

# **SUBMISSION TO THE PARLIAMENTARY JOINT COMMITTEE ON CORPORATION AND FINANCIAL SERVICES**

28<sup>th</sup> July 2009

To Whom It May Concern,

We have been Storm clients since October 2007 and have no issues with the Storm service or advice. The only mistake I believe Storm has made is to invest our money with Colonial Geared Investments and Margin Lending, which in turn, put us into negative equity along with the other innocent Storm clients and advisors. Had we all got a margin call like every other financial advisory firm and their clients in Australia, we would not be writing this submission, because **I believe the difference between the negative equity and the positive equity resulting from a margin call at the appropriate LVR is the only real issue that requires addressing, together with the campaign the CBA launched to destroy Storm and its clients.**

We had prepaid interest on our loans until the end of June 2009 and had the capacity in our cash reserves and in our personal bank to meet many a margin calls. If the Commonwealth Bank of Australia (CBA) had done their job properly and **issued us with a margin call** then we would still be in the market today.

We never once received a **margin call** from the CBA and hold them purely responsible for my portfolio losses and want CBA and ASIC to answer these questions **satisfactorily and truthfully.**

- **WHY DID WE NOT RECEIVE A MARGIN CALL AND WEREN'T GIVEN THE OPPORTUNITY TO PAY OUR MARGIN CALL?**
- **DOES COLONIAL GEARED INVESTMENTS BELIEVE THEY OWE A DUTY OF CARE TO ITS CLIENTS?**
- **ON WHAT DAY DID OUR MARGIN LOAN GO INTO MARGIN CALL?**
- **IN WHAT TIME PERIOD DOES YOUR TERMS AND CONDITIONS STATE THAT LOANS AND MARGIN CALL IN EXCESS OF THE MARGIN CALL?**
- **WHAT WAS THE LVR ON EACH OF THE FOLLOWING 10 WORKING DAYS?**
- **WHEN DID YOU ISSUE ME A NOTICE OF MARGIN CALL?**
- **MAY I HAVE A COPY OF MY MARGIN CALL NOTICE?**
- **WHY DID THE PRODUCT FAIL?**
- **WHAT ROLE DID ASIC PLAY IN THE DEMISE OF STORM?**
- **WHO PURCHASED THE UNITS AT THE POINT THAT THE STORM FUND WAS CLOSED DOWN?**

- **WAS THERE ANY INSIDE OF TRADING WITHIN ANY OF THE COMMONWEALTH BANK (CBA) DEPARTMENTS?**

In my opinion Colonial Geared Investments, Colonial First State Investments and the Commonwealth Bank did not have the resources to handle the financial events that occurred in late 2008 and have covered up by putting the blame solely onto Storm Financial and its clients. We understand and are prepared to accept the losses that occurred due to the decline in the Stock Market but we are not prepared to accept the losses that occurred as a result of the CBA not showing any due care.

Regards

John and Paula Mottin