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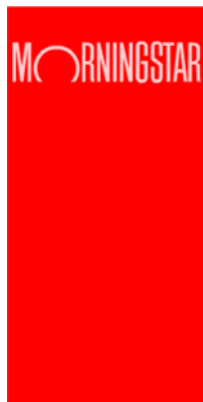
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## Westpoint investors win indemnity insurance case

### Losses may be recovered

By Christine St Anne  
Fri 10 Jul 2009



**A Court of Appeal decision allows investors in the failed mezzanine finance scheme to recover costs through professional indemnity insurance.**



The NSW Supreme Court of Appeal will allow Westpoint investors to recover their losses through professional indemnity insurance following a court battle against QBE Australia.

Investors took out the insurance by financial planning firm Quantum Securities with QBE Australia.

In March 2007, legal firm Slater & Gordon launched a class action against Quantum on behalf of the firm's 59 clients who lost \$6.9 million through investments in Westpoint.

In court, QBE claimed that Quantum's professional indemnity insurance could not be used to cover the allegedly inappropriate advice given by Quantum's financial planner Andy Chen.

The NSW Court of Appeal, however, found that Westpoint investors could rely on the insurance to cover the losses of Quantum's Westpoint clients if the class action is successful.

The decision means Westpoint investors who relied on advice from Quantum to invest in the failed

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### Christine St Anne

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property group will continue their class action against Quantum, according to Slater & Gordon associate Ben Whitwell.

"It means the Quantum class action can continue and, if successful, investors could be able to recover their money through the insurance policy," he Whitwell

"This is yet another hurdle that Quantum clients have been forced to jump over as they try to recover some of the money they lost as a result of receiving inappropriate advice."

The investors involved in the class action are predominately from the Chinese community.

Quantum changed its name to Minox Securities after the court action began.

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## Kate Kachor

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