



27<sup>th</sup> March, 2017

Committee Secretary

Parliamentary Committee on Corporations and Financial Services

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Dear Sir/Madam

On 04/11/2011 we (AA Finance Assist Pty Ltd) entered into a Franchise Agreement with Mortgage Choice Limited (MC) and commenced brokering activities from commercial premises located in Churchill Vic 3842 (population say 5,000).

Prior to the execution of this document we were provided with a copy of the current MC Disclosure Document. The Disclosure document recorded one (1) existing MC franchisee in the marketing area who we were happy to work with, exchanged leads and provide support to each other.

We were also aware of the marketing activities being conducted by a Melbourne (Casey) metro MC franchisee in the Gippsland area.

MC explained to us that these would cease and were in fact just the remnants of the past when this franchisee was appointed as "caretaker" to the area pending the appointment of a new franchisee.



What MC did not tell us was that this franchisee had at the time been conducting Franchise activities from "unbranded" office premises in the main street of Traralgon and has continued to do so for the past nineteen (19) years.

Traralgon carries the largest population of all postcodes within our marketing area (population say 30,000).

Our franchise marketing area covers Eastern Victoria (Gippsland).

During June 2014 we were made aware and offered office/suite premises within the heart of the Traralgon CBD (a national real estate agency). We saw this as an opportunity to grow our residential business and also appease MC.

The request to MC choice was denied on the basis that the premises had to be fully MC "branded".

During 2015 similar premises to those above were also identified but again denied this opportunity by MC on the basis that full branding was firstly required.

At no stage did MC accept our offer to inspect the suites.

As anticipated we have not been able to grow our business and as a result MC are now moving to terminate our Franchise Agreement due to low residential home loan settlements.

Yours faithfully,

Leon Azlin

Owner/Manager