

Submission to the Parliamentary Joint Committee on Corporations and Financial Services.

I was a former Storm Client with a Margin Loan with Colonial Investments  
My Wife and I started investing in 1999 after many years of struggling to finally be in a position with enough capital to invest. Our Goal has been and always will be to retire with some dignity after all the years of hard work.

Our first advisor betrayed a trust, we later learned that at the time he was not qualified, this in itself caused us some concern, subsequently we then moved our investments to another advisor who although saying all the right words did and achieved little for us, the business changed ownership and the young couple who purchased the business reviewed the portfolio, made some changes, we started to go forward from that time, this was the first time we had actually made any returns from our investments.

In 2005 the business then joined with Storm and based on the recommendations of our advisor we moved over to Storm with them, in the initial stages with current strategy in place it was making good returns which we reinvested, we never used any investment monies for our selves as we believed that the success of the investment depended upon keeping the money where it would work the best. When ever a recommendation was made we always asked what we believed was the right questions-are we safe, is there any risk, the answer was always the same, Storm has strategies in place to protect us, little did we know that they would not work.

As the events of 2008 unfolded the questions always asked was what should we do now, with a standard response of it is being monitored, in October we signed a form to sell down and when the first sell down occurred I received notification that it had occurred, the next notification of sell down arrived and closely followed by a Bank Statement that arrived early December where monies had been with drawn to pay what I was later to find out was a Margin call, at no stage was I advised by either Storm or the Bank that a Margin call had occurred, upon contacting my adviser they where unable to tell me anything in relation to what had occurred. With in days of receiving the Bank Statement my Wife took a phone call from Colonial asking that I ring them back which I tried to do, the time of them ringing me was after 6.00pm I tried to call back but was unable to, My notification of the second call was via Email that night.

I n discussions with Colonial I broke my contract as I was unable to seek advise from my advisor as now I now understand that ASIC had moved to stop them providing any advise, I have payed all Margin Calls and have been left with a debt that at my age I will not be able to pay off unless I keep working until I am eighty years of age.

I have requested from Colonial information in relation to my Loan and have not had one straight answer; information requested includes the following in part

**1. Why did they not contact me as they proved they had the capability to do so by both Phone and Email after the sell down.**

**2. At what LVR did the sell down occur.**

**3. They stated that they sent daily updates to Storm advising of my position, I requested copies of these communications.**

**Further to the above I would also like to know who purchased the stock, why the decision was made to allow the LVR,s to climb to such a level, It was stated in correspondence that it was up to me to monitor the investment yet no training was ever provided to use this resource.**

If they had of contacted me I could have saved the investment and would not be in this situation today, I also would like to point out that they also believed that the market would turn as I received a brochure in December stating that the **Historically the Market will go up**, I also have my Super invested with them as well.

My Request to the Senate Inquiry is to establish a clear set of guide lines that all may understand who is responsible for Margin Calls, the requirements for becoming a Financial Advisor and establishing punitive measures for those who seek to destroy the lives of the ordinary people of Australia.

I have contacted ASIC in December 2008 /January 2009 and provided information to them, to date I have not received any correspondence from them in relation to the matters raised.

My Faith in the Banking System, ASIC and the FPA who have all stated concerns and yet failed to act leaves one to wonder if this really is the lucky country or are we just the victims of Corporate greed.