

28th October 2021

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

Dear Senators

I am writing to make a submission to the Sterling Income Trust inquiry. Myself and my Husband are one of the Victims of Sterling First.

Terms of reference.

The Australian Securities and Investments Commissions oversight of the Sterling Income Trust:

(a)

I contacted per email and phone call to ASIC enquire as to:

Were there any issues in regard to Sterling New Life & Ray Jones February 2016 prior to us signing up in April, 2016 and again prior to sign up on the 17th February 2017. Advised there was nothing on their website at all to indicate any issues if we signed up for a **40 year lease**. No mention of Ray Jones being a Bankrupt or coming out of bankruptcy.

The Sunday Times ran a full page add in regard to Sterling New Life and we contacted the agent . 2 weeks passed we signed up 19th April 2016 but did not go ahead we had cold feet and then signed up 17th February 2017 as there still was no warning from ASIC at all or Consumer Protection as we had heard rumblings about ASIC but nothing else was reported so we assumed everything was ok with ASIC and went ahead with the lease etc.

The oversight was the Sellers were selling us a **RENT FOR LIFE LEASE. IF ASIC CONSIDERS THIS WAS AN INVESTMENT WHY WERE THE SELLERS NOT LICENSED TO SELL FINANCIAL PRODUCTS.**

TOTAL OVERSIGHT OF ASIC in relation to Consumer Protection has been appalling. An immediate Review of ASIC's mishandling of the Sterling case on July 2019 was called for by Minister Michael Sukkar on 6 PR Radio – the Review was frustrating and called off in August 2019. It never took pace WHY?

Why is ASIC, putting the regulator protection before consumer protection. We are asking WHY DID ASIC HIDE THE TRUTH FROM ELDERLY VULNERABLE CONSUMERS?

If ASIC had read the fine print we were given a secured 20 year long term tenant with a 20 year option, (tenants can vacate at any time but must give 6 months notice, allowing time to replace with a new SNL tenant, should the owner desire).

We are angry, furious, confused, ill of health, lost and we are unable to trust people. Who do we turn to for help to protect us from this, we feel duped, our dignity has been taken away and ashamed through No Fault of Ours. To being led on a merry dance for the last 2.5 years having resorted to walking the streets of Perth protesting outside ASIC's office, Mathias Corman's office, Fraud squad and Consumer

Protection never in our life have we had to do these sort of actions, all to the Regulator not doing its Job.

Time is critical for us and stop sweeping us under the carpet we need an inquiry **NOW** not years away. We have worked and saved for over 50 years to enjoy our retirement that has been snatched away by the **SNL, Government ASIC, DMIRS etc** left with nothing not even a roof over our heads all due to the REGULATOR not doing its job.

How can **ASIC** investigate anything, as they appear to do anything from afar acting without due respect, without consideration, devoid of any foresight or understanding of what their responses will cause. I believe it to be very timely for Parliament to be holding an inquiry into ASIC's activities **URGENTLY**.

Why were the Sterling New Life Ray Jones etc helped by **ASIC** 5 times to do the **PDS's** but we never ever got a copy till 21 days after sign up?

Again ASIC asleep at the wheel.

THE NEED FOR LEGISLATIVE & REGULATORY REFORM:

(b)

The problem for Consumers is the regulatory body unable to advise Consumers on **Buyer Beware (CAVEAT EMPTOR)** Policies and Ponzi schemes or popular Managed Investment Schemes being that the **elderly** were the **TARGET MARKET** for these schemes. The fact that the Compensation Scheme of Last Resort excludes the victims of these schemes.

Monitoring of the number of business names being registered and deregistered and morphing into other business names by anyone company. An Australian Police check Australia wide is a must for All Directors and associates of Companies needs to be mandated. Adequate Legislation that these collapses have a consequence for the Directors and associates immediately not 5-10 years down the track. Legislation that ALL documents to be distributed to victims of the collapse to be released to the victims not hidden away.

Adequate compensation **IMMEDIATELY** to return our life savings and alleviate STRESS ETC.

(c)

ACCESS TO JUSTICE FOR VICTIMS OF THE STERLING INCOME TRUST:

Compensation is imperative and needs to be administered as soon as possible after investigations by Liquidators etc not held over for years or by hidden documents and to be transparent in all avenues of the investigations and process. All due to **NO FAULT OF THE TENANTS** and **elderly consumers**.

Compensation is imperative due to the **Regulatory body (ASIC)** not doing its job and leaving vulnerable elderly out in the cold plus the added stress's of the last two and a half years of not responding to mail emails etc. Exactly what it has done for the last 23 years a **TOOTHLESS TIGER**. Only ever fines and suspension but nothing else.

Immediate access for Legal advice and Legal Support and advise when called to represent ourselves if summonsed to Court.

(d)

NOVELTY OF THE PRODUCTS OF THE STERLING INCOME TRUST:

The product of the SIT that was sold to the Tenants was well advertised retirement **Lease for Life** alternative retirement plan. Approved by Treasury & Government and enable by ASIC to allow these Directors with prior business collapsing history to implement this scheme. It was advertised as being backed by the Government. These Directors are serial offenders and were identified years ago through their involvement with Heritage losses of \$15 million undeterred the Directors then started up what we now know over hundreds of companies and including Sterling New Life all with the blessings and help of ASIC and ASIC never raised any **RED FLAGS. ASIC ASLEEP AT THE WHEEL YET AGAIN.**

The target markets were the Elderly retirees who owned their own homes and wanted to downsize and free up cash as advertised. Landlords who were looking for reliable tenants and regular rental income and then Investors for the IPO with ongoing promises of listing on the ASX which never ever eventuated.

Sterling Directors convinced radio, TV and sporting personalities the products were the real deal as advertised on radio TV magazines videos newspapers and seniors Have a Go newspaper as well as trade shows for retirees. These personalities attended meetings in WA metro areas to help promote the **Lease For Life** products.

The SNLs were marketed by Sterling Projects as:

A product that would enable retirees and seniors to release cash for the purpose of living a more comfortable retirement and

A retirement village alternative, with a long term secure residential lease of up to 40 years on a property owned by a third party Investor and located in a general community

Melbourne was also targeted with meetings being held for investors. Novel products of SIT came unstuck in September 2017 when ASIC placed the STOP ORDER on further selling of **PDS's**.

We were never sophisticated INVESTORS the novelty was they didn't give us a PDS prior to sign up and there was no cooling off period after and we received a **PDS 21 days after sign up and advised to file away.**

The SNL was a complex housing product navigating both **State** based **Residential Tenancy Acts's**, and the **Corporations Act** in respect of the investments in an alternative structure for a better tax treatment for the SNL Tenants and an improved redemption facility.

Where are the reports and findings of the investigations of **KPMG and ASIC**? Has investigation into money trail been conducted and all other avenues of the business of other SIT transactions.

When will the Sterling Directors Brian Ruzich, Simon Bell, Ray Jones, Ryan Kentore Jones

be called upon to explain and advise what transpired with **OUR FUNDS** that were paid for the 40 year lease into the Trust account of SIT from February 2017 to August 2019.

Bank account details are as follows:

Interesting, at the end of the Introductory video they say “This Sterling New Life solution is being received by retirees and seniors as an absolute breakthrough for freeing up cash and improving lifestyles in retirement without risking their assets now or for their loved ones in the future”

WHY THE SCHEME COLLAPSED AND WHERE THE MONEY WENT:

(e)

The scheme collapsed as the properties in 2017-18 were overvalued by the valuer who worked for Sterling and valued the property at over **\$100,000** more than valuations were at the time and advantage for the Landlord and Investors not the TENANT. The person whom came here to do the valuation was under another company name and working for Sterling which to me is a very much CONFLICT OF INTEREST when increasing the value of the properties so that it was a very inflated price.

Why were SNL paying out Heritage Investors from funds of SNL tenants?
The reliance on capital raising to fund operations.

Why was the administration of the Sterling Group including the SIT so poorly administered and dysfunctionality in its operation by someone who was a director deemed bankrupt and organizational of day to day running of the business.

The SNL was too complex a housing product that was tied in with breaching of **Residential Tenancy Act & REAL ESTATE INDUSTRY, DMIRS and ASIC**. Why was no action taken to advise **Tenants** of these ongoing issues? Only a few people were contacted and no further action was taken to advise Tenants of any ongoing investigations in 2018.

At some point the Leases changed from **99 year** lease down to 40 year lease on REIWA paperwork by **SIT, DMIRS ASIC etc.**

We understood our funds were to go into a **TRUST FUND for 40 years** or if we decided to leave early we had to give 6 months notice and move on. The funds then could be used for our 4 Girls. The name **TRUST** was in name only as we now know.

(f)

ANY RELATED MATTERS MY STORY:

We retired in 2012 and happily travelled Australia and decided on our return in 2016 to sell the family home also our caravan 4x4 and our funeral fund, as the 4 Girls had lives of their own. We signed up in April 2016 but I got cold feet and then when I could not find any issues on the ASIC website we decided to go ahead and pay for a 40 year lease with STERLING NEW LIFE in 5 year increments to 2057.

It was the happiest days when we finally were able to move in. All was reasonably ok till we heard rumours and then had phone calls advising us that **ASIC** were interviewing tenants. Then all went quiet but in the meantime I sent an email to Ryan Jones requesting further info and was advised no issues go ahead and enjoy your home?? I have supplied that email.

We then received two letters from Ray Jones no issues carry on enjoying our new home. Letters will be supplied.

Then in May 2019 we were advised the whole SNL had collapsed. To say we were shattered humiliated lost, stressed and had no idea what we were going to do as we had nothing left living on the AGED PENSION. We did not tell our 4 Girls for over 2 weeks as we just couldn't put it into words that we had lost our life savings never ever to be replaced. Thankfully one gave us some funds just to keep our car on the road. My 76 year old husband is still working to keep this roof over our head. It is disgusting that he has to do this at his time of life, he should be enjoying our retirement but due to it being **STOLEN** he has no option but to work.

We attended every meeting that was possible to try and find out what was happening and why. At the meeting with . advised all the

TENANTS not to pay any further **RENT** as they did not know where the funds were going. As per their report. Copy can be supplied.

We also noted that certain people who attended the meeting and stated they were Creditors but were denied being a Creditor by the Administrator.

Then in September/October we were given notice by the Supreme Court (never been to court in our lives) and continually to this date we are being dragged through the Courts to have us evicted for **WHAT**. We paid upfront in good faith for a 40 year REIWA LEASE approved by **DMIR'S**. We paid into the so called **TRUST ACC** in name only, now knowing this money was long gone after the monies hit the bank.

We have spent over \$15,000 on improvements and repairs on the property at our own expense and **WHY** would we do this if it was not our permanent home for 40 years???? We have every receipt to prove this.

Due to ill health constantly visiting Doctors Psychologists, Specialists we will never ever give up on our home that we worked 2 jobs and paid for over 40 years, while I have breath in my body I will never give up what we paid for. My doctor advised me it was stress that caused my cancer and ongoing treatment and he stated **STRESS KILLS**.

The untold stress caused by the collapse of STERLING NEW LIFE on us both is a living hell 24/7, 7 days a week, 365 days a year day and night always on our minds is truly unbearable. Not knowing if we will have a roof over our heads and where will we go as there are no rental, no Government homes and we cannot afford the costs to relocate and set up yet again due to our **LIFE SAVINGS BEING STOLEN. WHAT DO WE DO ASIC?**

IF YOU LIKE TO COME HOME AFTER WORK AND FIND MY WIFE IN TEARS, STRESSED AND WORRIED COME AND TAKE MY PLACE any day or time.

We have also sent in submissions to AFCA and the CSLR. I must point out there never ever will be a CSLR due to the industry having /to pay out billions. Another DEAD DUCK by the Government. We still have our claim in at AFCA as requested.

This extraordinary level of offending and corruption against the most vulnerable citizens is unacceptable, it has been going on for decades. This Senate inquiry is needed to investigate the work of ASIC, along with other Government departments, whose attitude leaves a lot to be desired, seemingly turning a blind eye.

Despite sending 100's of letters and emails to the PM, PM's secretary Ben Morton, Treasurer, ASIC and all colleagues, we have not received one response to date from anyone. I even attend the meeting here in WA with Treasurer Josh Frydenberg and personally hand delivered 100's of letters and asked him to read them on the plane home and not one word from him also.

The CAVEAT EMPTOR (Buyer Beware) has given white collar criminals a green light to easily deceive the unwary and elderly here in Australia for over 20 years. **THE WHITE COLLAR CAPITOL OF THE WORLD.** All this STRESS HUMILITAIION ETC caused by the **REGULATOR ASIC NOT DOING ITS JOB** yet being paid hundreds of thousands to cover up and not be transparent is totally appalling.

Support documentation is attached for the Senate inquiry. Plus I have the report of the Administrator Ferrier Hodgson.

Letters attached:

Sterling First	Ray Jones	02/07/2018	letter
Sterling First	Ray Jones	05/07/2018	letter
Sterling First	Ryan Jones	29/08/2018	email
Sterling First	Ray Jones	29/08/2018	letter
Sterling First	Ray Jones	08/11/2018	letter
		30/05/2019	excerpts
		10/06/2019	email Consumer Protection
AFCA CLAIM	690852	23/12/2019	initial claim
Ben Morton		15/06/2021	letter & response letter
AFCA		03/09/2021	email re claim
AFCA Submission		15/03/2021	
		25/10/2019	email re plans of property & issues
RENTAL Management Aust		29/05/2019	ASIC Company summary
CSLR submission		21/07/2021	
Our Story report by ACP		14/07/2021	

Letters to and Not one response except Ben Morton responded once:

Malcolm Roberts	2		
Mikael Sukkar	7		
Prime Minister	13		
Treasurer	34		
Consumer Protection	2		
Department Commerce	2		
Stephen Jones	9		
Mathius Corrman	3		
Anne Aly	2		
ASIC	6		
Shipton	4		
Albanese	4		
Christian Porter	2		
Jim Chalmers	2		
Katy Gallagher	2		
David Locke	2		
Andrew Hastie	3	&	2 emails
Ben Morton	3		
Ben Small	2		
Jane Hume	2		
John Price	1		

Thank you for receiving our submission.

Ray & Beryl Taylor