Given the accounts of hardship, it is important to us that franchisees have an avenue of redress for the severe financial distress they’re living with. *Franchise Redress* strongly encourages all disaffected RFG franchisees to express interest in a potential class action with Bannister Law,” said Ms Johnstone.

Franchisees interested in pursuing action can register their interest at bannisterlaw.com.au/rfg.

Bannister Law fights for the legal rights of Australian consumers. Bannister Law is also running several of Australia’s most high profile and significant class actions on behalf of consumers, including: the Volkswagen emissions class action, Ford class action, Dick Smith shareholders class action. Bannister Law also ran and resolved the class action against the makers of Nurofen’s Specific Pain Range.

Media Contact Andrew Butler; andrew@wilkinsonbutler.com; 0423 296 903