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## Vocation Debacle a Gift to IMF

There's more than one piece of good news for litigation funder **Bentham IMF** today. The company announced it had won a US court case worth an initial US\$15m with more likely to follow. Better yet, **Vocation** put out an announcement that ensures the pipeline of future work should remain robust.

The share price of the private education provider plunged 50% this morning after coming out of a trading halt. Having a quick look at the facts, it has a shareholder class action written all over it:

- [25 August 2014](#), Vocation announces in response to press speculation that the Victorian Department of Education and Early Childhood Development (DEECD) is undertaking a review of three of the courses provided by Vocation, and has withheld recent payments under funding contracts. Vocation considers '*neither the review nor its anticipated outcomes are material to Vocation*'.
- [10 September 2014](#), a fully underwritten placement and share purchase plan is announced to raise \$74m and pay down debt and the placement documentation restates that the issues above are immaterial.
- [27 October 2014](#), Vocation announces settlement with the DEECD. The DEECD review finds that some students had been enrolled onto inappropriate courses for their needs, that inadequate controls are in place to manage the performance of third parties delivering training and some students experienced a lower quality of training than intended for their job seeking needs. \$19.6m in payments are to be forfeited, and two of Vocation's registered training organisations will relinquish their funding contracts.

Bentham IMF CEO Hugh McLernon will be licking his lips, this one almost writes itself. Vocation will be settling with shareholders next.