

We are: Gregory Ross DAVIES and Phyllis Eileen DAVIES

To whom it may concern.

Without specific details, this is our story of life with Storm Financial.

I told a Storm Financial principal that my investment of \$740,000 earned me a return of \$35,000 pa and that I was debt free. He replied "We can double that return for you!!".

In late 2005, I attended three classes by Storm (1. a group session to learn about capitalism, 2. a one on one session to provide and discuss our financial details and 3, a one on one session to consider Storm's plan to act as my financial advisor.) I was free to get other opinion at any stage and under no obligation to make hasty decisions. In fact, I was encouraged to make comparisons. I was convinced that Storm was for me. On the seventh of January, 2006, I wrote a cheque for \$105,254 and thus became a Storm client.

The 'All Ordinaries' were climbing steadily from 5000 and, yes, my return on investment indeed became around \$75,000 pa.

On filing my 06/07 tax return, I was warned that my investment was flawed. I relayed this to our advisor at Redcliffe who countered "That's why he's a tax agent and I'm a financial adviser. Do worry".

On filing my 07/08 tax return with a **different** tax agent, I got the **same** warning - "you have spent \$50,000 and made only \$40,000". Our adviser again countered "You have paid me handsomely to provide you with sound financial advice, let me worry".

I became concerned but it seems my concerns were unnecessary as **ASIC had audited Storm in mid 2008, giving them the 'all clear'**.

From mid 2008, Storm could see the market was continuing to slide and our adviser twice converted \$450,000 worth of shares to currency before December in order to minimise our losses. Our adviser re-assured us that we would be okay and the worst that could happen is we may have to find another Financial Adviser (???)

On 19th Jan 09, our Margin Loan with Macquarie Bank was **called**. After settling with them, from approximately \$1,500,000 (made up from my original investment + it's margin loan + \$330,000 home mortgage), our change was approximately \$80,000.

We were faced with a \$330,000 mortgage with BoQ and **no** income.

I am 68 years old and had been retired for 6 years (after 45 years with Qantas) but managed to get part time casual work. My wife was fortunate enough to get full time employment. These combined incomes are enough to cover our mortgage 'interest only' payments and provide us with an 'adequate' living. A far cry from our lifestyle just a year ago.

However, we have stopped the boat from sinking for now and look forward to enjoying, at least, each other's company and our continued good health.

Yours faithfully

Greg DAVIES

Sunday, 26th July, 2009