Our names are David & Isabel Dowling once self funded retirees after I received a retrenchment package from Telstra in 2002. We owned a share portfolio of approx $100,000.00, had a managed investment of approx $250,000.00, had a $500,000 superannuation payout and owned our home outright. Home value was about $600,000.00.

We are former Storm Financial and Colonial/CBA clients and registered clients of Slater & Gordon. We are now forced on to Veteran's Affairs Pension and had to sell our home to pay out our Margin loans. We consider that we should never have been forced into this situation and that it arose because of the bank's failure to communicate with us as their client. We had Colonial Bank Margin Loan Facilities 220413 and 5038.

The following is an extract from a submission sent to Colonial Bank:--

We request a full explanation as to how our facilities ended up with an LVR in excess of 80% which equates to approx $442,888.00 (220413) and $19,000.00(5038) negative. Why did Colonial Bank Margin Lending not contact us when our LVR reached, the margin call LVR?

Had we been notified of your intention to redeem our investments, we would have at least been able to consider the possibility of providing extra security to lower our LVR or to cash in our investments. We were not given this opportunity despite being contactable on a daily basis by Colonial Bank.

Once we were sold down, these monies were to stay in cash as a way of protecting against further market falls. The loan interest was prepaid to 30th June 2009. As markets stabilised, the option to start switching back into the market could then be considered.

The failure of Colonial Bank Margin Lending to prevent these facilities to get above 80% LVR's (margin called) meant any such strategy of switching funds from our Colonial account back into indexed funds was virtually impossible without significant amounts of extra capital from ourselves.

This means that we were effectively forced into a position where you deemed our fixed loan needed to be broken and paid down. We were effectively forced by Colonial Bank Margin Lending into having to break the loans and subsequently request a full refund of any breaking costs charged.

Our understanding of the above mentioned products is that Colonial Bank Margin Lending offered an 80% LVR. Colonial Bank Margin Lending is now accepting no responsibility for any of the actions, leaving us with these concerning unanswered questions and non recoverable debt.

- Why were we not notified that the margin call LVR at 80% was reached?
- Who authorized the margin level to reach approx 110% LVR (220413) and 92.7% LVR (5038) reached without our approval or knowledge?
- Why were we allowed to lose approx $442,888.00 (220413) and $19,000.00(5038)

- Why did we receive **<u>NO</u>** communication from Colonial Bank Margin Lending?
- Why are we still waiting for the statements showing the exact breakdown of the margin loans indicating LVR's, dates of action, communications, total interest paid, exact break costs with the explanation of these included?
- Why has the communication from Colonial Bank Margin Lending to Storm financial allegedly warning of our risk in the market still not been received as promised? (Verbally over the phone). Why were we, **<u>Your Clients</u>**, not notified? After all we are currently constantly being reminded it was our responsibility to monitor our loans. This was difficult given the web details were not up to date and we were not notified directly.
- Why are we now responsible for the break fees which Colonial Bank Margin Lending forced us into? A situation not of our creation that we learnt about in a brief letter from you dated 8th and 9th December (**<u>the only communication we have received</u>**).
- We require a full explanation as to why a breaking cost of between 40-50% of the remaining interest paid in advance on the facilities was charged by Colonial Bank Margin Lending.
- Why were we as Colonial Bank customers of number years treated so appallingly?

Regards,

David & Isabel Dowling