

## **Submission to the Parliamentary Inquiry into the Trio fund collapse September 12, 2011**

### **My story**

My name is \_\_\_\_\_, I am 50 years old, the single parent of two children, now aged 21 and 17, and work full time

My ex-husband is a Vietnam veteran who has suffered from post-traumatic stress disorder,. In December 2001, he suffered a permanent brain injury from a trauma injury. He lives in care in South Australia.

I receive no child support payments and have been the sole provider for my children since March, 2000 when they were aged 10 and 7.

I had been a client of \_\_\_\_\_ for all this time as they were my accounting firm.

In 2004 after my divorce was finalised, \_\_\_\_\_ approached me and convinced me to borrow \$200,000 against the home in order to invest and try and secure some financial security in the future. He argued that I would produce an income stream to make up for not having a husband's wage coming into the home.

About \$30,000 of that money ended up being a direct investment in Astarra. When that collapsed, the whole house of cards that was my investment strategy collapsed.

Meantime, in 2006, I inherited some money and asked Mr \_\_\_\_\_ for some advice on how to invest a portion of it. He directed me to agribusiness: Palandri Wine and Great Southern plantations.

However, those investments failed.

### **Where I am now**

Last November I had to sell my home of 25 years to pay off my debts.

I now have \$135,000 in the bank and a doubtful investment in a timber plantation now with Gunns Plantations.

My self-managed super fund is haemorrhaging money that was put into a property warrant. I am trying to sell that and cut my losses.

I have suffered extreme personal distress and loss of confidence in financial advisers. I have been fortunate enough to move onto afternoon shift in order to earn penalty rates and free up my mornings in order to sort out this horrible mess. How would I have possibly coped if my children had been too young to be left alone in the evening?

I am at a complete loss as to what to do now.

I cannot afford to pursue class actions initiated by Mr \_\_\_\_\_ against Great Southern and Trio. This legal action is dragging out and costing money and seems to be going nowhere.

I consulted lawyer Mark McDonald from Maguire and McInerney who  
, but once again, I do not have up to \$15,000 I am willing  
to gamble on doubtful legal action.

### **Who is to blame?**

First off, Shaun Richard and Jack Flader who initiated the fraud are to blame.  
But also, I am distraught at the lack of checks and balances by those  
professionals at ASIC, APRA, the auditors, research houses and

I have no faith at all in any more. At the very least he has been  
incompetent. I was prepared to accept some short-term losses. But everything he  
invested my money in has failed. .

I regret not being more financially sophisticated myself. Unfortunately I  
trusted the professional financial advisers in the way I trust medical professionals.  
In the same way that it is unreasonable to expect members of the public to have in-  
depth knowledge of neurosurgery, so is it unreasonable to expect members of the  
public to have in-depth knowledge of sophisticated and confusing financial matters.  
All of my energy has gone into trying to raise two children to become decent law-  
abiding citizens. I was mother and father to them. I did this while working fulltime  
instead of going on a parenting pension.  
I tried to educate myself on financial matters but simply did not have the time or  
energy to succeed.

was a very convincing speaker, showed me research his firm had carried  
out. Also he and his staff had invested in some of the financial products he  
recommended for clients.

By the time I started to doubt and sought opinions from four other  
financial planners, it was too late.

### **What would I have done differently?**

I would have retained control of my finances myself. I would have paid off my house,  
kept my money in an industry super fund and gone on a pension when I retired.  
I would not have gone anywhere near a financial planner.

### **My future**

I am 50 years old. I believe I will have to work well into my senior years..  
After a lifetime of working, I face an old age of frugality, making do on the old-age  
pension and living in very modest accommodation.

### **Conclusion**

I implore the Australian Government to help these good citizens who have been  
devastated by the Trio collapse whose motivation was to become as self-sufficient as  
possible in their retirement years.

I implore my Government to tighten regulations to prevent fraudsters from  
profiteering from our citizens.

We are encouraged to invest. Nearly every time I go to the bank, I am asked if I want  
to see a financial planner. But how do I know who to trust?

