

Corporate Secretary

Parliamentary Joint Committee on Corporation and Financial Services

Department of the Senate

Parliament House

CANBERRA

My wife and I started our investment life with Storm in April 2007. We had several meetings with Storms representative and were constantly assured that what we were about to do was completely safe, we would have a dam set up to help with the bad times and were told on several occasions that our home which we had mortgaged to buy into the share market was completely safe ( up till then we owned our home). We had an investment house that we were advised to sell, which we did to buy more shares with a margin loan from Macquarie Bank Margin Lending. They also took our super. We had a commercial property where we operated our business .Our son took over the business in July 2007 and continued to operate from the same premises. Since the crash we were forced to sell the property to our son, which has put him in debt earlier than expected, it was his intension to buy the building in 5 years. The money was used to pay out part of our loan to the Bank of Queensland. We still have a debt of \$211,000.00 to pay. As I retired in July 2008 suffering from prostate cancer and my wife working 3 days a week, The Bank of Queensland were approached and hardship given. Three payments of \$200.00 a month and interest only for 56 months the balance to be paid at the current rate at the time.

Storm was advised of my up and coming retirement, but still allowed us to borrow well beyond our ability to pay back this loan with the Bank of Qld. The initial margin loan with Macquarie Bank Margin Lending was \$350,000.00. An extra \$30,000.00 with Colonial Margin Lending was taken out on the 28/1/08. . If Colonial had not sold us out we may have been able to ride it out and not lose our

valued investment. Our shares were sold out without any communication between us & Colonial. Storm Financial sent us a form advising us to sign urgently so they could pull out 100% of our shares & re-invest when the market changed. That never happened.

I have applied for the pension and will now have to rely on money from the government to live on for the rest of our lives, something I hoped I would never have had to do.

Regards

Doug Lye