

## Submission

- 14 years experience in the Hotel/Pub industry. Have been in this industry since 1988
- Our loans to Bankwest was never Under-Water, that is, there were always sufficient realisable assets to cover the Bankwest loan exposure plus expenses, even under receivership fire-sale prices as is now proven,
  - \$ 47.9m in Assets were placed into receivership without regard of consequences' for recovering some \$23.7 m of Bankwest loans.
  - Just 2 of the 3 Assets placed into Receivership was liquidated and realised well in excess of the Total Bankwest Loans, including the Enormous Receivership Cost and various Bankwest Penalty Interest Rates and Charges whilst in Receivership.
  - Some \$ 26.4m realised with the sale of just 2 of the Assets. This doesn't include the Trading Income Surplus of the Hotels/Pubs whilst in Receivership . ie the Realised Surplus is millions in excess of \$ 26.4m
  - 3<sup>rd</sup> Asset was given back only after much agitation and legal cost
- We were working to substantially reduce or eliminate Bankwest loans through the process of Selling the major Hotel, ie . This course of action was approved by Bankwest .
- Heads of Agreement was signed by ALH, Woolworths Joint Venture Hotel/Pub partners for some \$ 24.75m, subject to Due Diligence and Woolworths Board Approval.
- Due Diligence was completed to ALH satisfaction, however, Bankwest had leaked to the market place of impending issues. Subsequently, the agreement did not proceed and a Offer was put forward of \$ 13m, which was rejected.
- Bankwest significantly amended the Loan Covenants to dis-advantage our loans, thereby setting us up for various breaches. This is a despicable act, unfair and unethically , certainly prejudiced our loans. However, it seems Bankwest used this manoeuvre on most of there customers as is widely reported in the press. Sad.
- Given 24 hour to repay some \$ 22.5 m , contradicting the loan agreement, which stipulates a minimum of 30days.
- On the day of receipt of the Demand for Repayment, Bankwest was provided a Letter of Offer from a reputable Melbourne Accounting firm for \$ 19.5 m . This was confirmed to be opened by Bankwest, yet the Receivers arrived the next day.
- Every and many effort was used to open discussions with Bankwest, including presenting ourselves to the banks officers within days of the receivership, together with a bank-cheque of \$ 1.3m and some \$400,000 to be deposited as interest surety , to allow the Offer of \$ 19.5m to take its course.
- Further, additional security and new funds was offered at this meeting. However, every motion was ignored.
- The receivership was a complete surprise as just a few weeks earlier, Bankwest representative confirmed the previously approved course of action, ie sell the most valuable asset to reduce or eliminate the loans. This is Un-Australian behaviour by a Licensed government concession. In that meeting, Bankwest said it would provide finance for the any balance shortfall using the as security. The bank provided me a list of the Banks panel of valuers by email, so I could negotiate a better fee .
- Bankwest, through the Receivers, sells the Tavern for some \$ 18.2m

- We asked to pay out the balance of the loans on many occasions, both directly to the bank and through the receivers, but were simply never allowed.
- We were forced to buy the \_\_\_\_\_ at Auction. Very Humiliating experience.
- BankWest sanction actions designed to subvert current and future legal proceedings by ;
  - a. Jan 2011. Begins sending monthly bank statements with our surplus funds ( some \$ 840,000 ) in an account with No access. This is Intimidation ( teasing me ). This is Un-ethical.
  - b. Refusing to provide or account for receipts/expenses/disbursements of Sale proceeds. ALL Surplus funds rightly belongs to us and must be returned in a reasonable time. Unfair and unreasonable.
  - c. Deducting Un-Justified Legal and Receivers cost each and every month, together with account charges, for over 13 months after BankWest recovers ALL their claimed moneys/costs/loans/debts.
  - d. Causing actions that would erode and expend ALL the surplus by keeping the entity in receivership, thereby continuing to incur high costs as a means to subordinate the our right to legal due process and fairness.
- That's right, there is surplus of funds of some \$ 840,000 even after ALL the mega Receivership costs, ALL Super additional Interest Rates and Penalties the bank would have charged .
- Blackmailed by BankWest. Conditions Release of our funds with dropping ALL current legal action & undertaking not to hold either BankWest or Receivers accountable in future. Otherwise, BankWest will continue to debit monthly, costs to the said surplus funds until they are depleted. Receivers inform me their role was completed many times, and direct to BankWest, ALL questions as to why receivers not discharged from companies
- Receiver retires from holding company of the 3<sup>rd</sup> Asset placed into receivership. . Receiver informs me, BankWest is the Only impediment to their retirement from the companies which had their assets liquidated.....Un-ethical behaviour .
- That's correct, to date, Bankwest is still holding the entities in receivership, even though they have no assets, and the banks debts are fully repaid. . . nasty .
- BankWest has unethically, and unfairly benefited financially from the families funds, by earning interest ( as a minimum ) and/or profiting through their lending business, and not crediting interest/or that profit, back to the rightful owners of those funds.
- BankWest actions, placed the business in a subordinate position which the Bank then used as reason for alleged breaches.
- BankWest instructed myself and \_\_\_\_\_ ( Tavern employee ) to amend management accounts to increase EBITDA after the original accounts were supplied to the Bank. Sometimes, the accounts would be amended 2 or 3 times at BankWest direction. I queried why it was necessary, given the annual accounts would not then equal the sum of the quarters. BankWest informed me, that would not matter, as it would be 12months away, and then it would be 12 month old, so it wouldn't matter. Further again, BankWest knew the EBITDA was not being met (allegedly) from the inception of the loans, as I had the same Manager at both Commonwealth Bank and BankWest. The businesses encountered some cashflow issues at Commonwealth Bank, just prior to being refinanced by BankWest. Thereby setting the business up for alleged breaches.

- BankWest under the “Banking Code of Conduct”, is bound to treat us fairly and reasonably, in a consistent and ethical manner, this in the context of the customer conduct, the banks conduct and the contract between bank and customer. BankWest, has to date, not acted accordingly in this circumstance and continue to flaunt their obligation

**BankWest actions to date, suggests a deliberate, systematic , and unconscionable policy designed to subordinate customers business loans ( of Pubs & Developers ) by changing & amending the terms of the loans to such an extent as to places such loans in breach. Then placing such loans in alleged default and breaches at a time of the Banks choosing. Commonwealth Bank benefits from this through the Loan Book Warranty which has been widely publized in the media and BankWest benefits from charging significantly higher interest margins/rate.**