

Committee Secretary,
Parliamentary Joint Committee
On Corporations & Financial Services,
P O Box 6100,
Parliament House,
CANBERRA. 2600

My submission is in regard to the collapse of Storm Financial and the profound impact it and the actions of the Commonwealth bank and its subsidiaries have had on our family.

My name is John Ellison, Age 76 and in moderate health
My wife Beverley Ellison age 62 in good health
Beverley's mother Olive Curran age 89. In frail health
And Beverley's sister Janette Walter age 52 with Downs Syndrome.

Beverley and I have joint banking accounts
All our dealings with Storm Financial were jointly held.

We joined Seymour and Associates a little over ten years ago who were then agents for Cassimatis securities. Later they changed their name to Ozdac and even later to Storm Financial Securities.

Our home in those days was valued at approximately \$200,000-00
We owed a relative small amount to our bank and when Storm borrowed against this valuation, they payed out our bank loan and invested the balance in a managed fund.

At this time, John was working and instead of paying money off our loan, we then payed this same amount into the scheme.

In late 2000, John retired and instead of paying in to the scheme, he was now able to withdraw a small amount to help pay household bills.

This continued over time and as the value of our home increased we were advised to borrow more and more.

By the year 2007 Beverley's mother was becoming frail at age 87 and her sister, who was then aged 51 and is disabled with Downs Syndrome Both were in need of constant care. They were no longer able to adequately look after themselves in their own home

We decided that our best option was for them to live with us so that we could provide the care that they needed and avoid the need for them to be split up and Placed in nursing homes

As our existing home was inadequate and lacked the necessary space and facilities needed for this task, we began looking for a suitable house.

Storm advised the following:

- We sell our home
- Mum sells her home, valued at \$220,000.00. (Which she owned outright)
- We combine these assets and build a new home.

This new home was then valued by Storm in conjunction with BOQ and our loan increased to 80% of its value and the funds invested in the Storm scheme.

Subsequently Mums money was also lost in the crash and without her knowledge or understanding that this could happen.

We had always insisted with Storm that our home remained safe due to our special family needs.

At the height of the rise of the "all ordinaries index", Beverley wished to get out of the scheme because it seemed too heady and likened it to a bubble about to burst.

Our advisor at the time said it would be tantamount to cutting off your own legs.

We now find ourselves in a situation where we would be still alive though without any legs but our home safe and without debt

The banks and Storm have now left us with a debt bigger than we could ever possibly handle with John being age 76 and Beverley being the only income earner.

Beverley still has to look after the personal needs of her mother and sister as well as attend work full time.

It is our hope to outlive both in order to take full care in their years of need

To this end we have agreed to pay the bank of Queensland Interest only as this is the maximum we can afford. This option from the Bank of Queensland is only available to us for TWO years from March 2009.

Unless we get a favourable outcome from the Commonwealth bank / Colonial in the coming months we may be forced to sell our home and repay our debt. .
Who knows what will happen to us all after that?

Had the CBA not had issues with Storm and the bloody mindedness of them to take the action they did which affected us mere onlookers was sheer lunacy.

The distress caused to us both has now revealed we both had thoughts of self destruction unknown to each of us until later discussing the issues with each other.

Fortunately we are both able to think of the distress each would have caused the other if this had occurred.

We are very thankful for the immense effort put in by both SICAG and Slater and Gordon and fervently hope the parliament and ASIC and all concerned are able to resolve our troubles to a point where we can live in some semblance of peace.

At the peak, our worth was in the order of one point three million (\$1,300,000 – 00) (less the value of our loan) and has now crashed to owing the bank \$464,000 -00.

Our home is valued at over \$600,000-00 and my superannuation was added at approximately \$164,000 -00. That is a ratio of over 60%.

My opinion is that if the bank had not sold us down and we ceased drawing down as previous, then the fund would have been self supporting until such time as the market began to rise which it inevitably will over time (and has).

We would have been able to manage our affairs on Beverley's income with no frills attached and not have caused many many sleepless nights for us both and no thoughts of self harm.