

SUBMISSION LETTER from Colin Power

Parliamentary Joint Committee on Corporations and Financial Service's

Dated;12th June 2015

Re;Enquiry into The Commonwealth Bank's Purchase Of Bank West

First of all, I would like to thank the hard work of

and

the many more who have tirelessly worked so hard, as I have, to bring this monster hopefully to their knees, and its participants jailed for their corrupt, illegal, unmeasurable, unforgiving, murdering, thievery, they have committed in this wonderful country of ours by taking many hardworking Australians' dreams off them by a stroke of a pen, by "**loopholeing**" the system for their own betterment, to achieve the biggest profit a bank has ever made in the 2nd leanest period named, "The Global Financial Crisis", within the history of the Political System, set up in this country when the British arrived in 1770. The first was The Great Depression in 1929.

I would also like it to be known they **committed murder** for the amount of people who have taken their own lives for what this Commonwealth Bank has done to them.

Here is just a bit of background on how my business life commenced.

I commenced my business life in 1984 with \$14,000 of my hard earned saved cash, by inventing a "Dial a Video" business in Griffith NSW. I purchased a 2nd hand Suzuki Van, 100 movies, rented my grandparent's house off my mother, with my wife to be, and my mother taking calls, whilst I was delivering movies advancing to delivering pizza's, to delivering alcohol, to even picking up my mates around the town from the clubs and pubs who could not drive because of drink driving all with a movie of course.

It was a huge success and I sold it after 14 months, then purchased 60% of a 10 year hotel lease with my sister and brother in law. From there I bought, with my wife, another 10 hotels and sold 8 in a 24 year period creating a \$14 million property portfolio in housing and hotels. I was playing monopoly in real life. **Nobody gave me a cent.** I did all of this on my own with help from my wife.

I had done this with some terrific banking relationships. Following my father's advice **to NEVER** bank with the Commonwealth Bank, as his advice was "their banking practises were **barbaric**". He lost half his farming portfolio in 1977, because of the inept foresight in this bank.

I banked with Wespac in my first Hotel, The Jack Daniels Tavern in Singleton, then continued this relationship with them for my 2nd hotel, The Alpine in Cooma and with my 3rd hotel The Royal in Tumut until 1994, Then switched to the ANZ who I also found inept as hotels wasn't there forte. So in 1996 or there about's, the Colonial State Bank was launched, who's lending ratio's were very favourable and I went forward with investors purchasing another 6 hotels, from 1998 to 2003. They were an absolute Godsend to bank with, an absolute pleasure, thus my success.

Then The Commonwealth Bank bought out The Colonial State as they were far too competitive. Then the rot set in. I was never left alone, pushing and shoving as a bully would, continually hassling me over ridiculous innuendo's. So in the end to get away from them I sold up 5 hotels, paid them out and hoped to god I never have to deal with them again.

But that wasn't to be, and to this day I believe they had me numbered. So Bank West hit the Eastern States with very competitive loan structures. I had to buy within 2 years otherwise pay the Government \$1mill in Capital Gains Tax, after successfully selling off my pubs. So with 2 months left of the 2 year period, I bought The Imperial at Murwillumbah, borrowing \$7mill with \$1mill to renovate in Dec 3rd 2007. So the plan was to sell Rubyvale, payout Murwillumbah in 5 or so years and call it a day, go into early retirement so we could give our children maximum support, for their education at St Andrews College who had a very professional name with a high level of graduation. The pub was only 25 minutes from home and was handy for our children to come help us and have backup support with jobs in the hotel, through their teenage years, that would help them enter the workforce. But unfortunately things went horribly wrong.

Our loans were set in 5 year blocks over a 25 year period in bills that were purchased every 90 days. If interest rate's went up, of course I had to go with them, if interest rates went down I was permitted to lock in and stay at the low rate for the remaining period of that 5 year block, then renegotiate for the 2nd 5 year block and so on. And our rates at 1.5% and 1.75% margin above reserve bank rates issued, was a given. So we were very safe in this financial market.

We were safe with 50% equity over our house in Tallebudgera Valley, our beach Beachside Unit in Broadbeach and our other pub in Rubyvale valued at \$4 mill only owing \$700,000 on it. But Bank West only held the mortgage over the pubs. They had no mortgage over my housing, and if they were willing to accept that, I had every confidence to make it work, as I had done with Colonial State very successfully. My wife and I had 50 years of experience between us by 2007 and were very experienced hotelier's.

Then on the 12th March 2008 markets tumbled, and this huge fall was later known as The Global Financial Meltdown or Crisis. We then heard that Bank West was in serious financial difficulty and that the Commonwealth Bank was going to purchase them. I told my wife of that news and said to her, "If The Commonwealth Bank purchase Bank West, this is the beginning of the end for us. I had ran from them twice already and I bet you any money we will be in there sites." Which we were.

So we traded on, tightening our belts cutting staff, even our children came and worked with us on Saturday and Sundays as waitress's and kitchen hands. They were only 12, 11 and 9 years of age. They are now 18, 17 and 15. We had our wages running at 20% including our Managers. My wife would work the Imperial, and drive over from our family home in Tallebudgera Valley every day at 11am. Our children would catch the bus to school and home again when neither of us were there to greet them home often. I would drive to our 2nd Hotel in Rubyvale, Central Queensland quite frequently in weekly turnarounds keeping my eye on both hotels as much as possible. By the beginning of 2009 we were down by 30% at Murwillumbah, however Rubyvale had maintained its turnover.

But within a couple of months of The Commonwealth Bank takeover in October 2008, we were told to start selling assets. They were already at our throats even though our turnover was only down by 15% over a \$90,000/week turnover. So on the 27th March 2009 we took our New Royal Hotel & Cabins to Auction. We had Valuation from dated on 11th August 2007 at \$4mill, after purchasing the hotel in March 2003 for \$2.1 million. It was a remarkable gain but as experienced hoteliers, we knew what we were doing.

We had a buyer at \$3.5mill, \$500g below our reserve, and because the market had taken such a dive because of the G.F.C. we decided to accept his offer, to get this stinking bank off our backs. But unfortunately this buyer didn't have

the capital, and the deal fell over with nobody to replace him, so I thought, we had better start to sell our house and unit, to kill their payments and free up cash flow to show this bank how conscientious we are in surviving this tough financial time.

By this time my marriage had started to fail. My Personal

)had to be retrenched, that put an enormous amount of pressure on me, as my wife looked after the wages and superannuation as well as her responsibilities looking after house, children and working the Imperial at 11am every day(7 days/week)whilst I worked on Stock Takes, Expenditure ,Monthly Profit & Losses for the bank(which I supplied to them every 30 days)being at The Imperial at 5am most mornings, handling general staffing problems and the everyday procedures to try to advance our business's. I was sleeping every 2nd night to keep up. We were both heading for breakdowns, and it was imminent, our marriage was heading for divorce.

In March 2009 I had a visit from (my development manager for Bank West) and the Executive Assistant Manager from Bank West in Qld to my home in Tallebudgera Valley Qld. I worked from my home office. After showing them everything what they wanted I said to "if we have trouble paying our Principal(which was only \$13,000 every quarter)on Rubyvale, what is the best way in moving forward" .I said this to suss out my instinct, as there was something going on, I could smell a rat.....He then said to me "you will have to get a job, like me won't you"....I thought , this bloke thinks I sit on my and watch the birds fly by. My instinct was right and that infuriated my wife and I, which made our blood boil. I was working 36hrs out of every 48, and she was putting in big miles also, to save our (Bank West and Col & Power's) interests. How dare he showed such little respect for how hard we were trying to survive. FROM THAT VERY MOMENT, I REALISED WHAT MONSTER WE WERE DEALING WITH. Then several months later we had a another visit by , and this time, he brought with him, the Queensland Bank West Manager, is Excellency to our Imperial Hotel in Murwillumbah. I showed them around, what money we had spent renovating etc. but they didn't say much in reply. Once again I could smell a rat. I was right again, because then they had commissioned to do an Investigative Accountants Report after this visit in May of 2009.It was a setup.

I got a phone call from _____ telling me that they require this report. I said "you are kidding and who pays for this, as I refuse to because the figure's I produce, would be more accurate than any _____ report from

_____. Check what my accountant produces. They are tax figures and will marry to my monthly reports I send to you". He said **you will pay and they will be done**. Then several weeks later, I got a phone call from _____ to report to their offices as the accountants couldn't cifer the information into the correct format they required. So to be helpful, I went into Brisbane. And to my disbelief, they had a 20 year old girl and a 25 year old lad, a university student wanting me to explain to them pub arithmetic. I was outraged of their professionalism. So for 6 hours I sat there with these two, explaining G.P.'s within what dimensions we worked within, for Bars, for B/shops, for our Bistro's, how Poker Machine Taxes are derived, what nets we are to achieve to survive, what nett percentage's we needed to achieve to coordinate a result to pay for outgoings. How a hotel is valued, what rental you pay on leases over turnover, They had no idea. What wage percentages you needed to achieve through different departments. How much you needed to pay Management. The list goes on.....When I was 15 years old I was rated by a professional careers advisor to be within the top 1.5% of Australia's population for mathematics. He said I could be anything I wanted to be. So I chose pubs, which is very mathematically driven and the things I was TEACHING these 2 _____ employee's, became very easy for me, but very hard for them to understand. It was a joke, it was set up for the bank to use this NEGATIVE report and falsify my figure's they had produced to go forward and MANUFACTURE DEFAULT AGAINST ME. _____ asked of my opinion of _____ report. I have the report with me today if you wish to read it.

So I ask you, _____ (let's not forget him), _____ where is the Valuation's you used to revalue our hotels to lower our LVR'S for you TO MANUFACTURE ILLEGAL DEFAULTS AGAINST US, TO ILLEGALLY EVICT US, TO ILLEGALLY BANKRUPT US and take our superannuation to take our home, to take our beachside unit, to take our children's future, to take all of my by now ex wife and my work of 55 years, to pay for the purchase of BANKWEST. Who did the valuations you billed me for that you would never produce to me. WHO WAS THE VALUER and how did he arrive at such low valuations to take 2 Hotels valued at \$10.4mill to a value of \$4.4 mill that you sold them for, and to sell one of them (our prize winning hotel, voted the best Qld Tavern in Qld country) to _____, BANKWEST'S valuer from

to buy our Rubyvale Hotel for \$1.7mill in March 2011 with a turnover of \$45,000/week, when I purchased the same hotel for \$2.1mill with a turnover of \$31,000/week in 2003. His valuation was \$3.3 mill on the 24th June 2009 yet he purchased my hotel for half price at \$1.6mill below his 2009 valuation just 12 months prior to the receiver taking over my hotels. The receiver was in my pubs for 7 months when colluding with [redacted] to purchase. [redacted] (my manager) can give evidence to say he argued with the Receiver's manager who told [redacted], Rubyvale will be sold for \$1.7mill, when they first entered Rubyvale in August 2010.

Then RBA interest rates had dropped to 3% on 30th Sept 2009, and our bills were to be rolled over. I rang [redacted] and told him to lock our Bills in which meant we would be paying 4.5 to 4.75% maximum instead of 9.5% that they had us locked into. We would have saved 5% pa immediately which was \$300,000pa. and then the pressure would be off. But his answer was aggressive and said "NO WAY, you have defaulted on your loans". I said how. He said "your interest has been up to a fortnight late". But I told him, I had discussed this with [redacted] (another Development Officer) about my interest and they said to me "DON'T WORRY COL, AS LONG AS YOU PAY BEFORE THE NEXT BILL ROLLS OVER EACH MONTH, WE HAVE NO PROBLEMS"and here I was paying this bank 5% more than I was legally bound to, carrying this is extra \$300,000pa commitment that I wasn't legally bound to. I told [redacted] that I had agreements I signed with Bank West. His answer was "that was with Bank West, you now bank with The Commonwealth"I froze in dismay. I had already paid them over \$700,000 in 2 years that I didn't have to.

I had already sold my housing, to kill payments of 4,500/month. This would loosen up \$54,000p.a. Then when that decision was made my marriage ended. That literally sent my wife toward a nervous breakdown, and smashed my children to bits. I sold our beloved home in Tallebudgera and our beachside unit in Sierra Grand. A business decision had to be made unfortunately. Our housing was financed by Wespac, so The Commonwealth Bank couldn't touch it. But I knew if we didn't sell they could pursue us if they put us into Liquidation.

Then out of nowhere, in.....March 2010, [redacted] rings me and says don't worry we will refinance you. I thought what the hell is going on. Bad cop, now good cop. He said we will lend you a further \$98,000 to cover all defaults. My

answer was “there are no defaults”. And I told him, I don’t want to borrow any more money. I want my BILLS LOCKED DOWN NOW AT 3%. Without any further conversation he hung up and I received the loan documents within that week’s end. I observed that they wanted me to sign off on my loans on the 31st of August 2010. This meant they were calling in my loans. I immediately sent the paper work to my lawyer (). He in turn confirmed my thoughts, that they were calling in my loans. Then [redacted] emailed asking what was going on. Then [redacted] rang me abusing me by saying “THAT’S IT. YOU HAVE GONE TO YOUR LAWYER. THAT IS THE END FOR YOU” and it was.

I then wrote to [redacted] in May 2010, explaining to him, how we had our two biggest months of the year just ahead of us. In August is when the Gem Fest is on in Rubyvale, where our turnover increase’s by 100%. And then in September we have “Speed on Tweed” in Murwillumbah where our turnover increases by 125%. Then in November we will have all of our leasing paid for and will free up our bank accounts by nearly \$50,000/quarter. The pressure will be over.....

Then on the Monday 26th July 2010 at 11am I got a phone call from [redacted], my Manageress of The Imperial tell me that the receivers are had the hotel demanding the keys of my property and the keys to the safe. I told her do not give them the keys, but she had already done so. I asked her had she done the weekends banking. She said “yes”. I immediately opened our bank accounts, and all of them had been swept clean, leaving us with \$32.08 to our name. [redacted] had taken all of our cash from 6 accounts in our name at The Commonwealth Bank. I hopped in the car and drove direct to my lawyer in Tweed. He instructed me to ask if they have got a Court Order. So I drove straight to The Imperial in Murwillumbah and on my way I received a phone call from [redacted] my manager in Rubyvale telling me there is a bloke under instruction from [redacted]

[redacted] demanding the keys off him for the Hotel and wants to start counting stock and the safe. I said “have you given them to him”. He said “no”. I told John to ask this guy for a court order if he hasn’t got one, evict him from the premises. He didn’t have one so [redacted] evicted him. In the meantime I had rang [redacted] who was in Emerald about to do the banking. I just got her before she was about to hand another \$30,000 to [redacted]. She never banked the takings. One pub done.

So I arrived at the Imperial to find [redacted] and 2 of his associates. One was already in counting the safe. I asked [redacted] "what is going on". He said "here are the documents from the Commonwealth Bank signed by [redacted] authorised by [redacted] Lawyers for us, [redacted] to take possession of your hotels". I said "WHY". He Said read these papers. My wife and I with [redacted] (our managers) ,sat in disbelief as he read them to us. I then said to him" do you have a Court Order to take possession" he said "no ,I don't need one", I told him,yes you do".....I then immediately went to the office, got the keys in my possession from the safe door, picked up all our cash under great opposition from this woman I had never seen before ,put it all back in the safe, locked the door took the keys out of the safe, then told the woman counting our money to get out of my office. She did, then I followed her out into the meeting room and told [redacted] with his 2 associates to leave the premises. He said "do you know who we are, do you actually know what is happening here". I said **"NO,I don't BUT I AM ABOUT TO FIND OUT"**.I tried to ring [redacted] several times , but he wouldn't answer his mobile and wouldn't let anyone connect me to him at Bank West headquarters. By this time [redacted] was on the phone to [redacted] Lawyers. He got off the phone and demanded the keys or he would bring security. I said "go to hell and get off my premises". So I rang my Lawyer ([redacted]) after his threat then [redacted] said "put him on the phone". We did this, then [redacted] rang [redacted] to talk to [redacted] . This went on for 5 hours or so whilst [redacted] was demanding to finish counting the stock. I said "no way". Then at last [redacted] rang me back "and told me to physically remove [redacted] and his associates if they refuse to leave the premises. I told [redacted] this and he refused .So I picked up his mobile phone and threw it out the door, picked up all his papers and threw them onto the street then headed for him. [redacted] jumped on my back preventing me from touching [redacted] , then [redacted] left walking down the street screaming" you idiot we will be back tomorrow with a court order".

A date was set for the hearing in Brisbane Supreme Court on Friday the 13th August(yes black Friday)2010,for us to defend our right to stop the Commonwealth Bank of achieving a Court Order to take our hotels from my wife, my children and myself. I approached our lawyer to defend us, and to hear its words of advice not to defend us broke me in half. He told us "Col we have no idea why this bank want's your properties, at this stage. We could spend a fortune to try to keep them out, but we would be like a cat chasing its tail. They will runs us through the courts until they break you mentally,

financially and physically because their pockets are too deep for us to compete against. You are better off to let them have the pubs and find out later **WHY** they are doing this to you .So I had to let go.

Then,my last 2 Hotels were taken from me by the Commonwealth Bank who then in turned bankrupt **us illegally**. But how could this happen,we were bewildered,I had successfully built my career in hotels for 8 years before buying my first pub.I had successfully built our company for 26 years to this stage with the support of my wife.Our experience covered 55 years in hotels between us.We had a AAA credit rating,We had our local accounts running no later than 60 days,we were paying our brewery bills on time every 10days,our utilities were up to date,we held \$360,000 in stock at our 2 hotels,we held \$50,000 in cash in the safe's of the 2 hotels,and after our banking we would have had \$110,000 in our working account when we owed \$48,000 to the Commonwealth Bank in interest on that Monday morning of 26th July 2010 when the Reciever, _____ turned up at our Imperial Hotel in Murwillumbah.

Then 3 months later I picked up the Financial Review to read a full page add saying "**Has Bank West Done This to You**". There was 9 questions and every question was exactly what they did to me. My immediate thought was wow, I am not the only one, so I rang the number available to find _____ at the other end of the line then hopped on a plane to go and meet him. To me that was the beginning to where I stand today to tell you of such disgraceful, dishonest, manoeuvring , conniving, dishonesty committed by this bank to thief from over 1000 of its own county men and women to fill there greedy pockets to enhance the profits for themselves by destroying family lives to the level **of suicidal acts** with individuals who were left on the scrap pile .I was so close to being one of them, when suddenly realised how **selfish** I could have been and I could not leave my children to fend for themselves at such an early age but could teach them about what has happened here.

Then on June 16th 2013 after avoiding the chase that the Commonwealth Bank was trying to serve me bankruptcy papers they bankrupt me through my email address. I avoided them as much as possible knowing once they bankrupt me I could never fight them legally to recoup my losses,only if I could find a funder, to finance me. But I was unsuccessful in this and thus was made **Bankrupt in my opinion, illegally**. This bank had manufactured default against me,and for whatever reason,I knew one day we will find out.The Reciever alone charged

\$3.5mill to run my pubs for 7 months and sold one of my pubs to the valuer for \$1.7mill when he had valued it just 18 months earlier for \$3.3mill. How on earth can this possibly be substantiated.

Yes that's right, the Banks Valuer, bought Rubyvale from the receiver. I got a phone call from a mate who was in Hotel Brokerage. He told me had bought Rubyvale from the receiver for \$1.7mill in March 2011 doing \$45,000/week. I paid \$2.1mill in 2003 with a T/O of \$31,000/week. I asked him who sold it. He said not sure it was a deal we didn't even know had happened and couldn't get our hands on it. His words were "they kept it very quiet." So I rang to tell him what these receivers, and bank had done. For months on end after took our pubs, I continually rang him for figures he is bound by law to supply to me (the vendor) and the bank. He is only the "The Caretaker". He said "go away, and crawl back into your hole", and in the end wouldn't answer my phone calls. I rang over and over to tell him, I want the figures on my hotels, as my family wish to buy back our pubs from the bank. Of which my brother and 2 sisters are all very secure financially.... Especially Rubyvale as we had won the best Queensland Tavern in 2003 and 2004, and it was close to my children's heart. They loved going out there during school holidays..... words were "we are not selling to you"... So that's what they (the Receiver, and the Banker) had in mind and colluded with in a sleazy under the table deal. To purchase Rubyvale. So took this information to who enquired with the Sydney Fraud Squad. They in turn told me to report this to your local Police Station which I did to Sargent in Broadbeach, who got me in touch with of the Brisbane Fraud Squad. He approached his superiors who advised me this wasn't a matter for them. But I said these people have broken the law and you need to investigate them and charge them for breaking Sect 420A. This gentleman told to tell me to go to ASIC. I said do you know that ASIC are now in a Senate Enquiry, as we speak, answering to their incompetency for not investigating The Commonwealth Bank for their aggressive takeover of Billions of Dollars of Business's illegally. wasn't aware of that. So told me to go back to Broadbeach and report back to, which I did and he promised me he would pass me onto the Police Woman (WHO IN FACT DIDN'T EVEN KNOW WHAT THE G.F.C. WAS) who interviewed me originally, but I haven't heard a word since.

ASIC, rang

me 2 days later. He promised me a full investigation into

It took 4 months before I heard from them, receiving a report from which wasn't even worth the paper written on. It was a waste of time and why these people exist as a "watchdog" for protection of business's like ourselves is ridiculous. The Commonwealth Government should scrap them from within the budget, because they are just a bunch of Public Servant Bludgers that every other tax payer is supporting. I have his reply here with me today and my reply I wrote back to him, if anyone wants to read it.

REMEMBER THIS....."MY BANK WENT BROKE, NOT ME,BANKWEST went BROKE"

As leaders of our community and country, you people must jail the individuals responsible for such an inconceivable criminal act they committed, that destroyed so many good Australian families and lives, to see that this never happens again, and this bank must be forced to compensate us all, for the losses, they incurred on our children's future and betterment that were dependant on our hard work.

Compensation is to cover the years from when they put the receivers into our properties on Black Friday Aug 13th 2010 and is to pay for not only the development of our companies for **what they could have been today**, but for the damage they caused psychologically to my wife, children and myself. For the damage they have created to our AAA Credit Rating. For the damage they have caused to my reputation as a reputable business man. For the damage they have done by disrupting my children's education. For the damage of how my eldest daughter wanted to fulfill a modelling contract offered to her in New York, and the damage for where my 2nd daughter wished to attend Bond University in Qld to study Psychology. And for the torment my daughter's received from so-called school friends where there father had failed. For the painstaking task of controlling my sons anger management, with bullying at school and teacher resentment. For the cost of doctors, psychologist's, medicines hours of nursing, ensuring, confidence building, and the cost of marriage breakdown of a 25 year relationship. For the loss of income when my wife could not work when having a breakdown, for the loss of income where I wasn't able to get work back within the Hotel Industry as I was too old and knew too much. For the loss of our family home and the freedom my children enjoyed being raised on a 2 acre hinterland property with a rebound ace tennis court and heated pool with a clubhouse and family beachside unit. For the loss

of our luxury BMW Motor vehicles that we had worked so hard to afford, that were purchased to help reduce a tax problem in 2005. For the loss of holidays, superannuation etc. that the receivers promised but never paid our employee's. For the loss of the cash, stock etc. on those premises those receivers took when they took our properties. The money they never paid my creditors in Breweries, Liquor Suppliers they still owe. The list is endless

And what do we do now, my ex-wife is out of work but is busy re-educating herself at the age of 52, in a Diploma of Business and has just obtained her Statement of Attainment for Real Estate Sales..... I am a farmer's son so have gone back driving B/Double Transport at the age of 60, to Sydney, Melbourne and Adelaide, from Brisbane trying to save as much money as possible to support the future of my children. My 15 year old son lives with me but has to fend for himself for the 5 and 6 days I am away each week. I am very proud of him. Every spare moment I get when I am home however, is spent with my children and researching and fighting this Commonwealth Bank on any or every front I can possibly find the energy to. My head is still too screwed up to contemplate any serious relationship.

The money this bank owes us in damages will never be able to pay for the pain these mongrels have put my, now ex-wife, children and myself through, over the past 7 years since Bank West was purchased by them in Oct 2008. So these banking Criminals should get 7 years without parole and still won't feel the emotional pain my family and I have suffered over the past 7 years.

I thank you for the opportunity you have given me today to address you all. PLEASE DO SOMETHING ABOUT WHAT HAS HAPPENED.

Colin William Power