

Submission to Senate Inquiry

"Effects of the GFC on the Australian Banking Sector"

28th May 2012

Economics References Committee

PO Box 6100

Parliament House

Canberra, ACT, 2600

Dear Senators,

Please find attached our submission that relates to how both our historic experience, along with our previous functioning multiple successful businesses, our ongoing concerns, our properties & all of our assets were mistreated by Bankwest and its' affiliation Capital Finance, just before & after it was acquired by the CBA, The Commonwealth Bank of Australia during the GFC in 2008 & up until recently. The impact of what has happened has devastated my Family, due to the Banks' incompetence & negligence, resulting in us losing everything, all our hard worked assets & destroying our lives.

Over many years, during our many previous successful businesses, we have had support & good long term relationships with the Banks for many years. In the 70's it was with the CBA, then 10 years with the ANZ, during the 80's-90's, then a brief 2 years with the CBA, then a further prosperous 10 years with the NAB.

Then in late 2006, we refinanced with Bankwest, were they promised full & total support, & after we refinanced with Bankwest, all we found was broken promises, that in turn, resulted in My Family eventual ruin.

It is essential that a Senate Inquiry, be conducted, so as to expose the practices & hidden agendas, of these Banks' practises, that have resulted in our devastating losses. We feel a crime has been committed against us & to many others & it has to be exposed, so that it does not occur again!!

Prior to moving over to Bankwest, we were instructed by Bankwest to stop using our previous Account, of which we've used since 1985 & Bankwest insisted we use their preferred Accountant, who we feel was a great part of our demise.

Paradis Family Group Business History/Summary: 1972-2012:

1972-1976: Windang Takeaway, Wollongong NSW. Owned & operated Family business.

1980-1983: Wulagi Takeaway, Darwin, Northern Territory. Owned & operated Family business.

1983-1986: Primbee General Store Delicatessen, Wollongong NSW. Owned & operated Family business.

1983-1986: Westfield Figtree Fruit Market, Wollongong NSW.

1986-1997: Country Gardens Fruit Market, Westfield Warrawong, Wollongong NSW. - Manager.

1986-1993: Warilla Takeaway Cafe Lounge, Shellhabour NSW. Owned & operated Family business.

1993-1997: Mitchells Fruit Market, Shellhabour NSW. Family Partnership.

1997-2006: Grandma Rosie's Fruit Market, Westfield Shopping Town, Figtree, Wollongong NSW. Owned & operated Family business.

2000-2008: Grandma Rosie's Childcare Centre Primbee, Wollongong NSW. Owned & operated Family business.

2003-2008: Grandma Rosie's Childcare Centre Kenny St., Wollongong NSW. Owned & operated Family business.

2005-2007: Bridal Galleria, Wollongong. Owned & operated Family business.

2006-2008: Portofino International Function Centre, Wollongong NSW. Owned & operated Family business.

2006-2008: Central Fruit, Crown Central, Wollongong NSW. Owned & operated Family business

2007-2008: Kenny St Fruit & Deli, Wollongong NSW. Owned & operated Family business & Partners. Cut short, thanks to the non support of Bank West!!

2008-2012: Family Bankrupted by Bankwest & we are struggling to survive & to salvage our Primbee Family Home from potential repossession due to hardship in servicing the loan on our Parents' pension.

Paradis Group Business Operations:

Core Business- Kenny Street Fruit & Deli: 40-46 Kenny St. Wollongong:

The newly opened, "biggest little corner store", in the Illawarra. Opened in late 2007, shut down in mid 2008, thanks to BW/CBA.

We had 10,000 per week, spending \$35/basket, with an extra spend of \$15/basket, with the extra Franklins lines.

This would have generated a Core Business that produced \$500k per week in revenue, netting \$4.5 Mil per annum, rental inclusive.

Grandma Rosie's Childcare Centres- Owned & Operated:

1. 52 Illowra Cres. Primbee Wollongong NSW.
28 place- 100% occupancy

2. 38 Kenny St. Wollongong NSW.
34 place- 100% occupancy

Both of these above 1&2 established Childcare Centres' revenue, including rentals, was \$250k per annum.

3. In Development: 23-25 Baan Baan St. Dapto NSW.
50 place- not yet completed. DA Approved. Construction 50% completed.
Would have produced at least another \$350k per annum, in net revenue, rental inclusive.

Rental Properties:

41 Illowra Cres. Primbee:

4 Flats with a revenue of \$35k per annum.

34-36 Kenny St. Wollongong- PRP Diagnostics, as tenants:

5 + 5 + 5 years lease.

\$120k per annum rent, + paying part otgoings.

Receivers / Administrators:

Bankwest accused us of trading insolvently, at our newly open Kenny St Fruit & Deli business, after 6 months of operating. At the March 2008 meeting, Capital Finance Manager, Mr. PR, who was the one who mentioned this, recommended, that we should go into Voluntary Administration, on the day.

A week had past, when we received a telephone call from BW, saying that they were going to send in a "Forensic Accountant", by the name of Mr. PH, so we did a Google search on Mr. PH "Accountants", & just 1 inert internet page came up, but when we further Goolgled on PM/Receivers, we discovered many pages of the "Crying Assassin", ie) the Receiver who missed out on the Anset liquidation & that he was a bitter & ruthless Receiver, with a history of slashing & carving up assets, so that the Banks could salvage distressed loans / funds. (A Senate Inquiry should expose these sorts of unlawful practices, before we can accuse BW & CBA of any unlawful practises.)

After appointing the VA, the Receivers took over all our properties.

The Administrator sold off all the stock from Kenny St. Fruit & Deli, gave Bankwest a cheque of \$850k & took a commission of \$350k for himself.

The Administrator had liquidated \$1.2Mil worth of stock.

We were not trading insolvent.

We would have traded out of debt. At a worst case scenario, we could have entered a DOCA, ie) a Deed of Company Arrangement, so as to resolve our predicament, if it was so.

Contingency Plan to Salvage our Assets:

Refinance with other Lenders so as to exit BW/CBA:

We had more than enough assets for the use of security & powerful revenue generating profitable businesses & we were in the process of refinancing with other lenders that were further willing to support our multiple business ventures, enabling us to exit BW/CBA.

We had many multiple options to salvage our Main Core Business, Kenny St. Fruit & Deli, of which was initially generating \$350k per week in turnover, netting \$50k/week (EBITA), + \$15k in Rental Returns, ie) \$65k per week in net revenue EBITA. In its' initial stages.

We were not given a chance by the Banks to increased the revenue of our Kenny St. Fruit & Deli business by an additional \$15 per customer, by the introduction of the extra generic "Aussy" lines, ie) Kellogs Corn Flakes, Vegemite, Coca Cola, CSR Sugar & all the other generic lines that are available in everyday Supermarkets, of which were not stocked at this early stage of operations.

In addition, we had struck a deal with The Franklins Supermarket Chain, who were prepared to supply us with these generic lines at a very competitive rate. All documentation was signed through First Choice Dairy, who were to transport these lines to us, at cost.

Our 10,000 customer base per week, were expected to have spent an increase of \$15/spend, resulting in a \$50 per basket spend per week, that would have equated to a turnover of \$500k per week @ 15% nep profit plus \$15k of rent per week, which was paid from the business, back to ourselves, as landlords, totally \$90k per week, \$4.5 Million per Annum net income, EBITA.

We would have paid, traded our debt off to BW/CF, CBA in 2-3 years.

But we were not given the chance to do so.

Option- We would have had to pay back to BW/CBA, the majority of the debt owed & then have the ability to be able to refinance with another lender.

Option- We had also started multiple negotiations with other multi nationalist companies, such as Woolworths, Thomas Dux, Harris Farms & so on, that were interested in purchasing the Kenny St Fruit & Deli business & the ongoing concern, for a figure of \$7 Mil.

Option- We also had other contingency plans in place, that were to pay off the debt owed to BW/CBA earlier, if we needed to. (But we were not given the chance to do so.)

Option- We had approached other Childcare Centre Operators, that were both interested & willing to purchase our business/ongoing concerns of our Centres, for \$10,000/child, on a lease hold basis. ie) Primbee & Wollongong = 60 operating places @ \$10,000 per place = \$600k + 50 potential places from Dapto @ \$10,000 = \$500k for a total purchase price for our Grandma Rosie's Childcare Centre businesses of \$1.1 Mil. & we would have still retained our Properties, receiving \$3,000 per week in Rentals.

Bankwest had appointed Receivers who sold all of our 3 of Childcare Centres for just a fraction of their worth. We had valuations of \$4Mil + for the 3 Centres & BW/CBA force sold all 3 Centres for just a fraction of their worth, for about \$2Mil. Til this day, we feel all the Grandma Rosie's Child Centres businesses are still ours, as were stated through emails from the Receivers, that said that & admitted to, as Receivers, that they were only interested in the sale of the properties & not the Childcare Centre Businesses, but they, the Receivers still sold the lot away, anyway!!

We have plenty of attachment to provide to you, so as to support our case, but it is only a fraction of the truth, that still has to be exposed by the Senate Inquiry.

At this stage, we would rather wait to see what the Senate Inquiry uncovers, so as to fully enable us to make a full assessment of what we can further provide, that would enable the truth to be told, without prejudice.

Up until a few weeks ago, we were approached by certain previous Administrators / Receivers, that had previously taken over possession of all of our records, our computers, our businesses, & had tried to bully us & tried to force us to sign off on a document, that allowed them to destroy all of our records & documents. They wanted to destroy 80 boxes of our records, "evidence"??? Apparently, their excuse was that they had no room to store & to keep our files & needed to get rid of them, or shall I say, the evidence.

We have had no access to legal advice or support, due to our inability to pay for their support. We are broke & have been threatened by all actions, over the past 4 years. We, as a Family, have lost the will to live.

We, to this date, have lost all of our records, our assets, our life savings, our lives have been devastated & we are waiting for the conclusion from this Senate Inquiry so that justice will prevail!!

We feel a criminal act has occurred against us & many others.

Yours Faithfully,