

SUBMISSION TO JOINT PARLIAMENTARY INQUIRY

BEFORE

We have been clients of Emmanuel & Julie Cassimatis since 1994. During that time we have enjoyed a relatively money-problem-free existence, we have been confident in the fact that our financial situation was being improved upon gradually with a view to becoming self-funded retirees and not being a burden on the country or our children.

We were looking forward to being able to live comfortably in our retirement. We do not live a lavish lifestyle.

We knew that because our investments and our superannuation we would be able to continue to live comfortably but not extravagantly.

We felt confident that we would be able, in a small way, to assist our children financially should the situation arise.

We did not want to be a burden to our children. This, after all, is all that anyone wants for themselves and their children.

AFTER

Now that the collapse has happened, we have no idea how we are to repay the mortgage on our home. We were planning to retire in the next couple of years and felt confident that between our investments and our superannuation we would be able to continue our lifestyle.

We now have no investments to help us repay our home mortgage and our superannuation has lost about two thirds of its value.

I feel that had the Commonwealth Bank not panicked and let us ride through the stock market collapse; all the Storm Financial clients would be in a far better place than that which they are now finding themselves. All the investment capability would still be there for them to start rebuilding their portfolios for a better future for themselves. Instead of which most, like us, have no idea how they are going to support themselves in the future.

We were never contacted by Colonial Geared Investment regarding the status of our margin loans and to this day we have no idea if we were in margin call or not!

We were never given an option to address any margin call IF it was applicable.

After our margin loans were paid out, we did end up with some cash which makes me believe that we weren't in margin call. For three months from September to December we did not even receive a statement regarding our margin loans. We received a letter from CGI dated December 10, 2008 (which we received on or about December 15) stating that as at 3.00pm December 10, the Fund was closed and that we should contact our Financial Advisor. By December 15, it was virtually impossible to contact our Financial Advisor and they were prohibited from talking to us anyway.

The first time I contacted CGI regarding our margin loans, the customer service officer very impolitely hung up on me because he erroneously assumed that I was not authorised to speak with him about our margin loans.

We made the decision to pay out our variable margin loan and I rang Colonial Geared Investment and asked them to pay out this margin loan.

A week or two later we received a 'dishonour notice'. Further investigation revealed that CGI had NOT paid the last months interest and this had been 'attached' to our fixed margin loan and was accruing interest. We had NOT been

informed of this and had I not inquired, we would NOT have been told!
What part of 'PAY OUT THIS MARGIN LOAN' don't they understand? CGI then refused to acknowledge that they had made the error and couldn't understand why we were not happy because WE had to pay for THEIR mistake.
Although I believe that our financial position is not as bad as others, the uncertainty of the whole situation was and is extremely stressful, to say the least, for all and should have been avoided at all costs.