

To:

Committee Secretary, Parliamentary Joint Committee on Corporations and Financial Services
Department of the Senate
PO Box 6100 Parliament House
Canberra ACT 2600

Dear Sirs,

my story as an ex Storm Financial client began only 6 months before they collapsed. I am now certain, that storm knew how bad their situation was, at the cusp of the global financial problem and gladly welcomed our upfront fees as they started to go down the gurgler.

We are not greedy money grabbers. We are a conservative couple had decided to do something regarding our financial future, with a view to average returns, over the long period. We attended a few wealth seminars, where we were told how accomplished Storm had become, how investment models follow tested returns without huge risks, how relationships with banks were solid and ensured better interest rates and management, how they were a strong member of the Australian Financial Planning organisation, how their fee structure upfront was cheaper over the long term, how investing in index funds rather than managed funds was cheaper and easier to setup and manage, how major banks had tested their systems over the years and given it a clean bill of health, how relying on government pensions in the future was to be avoided, etc etc. We agreed with it all, it made sense, it was structured to be risk adverse, with average returns following the ASX 200.

We thankfully did not have a margin loan, but that was the next step for us with Storm. Having been thru the experience, our view of financial planners is not good. Planners offering advice and then receiving commissions is not providing clients with what's best for them, but what's best for the planners income. That is now clear. We are much better informed as to the practise of financial planners, and certainly will be more astute in the future regarding how we do business.

Were we tricked into believing that Storm had approval from ASIC, Major Banks, Australian Financial Planning Association, etc. etc, no we weren't. These were facts that storm used in their favour to gain clients trust. But when it all crumbled, we found investigations underway, soured relationships, a business that could or wouldn't service its clients.

What storm clients want to know, is the truth behind why storm collapsed, who caused it, who hampered how storm dealt with its clients. Solve that, and it will all be worth while.

Regards Mr T Cranston.