

To the joint committee of inquiry into the financial collapse of STORM FINANCIAL,

As previous clients of Storm Financial we have suffered considerable financial loss and emotional distress.

After fees and interest charges have been taken into consideration our estimation of total loss due to the Storm debacle is approx. \$1,548,477. This amount includes our initial investment subsequent investments and a loan of \$400,000 from Westpac bank our home being security.

In July 2007 our income was derived from allocated pensions with MLC, we were encouraged by Storm to cash these in and invest with Storm under their system; in addition we invested the proceeds of the \$400,000 loan.

Our total allocated pension income was as at 2.07.07 \$54,096 for the previous year. The loan was negotiated with Westpac by ASTUTE (Definitive Finance) a company of brokers recommended by Storm, the loan application shows our income as above-- we now realize that no mention was made that the MLC investments were to be cashed in.

We cannot understand that a bank would loan an amount of \$400,000 to anyone when their income is no longer secure. If Astute had given Westpac ALL information we believe the application would have been refused.

In January 2009 we were informed of the seriousness of our situation--- the majority of our investments were being held as security by Macquarie bank against our margin loan. Because of our inability to repay both loans it was necessary to redeem the remaining shares (approx \$60,000) these funds were used to partially offset the Westpac loan. At this time our total loan repayments had been approx \$12,000 per month.

To prevent us from having to sell our home to pay out the Westpac loan a family member paid out the loan, we now have to somehow try to repay the balance an amount of approx \$300,000, at this we don't know how.

In January 2009 we applied for and were granted the age pension, this now our only form of income.

We believe that the advice given by Storm was to their benefit not ours and if earlier and better advice had been given we would not be in our present situation, also their relationship and method of operation with Astute may be questionable.

We always wanted to be self funded retirees but now we are in debt and totally reliant on the age pension.