

16/08/09

Submission to the Joint Parliamentary Committee  
On Corporations and Financial Services  
P.O. Box 6100 Parliament House  
Canberra ACT 2600

This submission is from Roy and Janis Rogers. We were clients of Storm Financial. We became involved with their investment strategy when we took out investment home loans with Seymour Financial Services. Our advisor was Nancy Seymour. Later S.F. Services became part of Storm Financial. When Nancy Seymour retired, George Cassimatis became our advisor. The strategy involved using equity in our home value to invest in the stock market.

When the stock market collapsed near the end of 2008 we had 3 mortgages totalling \$372,000 to repay. We also had margin loans of 1.16 million.

The loan breakdown was:

Roy CBA home loans of \$240,000.0 and \$84,000.0 and  
Colonial margin loan \$1.07 million.

Janis CBA home loan \$48,000.0 and margin loan of \$44,000.0

Near the end of last year our investments had been moved to a cash account with the CBA but there was a shortfall and we had a margin loan call of approximately \$35,000.0 in December. All of our mortgages were arranged through the CBA in Townsville. The latest valuation we had on our home was \$405,000.0.

We had generally followed Storm's investment advice and so by January 2009 we had a margin call to pay and three CBA loans. The most recent loan of \$48,000.0 was taken out in June 2008. The market was falling and we were somewhat nervous but we followed Storm's advice and when CBA had approved the loan we accepted that it was sound.

Our investments have now completely disappeared as we have used the remainder of it to repay the margin loans and to start repaying the home loans. This is not a good situation as we are near to retirement. Our Storm advisors were always telling us to spend our earnings on trips or an expensive new car or to join their own overseas trips. We never took this advice because our investment was for our retirement not for the present. This certainly has helped us to begin repaying our loans.

We believed the advice that we received from Storm. We would submit that in the future in any investment the level of home equity investment be limited to a small percentage of your home value.

Yours Faithfully



Roy and Janis Rogers