

In June 2008 we moved all of our margin loans from Macquarie Bank to Colonial. Colonial were giving a 90% LVR and we felt we would be in a safer position being with Colonial. We couldn't have been more wrong as in October 2008 we travelled to Townsville to sign a paper for Storm to sell our shares before we go into negative equity. Because of the rapid fall in the stock market it was important that Storm could act quickly on our behalf.

In November 2008 we received a phone call from Steven Pearce of Colonial Geared Investments advising us we had to pay \$65977.34 which we believed was a margin call. We have since found out that it had to be paid to bring our negative equity back to 100%. We told him he should be telling our Storm Financial advisor and he said that they weren't talking to them, which we believe to be a lie. We then tried to call our advisor and wasn't able to contact him. Later we learnt that ASIC were investigating Storm and had gagged them so they weren't allowed to talk to any of there clients. That was a very distressing time for us because we couldn't get any advice as to what to do.

The Colonial Geared Investment web site was never accurate. At one stage our LVR was 140% even before the stock market crash. The website was always several days behind.

On the 8<sup>th</sup> of January, 2009, I rang Edward Tait who I believed to be the top man at Colonial, only to get his message bank. I left a message, as asked to, asking why I was in negative equity and asked if he could call me back. Later that day I received a call from John Clothier head of Colonial Geared Investments and I asked him the same question, why was I in negative equity? He said that I had to understand that they had about 40000 clients and couldn't get around to all of them in time.

I believe Colonial Geared Investments did not have the resources to manage my portfolio and I put this to John Clothier in a further conversation the following day.

If Colonial Geared Investments did their job properly we should have had the opportunity to pay our margin call and stay in the market or our shares should have been sold at or before 90% LVR and the money sitting in our accelerator account earning interest. We had prepaid our interest on our loans until the end of June 2009. We had over \$100000 in cash reserves. We believe we would have been in a fair position to then get back into the market when it began to rise and later become bullish, which we believe is now the case.

Colonial Geared Investments did not have the resources to manage our share portfolio. They entice people to borrow money from them with there bigger LVR's and then they couldn't handle the extra clients. I believe at the time of the stock market crash they were complacent, realising they had stuffed up and panicked. They then put the blame on Storm Financial destroying a successful business and destroying many good hard working people in the process. The Commonwealth Bank of Australia should take the majority of the responsibility and make things right.

Questions we would like answered are:

1. Why did the product fail?
2. Why weren't we given the opportunity to pay our margin call?
3. Who bought our shares as we are concerned that there may have been inside trading?

NAME WITHHELD.