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SUMMARY SUBMISSION FOR PARLIMENTARY INQUIRY

We are residents of North Queensland aged 57 and 64 years old.

Before becoming one of Storms ex clients, we were in a comfortable financial position owning our home, an investment property, my husband's superannuation and a considerable amount of cash. We were introduced to Storm Financial through a number of people who worked with my husband in Queensland. We needed to have a secure and ongoing income to accommodate us in our retirement years.

Our intentions were not to become 'very rich' but to lead a comfortable lifestyle not relying on the government pension schemes.

Investment with Storm Financial

After attending a series of financial and introductory seminars and a lengthy wait until we actually fronted up to their office, we were summonsed to the office to sign documents relating to our share portfolio. We were advised that a mortgage would be taken over our home giving us a larger cash flow to invest in the share market. Together with this, our cashed in superannuation and our cash on hand, we embarked on what was to be our retirement income.

It was at this point, and every 'Next Step' appointment, that we had told them over and over again that at no time were they to mortgage our investment property which they were in agreeance. Our advisor said that to make our portfolio bigger we should maybe try to sell the investment property and invest the cash in shares. At this point we took no action to further sell out property. To my dismay, I then learned in June 2009 that they had indeed mortgaged our investment property.

Storm then advised that they would take out a 'margin loan' with Macquarie Bank over \$1,000,000.

Over the next 2 years we were called in to take 'The Next Step' as it was known. At each of these appointments at Storm Financial office, they continually assured us that our home would never be in jeopardy and that all our assets would be secure.

The day before the collapse of Storm Financial we were summonsed to their office in Mackay to sign a document to have our shares turned into cash. At this time there was no mention of Storm Financial being in any difficulty or our portfolios as well. Up to this point we had not even been contacted by any bank or Storm Financial member of a margin call. Had they acted on this margin call, then we would not be in the sad situation that we are in today.

We cannot understand that at our time in life being aged 57 and 64 that CBA bank would allow us to borrow this large sum of money. We did not hear from Macquarie Bank at all except for a letter asking us to pay out our loan.

We are now facing a debt of \$600,000 together with the loss of our cash to the sum of \$200,000. At our age, it is impossible for us to recover this amount of funds and due to the personal stress of ongoing negotiations, our health is deteriorating.

As we are on the verge of retirement, I asked the Hardship Team at CBA how were we to survive on \$300 per week after paying the monthly loan repayments, and unfortunately they suggested that we sell up.

There can be no doubt that the CBA had engaged with Storm as an active agent for the mutual benefit of both organizations. It is my understanding that CBA were found to have a case to answer in terms of deceptive and or misleading conduct.

We have now been left financially ruined and unable to recoup any of our losses. We paid professional financial advisers to send us broke.

To sum this up, we are honest and hard working people all our lives descending from migrants from another country. We struggled in our early years and saved our money to be able to afford the few finer things in life. Unfortunately at 64 and 57 years of age we are now back at the beginning with no working life ahead of us to fulfill the Australian dream.