STORM FINANCIAL/ COLONIAL GEARED INVESTMENTS/COLONIAL MARGIN LENDING/COMMONWEALTH BANK

My name is Michael Haskins and I was a Storm Financial client. I am still currently a CML and CBA client, although I recently paid out my Margin facility with CML and have no investments left with CGI.

I have read many of the submissions put forward and I pretty much fall into the same category as everyone else who had a margin facility with CML, so my story is similar to those former clients. Given the carnage that's happened to a lot of ordinary, decent folks, I am one of the luckier ones. I was left with an approx $350,000 mortgage after the wash-up and was able to sell an investment property I had, so the mortgage is now approx $240,000 so will be able to keep my house. My daughter, a single mother, was living in that house with her 4yo son and had to move out. I have a job and will be ok, I've been battered to the tune of some $500,000 but will walk away, albeit, with a limp.

The same story of what happened in that period of time from October to early December, 2008 keeps coming up. CGI,CML, and CBA were unable to respond to the rapid fall in the market. They were ill-prepared and failed in their duty of care to clients. They did not act and selldown portfolios at 80% LVR or there abouts, rather, waited until a negative equity situation arose, then sold people out, leaving them in debt with no hope of a reprieve. WHY?? That is my question. I have written numerous letters to CGI/CML and their response is always along the lines of that they can sell securities at any time, not just at 80% LVR. Well why have an LVR in the first place then? They generally won't lend you any more than 80% of the value of your securities so as I, and I dare say, all their other clients, would think that as a fail-safe measure, once an LVR of 80% is reached, securities are sold to protect the borrower and lender? Is that too simplistic? I never received any information from anyone after around 22nd October 2008, until a phone call on the 8th December, 2008, telling me that all my securities had been sold and I still owed them approx $79,000 which ended up being approx $53,000. What happened in that six weeks? Did they go to sleep?

I also read concerns of discrepancies and inaccuracies on the CGI website regarding information on clients' portfolios. This is apparently by CGI's own admission. If they can't get it right and they're the fund manager, what hope has the poor unsuspecting client got? Recently Mr Ralph Norris of CBA has come out and admitted mistakes were made and where it was identified, they will make good. CGI/CML and CBA have a lot to answer for. For so many people to be affected in the same way, smacks of incompetence on the part or parts of the very people they entrusted to look after their financial futures. In this day and age, this should never happen. What systems were in place to stop this happening? I thought it was called an 80% LVR.

I will close by endorsing submissions 109, Mr Stephen Wilson and submission 54, Mr Ron Jelich.

Yours Sincerely,

Michael Haskins