

## **Submission to the parliamentary inquiry into Storm Financial**

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We signed up with Storm in June 2008 after many meetings with there adviser (Karen Mctier) These meetings where held in Rockhampton a round trip for us of some 600klms, and Tannum Sands a round trip for us of 250klms.

The market was just starting to fall then; we were told by K M that for us it was good rather than being on the up. Everything was explained through pie charts, wagon wheels & on screen displays, LVRs, margin loans, he investment loan on the property that we had built and developed, we were assured there was no risk of a margin call or banks calling in the loan on our home, and of course the fees were explained in detail as to why the up front option was the better, all seemed to be in good order, and we were to receive our estimated budget income per year, meaning we could both give up work and enjoy life so we decided to give it a shot.

We were to transfer both our existing super funds plus an amount of cash, (which by themselves would have done very nicely through retirement) and K M was to organize every thing, margin loan, investment loan and all the paper work.

A total of 1.2million dollars invested or borrowed (a mind blowing figure for an ordinary couple of our generation to think about paying back) made up of 500k in cash, 500k margin loan and 300k investment loan minus there fees dollars in the bucket account and setup costs.

Through the whole signing up process we never once spoke to a bank official either through e-mail, phone or hard copy, even when the assessor's turned up to inspect the property, the most said was " good morning were here to assess your property" no hand shaking and no communication in later days as to the outcome.

We kept watch on the internet, watched all the fluctuations, asked all the questions of the Storm people And felt assured in the fact that everything was under control, no need to be scared, the market has never been this low in twenty years and will stop this downward trend shortly and then we will make a killing.

October 2008

We were asked by K M to sign up to open a cash accelerator account for when shares a sold down to have some where to put the cash, just in case.

Early December 2008

We receive communication from "Colonial" telling us all our shares have been sold down and funds deposited in our accelerator account, and that they would no longer be involved with any storm badged products.

AT NO TIME WAS THERE ANY COMMUNICATION FROM EITHER STORM FINNACIAL OR COLONIAL INVESTMENTS IN RELATION TO SELLING DOWN OF SHARES.

I felt that if we have paid Storm Financial its fees it should be looking after our interests

And obviously if Storm Financial entrusted Colonial Investments with not just ours everybody else's portfolio's they should be doing a great deal of communicating.

Before we could get in touch with our adviser to ask why why why, we were told all staff dismissed and offices locked.

**What the Hell do we do know.**

**A Wonderful Christmas was had by all, NOT**

January 2009

Worry & depression set in we sit around for days trying to fathom it, my wife can not bring herself to go to work for fear of braking down, every time she looks at me or talks to me she brakes down and starts taking valium to get through the day and more at night to get to sleep, still waking up at 3:30am sobbing and crying. I am a semi retired carpenter and could not even think about work, I could not bring myself to leave my wife alone for fear of what might be waiting on my return.

It is a very scary thought to admit to a complete stranger that you have thought about opting out of the whole thing.

We hear about SICAG happening in Brisbane & Townsville and wonder why no closer finally we hear about a meeting in Rockhampton we attend and do get some solace from all involved. We subscribe to the fighting fund and are introduced to a couple from Tannum Sands and that a meeting has been organized for the future and will keep in touch. As I have said before this is a lot closer than Rocky for us and we still attend these meetings passing on info or what ever. Although when we attend and start talking over old ground again it sparks again and usually takes a couple of days to get over it again

We have now realized we have lost all we worked for all our lives or inherited from our parents has been snatched from us by not one but two groups of people who really do not care at all what you are going through or mental or medical problems have been exacerbated by the situation which was none of your doing.

Anyway this doe's not resolve the situation

We have opted out of everything Colonial or Challenger

Paying back the margin loan and taking a loss of around **400 thousand dollars**

We have had to sell our home to pay back Bank of Queensland because we could not afford the fixed interest payments and nobody offered to help former Storm clients, once again taking a loss of the

**300 thousand dollar** principle plus all the interest payments already made **55 thousand dollars**

Plus Storm fees of **90 thousand dollars** plus all the other incidentals

A total loss for being involved with all of this for just over 5 months = **850 thousand dollars**

We both can only hope that at the end of all this that we can recover some of what we lost and look forward to a happy retirement

Thank you for the opportunity to tell our sad story and hope it is of some use to the inquiry

May it have the desired effect on the outcome