

Submission to Parliamentary Committee

Our story begins with a joint goal created 26 years ago between my husband and me. We met on a holiday on a cruise ship and from that day we have worked as a partnership to fulfil that goal. We had planned to be retired as a couple by the time we reached 40 years.

We pursued that goal and worked extremely hard throughout our lives to make it happen and it did. We worked as employees to various organizations, obtained our respective career qualifications, embarked along a path as self employed business owners, working hard, saving and investing always with that one goal driving us.

Along the journey we created time and means to enjoy our lives, have children and build a nest egg to enable us at the age of 40, as planned to realize our goal.

In 2001 the time was right for this to happen, so we sold our businesses and home in Canberra and returned to Queensland to our family and a life living as self funded retirees. We had no grand plans for 5 star luxury or limitless holidays, expensive cars, houses or extravagant living, simply to live comfortably and by our own means.

We retired with investments mainly in Real Estate (4 houses, a block of land and a unit block at the Redcliffe waterfront) that produced an income plus some cash. We had no debts and we owned our own home.

Life was comfortable but not necessarily sustainable so when we sold one of the investment properties (the unit block) in 2004/2005, we decided to seek the assistance of financial advisers. We were seeking advice on the tax implications and investing the proceeds in a manner that would generate both growth and income to sustain us in retirement.

We talked with 6 different financial advisers before finally deciding to invest with Storm Financial in 2005. This process took several months and we thought we had made the right choice of adviser. It was a serious decision, one we did not take lightly. Once we made our decision it then took a few months for Storm to complete a plan for us and provide us with what we thought was an education regarding investing.

Initially when we joined Storm we were retired, self-funded, debt free, owned our own home, owned 4 income producing investment properties (no mortgages), a 5 acre block of land, cash to the value of \$973,000.00, \$78,000.00 in shares and \$150,000.00 in superannuation.

Today we are unemployed and have a \$1, 500,000.00 debts. We have sold the block of land and three investment homes. Our family home is mortgaged, the final investment property is mortgaged (will need to be sold), we still have superannuation and \$200,000.00 still in the stock market.

We are currently seeking employment to try and pay the mortgage so we can stay in our family home. We have had to sell off other assets that we owned without debt, (a 1 year old cruiser, a jet ski, items at garage sale), just to give us breathing space with our loan repayments.

Our daughter now has to access HECS funding so she can still pursue her studies at University. We have shelved our plans to tour Australia in a Caravan and generally reduced our activities to the point of non-existence.

Our life was not lavish during this time, it was good though, but now it is like starting back where we were 26 years ago. Our dream was to enjoy our lives, fund ourselves and still be able to provide for our children with a legacy to help their futures.

Unfortunately for us we have also encouraged my parents (aged 72 and 68) and our son (aged 19) into the Storm Financial investments along the way and they have also suffered because of this.

My parents were also self-funded retirees who were in need of an investment that would grow their assets as well as produce a bit more income. They were also debt free and owned their own home. They now are pensioners with a \$305,000.00 debt with no income apart from the pension. They are faced with selling their home and moving into our home to exist.

Our son has probably suffered the least financially, but he has also lost money from his investments. He has not lost as much because of his age and the length of time he has held his investment portfolio plus the structure was slightly different, none the less he has still lost.

Greed, as has been mentioned many times by general members of the public, media and government, has never been the motivation for any part of our investment strategy and our one simple goal, planned all those years ago.

We, like the many other investors who have been affected, were simply after a comfortable life in retirement that did not rely upon the handouts given in this society. We had always payed or own way, worked hard and saved hard. We thought we had a secure financial plan for our future and that of our children. We were wrong obviously, but should we be vilified and ridiculed for that decision and for the wrongdoings of the parties responsible for dragging us here?

Storm Financial, the banks and the margin lenders are the experts we entrusted to provide us with this advice. We relied upon them to guide us and direct us in the safe, secure and correct path with our investment, they failed and as a result we are now looking at an insecure, uncertain future.

Our life as we had it no longer exists. Carrying on day to day is hard, sleeping is hard, trusting is hard and trying to move forward in an environment where there is no longer respect for those experts is incredibly difficult. How do we invest for our future when investing got us into this position in the first place? Who are the experts we are to trust now? Can we even trust the Government to investigate and appropriately punish those guilty parties? Will we see justice served?