



### Inquiry in to financial Products and Services

I worked for Mortgage miracles for a short time and was befriended by Kate Thompson as many others were through church groups and other such places. Kate made several approaches to me telling me she could help me with an investment funded by equity in my home to help me provide for my retirement. Eventually she persuaded me to invest in a so called charitable precinct called "Mormonville" I signed a contract for a block of land which was subject to finance which Kate assured me could be cancelled at a later date if I changed my mind and not to worry she would take care of everything. When I saw a copy of the contact later subject to finance had been crossed out and cash written in also the person who witnessed the contract was not present and I have never met.

A couple of weeks later Kate presented me with an application for finance to AFG for \$836,000 when I asked Kate why the figure was so high when I only earn \$30,000 pa and I am single she replied that I could lend her a large proportion of the loan and she would pay me 17.5% interest on it . When I questioned why she would want to do that she replied she wanted to pay interest to all the little people why should it always be the banks that profit from interest payments. I was immediately alarmed by this and asked Kate to cancel the whole thing. She kept asking me for another couple of months to continue but eventually gave up and returned to me the \$1,000 deposit I paid for the block so I believed the whole thing was cancelled.

Until I received a letter from Kate's Lawyer informing me the developer Fairlie Grove had issued a writ against me for not settling on the block or damages of approx \$80,000. I was completely shocked by this as I had trusted Kate's word as many others did. As Kate Thompson was a licensed mortgage broker and listed as one of the top 10 in Australia at the time I trusted her advice, I now have another lawyer defending me my bill is at \$16,000 and rising which I am unable to pay and do not know what to do in this situation which has arisen from Kate's deception and misleading conduct.

The WA Fraud Squad have been investigating Kate's activities since last year . It all seems to be taking a very long time. I believe the inquiry should look in to the practices of brokers such as Kate Thompson who are paid commissions by banks and finance companies to obtain loans. This is obviously open to abuse by brokers like Kate who prey on low income earners and pensioners to borrow vast amounts against the equity in their homes and fraudulently change documents to obtain loans which are never checked by the banks or finance companies. These banks and Finance companies are also at fault and should not be profiting from fraud. The developer Fairlie Grove who is suing me for not settling on an over priced block of land are also trying to profit from fraud as my contract was changed and I was totally mislead. As a consequence I have escalating legal fees I cannot afford to pay and constantly worry how I am going to hold on to my home with my 2 daughters.

My situation is similar to hundreds of others misled by Kate many of whom are also trying to hang on to their homes and nobody seems to care. Maybe in years to come when the Fraud Squad have finally finished their investigations something may happen when many of the victims will probably be dead !!

I was initially coerced in to this situation just trying to provide for my retirement as the Government keeps telling us we should. I am 56 and form part of a group of retirees and near retirees, which are very vulnerable to operators such as Kate who prey on us hoping to steal the equity in our homes we have worked hard for over many years to build up. I will put my faith in the inquiry to put an end to such practices.

Regards,

Jean Yarlett