

Senate Economics Reference Committee  
Senate Standing Committees on Economics  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Sir / Madam,

RE:- Collapse of Sterling First Group of companies.

My wife and I are one of the several investors nationally who have put our trust and hard earned cash from our Superannuation fund as an investment into the Sterling First group. We have worked very hard over the last 47 years and paid our taxes. We have never put out our hands for any Government assistance while transitioning jobs. There has been many sacrifices and hardship along the way as we worked very hard to put away sufficient funds into our Superannuation for retirement.

Our true belief was not to be dependant on the Government resources which should rightfully be allocated to people in hardship and real need. Our intentions have been good and honorable, but others saw us as easy prey. I say this because in mid 2015 we were exposed to the Sterling First Group. On reading the prospectus, we sincerely thought that it was a company with integrity as it was all focused on retirees and their needs. Based on this assumption, my wife and I decided to invest in the group with a view to a steady income stream. So, in all good faith we invested an initial amount of \$100,000 in the Sterling Income Trust (SIT) and each month we were receiving a modest return on this investment.

In 2016 my wife and I were approached by Sterling First and its agent, to invest more money with a first offer of purchasing Preference Shares which we were told would bolster our monthly ROI. After much thought and convincing, we decided to invest

another \$200,000 into the scheme and were allocated 1,000,000 shares which had a face value of 0.20 cents a share. The modest return kept coming for a few months, when out of the blue Sterling First, through one of their investor updates, decided to cancel all Pref. Shares and convert them into Ordinary Shares and the reasoning from them was that Sterling First were listing on the Australian Stock Exchange (ASX). We were told that the Directors had decided to stop all returns on our investments in order to preserve funds in lieu of the ASX listing. We were also advised that the ASX listing was close at hand and the final stage of an audit on the company was all but completed.

A few months went past and without any warning, we woke up to the harsh reality that the Sterling First Group was in dire financial difficulty and was under investigation from ASIC since 2015. This was the most distressing news in view of the fact that ASIC had knowledge of this situation and failed to protect vulnerable and innocent investors from the hands of these Unscrupulous Predators. Clearly all fingers are now pointing to ASIC who in the eyes of the investors had the power to stop Sterling First Group from continuing business. What was more daunting was the fact Sterling (SIT) was still registered as a functional entity and was still luring innocent investors with false and misleading advertising and glossary. In view of all of this, we believe that there is a very urgent need for legislative and regulatory reform to prevent such losses in the future. We believe that ASIC should have done their job in the first instance and protected innocent investors like us. ASIC owe it to all investors to not only identify the cause of this collapse, but also determine where all this money went. We also believe that the Senate should show us some compassion and treat this request for compensation with a heart of justice and expedite this request with a sense of urgency. We wait for a favorable response from all concerned so that all innocent victims of this scam and its wrongs can be rectified.

Yours Sincerely,