

October 15th 2009

**STATEMENT TO THE PARLIAMENTARY JOINT COMMITTEE ON
CORPORATIONS & FINANCIAL SERVICES BY CATHERINE BERNADETTE
MARRINER re: STORM FINANCIAL**

Prior to becoming Storm Financial clients in June 2006, my husband and myself owned our home in Melbourne, had cash reserves, had no debt and were enjoying a carefree lifestyle travelling around Australia on a working holiday.

Our post Storm scenario is quite different from that – no house and small cash reserves affording us no opportunity to re-enter the investment market.

Neither my husband nor I received any notification of a margin call leading up to the events of October 2008. As a matter of fact, we both flew to Qld and met with several Storm Financial representatives in their Redcliffe office on Tuesday October 14th. As we were expecting a margin call, we took our cheque book with us, but were informed by our Storm Financial Advisor that they weren't too concerned about us at the moment and that we wouldn't receive a margin call (unlike their clients who had a margin loan with St George Bank) as Storm had other procedures in place with MML, should events get to that stage.

Like most ex Storm clients, I have several unanswered questions and as yet Macquarie Margin Lending hasn't provided any response to the letters that I have sent them.

I'm particularly interested in having the following issues resolved;

The fact we didn't receive any notification whatsoever regarding a margin call (and we were in a position to service that margin call).

Why was the money redeemed from the sale of our holdings (\$720,000) credited to our bank account by MML five weeks after our shares were sold?

We were informed by MML that they wouldn't be continuing with ex Storm clients' loans and as a consequence we had to pay out our margin loan and pay a penalty to MML even though they couldn't offer us an alternative option – I consider this to be particularly bad business management as I believe that MML acted too slowly in the instance of not making a margin call but acted too hastily in exiting from margin lending, therefore, effectively ending any chance of us re-entering the market and allowing us an opportunity to recoup our losses.

What's happened to the professional indemnity insurance that all our advisers mentioned at every Storm meeting we attended?

I'm available to answer any other questions you may have or to clarify any of the above points.

Regards,

Bernadette Marriner.