

Committee Secretary,  
Parliamentary Joint committee on Corporations and Financial Services,  
P.O.Box 6100,  
Parliament House,  
Canberra ACT. 2600,  
Australia.

Dear Sir,

My name is Anne Tuit I am 52yrs old and I was an investor and now victim of STROM FINANCIAL / COMMONWEALTH BANK / COLONIAL GEARED INVESTMENT disaster.

I became an investor with the then CASSIMATIS SECURITIES PTY. LTD in 1997, through my MLC agent Nancy Seymour. At the time I was 40yrs old, a single parent of 2 children aged 11yrs and 8 yrs. I am a midwife and was working 4 days a week, and owed \$60,000 on my home. My income was approx. \$28,000 per year.

I had know Nancy since I was 17yrs old, and being my insurance broker had been of great help in other financial areas. So when Nancy presented to me this investment offer in shares by negative gearing the equity in my house, even though I was nervous about borrowing so much money, I trusted her recommendations and became an investor in Cassimatis Securities.

In 1997 I initially borrowed from Westpac \$116,000 - \$60,000 to pay mortgage, \$35,000 to MLC trust, \$4900 to Nancy for commission fee & \$16,425 to Macquarie CMT A/c for the withdrawal repayments of the loans. The 2nd loan was with Colonial Marin of \$35,000 to MLC trust. Total being \$151,000. My loan was transferred accross to the CBA a couple of years later. My repayments at that time were \$835 monthly from the CMT A/c at Mcquarie, and because there was no direct withdrawal from my regular savings a/c it was financially affordable, because it didn't affect my everyday living. This was how I was deluded into thinking I could afford the investment.

Cassimatis Securities became OS Dag Securities in 2001, and then Storm Financial some years later.

Nancy Seymour retired from Storm in 2005, and Stephan Halsall who worked under Nancy became my financial adviser till 2009. I would have quartley updates with Stephen at their offices, and throughout the 4yrs was advised to borrow more & more money to increase my investments. I never met, and it was never suggested that I meet with any Bank staff to discuss the loans at any stage. All paper work and signing of documents was either completed at Storms offices or they were sent out via mail to sign and return.

My knowledge on the sharemarket is limited, and I have been heavily reliant on my financial adviser to lead me in the right direction and help me make the right decisions. I have been gullible and trusting and have walked straight into Storms hands to manipulate me, by agreeing to loans that were way beyond my means to repay, so as they can further their financial gain.

In my 1st report prepared by Nancy I have 3 letters from the Westpac,

CBA & ANZ banks with regard to financing my \$116,000 loan. Westpac & CBA have stated that if I was to proceed with the loan they would need to meet with me personally - that didn't happen with either bank, there was never any meeting with any bank personnel. The ANZ bank just sent out the requirements for the loan and said "early notification would assist a prompt delivery of the funding quoted herein", no mention of meeting personally with the client. The Banks have a lot to answer for, there was no "duty of care" to their clients way back then in 1997, and there still wasn't right up till late 2008.

In late 2008 the following occurred -:

1. The loan-to-loan ratio of the Margin Loan exceeded the Base Loan-to-Security Ratio of the Margin Loan.
2. The Margin Loan went into margin call.
3. The Bank notified Storm, as the Borrower's agent, of the margin call.
4. The Margin Loan went into default.
5. We were advised by Storm to convert ML Securities into cash, and it was held in the Accelerator Cash Account as ML Security.

By Jan 2009 I had 3 Investment Loans with CBA totalling \$359,850, and with the Colonial Geared Investment Loan I owed \$368,607. Total LOAN \$728,457. My annual income was \$43,800. My repayments through Macquarie were \$2343 per month.

On contacting Stephan I was told that he could no longer legally offer me any advice, as Storm had gone into liquidation and his position at Storm had been terminated.

I was sick with anxiety and grief, and having no partner to share or discuss my options, I felt scared and alone. The thought of loosing my home, that I had worked 2 jobs to keep, as well as trying to keep up a brave front for my children and try and carry on at work as though nothing had happened, had taken its toll on me. I was medicated and in tears every day with worry on how I was going to cope, and what eventually would be the outcome.

Shortly after I found another financial adviser to help me sort out my complicated and very messy financial state. With his help I paid out my Margin Loan, but still have \$359,850 owing to the CBA.

They offered me a deal of reducing my loan to \$220,000, paying interest \$1,200 monthly for 12 years (till retirement) thereafter the Permanent Tenancy arrangement would commence, until I sold the house or died. At the end of 12 years the interest on top of the amount owing would total approx \$412,716.

If I accepted these terms I was sworn to secrecy about what they had offered as well having to waive any legal rights to take action against CBA. If they had acted legally within the laws, and not let their greed and mismanagement jeopardize their clients futures, none of this would have happened, and over 2000 people be sleeping better at night and not contemplating suicidal thoughts.

I am praying that this "Resolution Scheme" organised by SICAG, Slater and Gordon and CBA, as well as the Parliamentary Inquiry, will prove to have a positive outcome for all who have been involved with this STORM debacle.

Yours faithfully,

Anne Tuit