

**Submission to the Parliamentary Joint Committee
On Corporations and Financial Services**

Inquiry into issues associated with recent financial product and Services provider collapses such as Storm Financial, Opes Prime and other similar collapses.

Robert & Janis Lee

Personal

My name is Robert Lee, I am 60 years of age and am a self employed Bricklayer.
My wife Janis is 59years of age and is currently unemployed.
We have been married 38years, have 3 children and 2 grandchildren.

We are average hard working people, who in 2008 owned our own home, and owned a commercial rental property. Being self employed all of my life, and with very limited superannuation we sought the services of a Financial Planner to assist us with plans for future retirement.

Storm Involvement

We had friends who had invested with Storm Financial and we were contacted by Terry Webb (storm Advisor). Mr Webb organised a meeting for us at Storm Office in Brisbane. We were asked to attend a Storm Financial Seminar after which we had to complete some preliminary financial details. Over the next few months we had a number of meetings with Mr Webb & Ms Boyle.

We were advised that our current situation was not a balanced plan, we were top heavy in real estate and needed to add a share portfolio. This could be easily done by Mortgaging our home and commercial property. We had no experience with the share market and my wife and I were apprehensive about this, after all it had taken us 30 years to own them. We were assured that the Storm plan was very secure, and safe. All the stop gaps were in place, and were monitored by a team of experts. Nothing could go wrong and under no circumstances could we lose our home or our commercial property.

We signed up to the Storm Plan in June 2008 after much deliberation.
We wanted to borrow from our own bank, but they rejected the application twice.

Storm then organised finance from Bank of Queensland, North Ward Townsville, thus

We have a

- . Bank of Qld Loan for \$304,000 North Ward Branch
- . Bank of Qld Loan for \$ 17,000 North Ward Branch
- . Bank of Qld Loan for \$ 91,000 North Ward Branch

We have never sighted or been contacted by a Bank of Qld representative during the entire process. These loans were organised by Storm and Bank of Queensland. We had never had any dealings with Bank of Qld before our involvement with Storm

On the recent receipt of our Bank of Qld Application form we have found that Our financial position has been overstated in Assets and understated in our liabilities.

We have a Margin Loan with St George for \$250,000

We have never sighted or been contacted by a St George Representative during this entire process. This loan was organised by Storm and St George. We have never had any dealing with St George before our involvement with Storm.

All these funds were invested into Challenger

Over the next six months the Share Market plummeted, On at least 3 occasions during this period we contacted our Advisor, who told us that “everything was fine, There was no need to worry, everything was in place to ensure that our investment was secure.

In early October we received documents from Storm Head Office to sign, advising that if needed all or some of our portfolio would be sold down to keep us safe. We signed these documents immediately and returned them within 48 hours.

The next thing we knew, we could not contact our advisors, they could not speak to us and we had been sold out and LOST everything.

We did not receive a margin call, we had the funds available to meet a margin call, but were never given the opportunity

We now face complete financial ruin and are \$411,000 in debt
The income we currently receive does not cover the monthly debt repayments.

1. HOW CAN THIS HAPPEN!
2. WHY DID WE NOT RECEIVE A MARGIN CALL
3. WHAT WAS THE RELATIONSHIP BETWEEN BANK OF QLD AND STORM FINANCIAL
4. WHAT WAS THE RELATIONSHIP BETWEEN STORM FINANCIAL AND ST. GEORGE
5. WHY COULD WE NOT SPEAK WITH OUR ADVISORS IN DECEMBER/JANUARY
6. HOW COULD BANK OF QLD LOAN US THIS MONEY WITHOUT ANY CONTACT WITH US.
7. WHO PURCHASED THE SHARES WHEN WE WERE SOLD OUT
8. WHAT WERE THE REGULATORS DOING WHEN ALL THIS WAS HAPPENING

I am not that well educated person, and I don't know the right questions to ask,
But I want some answers, In my trade, if my work is found to be faulty, I am legally
obliged to fix it at my own cost – so should Storm and the Banks.

I went to a Financial Advisor who was accredited and I paid good money for advice
That now seems terribly faulty. ASIC and the other regulatory bodies have much to
answer for.

Robert & Janis Lee