

**Senate Select Committee on  
Superannuation and Financial Services**

**Main Inquiry  
Reference (a)**

**Submission No. 103**

**Submittor:** Mr & Ms P R & V T Marshall  
22 Romilly Avenue  
MANNINGHAM SA 5086

**‘THE PR & VT MARSHALL FAMILY SUPERANNUATION FUND’  
DOCUMENTATION FOR THE SELECT COMMITTEE ON  
SUPERANNUATION AND FINANCIAL SERVICES.  
Open Forum to be held Friday 30<sup>th</sup> March 2001.**

**BACKGROUND**

The following is a brief summary leading up to the decision on our super fund with Commercial Nominees Australia Limited.

- Extensive researching/reading on Financial Advice/Superannuation issues including the regulatory bodies of APRA and ASIC.
- The comfortable knowledge /security that we didn't have to run our fund ourselves, but rather as members of CNAL would manage this process.
- That CNAL takes all the Trustee/Administration functions
- Quarterly reports on progress were to be provided by CNAL
- Complete comfortable 'gut feel' in our Financial Advisor.

The 5<sup>th</sup> July 2000 we completed details for our Super Fund – based on CNAL's Key Features Statement for the P.R. & V.T. Marshall Family Superannuation Fund dated 30<sup>th</sup> July 2000. The Investment Strategy selected was Specific (as attached), and included CASH 5% to 10% in line with CNAL's requirement as shown the \*10%, minimum requirement to cover liquidity for taxes, fees insurance etc.

The 7<sup>th</sup> July, 2000 confirmation to commence receipt of an Allocated Pension income stream as from 14/08/2000 with a monthly gross amount of \$150-00 to be credited to a nominated account. To date only 3 payments have been received, August, September, and October 2000.

CNAL's KEY FEATURES STATEMENT for The PR & VT Marshall Family Superannuation Fund reads "The Fund will be classified, for legislative and regulatory purposes, as a 'small APRA Fund' (SAF) and must have four or less members.

Our understanding of a SAF is attached in diagram 1.

Page 3 of the KFStatement clearly stated,

"The Trustee's Role as a Service Provider in Relation to the Fund's Investments. See attached copy especially on the law, and where the Trustee invests money of the Fund in or with itself, it must deal with itself strictly on arm's length terms.

What has occurred has been both a disclosure issue and complete breach of trust by CNAL.

Page 6 of the KFStatement added to our mental security in the heading Complaints Resolution. It clearly stated that a reply would be received on any enquiry within 14 days of receiving the enquiry. This page states regular reports would be forwarded to us. Page 7 of the KFStatement provides a summary of Investment Issues showing the three broad Investment Strategies-Conservative, Mildly Aggressive and Aggressive. All clearly show Cash in each sector as liquid funds.

Page 11 of the KFStatement clearly states “Who Looks After Your Fund”. It details ‘About the Trustee=CNAL’ – “Monitoring, reporting and analysing....”  
‘About the Administrator=Establishment of the fund including APRA liaison, tax file number application and establishment of a cash management facility.

**CNAL breached their duty of care to us, our funds were deposited post the event and with the issues already known to ASIC/APRA. No one informed our Financial Advisor of this.**

### **INITIAL KNOWLEDGE THAT SOMETHING WAS AMISS.**

- Friday 10<sup>th</sup> November 2000, a phone message from CNAL left on our home answering machine for Peter Marshall to return a call. (He was away for a few days)
- Monday 13<sup>th</sup> November Peter’s attempts to contact either Damian Turier or Richard Rudenko were not successful.
- Letter from CNAL dated 15<sup>th</sup> November notifying us in regard to the Enhanced Cash Management Trust Account ‘transactions involving an asset of that fund have been temporarily suspended.’ (Letter attached) This letter stated that the investigation into the fund will be completed within the next month and we would be notified.
- On the 20<sup>th</sup> November I contacted CNA Director and author of the letter Damian Turier on this matter and to inquire about the Allocated Pension payment due 14<sup>th</sup> November which had not been paid. I did not feel comfortable at all with CNAL after this call. Mr Turier had mentioned the possible loss of our funds in the ECMT.

### **WHAT WE ATTEMPTED TO FIND OUT/RESOLVE.**

- At this point I made contact with ASIC to review the complaint handling procedures.
- Attached is the original dated 30<sup>th</sup> November 2000 containing the events over this matter and requesting assistance and assurance of a speedy resolution.
- Letter received from CNAL dated 20<sup>th</sup> December stating possible writedown by 80%
- Letter in response from us sent 5<sup>th</sup> Jan 2001.(We were away over Xmas/New Year.)
- No reply received.
- Over the period from November 2000 to 23 February **ASIC have done nothing to reassure us (copies attached)**
- ASIC repeatedly stated that APRA is the primary Regulator of trustee duties and on two occasions 8<sup>th</sup> February (Tim Walker) and 23<sup>rd</sup> February (Meagan Cassidy) have recommended we seek legal advice.

- We are not people of endless financial means. Legal action is a usable luxury for the wealthy and a right for the poor. Like most people “we fit in the middle “ – not wealthy enough to pursue a legal case at our own expense and not poor enough to receive community/ government assistance.
- In any case we have a right to expect that the regulators to whom our Fund has always had to pay various compulsory fees etc for regulation and ‘protection’, would be now acting on our behalf – not merely suggesting that we ought to engage still more paid help from outside to solve the problem.
- After several phone conversations with **APRA** and also forwarding copies of everything that was sent to ASIC we received a letter dated 2<sup>nd</sup> February **stating ‘The Enhanced Cash Management Trust is a unit trust and not a APRA regulated entity.’**
- Repeated phone calls/letters/emails to both ASIC/APRA over a three-month period resulting in no action being taken at all to help us.
- In sheer frustration we contacted Senator Watson per phone 17<sup>th</sup> January 2001 requesting action. Written correspondence to date is attached.
- Senator Watson is aware of the difficulties we have been facing and appears united with us in concern as to why it was allowed to continue for such a long period of time before being made public.
- We have read the transcripts from the Economics Committee dated 21<sup>st</sup> and 22<sup>nd</sup> February 2001.
- APRA/ASIC admitted to that Committee that they knew of problems with CNAL November 1999, well before we established our Super Fund in July 2000. This was never communicated to our Financial Advisor.

### **CURRENT SITUATION**

- **CNAL (Mr G Ling) has not answered our letters dated 16<sup>th</sup> January 2001, 10<sup>th</sup> February 2001, or 11<sup>th</sup> March 2001.**
- Ferrier-Hodgson’s initial correspondence to us contained incorrect information stating that our fund was a unitholder.
- The 21<sup>st</sup> February 2001 we wrote to Mr P Walker of Ferrier-Hodgson Mgmt Services Pty Ltd. Included in this letter was the statement that ‘our super fund itself is, to our knowledge, NOT A UNITHOLDER..(See attached for full content).

- **Finally received from Ferrier-Hodgson dated 26<sup>th</sup> February 2001 confirmation that our Superfund is not a unitholder of ECMT.**
- Ferrier-Hodgson also state 'In relation to your queries I would recommend that you contact CNAL as I currently hold no information to assist you.
- CNAL have not replied to our correspondence dated 16<sup>th</sup> January, 10<sup>th</sup> February or 11<sup>th</sup> March 2001. (Letters attached.)
- The confusion goes on and on. The 14<sup>th</sup> March 2001 a letter was received from Oak Breeze Pty Limited. On discussions with our financial Advisor, Mr Jeff Trimmer (Ausfin) we discover that Oak Breeze Pty Ltd has sent us the wrong letter. Again our faith in regulators and assisting bodies has been shattered, first with Ferrier-Hodgson now Oak Breeze.

### **HOW HAS THIS AFFECTED US**

- **Left feeling confused/helpless/angry/frustrated/loss of complete faith in the Australian system caused by ASIC/APRA that if something had been done much earlier from November 1999 through to March 2000 when a clearer picture was known, to inform Financial Advisors and the market place of the known problem, then our funds would not have proceeded with CNAL in July 2000.**
- Financial uncertainty-How would anyone feel?  
Peter retired on a two thirds Police Pension of \$340weekly after a career spanning 35 years.
- The Financial Review and other investment news articles continually state in choosing assets carefully in super funds that the concept of CASH is CASH with zero risk as CASH AT BANK is Liquid funds.  
(The Cash Management Account at Adelaide Bank in November 2000 at the notification of this situation was paying 5.75% interest. We believed the ECMT was cash at bank as supported in CNAL documentation to us therefore liquid funds.)
- Complete loss of faith in the Australian dream of preparing for our own future retirement in security as encouraged by Government.
- Reading articles like ASIC's web site "Fido" makes a mockery of their statement. 'Getting good advice-You'd be pretty upset if you found that someone had withdrawn money from your account without your knowledge or authority. Here are some simple steps you can take to reduce the chance of this happening to you.'  
**Meanwhile both ASIC/APRA did nothing since November 1999 to prevent people placing funds with CNAL.**

- Financial hardship as the Allocated Pension has not been received since Nov '00.
- Our retirement wish for financial security crushed and the stress impacting on our health.
- Our plans in jeopardy financially for Val's retirement to follow in Oct 2001.
- Since November Val's work sick leave has increased dramatically due to stress relating to the amount of time dedicated to this matter.
- Cost of annual leave day to attend this hearing.

## **SUMMARY**

1. **CNAL committed a breach of trust, breaking their disclosure rules to us as in our KFStatement.**
2. **AGIC/APRA were aware of CNAL's problem as early as March 1999. The high handed laxness of the Government Reg. Bodies caused this problem for us.**
3. **CNAL have not replied to our correspondence dated 16<sup>th</sup> Jan, 10<sup>th</sup> Feb or 11<sup>th</sup> March 2001. (Ferrier-Hodgson directed us back to CNAL)**
4. **Cash at Bank between 5%-10% was a requirement of CNAL with no choice by us as to the Cash Management Account used for these liquid funds.**
5. **The ECMT account funds were misused without our permission or knowledge.**
6. **We request the speedy resolution to recommence our Allocated Pension Payments.**
7. **We request the speedy resolution to this matter to enable our cash at bank funds plus interest to be forthcoming to us.**
8. **We have not been happy with the treatment of our Financial Advisor, Mr Trimmer by the regulators. In particular Oak Breeze Pty Ltd have not replied to his correspondence 16<sup>th</sup> March, in an attempt to sort out the incorrect information contained in their first correspondence forwarded to us. No wonder we have lost all faith.**
9. **This letter from Oak Breeze also states points 3, 6 and 7 ab & c. We find this absurd. If ASIC/APRA had acted in the first instance our super fund would not be with CNAL.**

**Member-P.R.Marshall.**

**Member-V.T.Marshall.**

**SUBMISSION  
103  
ATTACHMENT  
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ON REQUEST**

Main Inquiry  
**COPY**

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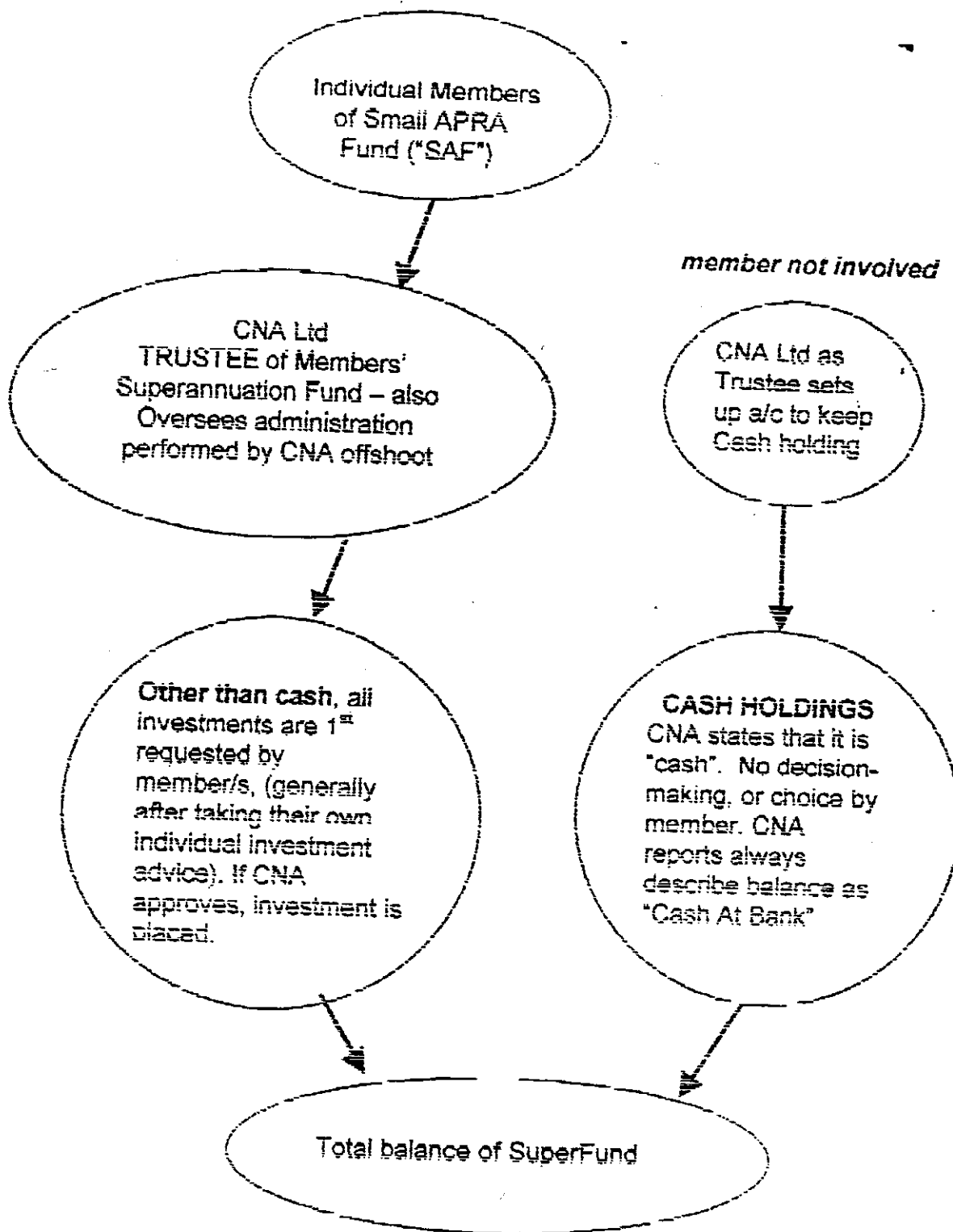
Member P. R. Marshall.

*P. R. Marshall*  
27/3/01.

Member V. T. Marshall.

*Val Marshall. 27/3/01.*

# A CNA "SAF" SUPERANNUATION FUND



# COPY

Mr. G. Ling  
Chief Operating Officer  
Commercial Nominees of Australia Ltd  
GPO Box 1517  
Sydney NSW. 2001

22 Romilly Avenue  
Manningham 5086  
South Australia

11 March 2001.

Dear Mr Ling

We refer to the letter dated 26 February 2001 from Mr. P.M. Walker, Director of Ferrier Hodgson Management Services Pty Limited. (As attached)

We refer you to Para. 2 of this letter. This confirms the stance we have taken since our funds were "frozen" by Commercial Nominees of Australia Limited in November 2000. Therefore any loss incurred by the apparent misdealings should be borne by Commercial Nominees of Australia Limited.

We demand that our money be "unfrozen" and the allocated pension it provides recommence as soon as possible, with monies owing plus interest.

Please confirm that the **cash holdings of our Superfund** are intact as indicated in statements you have previously provided, or have been reimbursed.

Yours Truly,

Peter R. Marshall

Valda T. Marshall

Copies: Senator Watson  
APRA  
ASIC  
Mr. J. Trimmer

COPY

10<sup>th</sup> February, 2001.

Mr G. Ling- Chief Operating Officer  
Commercial Nominees Australia Limited  
GPO Box 1517, SYDNEY. N.S.W. 2001.

Dear Mr Ling,

**PR & VT MARSHALL FAMILY SUPERANNUATION FUND**  
-Commercial Nominees of Australia Limited Trustee.

To date we have not received a reply to our letter dated 16<sup>th</sup> January, 2001 and would appreciate your answers to the questions raised in that letter.

In addition we would like you to clarify that the writer identify themselves and also clearly state to us under whose authority they wrote to us in the letter dated 2<sup>nd</sup> February, 2001 from Commercial Nominees Australia Limited.

**On page 3 of this letter dated 2<sup>nd</sup> February Commercial Nominees Australia Limited clearly show in the Statement of Financial Position that the PR & VT MARSHALL FAMILY SUPERANNUATION FUND did not exist as at the 30<sup>th</sup> June, 2000.**

It would appear that Commercial Nominees of Australia Ltd did not operate under a duty of care to inform us of the misappropriation of funds prior to our deposit of funds into the ECMT. We did not have any choice into which account our cash at bank money was to be deposited. Therefore this letter is to advise you we will not provide any instructions for redemptions or be contributing in any other way in response of your letter 2/2/01.

We would like to make it very clear to you that Commercial Nominees Australia Limited already has our cash, **AND A DUTY TO REPLACE IT IMMEDIATELY**, if you have lost some of it. Commercial Nominees Australia Limited also are responsible to ensure all legitimate costs for our Fund are met on time-any penalty for lateness is at Commercial Nominees cost not ours.

**We specifically do not authorise any additional encashment of other non-cash investments. We do not give any permission to deduct any amount from our Fund.**

Commercial Nominees of Australia Limited already holds "Cash at Bank" for our Fund- as so described in your letter dated 2<sup>nd</sup> February, 2001. If Commercial Nominees Australia put this cash into something which was not liquid, then that is Commercial Nominees PROBLEM.

As far as we are concerned, our own Fund's available cash position is as described on the statement of position received 2<sup>nd</sup> February, 2001.

Commercial Nominees of Australia must bear the cost of any late fees etc incurred because they are late in paying the normal costs for our Fund. Commercial Nominees of Australia should raise cash funds to replace the cash holdings for our Fund which Commercial Nominees Australia Limited HAVE DISABLED.


It is Commercial Nominees who put our cash in the ECMT. It is Commercial Nominees who misappropriated money (apparently well before even putting our money in!!) It is Commercial Nominees Australia Limited who says that it has imposed a 'freeze' on the ECMT.

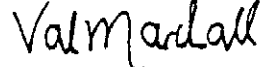
It is Commercial Nominees Australia Limited **who needs to provide replacement for any of our Fund's cash.**

We were **not offered any choice or information in the matter** when Commercial Nominees Australia **established our Fund.**

In conclusion, this is to confirm we do not give Commercial Nominees Australia Limited permission to deduct any amounts from our Fund.

Yours truly,

  
PETER RICHARD MARSHALL  
DATE: 10/2/01.

  
VALDA THERESE MARSHALL  
DATE: 10 Feb '01.

CC: SENATOR JOHN WATSON  
THOMAS TRANSFIELD- ASIC  
EARL BURGESS- APRA  
JEFF TRIMMER- AUSFIN Mgmt Ser.Pty.Ltd.



COPY

Mr G Ling  
Chief Operating Officer  
CNA Ltd  
GPO Box 1517  
SYDNEY NSW 2001

22 Romilly Avenue  
Manningham 5086  
South Australia.

16 January 2001

Dear Mr Ling

**Cash At Bank held by CNA for the P R & V T Marshall Family Sup'n Fund**

We have received your reply dated 11 January, to our prior letter of 5 January 2001.

Whilst we appreciate your letter, keeping us informed as to recent happenings in this matter, the fact is that this information is of secondary interest only.

Your reply avoids the real issue we raised, which is that your organisation had and still has a (paid for) responsibility to safeguard all of the assets of our "Small APRA" Superannuation Fund. You (CNA/FAA) dictated what sort of account arrangements were put in place for the handling of the cash component which you required our Fund to have.

If we, as investors, deposited cash money in our local bank, which subsequently wrote to us and said that some of their money had been stolen or misused, then that would not be our potential loss. If the bank wrote to us and said that our cash might have to be reduced to cover *their* theft or loss, we would simply contact the police.

As we did not give permission for our money to be removed from the ECMT it would appear that some person within the Company has fraudulently misappropriated / stolen the money from the Fund and a criminal offence may have been committed. Has the matter been reported to the Police? If not why not? If it has please supply the investigating officer's name and contact telephone number and the Police Report number.

You (CNA) told us repeatedly - in numerous communications, which we hold as evidence - that the money you kept in the Enhanced Cash Management Trust ("ECMT") was cash. We would not have allowed you to form and administer our Fund, had you disclosed in mid 2000 that certain significant events had already occurred. These were - CNA's complicity in the disposal of cash monies held in trust for the likes of us, into other areas - apparently in more than one transaction.

to the liability CNA has to our Superannuation Fund. That only serves to heighten our anxiety about the safety of a lifetime's cash accumulation.

Therefore, your announcement in para.4 of engaging "a major law firm" "to protect (our) position" is of passing interest only to us, as members of the Superannuation Fund for which you are Trustee and Administrator. No doubt you are taking this action to hopefully reduce the total of your own (CNA's) ultimate financial burden in making good these monies to other clients and us. Please confirm that you have no intention of attempting to allocate any part of the costs of such action to us.

Again, we insist upon your confirmation that our Fund's cash facility remains intact and additionally request that you recommence paying the previous monthly allocated pension payment which you ceased doing some months ago. To date only three payments have been received.

You hold the \$11,500-odd of our cash facility from which this payment can be made. If (as Trustee of the Enhanced Cash Management Trust also) you have caused a loss of monies, then this needs to be replenished by you (CNA) immediately - even if your acts leave you having to borrow funds for this purpose. Have you alerted your liability insurers?

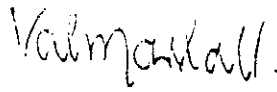
Why should we, as your trusting clients, have to suffer a loss of cashflow in the meantime?

We believe that in a position of significant trust, you may have breached that trust and we are not interested in participating in attempts by you to recover monies owed by mysterious debtors to CNA. We are only interested in pursuing the amounts which you, as Trustee, were entrusted to hold safe for our Fund.

Finally, by CNA's written admission, these past "loan" transactions occurred well before you placed our cash into the ECMT. Therefore, unless more of these misappropriations took place under CNA's stewardship of the ECMT as recently as July 2000, or later, our cash (as it were) must exist in its intended form of cash. Physically, exactly where does all our Super Fund cash reside right now?

Yours faithfully

  
PETER R MARSHALL  
(MEMBERS)

  
VALDA T MARSHALL

Cc: Senator John Watson. Senate Select Committee Chairman  
APRA.  
ASIC.

**COPY**

26 February 2001

Ref: pmw\19278\Kfz0226b

Mr and Mrs Peter and Valda Marshall  
22 Romilly Avenue  
MANINGHAM SA 5086

Dear Sir/ Madam

**Enhanced Cash Management Trust**

I refer to your letter dated 21 February 2001.

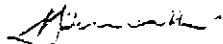
I confirm that your superfund is not a unitholder of Enhanced Cash Management Trust ("ECMT"). It would appear that Commercial Nominees of Australia Limited ("CNA") was the trustee of your fund and was the legal unitholder of ECMT on your behalf.

In relation to your queries I would recommend that you contact CNA as I currently hold no information to assist you.

My investigations in relation to ECMT are continuing and I shall report to all unitholders regarding the outcome of my investigations.

Should you have any queries please contact Kenneth Fung of this office.

Yours faithfully  
Ferrier Hodgson Management Services Pty Limited



P M Walker  
Director

**COPY**

21<sup>st</sup> February 2001

Mr P M Walker  
Director-Ferrier Hodgson Management Services Pty Ltd  
GPO Box 4114 Sydney NSW 2001.

Dear Mr Walker,

**The Enhanced Cash Management Trust ("ECMT")**

We, Peter Richard Marshall and Valda Therese Marshall of 22 Romilly Avenue Manningham South Australia 5086, wish to thank you for sending this information dated 15<sup>th</sup> February 2001 even though our super fund itself is, to our knowledge, NOT A 'UNITHOLDER'.

Commercial Nominees Australia, our FUND TRUSTEE, is the unitholder, as far as we are concerned, because it was Commercial Nominees Australia who stipulated at the outset (as detailed in our Key Features Statement) that our CASH holdings of between 5%-10% of total Fund, would be invested by Commercial Nominees Australia/FAA into the "Commercial Nominees Australia Cash Management Trust".

Therefore, our understanding is that Commercial Nominees Australia may well lose some money, as a result of apparent misdealings by its own staff/directors at the time. However, Commercial Nominees Australia has continually, repeatedly and even recently described to us these cash holdings of our super fund **IN WRITING, AS 'CASH AT BANK'**.

We would appreciate your comments to this, and also we can assume that if the ONLY venue for information sessions is to be in Sydney, that ALL of our expenses to attend would be met by Ferrier Hodgson, we take it this is correct.?

\* Attached please find a copy of the letter we sent to Mr G Ling of Commercial Nominees Australia Limited in which our situation is clearly stated and we would appreciate an early response.

Yours truly,

PETER R. MARSHALL

VALDA T MARSHALL.

Key Features Statement

**COPY**

+ pg 11.

# The PR & VT Marshall Family Superannuation Fund

Issue Date 3 July 2000

Expiry Date 2 July 2001

*Trustee of the PR & VT Marshall Family Superannuation Fund -  
Commercial Nominees of Australia Limited*

ACN 054 235 853

Level 1, 140 Sussex Street

Sydney NSW 2000

Telephone: (02) 9299 9622

Facsimile: (02) 9299 9406

Web: [www.commercialnominees.com.au](http://www.commercialnominees.com.au)

*Adviser of the PR & VT Marshall Family Superannuation Fund -  
Jeff Trimmer*

MBT Management Pty Ltd

4 Rio Vista Avenue

West Beach SA 5024

Telephone: (08) 8356 7630

Facsimile: (08) 8355 3416

*This document contains a Key Features Statement,  
an important document which describes the main  
features of the superannuation product that is being offered.*



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## KEY FEATURES STATEMENT

This Key Features Statement follows requirements set by the Australian Securities and Investments Commission (ASIC). It will help you to:

- decide whether this product will meet your needs; and
- compare this product with others you may be considering.

### IMPORTANT NOTICE

Due to the level of investment returns earned by the Fund and the Fund's charges, if you leave the Fund within a few years of joining, you may get back less than you paid in.

## About the PR & VT Marshall Family Superannuation Fund

The Trustee of the proposed PR & VT Marshall Family Superannuation Fund (the "Fund") will be Commercial Nominees of Australia Limited (ACN 054 235 853) (the "Trustee").

The Fund will be established by the Trustee as a regulated superannuation fund under the Strategy One Master Trust Deed. The Fund will be classified, for legislative and regulatory purposes, as a "small APRA Fund" (SAF) and must have four or less members.

Applications for membership of the Fund can be made on the Application Form which accompanies this document.

## Contributions

Contributions may be made at any time to the Fund provided you (or your employer or spouse) are eligible to make superannuation contributions.

To be eligible to make superannuation contributions you must, generally, be under 65 years of age at the time of making the contribution, be working, or have worked at least 10 hours per week at any time during the last two years. You may also contribute up to age 70 provided you continue to work at least 10 hours per week in paid employment. Compulsory employer superannuation contributions may also be accepted by the Fund for members of any age.

If you are under age 65, contributions can be paid by your spouse (if he or she is an eligible taxpayer) on your behalf. Payments should be accompanied by a completed Contribution Advice. No minimum or maximum amount generally applies although taxation considerations may be of relevance to you.

To enable you to consolidate your superannuation benefits, you may also transfer your existing superannuation entitlements into your member account.

## Benefits

Benefits will normally become payable upon:

- retirement from gainful employment after attaining your "preservation age" (see table on next page);
- attaining age 65;
- death;
- retirement due to total and permanent disablement; or
- withdrawal from the Fund (some or all of this benefit may be subject to preservation).

The benefit paid is the accumulated value of the member account. A retirement benefit payable from the Fund may be paid as a lump sum or pension (or a combination of lump sum and pension) to provide you with a tax-effective retirement income stream.

In the event of your death, the balance of your member account together with any insurance proceeds will be paid. At the Trustee's discretion, having regard to your wishes, the benefit will then be paid to your surviving spouse or dependant(s) (as an income stream or, if required, as a lump sum) or to your legal personal representative.

The payment of all benefits is subject to the Trust Deed governing the Fund.

## **Restrictions on When You Can Get Access to Your Benefits**

Superannuation is a long-term investment. The Government has placed restrictions on when you can get access to your benefits. In general, you cannot get your benefits paid to you until you have reached age 65, or have reached your "preservation age" (see table below) and have retired.

This Government restriction is known as preservation. The "preservation age" will be gradually extended to age 60, as set out in the table below.

<u>DATE OF BIRTH</u>	<u>PRESERVATION AGE</u>
Before 1/7/1960	55
1/7/1960 – 30/6/1961	56
1/7/1961 – 30/6/1962	57
1/7/1962 – 30/6/1963	58
1/7/1963 – 30/6/1964	59
After 30/6/1964	60

Any benefit rolled over from another fund which is not required to be preserved, may be withdrawn by you at any time.

## **Investment Strategies You Can Choose**

With the assistance of your Adviser, you should carefully review your investment aims and objectives. The Fund offers a very wide range of Investment Strategies to enable you to achieve your Investment Objectives. In selecting your Investment Strategy, the Trustee recommends that you carefully review the additional information which your Adviser will provide to you.

The Investment Strategies available, at the date of publication, are set out in the next section of this document. Further information in relation to each strategy is available from your Adviser. You are able to switch your investments at any time by written request to the Trustee.

## **What is the Risk Profile of the Investment Strategies**

There is a relationship between the amount of risk and the potential return you may get on investments. In general, investments that potentially earn high returns (e.g. shares) carry the highest risk – the amount of any rise or fall is likely to be greater than a more conservative approach.

Conversely, investments that generally earn lower returns (e.g. cash) carry a lower risk – the amount of any rise or fall is likely to be smaller than a more aggressive strategy.

An important method of reducing investment risk is known as diversification.

A mix of investments reduces the chances of a poor return from any one investment having a significant impact on your overall return.

Your investment in this Fund is not guaranteed. The value of your investment can rise or fall.



## Relationship Between the Trustee and Some Service Providers to the Fund

The Trustee of the PR & VT Marshall Family Superannuation Fund is Commercial Nominees of Australia Limited.

Fund Administrators of Australia Pty Limited ACN 090 506 826 (the 'Administrator') receives remuneration from the assets of the Fund for its services. The Administrator is a wholly owned subsidiary of the Trustee. Power Capital Group Limited ACN 083 082 624 holds the majority of shares in the Trustee. There is one non-executive Director, Mr Peter Cain, common to the Power Capital Group, the Trustee and the Administrator.

For legal advice and services provided to the Trustee, Mr Cain may receive fees on an arm's length basis.

The Trustee undertakes that it will not deal with service providers to the Fund who are associates of the Trustee more favourably than it would deal with any other independent service providers.

## The Trustee's Role as a Service Provider in Relation to the Fund's Investments.

The Trustee is the Trustee of a number of investment trusts (superannuation and non-superannuation) that are available as investments for the Fund. Where the Trustee invests in these investment trusts it will receive fees for its services.

The Trustee advises you that under the law, where the Trustee invests money of the Fund it must deal with the other party to the investment at arm's length or on arm's length terms.

The Trustee advises you that under the law, where the Trustee invests money of the Fund in or with itself, it must deal with itself strictly on arm's length terms.

## What are the Charges?

Every type of charge that may be charged to The PR & VT Marshall Family Superannuation Fund is fully described in this section. The Trustee undertakes not to deduct any other types of charges without your specific written consent (other than Government taxes and charges).

Where applicable, the charges below are inclusive of the Goods and Services Tax.

- **Establishment Charge:** A setup fee of \$270 in the case of a new Fund, or \$540 in the case of an existing Fund, will be debited from your member account at commencement of the Fund.
- **Contribution Charge:** Your member account will be debited with an amount as agreed between you and your adviser, with a maximum of 5.45% of contributions and rollover/transfers. The actual percentage or dollar amount charged is noted on the "Fund" form attached to this document.

### Ongoing Management Charges:

- **Administration Charge:** Your member account will be debited quarterly in arrears with a maximum charge at the rate of 0.455% per annum of the gross asset value of the Fund, subject to a minimum charge of \$815 per annum.
- **Trustee Charge:** Your member account will be debited quarterly with a maximum charge at the rate of 0.109% per annum of the gross asset value of the Fund, subject to a minimum charge of \$815 per annum.
- **Service Fee:** Your member account will be debited quarterly with an amount as agreed between you and your adviser, with a maximum charge of 1.09% per annum of the gross asset value of the Fund. The actual percentage charged is noted on the "Fund" form attached to this document.
- **Investment Manager Fees:** No investment management fee is deducted from your member account. Any fees levied by the various investment managers retained by the Fund are reflected in the net investment earnings of the Fund.
- **Professional Fees, Regulatory and Other Costs incurred by the Trustee:** The assets of the Fund may also be debited with any professional costs (e.g. audit fees) which are incurred by the Trustee together with any statutory charges and lodgement fees applicable under Government regulations.
- **Death and Disability Insurance Charges:** If you have effected any insurance benefits as a member of the Fund, the Trustee will deduct the required insurance premiums from your member account.

- **Exit and Switching Charges:** No exit or switching charges are currently imposed by the Trustee.

## **Increases or Alterations to the Charges**

The governing rules of the Fund allow the Trustee to alter (increase or decrease) the percentages and dollar amounts applicable to each of the abovementioned charges.

The current fee levels are guaranteed not to increase for the duration of this Key Features Statement. Thereafter, the Trustee undertakes to notify all members of any other increase in fees or charges at least three months before an increase takes effect.

## **Member Protection Standards**

If, at any time, the amount of your benefit in the Fund is less than \$1,000 and it includes or has included Superannuation Guarantee or Award contributions by an employer, Government regulations limit the amount of charges that can be deducted from your benefits.

## **What is Paid to your Adviser?**

Your Adviser selling you this product may receive payment ("remuneration") for the sale. Your Adviser has to meet expenses from this remuneration, and also relies on it to provide an income.

The Adviser's remuneration, which is described below is inclusive of the Goods and Services Tax if applicable and is included in the charges shown above (except any remuneration that the Adviser charges directly to you as a fee for service).

Remuneration of up to 5.45% of each contribution and rollover/transfer received by the Fund is paid to your Adviser. This is ordinarily paid quarterly in arrears. The actual percentage or dollar amount charged is noted on the "Fund" form attached to this document.

A service fee of up to 1.09% per annum of the gross asset value of the Fund is paid to your Adviser. This is ordinarily paid quarterly in arrears. The actual percentage charged is noted on the "Fund" form attached to this document.

Also, where you have elected insurance cover under the fund, your Adviser may receive a commission on the premiums paid. This commission is not an additional charge to you but is included in the Death and Disability Charges (see previous page).

## **Increases or Alterations in the Adviser's Remuneration**

The current maximum levels of your Adviser's remuneration are guaranteed not to increase for the duration of this document. Thereafter, your Adviser's remuneration may only be increased by written agreement between your Adviser and the Trustee.

The Trustee undertakes to notify you at least three months before any increases or alterations are made to the Adviser's remuneration.

Superannuation products distributed by other sales methods may not have similar adviser remuneration costs. However, this does not necessarily mean that the total charges applying to those products will be less.

## **Taxation**

One of the main advantages of superannuation funds such as the PR & VT Marshall Family Superannuation Fund is that they are subject to special taxation treatment. The effect of taxation on your benefits is discussed briefly below.

There are basically three times at which your benefits may be taxed - when you make contributions, earn interest or receive payments.

Contributions

There are two basic types of contributions that can be made to the Fund:

- Undeducted contributions; and
- Tax-deductible contributions.

Undeducted contributions are contributions paid by a member on which no tax deduction is claimed.

Tax-deductible contributions are contributions on which a tax deduction is claimed. For the majority of members, any tax-deductible contributions which are made to the Fund are taxed at a rate of 15%.

In addition, members earning greater than \$78,208 pa ("adjusted taxable income") for 1999/2000 may be subject to the tax surcharge on contributions of up to 15%. The tax surcharge may apply if you 1999/2000 "adjusted taxable income" is less than \$78,208 where the Trustee has not been advised of your Tax File Number.

In certain circumstances, members or their employers can claim a tax deduction, or claim a rebate, for contributions made to the Fund.

### **Investment Income**

The investment returns from the investment funds are, generally, taxed at a current maximum rate of 15% pa, which is a lower rate than the marginal tax rate paid by most individuals. This means, generally, that superannuation benefits can grow at a faster rate than equivalent non-superannuation investments.

Professional investment managers can invest monies in a manner that makes the most of available tax deductions and other offsets, such as franked dividends.

Effectively, this means that the basic rate of 15% can legitimately be reduced to a lower level or even eliminated.

### **Benefit Payments**

Benefits paid from the Fund are also subject to special taxation treatment. The actual taxation of benefits depends on the circumstances of the member, and can be quite complex. You can, generally, defer the payment of tax on benefits paid from the Fund by rolling the benefit over into another complying superannuation fund, approved deposit fund or annuity.

### **Payment of Taxes**

It should be noted that the Trustee remits the abovementioned taxes to the Australian Taxation Office for you. The taxes have the effect of reducing your benefits. These taxes are not charges levied by the Trustee for the operation of the Fund.

### **Tax Information**

This tax information is based on the Trustee's interpretation of the tax laws that were current on 3 July 2000. For further information, please consult your taxation adviser.

### **Cooling-off Period**

After establishing the Fund you have a period of 14 days (the "cooling-off" period) during which you can cancel your membership and obtain a repayment of your contributions. If you cancel during this period, you are not liable to pay any charges.

If you cancel your membership during the cooling-off period, the contributions that are repaid to you will be adjusted to take into account any increase or decrease in the value of your investments, and the tax payable by the Trustee as a result of you becoming a member. If any of the contributions which are made to the Fund need to be reserved under Government legislation, then these will be rolled over into a complying superannuation fund, approved deposit fund or annuity of your choice.

If you should wish to cancel your membership during this period, you must advise the Trustee in writing.

## Complaints Resolution

The Fund has an established procedure for dealing with member enquiries and complaints. In the first instance, you enquiries should be directed to:

The Enquiries and Complaints Manager  
Fund Administrators of Australia Pty Limited  
Level 1, 140 Sussex Street  
SYDNEY NSW 2000

Phone: (02) 9299 9622  
Facsimile: (02) 9299 9406

A formal acknowledgment of any written enquiry will be sent within 14 days of receiving the enquiry. If the enquiry has not been dealt with satisfactorily, then you should complain directly, in writing, to the Trustee at:

Commercial Nominees of Australia Limited  
GPO Box 1517  
SYDNEY NSW 2001

Complaints that have not had significant steps taken to achieve resolution within 90 days of the initial complaint being made, can be taken directly to the Superannuation Complaints Tribunal (SCT).

The contact details for the Superannuation Complaints Tribunal are:

Level 8,  
60 Collins Street  
MELBOURNE VIC 3000

GPO Locked Bag 3060  
MELBOURNE VIC 3001

Telephone: 13 14 34

## Regular Reports on your Investment

The Trustee of the Fund will arrange to provide you with the following information in writing:

- **Member Information:** A quarterly statement which will show the current balance in your account and any transactions that have taken place over the period. This includes the fees and charges deducted from your account during the period. In addition, you will be provided with an Annual Benefit Statement as at 30 June each year.
- **Fund Information:** This will provide you with an Annual Report as at 30 June each year on the management and financial condition of the Fund and on the Fund's investment performance.

## ADDITIONAL INFORMATION

### Summary of Investment Issues

#### Summary of the Investment Choices

The following information describes the investment policies, objectives, and risk structure for the investment strategies that are available under the PR & VT Marshall Family Superannuation Fund.

#### Investment Policy Statement

The Investment Policy for the PR & VT Marshall Family Superannuation Fund is to enable you to tailor your investments according to your changing needs and preferences. This approach gives you flexibility and control over your investments. The Trustee has structured a broad guideline investment strategy for the Fund, within which you can choose your investments. This means that you can create a diversified portfolio of investments appropriate to your needs.

#### Investment Objective

The main objective of the Trustee in respect of the Fund is to maximise wealth for retirement purposes within prudent parameters of risk and diversity. To achieve this end objective, the Trustee takes a medium to long term approach to investment (i.e. 3 to 5 years) with the view of achieving a rate of investment return in excess of standard industry benchmarks applicable to your specific chosen investment strategies. The rate of return for superannuation funds is, in general, the most important factor in determining the level of benefits for its members.

#### Investment Philosophy

The PR & VT Marshall Family Superannuation Fund operates as a discrete division of the Strategy One Master Trust. The original Trust Deed is dated 29 December 1989, making this one of the longer established master trusts of its kind in Australia. The investment general philosophy for your fund is to give members the maximum possible control of their investments.

#### Investment Strategies

The three broad investment strategy models are as follows:

##### (i) Conservative

Sector	Low (%)	High (%)
Australian Equity	5	40
Australian Fixed Interest	10	70
Offshore	0	10
Property	0	30
Cash	10	50
Diversified Unit Trust	0	50
Unlisted Investments	0	50

##### (ii) Mildly Aggressive

Sector	Low (%)	High (%)
Australian Equity	10	50
Australian Fixed Interest	10	55
Offshore	0	20
Property	10	30
Cash	10	40
Diversified Unit Trust	0	60
Unlisted Investments	0	70

(iii) Aggressive

Sector	Low (%)	High (%)
Australian Equity	10	70
Australian Fixed Interest	5	30
Offshore	10	0
Property	10	50
Cash	10	10
Diversified Unit Trust	0	70
Unlisted Investments	0	70

The allocation of investments may be through a managed investment vehicle (i.e. a unit trust) or directly in securities, such as shares and bonds. The suggested ranges for this allocation of assets within each of the three broad investment strategy models is:

Vehicle	Low (%)	High (%)
Managed	0	90
Direct	0	90
Cash	10	40 (10 for "Aggressive")

**Disclaimer**

Neither the Trustee, Commercial Nominees of Australia Limited, the Administrator, Fund Administrators of Australia Pty Limited, your Adviser or his/her Dealer Group or Proper Authority Issuer, the Managers of the underlying investment funds or products, nor any other company associated with the management or promotion of the Fund guarantee the capital or performance of any available investment strategy accessed by the Fund unless otherwise stated.

Also please note that, unless otherwise stated:

- i. none of the companies associated with the management or promotion of the Fund are agents of the managers and/or the Trustees of the underlying investment strategies;
- ii. the managers and/or the Trustees of the underlying investment strategies are not responsible for the issue of this document; and
- iii. a person investing in this Fund is not entitled to an interest in the underlying assets of the investment strategies accessed by the Fund.

**Summary of Insurance**

Many individuals recognise the distinct advantages of structuring their life insurance benefits (death and disablement) through their superannuation fund.

The primary purpose of insurance cover is to provide, if you so choose, an additional benefit in the event of your death or total and permanent disablement (TPD). You may also elect disability income cover. Disablement cover (TPD and disability income cover) will be available only for members employed on a permanent basis who work more than 15 hours per week on average. Certain occupations are not eligible for disability income cover (please consult your Adviser).

Cover of any type is subject to the member providing satisfactory evidence of insurability to the insurer and the written acceptance of the risk by the insurer.

If you terminate your cover, you do not get any cash value in respect of the insurance premiums you have paid.

The inclusion of life insurance benefits in a superannuation fund is not for everyone. Please consult your Adviser if you are interested in the life insurance options available to you through your Fund.

# **GENERAL INFORMATION**

## **Members Accounts**

For all members who join the Fund, a member account will be established on the Fund's computer system. The purpose of the member account is to keep track of all incoming transactions (e.g. tax, insurance, pension payments, charges) and growth (e.g. investment earnings) relating to the member.

## **Benefits Transferred From Another Fund**

You can roll over eligible termination payments (ETPs) from other complying superannuation or rollover funds in order to consolidate your superannuation benefits.

You are advised to consult with your Adviser when considering transferring benefits from one fund to another.

Superannuation Guarantee contributions paid by an employer to the Australian Taxation Office on your behalf can, if requested, be transferred to the Fund.

## **Changes to Member's Details**

To ensure the full protection of your interest, any changes (or corrections) to the following should be noted on a Membership Variation Advice form and returned to the Administrator as soon as possible:

- Name (e.g. by marriage);
- Date Records;
- Address; and
- Dependants.

## **Information Which May Be Requested**

The regulations governing superannuation specify certain information that a member may request. The Trustee will, upon receipt of a valid request from a member, make available copies of returns given to the Australian Prudential Regulation Authority (APRA) as well as certificates and notices from APRA. Additional information that may be requested includes a copy of the latest audited accounts as well as those provisions in the Trust Deed, that relate to the member or the member's benefits.

Copies of Annual Reports will also be available on request.

## **Notification of Dependants**

When applying to join the Fund, you may nominate your dependants who may receive benefits in the event of your death. Under the Trust Deed, the Trustee has absolute discretion as to whom any death benefit will be paid. The naming of dependants may assist the Trustee in making this decision should a claim be made.

Any changes to your dependants can be notified to the Trustee by completing the appropriate section of a Membership Variation Advice Form.

## **Applying for Benefits**

### **Portability of Benefits**

A member's benefit in the Fund is totally portable. The total amount accumulated in the member account can be transferred without penalty to another regulated superannuation fund.

### **Retirement Benefit**

When a Member notifies the Administrator of their intention to retire, the Administrator will forward a Benefit Payment Advice for completion.

### **Withdrawal Benefit**

Members withdrawing from the Fund prior to their "preservation age" (see page 2) may be subject to certain Government restrictions regarding access to their benefits.

In general, amounts that must remain preserved cannot be paid in cash. They may, however, be transferred to another regulated superannuation fund.

### **Death Benefit**

In the event of a member's death, the member's legal personal representative, spouse or relative should notify the Administrator as soon as possible.

The Administrator will forward a Benefit Payment Advice form, for completion and return with supporting documentation, e.g. death certificate and proof of age.

## **Lost Member Benefits**

### **Unclaimed Benefits**

In the event of a member reaching Age Pension age and, in the opinion of the Trustee, a benefit is immediately payable and the Trustee has been unable to locate the member, the Trustee is required to forward the benefit to the Office of State Revenue for safekeeping.

### **Eligible Rollover Fund**

An Eligible Rollover Fund (ERF) is a special type of superannuation fund established under the Superannuation Industry (Supervision) Act 1993 to provide a deposit facility for trustees to deal with benefits for lost members and other small deposits which must be protected under Government regulations.

For the purposes of the Fund's operation, the Trustee considers a member to be lost if two items of correspondence have been returned to the Trustee or Administrator unopened.

The Trustee has nominated the Australian Workforce ERF for the purpose of providing a transfer vehicle for lost members, members who have not nominated a Rollover Fund within 90 days of the due date for benefit payment, and other unclaimed monies.

The Australian Workforce ERF can be contacted by writing to:

The Australian Workforce ERF  
GPO Box 1581, SYDNEY NSW 2001  
Phone: (02) 9254 8222 Fax: (02) 9254 8228

It should be noted that the Trustee of the Fund is also the Trustee of the Australian Workforce ERF and, as a result, may receive remuneration for trusteeship of any transferred benefits.



## Who Looks After Your Fund

### About the Trustee

The Trustee of the Fund is Commercial Nominees of Australia Limited (ACN 054 235 853). Commercial Nominees is a specialist Superannuation Trustee company that is an Approved Trustee pursuant to Part 2 of the Superannuation Industry (Supervision) Act 1993. As well as the normal protections available under the Act, the Trustee has effected and maintains in force Professional Indemnity Insurance.

As Trustee, Commercial Nominees will be responsible for the following:

- Preparing the trust document and subsequent amendments;
- Creating the fund;
- Setting an appropriate investment strategy;
- Overseeing all investments and ensuring that they are at arm's length and are allowable within the investment strategy;
- Monitoring, reporting and analysing investment performance of the fund;
- Keeping all compliance and communication documents up to date and available for inspection by the regulatory bodies;
- Ensuring lodgement of APRA and annual returns;
- Ensuring lodgement of tax returns;
- Arranging the auditing of the fund; and
- Payment of death benefits to appropriate dependants.

### About the Administrator

Fund Administrators of Australia Pty Limited is a superannuation administration company that specialises in the administration of small (4 members or less) superannuation funds. As Administrator, Fund Administrators of Australia Pty Limited will provide the following services:

- Establishment of the fund including APRA liaison, tax file number application and establishment of a cash management facility; \*
- Trading capabilities i.e. access to wholesale fund managers, share and fixed interest markets, property, etc;
- Flexible fund design includes the ability to manage accumulation style funds, allocated pensions and complying pensions;
- Calculation and payment of benefits;
- Processing death and disablement claims;
- Processing and investing contributions and transfers;
- Maintaining appropriate records for inspection by regulatory bodies;
- Administering pension payments (if applicable); and
- Reporting transactions and fund performance to the member on a minimum quarterly basis.

## Trust Deed

The PR & VT Marshall Family Superannuation Fund will be established under the Strategy One Master Trust. Copies of the relevant provisions of the Trust Deed are available for inspection at the offices of the Trustee.

This document summarizes a number of the major provisions of the Fund which remains, at all times, governed by the Trust Deed. In the event of any conflict between the terms of this document and the Trust Deed, the provisions of the Trust Deed will prevail.

When joining the Fund, each member agrees to be bound by the provisions of the Trust Deed and Rules of the Fund.

## More Information

If you require more information on the Fund's operation, the Administrator or your Adviser would be happy to assist.

*Family Superannuation Fund*  
**CONTACT DETAILS**

**Trustee**

Commercial Nominees of Australia Limited  
(ACN 054 235 853)

GPO Box 1517  
SYDNEY NSW 2001

Telephone: (02) 9299 9622  
Facsimile: (02) 9299 9406

**Administrator**

Fund Administrators of Australia Pty Limited  
(ACN 090 506 826)

Level 1, 140 Sussex Street  
SYDNEY NSW 2000  
GPO Box 2712  
SYDNEY NSW 2001

Telephone: (02) 9299 4299  
Facsimile: (02) 9299 4155

**Adviser**

Jeff Trimmer  
MBT Management Pty Ltd

4 Rio Vista Avenue  
West Beach SA 5024

Telephone: (08) 8356 7630  
Facsimile: (08) 8355 3416

**Fund**

# THE PR & VT MARSHALL FAMILY SUPERANNUATION FUND DETAILS

Number of Members in Fund     1     2     3     4

Names of Members	1. PETER RICHARD MARSHALL
	2. VALDA THERESE MARSHALL
	3.
	4.

Name and Address of Adviser:	JEFF TRIMMER - MBT Mgt P/L		
	4 RIO VISTA AVE WEST BEACH SA 5024		
Telephone:	0412 794 385	Facsimile:	(08) 8355 3416

Do you want your own Accountant or Commercial Nominees' appointee to audit and prepare tax returns for your Fund?    Yes     No  (CNA's appointee)

If Yes, please provide details of your Accountant

Name			
Address			
Telephone:		Facsimile:	

### Declaration – all applicants for membership to sign

Before you sign this application form, the Trustee or financial adviser is obliged to give you a 'Key Features Statement' (which is a summary of important information relating to the fund). The Key Features Statement will help you to understand the product and decide if it is appropriate to your needs.

- I/we have read the attached Key Features Statement.
- I/we apply to become a Member of the Fund and agree to be bound by the provisions of the Trust Deed and the Rules of the Fund (as amended to date and as may be amended in the future).
- I/we understand that if I have included Death and/or TPD insurance, the cost of the insurance will be deducted from my Member account.
- I/we understand that neither Commercial Nominees of Australia Limited ACN 054 235 853 nor any other company associated with the management of the Fund guarantees the capital or the performance of any available investment strategy unless otherwise stated in writing.
- I/we undertake to do all things required by the Trustee to ensure that my participation in the Fund complies with relevant legislation or regulations applicable to Superannuation Funds, and authorise the Trustee to release information concerning my superannuation entitlements to my adviser until further notice.
- I/we declare that all the details given in this application and in the attached Members Details form are true and complete.

I/we agree to the Adviser's remuneration:

Contribution Charge: ██████ % Service Fee: ██████ %

*Amended at the request of the submitter 3/5/01  
Probit*

Signature *P Marshall* Date 5/7/00    Signature *Val Marshall* Date 5/7/00

Signature \_\_\_\_\_ Date \_\_\_\_\_    Signature \_\_\_\_\_ Date \_\_\_\_\_



# THE PR & VT MARSHALL FAMILY SUPERANNUATION FUND

**Member**

## Section 1 - Member Details

Name of Member:  Mr  Mrs  Ms  Dr

Surname: MARSHALL

Given Names: VALDA THERESE D.O.B: 25.10.46

Address of Member: 22 ROMILLY AVE  
MANNINGHAM SA 5086  
 Telephone: [REDACTED] Facsimile:

Occupation: BANK OFFICER  
 Status of "Gainful Employment" (if applicable):  Full-time self-employed or employee  
 Part-time self-employed or employee for ..... hours per week  
 Employer Sponsors contributing to this Fund (if any): N/A  
 Name: Address: ACN:

## Section 2 - Tax File Number (TFN) Notification

The Trustee is required to tell you the following things before you provide your TFN to the Trustee. Your TFN is confidential, and you should know the following things before you decide to provide it:

- The Trustee can collect your TFN under the Superannuation Industry (Supervision) Act 1993;
- If you provide your TFN to the Trustee, it will be used only for legal purposes. This includes finding or identifying your superannuation benefits where other information is insufficient, calculating tax on any eligible termination payment you may be entitled to, and providing information to the Commissioner of Taxation. These purposes may change in the future;
- It is not an offense to choose not to quote your TFN, but if you don't tell the Trustee your TFN, either now or later, you may pay more tax on your benefits than you have to (you may reclaim this through the income tax assessment process). It may also be more difficult to find your benefits in the future to pay you any superannuation benefits you are entitled to, or to amalgamate or find any other benefit for you. These consequences may change in the future;
- If you provide your TFN to the Trustee, we may provide it to any other superannuation fund to which your benefits are transferred in the future. The Trustee won't pass your TFN to any other fund if you advise in writing that you don't want it passed on. The Trustee may also give it to the Commissioner of Taxation.

My TFN is [REDACTED]

*Amended at the request of the submitter 3/5/01 Robby*

## Section 3 - Investment Choice

Investment Strategy Selected - see page 7

Conservative  Mildly Aggressive  Aggressive

10% minimum requirement to cover liquidity for taxes, fees, insurance etc

OR

Specific Investment Strategy:

Aust Equity	..10... % to ..30... %	Aust Fixed Interest	..0... % to ..... %
Offshore	..10... % to ..30... %	Property	..0... % to ..... %
Cash*	...5... % to ..10... %	Other	..0... % to ..50... %

\* 10% minimum requirement to cover liquidity for taxes, fees, insurance etc



## Section 4 - Nomination of Dependant(s)

This form is to help the Trustee decide who should receive any benefit payable from the Fund in the event of your death. It is not binding on the Trustee but your wishes will be followed where possible. The Trustee has discretion over the payment of your death benefits, but under the Fund Deed governing the Fund, it can be paid only to or for the benefit of your wife, husband, children or some other person determined to be validly entitled to the benefit. If your circumstances change, you should notify the Trustee.

### To the Trustee - Strictly Confidential

I am aware that in the event of my death whilst a member of the Fund, the benefit provided under the Deed is payable at the Trustee's discretion to one or more of my dependents or, where I have no dependents, to my estate, or such other person as the Trustee determines to be validly entitled to the benefit. In such an event, it would be my wish that the benefit be paid to the person/s nominated below in the proportions shown. I understand that it is a statement of my personal preferences only and that it is in no way binding on the Trustee.

Full Name	Date of Birth	Relationship to Member	Percentage of Benefit*
PETER RICHARD MARSHALL	14.4.45	SPOUSE	100%

\*must add to 100%

i. My request to the Trustee (see above)	<input checked="" type="checkbox"/> Pay a lump sum to my dependants.
	<input type="checkbox"/> Pay a reversionary pension to my dependants.
	<input type="checkbox"/> Pay _____% of my benefit as a lump sum and the remainder as a reversionary pension to my dependants.

## Section 5 - Declaration and Signature

I declare that the details given in this form are true and correct

Signature	<u>Val Marshall</u>	Date	<u>5/7/00</u>
-----------	---------------------	------	---------------



# THE PR & VT MARSHALL FAMILY SUPERANNUATION FUND

**Member**

## Section 1 - Member Details

Name of Member :	<input checked="" type="checkbox"/> Mr	<input type="checkbox"/> Mrs	<input type="checkbox"/> Ms	<input type="checkbox"/> Dr
Surname:	MARSHALL			
Given Names:	PETER RICHARD		D.O.B:	14.4.45
Address of Member:	22 ROMILLY AVE			
	MANNINGHAM SA 5086			
	Telephone:	[REDACTED]	Facsimile:	
Occupation:	SA POLICE OFFICER - RETIRING 7/2000			
Status of "Gainful Employment" (if applicable)	<input checked="" type="checkbox"/> Full-time self-employed or employee <input type="checkbox"/> Part-time self-employed or employee for ..... hours per week			
Employer Sponsors contributing to this Fund (if any)	Name:			
	Address:			
	ACN:			

## Section 2 - Tax File Number (TFN) Notification

The Trustee is required to tell you the following things before you provide your TFN to the Trustee. Your TFN is confidential, and you should know the following things before you decide to provide it:

- The Trustee can collect your TFN under the Superannuation Industry (Supervision) Act 1993;
- If you provide your TFN to the Trustee, it will be used only for legal purposes. This includes finding or identifying your superannuation benefits where other information is insufficient, calculating tax on any eligible termination payment you may be entitled to, and providing information to the Commissioner of Taxation. These purposes may change in the future;
- It is not an offense to choose not to quote your TFN, but if you don't tell the Trustee your TFN, either now or later, you may pay more tax on your benefits than you have to (you may reclaim this through the income tax assessment process). It may also be more difficult to find your benefits in the future to pay you any superannuation benefits you are entitled to, or to amalgamate or find any other benefit for you. These consequences may change in the future.
- If you provide your TFN to the Trustee, we may provide it to any other superannuation fund to which your benefits are transferred in the future. The Trustee won't pass your TFN to any other fund if you advise in writing that you don't want it passed on. The Trustee may also give it to the Commissioner of Taxation.

My TFN is [REDACTED]

*Amended at the request of the submitter 3/5/01 [Signature]*

## Section 3 - Investment Choice

Investment Strategy Selected - see page 7

Conservative  Mildly Aggressive  Aggressive

10% minimum requirement to cover liquidity for taxes, fees, insurance etc

OR

### Specific Investment Strategy:

Aust Equity	...10...% to ...30...%	Aust Fixed Interest	....0...% to .....%
Offshore	...10...% to ...30...%	Property	....0...% to .....%
Cash*	...5...% to ...10...%	Other	....0...% to ...50...%

\* 10% minimum requirement to cover liquidity for taxes, fees, insurance etc



## Section 4 - Nomination of Dependant(s)

This form is to help the Trustee decide who should receive any benefit payable from the Fund in the event of your death. It is not binding on the Trustee but your wishes will be followed where possible. The Trustee has discretion over the payment of your death benefits, but under the Fund Deed governing the Fund, it can be paid only to or for the benefit of your wife, husband, children or some other person determined to be validly entitled to the benefit. If your circumstances change, you should notify the Trustee.

### To the Trustee - Strictly Confidential

I am aware that in the event of my death whilst a member of the Fund, the benefit provided under the Deed is payable at the Trustee's discretion to one or more of my dependents or, where I have no dependents, to my estate, or such other person as the Trustee determines to be validly entitled to the benefit. In such an event, it would be my wish that the benefit be paid to the person/s nominated below in the proportions shown. I understand that it is a statement of my personal preferences only and that it is in no way binding on the Trustee.

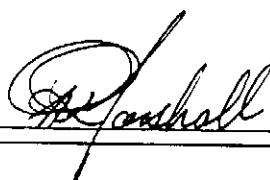
Full Name	Date of Birth	Relationship to Member	Percentage of Benefit*
VALDA THERESE MARSHALL	25.10.46	SPOUSE	100%

\*must add to 100%

i. My request to the Trustee (see above)	<input type="checkbox"/> Pay a lump sum to my dependants.
	<input checked="" type="checkbox"/> Pay a reversionary pension to my dependants.
	<input type="checkbox"/> Pay _____% of my benefit as a lump sum and the remainder as a reversionary pension to my dependants.

## Section 5 - Declaration and Signature

I declare that the details given in this form are true and correct

Signature		Date	5/7/00
-----------	---	------	--------



22 Romilly Ave  
MANNINGHAM SA 5086

7.7.2000

Fund Administrators of Aust Pty Ltd  
GPO Box 2712  
SYDNEY NSW 2001

The P R & V T Marshall Family Sup'n Fund - member P R Marshall

This confirms my retirement as from 14/07/2000 Therefore I wish to  
commence receipt of an Allocated Pension income stream as from 14/08/2000.


Would you kindly pay me a monthly gross amount of \$150 and credit the net  
amount by automatic payment to the following account.

[REDACTED]

This amount falls within the accepted range of minimum/maximum PVF.

My Annuity & Superannuation Pension Declaration is enclosed. Please direct  
any queries you may have initially to my adviser, Mr Jeff Trimmer (08-8356  
7630).

Thank you



PETER R MARSHALL

*Amended at the  
request of the  
submitter  
3/5/01  
C. [Signature]*



# OAK BREEZE PTY LIMITED

## NOTICE TO MEMBERS

Mr P & Mrs V Marshall  
Pr & Vtmarshall Family Superannuation Fund  
22 Romilly Avenue  
MANNINGHAM SA 5086

9 March 2001

## APPOINTMENT OF NEW TRUSTEE

On 13 February 2001, Oak Breeze Pty Limited, ACN 095 333 743, was appointed acting trustee of a number of superannuation funds by the Australian Prudential Regulation Authority ('APRA') under section 134 of the Superannuation Industry (Supervision) Act 1993, in place of Commercial Nominees of Australia Limited ('CNA'), who has been removed as trustee by APRA. The Pr & Vtmarshall Family Superannuation Fund is one of the superannuation funds covered by this appointment.

A copy of the notice of appointment is enclosed.

### *Why was the former trustee replaced?*

APRA has revoked the approved trustee status of the former trustee, so there was a need to appoint another trustee in its place. In addition, there appear to have been some breaches of the former trustee's duties regarding the investments of some members' funds.

APRA is the government body responsible for the prudential supervision of banks, life and general insurance companies and superannuation funds.

The new trustee is totally independent from the management of the investment vehicles and will be acting purely in the interests of the fund members.

### *Who is the new trustee?*

Oak Breeze Pty Limited is a company established specifically for the purpose of acting as a trustee of superannuation funds. It operates solely in this capacity and has no other activities. The two directors of the new Trustee are: Peter Hedge, Partner, PricewaterhouseCoopers, a chartered accountant and expert on insolvency and business recovery; and Peter Williamson, Director, PricewaterhouseCoopers, an actuary and superannuation expert.

### *What is the role of the new trustee?*

The new trustee, being an acting trustee, is required under its terms of appointment to prepare and give to APRA, within 90 days of its appointment, a plan setting out the course of action for the management of the fund that the new trustee considers would be in your best interests.

Oak Breeze Pty Ltd  
ACN 095 333 743  
c/- PricewaterhouseCoopers  
Darling Park Tower 2  
201 Sussex Street  
GPO BOX 2650  
SYDNEY NSW 1171  
Telephone 61 2 8266 5423  
Facsimile 61 2 8266 9999

*Incorrect  
Letter Recd.  
Jeff Trimmer  
Following up.*

### *What immediate action will the new trustee take?*

The new trustee directors will:

- implement the necessary controls to ensure the members' assets are professionally managed; and
- establish what the financial position of the fund is.

Annual statements and annual reports to members are likely to be delayed, and we will be working to have these brought up to date as soon as possible. We will write to you once we are in a position to give some indication of when you can expect to receive this information.

The trustee directors will also keep all members and APRA informed on a regular basis.

### *Can I withdraw my funds?*

Not at this stage, because some of the investments in some funds administered by the former trustee are impaired. On the information available to us at present, your fund does not appear to be directly affected by investments in impaired assets, however we need to ensure that this is the case. Except for necessary transactions, all payments are frozen until the position of the fund is clarified. The new trustee directors expect to be in a position to report to members by 14 May 2001, the date they are required to report to APRA under the terms of their appointment.

### *You will be kept informed*

We will keep you informed of our progress.

You may see the latest updates and the progress reports on our review from a special internet website that has been established for this purpose. Any questions about the role of the new trustee should be addressed in writing to the address below.

### *Contact details*

*Mail address* Mr Peter Williamson  
Oak Breeze Pty Ltd  
c/- PricewaterhouseCoopers  
GPO Box 2650  
Sydney NSW 1171

*Phone* (02) 8266 5423

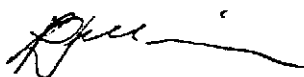
*Fax* (02) 8266 9999

*Website* [www.pwcrecovery.com](http://www.pwcrecovery.com)

Click on 'Case Information', then 'Case Documents', then click on the Strategy One link.



Peter Hedge  
Director, Oak Breeze Pty Limited



Peter Williamson  
Director, Oak Breeze Pty Limited



*Superannuation Industry (Supervision) Act 1993*

**APPOINTMENT OF ACTING TRUSTEE**

I, William Maston Gole, a delegate of the Australian Prudential Regulation Authority, under subsection 134(2) of the *Superannuation Industry (Supervision) Act 1993* (the "Act"), APPOINT Oak Breeze Pty Ltd ACN 095 333 743 of 201 Sussex Street, Sydney, NSW 2000 (the "Acting Trustee") to act as the acting trustee of each of the superannuation entities specified in Schedule 1.

Under section 135 of the Act I DETERMINE that the terms and conditions of the appointment of the Acting Trustee are those that are set out in Schedule 2.

Dated: 13 February 2001

A handwritten signature in cursive script that reads "Bill Gole".

.....  
William Gole  
General Manager  
Co-ordination, Rehabilitation and Enforcement  
Specialised Institutions Division

**SCHEDULE 2**  
**TERMS AND CONDITIONS OF APPOINTMENT**

1. The Acting Trustee need not be approved as a trustee for the purposes of the Act.
2. The Acting Trustee must not use or disclose any information relating to the affairs of a fund except for the purpose of performing its functions as Acting Trustee
3. Despite anything contained in the governing rules of a fund, the Acting Trustee's fees are to be paid out of the fund.
4. If the Acting Trustee believes that any action is necessary that would breach, or exceed its authority under, the governing rules of a fund, the Acting Trustee must:
  - (a) inform the Australian Prudential Regulation Authority in writing immediately; and
  - (b) must not take the action without the Australian Prudential Regulation Authority's written approval.
5. The Acting Trustee must, within 90 days after the date of this instrument, prepare, and give to the Australian Prudential Regulation Authority, a plan setting out the course of action in respect of the management of each fund that the Acting Trustee considers would be in the best interests of its members.
6. The Acting Trustee is to be indemnified out of a fund in relation to any expenses properly incurred by it in the course of the performance of its functions as Acting Trustee of the fund.
7. The Acting Trustee may pay out of a fund any debt incurred by the former trustee in relation to the fund, provided that the Acting Trustee is satisfied that:
  - (a) the debt was properly incurred;
  - (b) the creditor to whom the debt is owed would be entitled, under the general law, to be indemnified out of the fund; and
  - (c) it is in the best interests of the members of the fund to pay the debts.

AGIC

trustee

- > of the ECMT" AFTER honouring our full cash balance PLUS interest.
- > Please advise us at your earliest convenience as this financial worry is
- > causing considerable distress to our family.

>

> Yours truly

>

> Peter and Val Marshall.

>

> —Original Message—

- > From: Megan Cassidy <[Megan.Cassidy@asic.gov.au](mailto:Megan.Cassidy@asic.gov.au)>
- > To: Peter and Val Marshall <[prvt@picknowl.com.au](mailto:prvt@picknowl.com.au)>
- > Date: Friday, 23 February 2001 9:44
- > Subject: Re: Commercial Nominees of Australia Ltd.,

>

>

>

> Dear Mr and Mrs Marshall,

>

- > I apologise for not contacting you in writing sooner. A letter will be on
- > its way to you today enclosing recent media releases in relation to this
- > matter.

>

- > ASIC is still investigating this matter with a view to identifying any
- > breaches of the laws we administer. ASIC is not taking steps to "compel"
- > CNA to take particular action. ASIC does not have powers in this regard
- > until the conclusion of an investigation. It is also not clear as yet
- > whether such action will be appropriate or even available to ASIC under
- the
- > law.

>

> You may wish to seek your own legal advice in the meantime in this regard.

>

- > If you wish to discuss this matter, please feel free to contact me on 9911
- > 2128.

>

> Yours faithfully

>

> Megan Cassidy  
> Complaints Management Program

>

>

>

>

>

> "Peter and Val Marshall" <[prvt@picknowl.com.au](mailto:prvt@picknowl.com.au)> on 22/02/2001 07:55:20

>

> To: <[megan.cassidy@asic.gov.au](mailto:megan.cassidy@asic.gov.au)>

> cc:

> Fax to:

> Subject: Commercial Nominees of Australia Ltd.

27/02/01



**ASIC**

Australian Securities & Investments Commission

New South Wales Regional Office  
No. 1 Martin Place, Sydney  
GPO Box 9827 Sydney NSW 2001  
DX 653 Sydney

Telephone: (02) 9911 2200  
Facsimile: (02) 9911 2333

Our Reference: 29115/00  
Your Reference:

12 January 2001

Peter Richard & Valda Therese Marshall  
22 Romilly Avenue  
MANNINGHAM SA 5086

Dear Sir

**RE: COMMERCIAL NOMINEES OF AUSTRALIA LIMITED (ACN 054235853) and ENHANCED CASH MANAGEMENT TRUST (ACN 095145494)**

Further to our letter in relation to Commercial Nominees of Australia Limited ("CNA"), which is the trustee of your superannuation fund.

Australian Securities and Investment Commission ("ASIC") has been advised that some or all of the assets of your superannuation fund have been invested in the Enhanced Cash Management Trust ("ECMT"). We have also been advised of the current suspension of redemptions from the ECMT.

ASIC is liaising with the Australian Prudential Regulation Authority ("APRA") in relation to the matter generally. APRA is the primary Regulator of trustee duties and prudential management of superannuation funds under the Superannuation Industry (Supervision) Act, 1993. Generally ASIC regulates disclosure issues under this legislation.

At this stage, ASIC is conducting inquiries into the matter to determine whether a contravention has occurred pursuant to the Corporations Law or Law administered by ASIC.

If you have not already done so, please forward us copies of all communications, including disclosure documents, between you or your superannuation fund and:

12 January 2001

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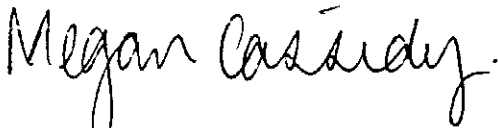
- a) CNA;
- b) the administrator of the superannuation fund; and
- c) your financial adviser,

in relation to the investment of the superannuation fund generally.

The issues you have raised are currently being considered and a reply will be sent to you in due course.

If you have any additional information to provide, please contact the writer on (02) 9911 2227. We thank you for bringing this matter to the attention of ASIC.

Yours faithfully



**Megan Cassidy**  
**Complaints Management Program**



**ASIC**

Australian Securities & Investments Commission

Our Reference: 29115/00

New South Wales Regional Office  
No. 1 Martin Place, Sydney  
GPO Box 9827 Sydney NSW 2001  
DX 653 Sydney

04 December 2000

Telephone: (02) 9911 2200  
Facsimile: (02) 9911 2333

Peter Richard & Valda Therese Marshall  
22 Romilly Avenue  
MANNINGHAM SA 5086

Dear Mr & Mrs Marshall

**COMMERCIAL NOMINEES OF AUSTRALIA LIMITED ( ACN 054235853)  
and ENHANCED CASH MANAGEMENT TRUST ( ACN 095145494)**

Thank you for your facsimile of 30<sup>th</sup> November 2000 about the above named entities.

The Australian Securities and Investments Commission ("ASIC") has been advised of the current suspension of the Enhanced Cash Management Trust.

At this stage, ASIC is conducting inquiries into the matter to determine whether a contravention has occurred pursuant to the Corporations Law or a Law administered by ASIC. No decision has been reached as to whether ASIC will commence an investigation or not.

In the interim I can only recommend that you remain in contact with the company, Commercial Nominees of Australia Limited, as to the status of the trust.

ASIC appreciates the effort you have made to bring this matter to our attention.

If you have any further questions in relation to this matter please contact the writer on (02) 9911 2109 or by email to "[thomas.transfield@asic.gov.au](mailto:thomas.transfield@asic.gov.au)".

Yours sincerely

*Thomas Transfield*

Thomas Transfield  
Complaints Management Program







**ASIC**

Australian Securities & Investments Commission

New South Wales Regional Office  
No. 1 Martin Place, Sydney  
GPO Box 9827 Sydney NSW 2001  
DX 653 Sydney

Telephone: (02) 9911 2200  
Facsimile: (02) 9911 2333

Our Reference: 29115/00

04 December 2000

Mr Peter Richard & Mrs Valda T Marshall  
22 Romilly Avenue  
MANNINGHAM SA 5086

Dear Sir/Madam

**COMMERCIAL NOMINEES OF AUSTRALIA LIMITED, ENHANCED  
INCOME TRUST, ENHANCED EQUITY FUND, ENHANCED CASH  
MANAGEMENT TRUST, and STRATEGIC INVESTMENTS TRUST**


I refer to your facsimile letter of 30 November 2000 in regard to the above named company/organisations.

The issues raised in your letter are currently being considered and a reply will be sent to you as soon as possible.

If you have any additional information to provide, please contact Thomas Transfield on (02) 9911 2109.

Thank you for bringing this matter to the attention of the Australian Securities and Investments Commission.

Yours faithfully

  
**Annabel Manlutac**  
Complaints Management Program





**ASIC**

Australian Securities & Investments Commission

New South Wales Regional Office  
No. 1 Martin Place, Sydney  
GPO Box 9827 Sydney NSW 2001  
DX 653 Sydney

Telephone: (02) 9911 2200  
Facsimile: (02) 9911 2333

Our Reference: 28187/00

23 February 2001

Mr and Mrs Marshall  
22 Romilly Avenue  
Manningham SA 5086

Dear Sir/ Madam

**RE: COMMERCIAL NOMINEES OF AUSTRALIA LIMITED ( ACN  
054235853) and ENHANCED CASH MANAGEMENT TRUST ( ACN  
095145494)**

I refer to my previous correspondence in relation to this matter.

I write to inform you that ASIC has recently taken steps and ensured that a new trustee has been appointed to the Trust. I enclose a copy of ASIC's media release in relation to this matter.

I also enclose a copy of APRA's recent media release in relation to the affairs on Commercial Nominees of Australia Limited.

ASIC is in the process of investigating this matter with a view to determining whether any breaches of the laws administered by ASIC have occurred.

In the meantime if you have any further questions in relation to this matter please contact Megan Cassidy on (02) 9911 2128.

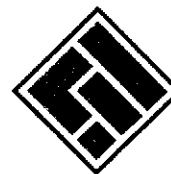
Yours faithfully

**Megan Cassidy**  
**Complaints Management Program**

Encl:

1. Media release 01/041 dated 13 February 2001.
2. Media release 01.03 dated 14 February 2001

# MEDIA RELEASE



ASIC

Australian Securities &  
Investments Commission

Tuesday 13 February 2001

01/041

## ASIC ACTS TO PROTECT INVESTORS IN COMMERCIAL NOMINEES

Mr David Knott, Chairman of the Australian Securities and Investments Commission (ASIC), today announced a number of steps taken in the interests of investors to maximise their returns in two trusts and an equity fund promoted by Commercial Nominees Australia Limited (Commercial Nominees).

'In what may well be a significant case of misconduct in the superannuation industry, Commercial Nominees has constructed a complex web of investment structures. ASIC is concerned that inappropriate investments have been made which may threaten superannuation benefits and other returns on investments', Mr Knott said.

The investments that have caused concern lacked liquidity and were potentially risky, they included investments in mushroom farms.

'ASIC has acted to ensure that investors' interests are protected and their returns maximised by achieving the appointment of a receiver for one trust and a new trustee for two other related trusts', Mr Knott said.

Commercial Nominees:

- is the trustee of approximately 500 small do-it-yourself superannuation funds;
- was, until December 2000, the trustee of three public-offer superannuation funds;
- is the trustee of Confidens Investment Trust (CIT), a members discretionary 'master fund' that allows investors to direct the trustee to make individual investments on their behalf; and
- is the trustee of two trusts, the Enhanced Cash Management Trust (ECMT) and the Enhanced Equity Fund (EEF).

ASIC commenced its investigation of Commercial Nominees in December last year, following discussions with the Australian Prudential Regulatory Authority (APRA) and the receipt of investor complaints.

To date ASIC's investigation has revealed that more than \$15 million has been invested in ECMT and \$10 million in EEF. It appears that the assets of both trusts are severely impaired.

Commercial Nominees has written down assets in EEF to nil, and the assets in ECMT to the cash currently held in their bank account, which is approximately \$2.7 million.

However, ASIC anticipates there may be a change in the value of these assets following their assessment by the new trustee.

It appears that some 230 of the 500 do-it-yourself superannuants have invested approximately \$12 million in ECMT. CIT investors are less exposed; of the approximately \$29 million total funds invested, their exposure is \$2.1 million.

ASIC has obtained orders for Max Prentice of Prentice Parbery Barilla to be appointed as receiver over the assets of CIT. He has been appointed to conduct the orderly winding down of CIT in the interests of all members.

Mr Prentice will write to all investors in CIT and will also consult with them at a meeting scheduled for 9.30 a.m. on Tuesday, 20 February at the NSW State Library. Investors will be advised of his course of action and will have the opportunity to provide him with further information.

Another concrete step that ASIC has taken is to facilitate the appointment of Ferrier Hodgson Management Services Pty Ltd as the new trustee of ECMT and EEF. This was done in consultation with the unit holders in ECMT, including Commercial Nominees.

Mr Peter Walker of Ferrier Hodgson, who is a registered liquidator, will work with ASIC to maximise the recovery of assets to both ECMT and EEF. He will also meet with investors.

'ASIC is continuing its investigation into Commercial Nominees and expects to take further action. While ASIC is not the primary regulator in superannuation, we work closely with APRA whenever misconduct is suspected and are doing so in this case', Mr Knott said.

'Investigators are continuing to determine whether there has been any breach of the Corporations Law warranting enforcement action. Unsuccessful or inappropriate investments are not, of themselves, sufficient grounds for action by ASIC but might provide grounds for action by APRA', he said.

All investors wishing for further information can call ASIC's special hotline on **02 9911 2130**.

Investors in CIT can call Jason Porter or Michelle Bourne of Prentice Parbery Barilla on **02 9233 4955** and investors in ECMT and EEF can call Peter Walker of Ferrier Hodgson Management Services on **02 9286 9808**.

**For further information contact:**

**Jan Redfern**  
**General Counsel, NSW**  
**Telephone: 02 9911 2191**  
**Mobile: 0411 119 210**

**Kate Harvey**  
**ASIC Media Unit**  
**Telephone: 02 9911 2097**  
**Mobile: 0401 985 966**

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# APRA revokes trustee approval

Wednesday, 14 February 2001

No: 01.03

Embargo: For Immediate Release

The Acting Minister for Financial Services and Regulation, Senator Hon Rod Kemp, yesterday announced that he had given consent for the Australian Prudential Regulation Authority (APRA) to revoke the approval of Commercial Nominees of Australia Ltd as an approved trustee for the purposes of the Superannuation Industry (Supervision) Act 1993 and to remove Commercial Nominees of Australia Ltd as trustee of some 500 small APRA superannuation funds.

Last year APRA appointed an independent financial investigator, Pricewaterhouse Coopers, to three superannuation funds and they reported to APRA in November 2000. As a result of that investigation, APRA replaced Commercial Nominees of Australia as trustee of the Australian Workforce Eligible Rollover Fund, Midas/Miden Group Superannuation Fund and Network Superannuation Fund in December 2000.

These superannuation funds were found to have significant exposures to impaired assets through two unit trusts. The unit trusts were found to be illiquid. APRA's investigations have also revealed significant exposures to these impaired assets by many of the small superannuation funds of which Commercial Nominees of Australia Ltd was the approved trustee. APRA moved to revoke the approval of Commercial Nominees of Australia Ltd as an approved trustee. That approval was revoked today.

As a result of that revocation, APRA replaced Commercial Nominees of Australia Ltd as trustee of some 500 small APRA funds.

APRA has been working closely with ASIC in its investigations into the affairs of Commercial Nominees of Australia Ltd and will continue to do so.

For further information:  
Gloria Peterson  
Public Affairs Manager  
02 9210 3385

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[Go to the top of the page](#)



**ASIC**

Australian Securities & Investments Commission

**Facsimile**

To: Val MARSHALL  
Fax: 0883006666  
Date: 20/11/2000 09:40:12  
Pages: 6 including cover page.  
The Attachments: Complaints form

From: Vanessa Power  
Fax: 03 5177 3749  
Phone: 1300 300 630  
File ref. 382376



**ASIC**

Australian Securities & Investments Commission

**Complaints form**

**FAXED**

Original Contact 1 Dec 00.

30<sup>th</sup> November, 2000

ASIC NSW Operations  
Complaints Unit  
GPO Box 9827  
Sydney NSW 1042  
Fax (02) 9911 2279

Peter Richard Marshall  
Valda Therese Marshall  
22 Romilly Avenue  
MANNINGHAM S.A. 5086  
Phone: 08 8261 7884.  
Mobile: 04188 12375

Dear Sir/Madam,

On the 20<sup>th</sup> November I (Valda Marshall) spoke to Vanessa Power of ASIC who faxed through the complaint process flow. On Vanessa's advice on the 20<sup>th</sup> November I also contacted the Directors listed below in relation to this complaint hoping for a speedy resolve to our answers in writing. Ten days have now elapsed, the following are details from your complaint flowchart.

1.

About the Company.

Commercial Nominees of Australia Limited

Level 1, 140 Sussex Street, Sydney. NSW 2000. Telephone 02 9299 9622. Fax 02 9299 9406.

Directors and Trustee of the Enhanced Cash Management Trust (ECMT)

Damian Turier, 02 9254 8223

Richard Rudenko 02 9254 8205.

CNA

Superannuation Accounting Manager of the CAN Approved Superannuation Trustee  
Campbell Simpson.

ABN 24 054 235 853.

**2. When did the events which led to your complaint happen.**

Initial knowledge that something may have been wrong.

Phone message left to return a call to Damian Turier Friday 10<sup>th</sup> November, 2000.

Peter Marshall returned call to Damian leaving message on voice mail Monday 13<sup>th</sup> November, 2000.

This call was not returned to us.

Letter received by us from Damian Turier on Friday 17<sup>th</sup> November, 2000 dated 15<sup>th</sup> November.

\* Letter stated monthly payment of \$150.00 as arranged from ECMT was to cease until some investigation was concluded. (See attached)

\* From Allocated Pension income stream.

\* Note: Only 3 payments received to date

August.  
Sept.  
Oct.

1 x 18 pages.

1/1



3. Tell us what happened.

A Licensed Dealer in Securities assisted us with a retirement financial package to suit Peter Marshall's retirement from the SA Police Force.

Authorised Representative:

Jeff Trimmer, 4 Rio Vista Avenue, West Beach, 5024. ABN 27 007 266 391.  
CAN 007 266 391. Phone: 08 8356 7630.

2/3<sup>rd</sup>'s Police Pension. 1/3<sup>rd</sup> to be invested with Commercial Nominees of Aust Ltd.  
From the 26<sup>th</sup> July, 2000.

From the amount placed in the ECMT at all times it was told to us that it was in cash at bank Cash management trust account. The possibility of using this in the future for a car purchase was the reason.

We also placed an amount in the Adelaide Bank Cash Management Trust Account knowing this was cash availability at any time.

From the ECMT account an amount of \$150.00 monthly was agreed upon to be transferred to us to supplement the police pension payment for living expenses.

x \$150  
Allocated  
Pension

Please see attached letters stating breakdown:

Mr Marshall,

DOB 14/4/45

Undeducted contributions

\$36,186.06

Mrs Marshall

DOB 25/10/46

Undeducted contributions

\$80,000.00

Total funds: \$116,186.06

On the 20<sup>th</sup> November, 2000 I (Vaida) left voice messages on both Directors phone numbers at 9.23am. I had spoken to Vanessa Power at 9.00am.

At 9.50am Damian returned my call to my place of work, Adelaide Bank.

The conversation was rushed, jargon was used by Damian, stating there was a large problem at the moment however it would be resolved within a week.

Unfortunately we would lose money as the ECMT account's problem would reflect our holdings.

When I mentioned I worked for a bank with funds in a Cash Management Account, Damian commented:

"I don't want to insult your intelligence, but CMT accounts value do decrease-investments drop".

I continued to state that the funds were Cash at Bank, how could this be.  
I received a quick, "bye" and he hung up.

I did not feel secure after this conversation.

My husband and myself then referred this to Jeff Trimmer.

Mr Trimmer has attempted to seek answers to no avail. Mr Trimmer sent an email as to the total funds deposited to the Company by us and seeking reassurance by them in writing that all was okay.

We have waited 10 days from Mr Trimmer's email, (copy attached).

No response by phone, letter or email to us has been received.

We would like this matter investigated, or assistance provided to us on what we should do next to seek clarification, satisfaction and reassurance that our funds are safe and secure.

Yours sincerely,



PETER RICHARD MARSHALL

VALDA THERESE MARSHALL

*Val Marshall*

30.11.00.

19 February 2001

Northern Region  
Telephone: 02 9210 3077  
Facsimile: 02 9210 3300  
E-Mail: earl.burgess@apra.gov.au

Mr & Mrs P & V Marshall  
22 Romilly Avenue  
MANNINGHAM SA 5086

Dear Sir and Madam

**P R & V T MARSHALL FAMILY SUPERANNUATION FUND  
- COMMERCIAL NOMINEES OF AUSTRALIA LIMITED AS TRUSTEE**

Thank you for your letter of 10 February 2001 received by APRA on 16 February 2001.

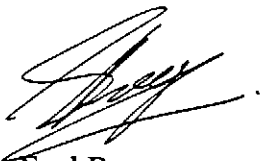
As you would be aware, the Australian Securities and Investments Commission (ASIC) replaced Commercial Nominees of Australia Limited as trustee of the Enhanced Cash Management Trust on Monday 12 February 2001. ASIC announced that Ferrier Hodgson have been appointed the new acting trustees.

I also wish to advise that on Wednesday 14 February 2001, APRA replaced Commercial Nominees of Australia Limited as trustee of all of the small APRA funds which included the P R & V T Marshall Family Superannuation Fund. The acting trustee of your superannuation fund is now Oak Breeze Pty Limited, a wholly owned company of the international accounting firm PricewaterhouseCoopers.

Should you wish to contact Oak Breeze Pty Limited the person to contact is Mr Peter Williamson at PricewaterhouseCoopers in Sydney on (02) 8266 0000.

Should you have queries please do not hesitate to contact me.

Yours sincerely



**Earl Burgess  
Senior Manager  
Rehabilitation & Enforcement  
Specialised Institutions Division**

**COPY**

10<sup>th</sup> February, 2001.

Mr Earl Burgess  
Senior Manager  
Rehabilitation & Enforcement  
Specialised Institutions Division  
APRA-Northern Region  
GPO Box 9836. Sydney. NSW 2001.

Peter Richard Marshall  
Valda Therese Marshall  
22 Romilly Avenue  
MANNINGHAM. S.A. 5086  
Email:prvt@picknowl.com.au  
Ph: 08 8261 7884

Dear Sir

**PR & VT MARSHALL FAMILY SUPERANNUATION FUND  
-COMMERCIAL NOMINEES OF AUSTRALIA LIMITED TRUSTEE**

On receipt of your correspondence dated 2<sup>nd</sup> February, 2001 we hereby provide permission for APRA to use any of the supporting documents that we have supplied to you in any action that marries up with this matter.


Enclosed you will also find a letter from Commercial Nominees of Australia Limited dated 2<sup>nd</sup> February, 2001 that was not on original letterhead but rather a photocopy signed simply by "for The Trustee Manager, Commercial Nominees of Australia Limited. This letter was a request for \$2,000.00 as fee payable for Fund Audit, APRA return Levy and Taxation.

Attached to this letter was confirmation that as at 30<sup>th</sup> June, 2000 the above Family S/Fund did not exist. Also enclosed was confirmation of current holdings as at 31/01/2001 clearly showing CASH AT BANK, \$11,115.16 in the Enhanced Cash Management Trust.

During a phone call on 8<sup>th</sup> February, 2001 to Commercial Nominees Australia Ltd in an attempt to find the individual's name relating to this letter I was referred to Mr John Gillies who told me to refer all correspondence to Mr G Ling.

Mr G Ling has to date not responded to our previous request for information dated 16<sup>th</sup> January, 2001 of which you hold a copy of the letter.

Yours faithfully,

  
PETER RICHARD MARSHALL  
DATE: 10/2/01.

  
VALDA THERESE MARSHALL  
DATE: 10 Feb. 01.

CC: SENATOR JOHN WATSON  
THOMAS TRANSFIELD- ASIC.

Australian Prudential Regulation Authority

APRA

Rec'd 8/2/01.

V82K

P36136 06

= 116136.06

Un-allocated  
19-216

Northern Region  
Telephone: 02 9210 3077  
Facsimile: 02 9210 3300  
E-Mail: earl.burgess@apra.gov.au

2 February 2001

Mr & Mrs P & V Marshall  
22 Romilly Avenue  
MANNINGHAM SA 5086

Dear Sir & Madam

**PR & VT MARSHALL FAMILY SUPERANNUATION FUND  
- COMMERCIAL NOMINEES OF AUSTRALIA LIMITED TRUSTEE**

Thank you for a copy of your correspondence addressed to Senator John Watson dated 18 January 2001 and received by APRA on 25 January 2001.

The Enhanced Cash Management Trust (ECMT) is a unit trust and not a APRA regulated entity, however APRA is pursuing this matter with Commercial Nominees of Australia Limited as a number of unit holders in ECMT are superannuation funds.

It would be appreciated if you would advise whether or not APRA may use any of the supporting documents that you have supplied copies of in any action that marries up with this matter.

In the meantime should you have any further queries please do not hesitate to contact me on the above number.

Yours sincerely



**Earl Burgess  
Senior Manager  
Rehabilitation & Enforcement  
Specialised Institutions Division**

SCd 6/2/01

photo copied  
letterhead



2 February, 2001

Mr P & Mrs V Marshall  
22 Romilly Avenue  
MANNINGHAM SA 5086

Commercial Nominees of  
Australia Limited

Level 1, 140 Sussex Street  
Sydney, NSW 2000  
GPO Box 1517  
Sydney, NSW 2001

Telephone (02) 9299 9622  
Facsimile (02) 9299 9406  
[www.commercialnominees.com.au](http://www.commercialnominees.com.au)

Dear Mr & Mrs Marshall

**PR & VT MARSHALL FAMILY SUPERANNUATION FUND  
IMPORTANT INFORMATION FOR YOUR CONSIDERATION AND ACTION**

**FEE PAYABLE FOR FUND AUDIT, APRA RETURN LEVY & TAXATION.**

The main purpose of this letter is to advise that irrespective of the ECMT suspension your Fund still needs to pay the audit and statutory APRA fees for the year ending 30 June 2000 to ensure your Fund remains a complying superannuation Fund. These fees amount to approximately \$1,000.00 (APRA return \$300.00, Audit fee \$660.00) and are due now. Also following the lodgement of the June 2000 Tax Return next month a further amount as shown on the attached report will be payable.

We recommend that you either redeem \$2,000.00 from other assets within the Fund to meet the above mentioned compliance costs plus the amount of tax payable, or arrange for a contribution to be made. To determine the amount required, add \$2000.00 to the amount shown as Income Tax Payable on the Statement of Financial Position. If the Income Tax figure is negative this means that there is no tax payable by your Fund for the year.

Should your Fund have an amount under Cash at Bank on the attached Asset Register other than Enhanced Cash Management Trust then the amount required to be redeemed can be reduced by this amount. Please take into account periodic pension and/or insurance payments that your Fund may be required to make when determining the amount to be redeemed or contributed.

**Action Required**

Please advise in writing instructions for redemptions or have a contribution reach us by Friday 16 February. This will allow sufficient time for redemptions to occur so that tax payments can be met on time and no late payment fees are levied by the Australian Taxation Office.

A copy of your current Asset holdings are attached and we strongly suggest that you discuss this redemption request with your Financial Advisor before taking any action. All redemption requests should be in writing signed by all members of the Fund.

On the suspension of the ECMT the Trustees opened an individual Macquarie Cash Management Trust account to act as the bank account for your Fund. Please request the

APPROVED SUPERANNUATION TRUSTEE

ABN 24 054 235 853

Macquarie account details if you wish to make a direct contribution to your Fund. Do not deposit any further contributions into the old ECMT.

### GST INFORMATION

You would be aware that from 1 July 2000, the Government introduced the Goods and Services Tax (GST). The GST is a broad-based tax of 10% on most goods and services. Fortunately, superannuation Funds are not directly subject to GST. This means that GST is not payable on any contributions made to the Fund, including rollovers, or on investment earnings credited to your account. GST is also not payable when a benefit is paid from the Fund.

The introduction of the GST, however, has meant that some costs associated with the operation of your Fund have increased, or will increase in the future. This is due to the various service providers used by the Fund having to increase their fees to allow for the GST. When appropriate these GST costs will start to be passed on to your Fund.

### QUARTERLY FUND REPORTING

We apologise that due to the additional administrative work resulting from the reported ECMT issues, CNA will not be producing a September 2000 quarterly report for your Fund. We are working towards the December 2000 report being issued by the end of February 2001.

If you require clarification of any of the above issues please contact the Trustee Manager.

Yours sincerely,



for The Trustee Manager,  
Commercial Nominees of Australia Limited



**PR & VT MARSHALL FAMILY SUPERANNUATION FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE, 2000**

	2000 \$
Total Assets	_____
Net Assets Available to Pay Benefits	_____
Represented by:	_____
Liability for Accrued Benefits	_____

Correct, so  
why this  
letter?

The accompanying notes form part of this financial report



**PR & VT MARSHALL FAMILY SUPERANNUATION FUND**  
**LISTING OF FUND ASSETS AS AT 31/01/2001**

\*\*\*\*\*BALANCE\*\*\*\*\*  
 Units Cost Current

Australia First Life Policy PST	18,875.040000	30,000.00	30,000.00
AM Life Ltd Trustees Pooled Super	27,500.000000	27,500.00	27,500.00
MLM Wholesale International Share Fund	7,603.870000	11,526.42	11,526.42
First State Wholesale Imputation Fund	4,810.289200	12,333.50	12,202.87
Vanguard Australian Shares Index Fund	9,506.887564	12,232.75	12,040.75
Merrill Lynch Wholesale Imputation Fund	6,105.320000	11,282.77	11,225.63

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104,875.44

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104,495.67

Cash at Bank		11,115.16	11,115.16
Enhanced Cash Management Trust		115,990.60	115,610.83

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115,990.60

---

115,610.83

Attention: Jeff Trimmer - Ausfin.  
16.01.01.  
Thomas. Transfield. - ASIC.  
- Regards, Val. Marshall.  
Ref: 29115/00.



Commercial Nominees of  
Australia Limited

11 January 2001

Level 1, 140 Sussex Street  
Sydney, NSW 2000  
GPO Box 1517  
Sydney, NSW 2001

Telephone (02) 9299 9622  
Facsimile (02) 9299 9406

[www.commercialnominees.com.au](http://www.commercialnominees.com.au)

Mr and Mrs P Marschall  
22 Romilly Avenue  
Manningham SA 5086

Dear Mr and Mrs Marshall

**Re: Marshall Family Superannuation Fund**

I refer to your letter dated 5 January 2001 and apologise for my delay in responding.

The various matters surrounding the write down in assets are complex and will take time to unravel and resolve. The new directors of Commercial Nominees of Australia Ltd (CNA) are having your particular issues investigated and will respond as soon as possible.

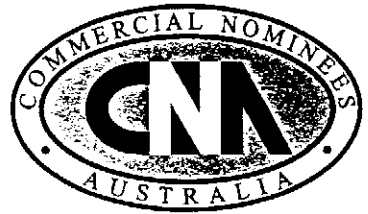
More generally, the underlying frozen investments in the Enhanced Cash Management Trust ("ECMT") are under investigation and the Federal Government Regulators, the Australian Prudential Regulatory Authority (APRA) and Australian Securities Investment Commission (ASIC), are being kept informed.

In order to protect your position, I have instructed a major law firm to initiate action to recover monies from defaulting borrowers of ECMT. Time, however, will be required to determine the extent of funds available and to recover those funds.

I will immediately advise you as and when more information becomes available and I will endeavour to provide a progress report at least monthly. I appreciate your concerns with the current position and request your indulgence in seeking time to clarify matters.

Yours Sincerely

Gary Ling  
Chief Operating Officer



20 December, 2000

Mr P & Mrs V Marshall  
22 Romilly Avenue  
MANNINGHAM SA 5086

Commercial Nominees of  
Australia Limited

Level 1, 140 Sussex Street  
Sydney, NSW 2000  
GPO Box 1517  
Sydney, NSW 2001

Telephone (02) 9299 9622  
Facsimile (02) 9299 9406

[www.commercialnominees.com.au](http://www.commercialnominees.com.au)

Dear Mr & Mrs Marshall

**RE: PROGRESS UPDATE - ENHANCED CASH MANAGEMENT TRUST ("ECMT")**

As previously advised in our letter on the 15th November 2000 the ECMT was frozen from all further activity (ie all redemptions and applications) given serious concerns by the new board of directors as to the liquidity value of the trust and therefore the carrying values of such assets. To that end we have concluded our preliminary review and attach the following;

\* Unaudited statements of position as at 30/06/2000 and provisional write down both in dollars(\$) and percentage terms of the ECMT

\* Directors commentary on the assertions/rational used for the provisional write down

What we wish to make abundantly clear at this point is that the current board of Commercial Nominees of Australia was appointed in early November 2000 and that it has taken every possible step to preserve the current assets of the ECMT. It is also exploring all avenues of recovery action regarding the transactions involved in the ECMT since inception in 1998

Also of importance to note is that the members of the current board have no relationship with any of the former directors/associates of Commercial Nominees of Australia.

Richard Rudenko  
Director  
(02) 9254 8205

Damian Turier  
Director  
(02) 8234 2125

**Statement of position as at**  
**30/6/2000**

Description	Historical values - Prior to provision for write- down	Current 'At call value'
<b><u>Assets</u></b>		
Cheque Account - Colonial	3,113,475.89	3,113,475.89
Trade Debtors	40,717.72	40,717.72
Bank interest receivable	7,542.28	7,542.28
Loans – Confidens Investment Trust	12,193,032.60	12,193,032.60
Loans – Peel Valley Unit Trust	6,103,591.62	0.00
Loans - Equity Enhanced Fund	1,266,197.42	0.00
Loans – Peel Valley Mushrooms Ltd	339,304.54	0.00
Loans – Combined Mushroom Farms Pty Ltd	1,135,882.37	0.00
Loans - Other	1,703,724.03	0.00
Loans (Midway Gardens Partnership) - CNA Limited	411,820.37	411,820.37
Loans (Midway Gardens Partnership) - Equity Enhanced Fund	1,444,405.55	0.00
Loans (Midway Gardens Partnership) - Other	427,539.77	0.00
Loans (Midway Gardens Partnership) - Other	117,202.38	117,202.38
Loans - other	804,209.00	0.00
<b>Total Assets</b>	<b>29,108,645.54</b>	<b>15,883,791.24</b>
<b><u>Liabilities</u></b>		
	12,369,926.89	12,369,926.89
Accrued Expenses - Manager Fees Payable	7,221.06	7,221.06
Accrued Expenses - Trustee Fee Payable	20,237.94	20,237.94
Accrued Expenses - Audit Fee Payable	3,000.00	3,000.00
Accrued Expenses - Expense Provision	24,834.48	24,834.48
<b>Total Liabilities</b>	<b>12,425,220.37</b>	<b>12,425,220.37</b>
<b><u>Net Assets</u></b>	<b>16,683,425.17</b>	<b>3,458,570.87</b>
<b><u>Units issued</u></b>		
	16,646,608.00	16,646,608.00
Provisional unit Price		0.2078
% Write down on a net assets		-79.22%

## COMMENTARY ON THE UNDERLYING ASSETS OF THE ECMT

In determining the current valuations as per 'attachment 1', the directors have made the following assertions to form the basis of these provisional valuations. The directors have placed heavy reliance on the definition of an 'at call cash account' account and what is virtually certain of immediate liquidity within the trust.

The commentary on the various assets will follow those described on the balance sheet for simplicity and may include some grouping of like assets where appropriate.

### Cash at bank

Cheque account held with the Colonial State bank.

*'At call value' - \$ 3,113,476*

### Loan - Confidens Investment Trust

Assets are secured by Cash, listed ASX investments and managed funds. Full value of this loan is deemed virtually certain and is offset with a Colonial State bank loan facility.

*'At call value' - Fully offset by Colonial State bank loan facility*

### Loan - Peel Valley Unit Trust (PVUT)

Assets of the PVUT include Wilberforce and McGrath's Hill mushroom farms. As per the settlement statements the McGrath's Hill farm was purchased for \$4,500,000 and Wilberforce was purchased for \$4,000,000. Both farms have vendor finance to the value of \$2,000,000 each.

Wilberforce Farm is situated at lot 1 Salters Rd Wilberforce with a total land of approximately 4.86 hectares.

As a going concern plant, fittings and chattels were valued at \$2.6mil by a registered independent valuer on 5/5/1999. The valuer assessed the total value of the farm under a forced sale situation at \$900,000. Of this the land value was only \$250,000 and the balance made up of farm buildings and plant and equipment.

McGraths Hill Farm is situated at 101-103 Pitt Town Road McGraths Hill with a total land of approximately 1.25 hectares.

As a going concern plant, fittings and chattels were valued at \$3,230,000 by a registered independent valuer on 5/5/1999. PVUT paid \$4,500,000 for the land and business. The valuer assessed the total value of the farm to be \$3,900,000 as a going concern. The valuer assessed the total value of the farm under a forced sale situation at \$900,000. Of this the land value was only \$200,000 and the balance made up of farm buildings and plant and equipment

Currently PVUT is not able to meet its debts as and when they fall due. This in the main is due to the inability of Combined Mushroom Farms Pty Ltd (CMF) the operators of both farms to pay to PVUT 8% of the property value plus 5% of the gross turnover.

Information obtained from the operators of both farms shows a combined loss for both farms of approx \$2,700,000 over the past 18 months. Given the state of repairs required, substantial cash losses suffered to date and fist mortgage held by the previous vendors there is no virtual certainty of receiving any capital or accrued interest from the PVUT.

*'At call value' – NIL*

### Loans

Loans where the current 'at call' value is NIL, are loans where we have no certainty that the monies borrowed will be repaid. Legal recovery action has been undertaken regarding these loans.

### Midway Gardens Partnership

A total of \$3,540,000 was loaned to various participants to acquire an interest in the Midway Gardens Partnership and also to purchase a parcel of AHC Limited shares.

The partnership is the current owner of Lot 501 Herses Road, Eagleby, Queensland. The land was purchased for approximately \$830,000 and we have since incurred \$56,000 in creditors through AHC and an AHC management fee of \$20,000. The directors have spoken to local real estate agents in Eagleby and present indications are that the land is worth around \$160,000. A valuation undertaken by a registered valuer in February this year indicated the value to be \$1.6m.

### AHC Limited shares

AHC is a publicly listed company on the Australian Stock Exchange. Given the overall market for AHC Ltd shares is **extremely** thin, therefore an immediately realisable value would be what a willing buyer was prepared to purchase (ie volume and price) for the shares. Based on Recent market depth information on the 22/11/2000 this would realise the following:

<u>Volume</u>	<u>Price</u>	<u>Realisable Value (\$)</u>
700	0.49	343
10,000	0.31	3,100
15,000	0.30	4,500
10,000	0.28	2,800
		<u>\$10,743</u>

Given the realisable amount of \$10,743 as compared to the security held of some 1.5Million AHC Ltd shares it seems reasonable on an 'at call' liquidity basis to value the security as nil

### FUTURE ACTION

Apart from instructing our solicitors to commence recovery action for the loans in default we have also instructed our solicitors to proceed with the documentation to have Commercial Nominees of Australia Limited retire as trustee of both the Enhanced Cash Management Trust and the Equity Enhanced Fund and to appoint a new independent trustee to oversee the winding up of both trusts. We will be keeping you informed of the progress of the recovery.



20 December, 2000

Mr P & Mrs V Marshall  
22 Romilly Avenue  
MANNINGHAM S.A. 5086

Commercial Nominees of  
Australia Limited

Level 1, 140 Sussex Street  
Sydney, NSW 2000  
GPO Box 1517  
Sydney, NSW 2001

Telephone (02) 9299 9622  
Facsimile (02) 9299 9406

[www.commercialnominees.com.au](http://www.commercialnominees.com.au)

Dear Mr P & Mrs V Marshall,

**P R & V T MARSHALL FAMILY SUPERANNUATION FUND**

Please find enclosed current listing of non-cash investments as at the 30/9/00 for the above named Superannuation fund.

These assets are being held in safe custody for this fund.

If you have any inquiries regarding this report please direct them through your advisor, Mr Jeff Trimmer.

Yours sincerely,

John Gillies  
Portfolio Accounting Executive.

Cc: Ausfin Management Services Pty Ltd.  
Attn: Mr Jeff Trimmer  
4 Rio Vista Avenue  
WEST BEACH SA 5024

**PR & VT Marshall Family Superannuation Fund**  
**Listing of Non-Cash Investment Holdings as at 30th September 00**

<b>Fund</b>	<b>Opening Units</b>	<b>Sept Distribution</b>	<b>Closing Units</b>
Australia First Life Policy	18875.1400	0.0000	18875.0400
AM Life Ltd Trustees Poles Super	27500.0000	0.0000	27500.0000
First State Wholesale Imputation Fund	4735.1090	19.4849	4754.8939
MLM Wholesale International Fund	7200.1600	0.0000	7200.3600
Vanguard Australian Share Index Fund	9320.1900	87.9706	9408.3606
Merrill Lynch Wholesale Imputation	5951.1900	53.1500	6004.2400



Rcd Fri. 17 Nov. 2000.



15 November, 2000

Commercial Nominees of  
Australia Limited

Level 1, 140 Sussex Street  
Sydney, NSW 2000  
GPO Box 1517  
Sydney, NSW 2001

Mr P & Mrs V Marshall  
22 Romilly Avenue  
MANNINGHAM SA 5086

Telephone (02) 9299 9622  
Facsimile (02) 9299 9406

[www.commercialnominees.com.au](http://www.commercialnominees.com.au)

Dear Mr & Mrs Marshall

**PR & VT MARSHALL FAMILY SUPERANNUATION FUND**

We wish to advise that, as trustee of your superannuation fund, transactions involving an asset of that fund have been temporarily suspended. That asset is the investment in the Enhanced Cash Management Trust (ECMT) of which we are also the trustee.

As trustee of the ECMT, we have temporarily suspended all transactions pending an independent investigation of certain assets of the fund. This suspension, which was effective 7 November 2000, means that at present you are unable to make new contributions, investment switches or take benefit payments from the fund.

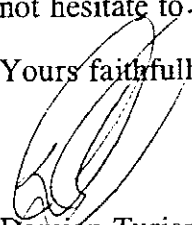
It is anticipated that the investigation into the fund will be completed within the next month, at which time we will advise you of the outcome.


/// However, to enable you to continue making contributions, investment switches and taking benefit payments, we are in the process of opening a new cash management account with Colonial.

/// Once that account is finalised, all investments apart from the ECMT will be re-opened and you will be able to re-commence making contributions, etc.

If you have any questions, or wish to discuss any matters referred to above, please do not hesitate to contact either of the directors listed below.

Yours faithfully,

  
Damian Turier  
Director  
(02) 9254 8223

  
Richard Rudenko  
Director  
(02) 9254 8205

6



22 August, 2000

Commercial Nominees of  
Australia Limited

Level 1, 140 Sussex Street  
Sydney, NSW 2000  
GPO Box 1517  
Sydney, NSW 2001

Mr P & Mrs V Marshall  
22 Romilly Avenue  
MANNINGHAM 5086

Telephone (02) 9299 9622  
Facsimile (02) 9299 9406

[www.commercialnominees.com.au](http://www.commercialnominees.com.au)

Dear Mr & Mrs Marshall

**PR & VT MARSHALL FAMILY SUPERANNUATION FUND**

We hereby confirm the following investment acquisition by the abovenamed superannuation fund:

<u>Investment</u>	<u>Date</u>	<u>Units</u>	<u>Unit Price</u>	<u>Value (\$)</u>
MLM Wholesale International Share Fund	15/08/2000	7,200.36	1.527701	11,000.00
Totals				<u>\$11,000.00</u>

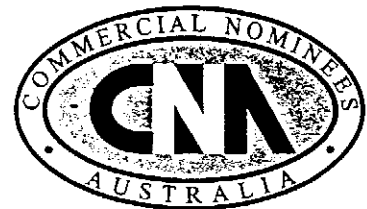
Please note that the value and unit price are after brokerage and stamp duty for shares and any commissions for managed fund investments.

This letter will print out a confirmation of all investments purchased on the same day. As we sometimes receive confirmations on different dates, the letter may include investment acquisitions of which you have already been notified. As we regularly receive confirmation of investments some time after they are actually processed by the fund manager or share registry, the date of this letter may differ from the date of the investment.

Should you have any queries, please contact the undersigned on (02) 9299 9622.

Yours sincerely

Campbell Simpson  
Superannuation Accounting Manager



24 August, 2000

Commercial Nominees of  
Australia Limited

Level 1, 140 Sussex Street  
Sydney, NSW 2000  
GPO Box 1517  
Sydney, NSW 2001

Telephone (02) 9299 9622  
Facsimile (02) 9299 9406

[www.commercialnominees.com.au](http://www.commercialnominees.com.au)

Mr P & Mrs V Marshall  
22 Romilly Avenue  
MANNINGHAM 5086

Dear Mr & Mrs Marshall

**PR & VT MARSHALL FAMILY SUPERANNUATION FUND**

We hereby confirm the following investment acquisition by the abovenamed superannuation fund:

<u>Investment</u>	<u>Date</u>	<u>Units</u>	<u>Unit Price</u>	<u>Value (\$)</u>
Colonial First State Imputation Fund	15/08/2000	4,735.409	2.534100	12,000.00
Totals				<u>\$12,000.00</u>

Please note that the value and unit price are after brokerage and stamp duty for shares and any commissions for managed fund investments.

This letter will print out a confirmation of all investments purchased on the same day. As we sometimes receive confirmations on different dates, the letter may include investment acquisitions of which you have already been notified. As we regularly receive confirmation of investments some time after they are actually processed by the fund manager or share registry, the date of this letter may differ from the date of the investment.

Should you have any queries, please contact the undersigned on (02) 9299 9622.

Yours sincerely

Campbell Simpson  
Superannuation Accounting Manager



1 September, 2000

Mr P & Mrs V Marshall  
22 Romilly Avenue  
MANNINGHAM 5086

Commercial Nominees of  
Australia Limited

Level 1, 140 Sussex Street  
Sydney, NSW 2000  
GPO Box 1517  
Sydney, NSW 2001

Telephone (02) 9299 9622  
Facsimile (02) 9299 9406

[www.commercialnominees.com.au](http://www.commercialnominees.com.au)

Dear Mr & Mrs Marshall

**PR & VT MARSHALL FAMILY SUPERANNUATION FUND**

We hereby confirm the following investment acquisition by the abovenamed  
superannuation fund:

<u>Investment</u>	<u>Date</u>	<u>Units</u>	<u>Unit Price</u>	<u>Value (\$)</u>
Australia First Life Policy PST	14/08/2000	18,875.04	1.589401	30,000.00
Totals				<u>\$30,000.00</u>

Please note that the value and unit price are after brokerage and stamp duty for shares  
and any commissions for managed fund investments.

This letter will print out a confirmation of all investments purchased on the same day.  
As we sometimes receive confirmations on different dates, the letter may include  
investment acquisitions of which you have already been notified. As we regularly  
receive confirmation of investments some time after they are actually processed by the  
fund manager or share registry, the date of this letter may differ from the date of the  
investment.

Should you have any queries, please contact the undersigned on (02) 9299 9622.

Yours sincerely

Campbell Simpson  
Superannuation Accounting Manager



8 September, 2000

Commercial Nominees of  
Australia Limited

Level 1, 140 Sussex Street  
Sydney, NSW 2000  
GPO Box 1517  
Sydney, NSW 2001

Mr P & Mrs V Marshall  
22 Romilly Avenue  
MANNINGHAM 5086

Telephone (02) 9299 9622  
Facsimile (02) 9299 9406  
www.commercialnominees.com.au

Dear Mr & Mrs Marshall

**PR & VT MARSHALL FAMILY SUPERANNUATION FUND**

We hereby confirm the following investment acquisition by the abovenamed  
superannuation fund:

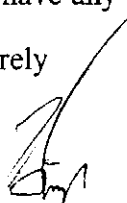
<u>Investment</u>	<u>Date</u>	<u>Units</u>	<u>Unit Price</u>	<u>Value (\$)</u>
Vanguard International Share Index Fund	04/09/2000	9,320.39	1.287500	12,000.00
Totals				<u>\$12,000.00</u>

Please note that the value and unit price are after brokerage and stamp duty for shares  
and any commissions for managed fund investments.

This letter will print out a confirmation of all investments purchased on the same day.  
As we sometimes receive confirmations on different dates, the letter may include  
investment acquisitions of which you have already been notified. As we regularly  
receive confirmation of investments some time after they are actually processed by the  
fund manager or share registry, the date of this letter may differ from the date of the  
investment.

Should you have any queries, please contact the undersigned on (02) 9299 9622.

Yours sincerely

  
Campbell Simpson  
Superannuation Accounting Manager



Commercial Nominees of Australia Limited

Level 1, 140 Sussex Street  
Sydney, NSW 2000  
GPO Box 1517  
Sydney, NSW 2001

Telephone (02) 9299 9622  
Facsimile (02) 9299 9406

www.commercialnominees.com.au

11 September, 2000

Mr P & Mrs V Marshall  
22 Romilly Avenue  
MANNINGHAM 5086

Dear Mr & Mrs Marshall

**PR & VT MARSHALL FAMILY SUPERANNUATION FUND**

We hereby confirm the following investment acquisition by the abovenamed superannuation fund:


<u>Investment</u>	<u>Date</u>	<u>Units</u>	<u>Unit Price</u>	<u>Value (\$)</u>
Merrill Lynch Wholesale Imputation Fund	04/09/2000	5,951.09	1.848401	11,000.00
Totals				<u>\$11,000.00</u>

Please note that the value and unit price are after brokerage and stamp duty for shares and any commissions for managed fund investments.

This letter will print out a confirmation of all investments purchased on the same day. As we sometimes receive confirmations on different dates, the letter may include investment acquisitions of which you have already been notified. As we regularly receive confirmation of investments some time after they are actually processed by the fund manager or share registry, the date of this letter may differ from the date of the investment.

Should you have any queries, please contact the undersigned on (02) 9299 9622.

Yours sincerely

  
Campbell Simpson  
Superannuation Accounting Manager

CHQ SENT 24 July 2000

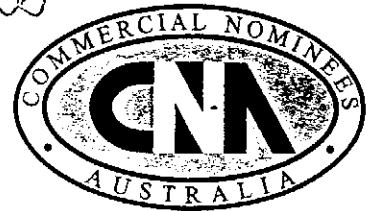
Totalling

: \$116,186.06.

split =

P. \$36,186.06.

V. \$80,000.00.



Commercial Nominees of  
Australia Limited

Level 1, 140 Sussex Street  
Sydney, NSW 2000  
GPO Box 1517  
Sydney, NSW 2001

Telephone (02) 9299 9622  
Facsimile (02) 9299 9406

[www.commercialnominees.com.au](http://www.commercialnominees.com.au)

26 July, 2000

Mr P Marshall  
22 Romilly Avenue  
MANNINGHAM SA 5086

Dear Mr Marshall,

We wish to welcome you as a member of the PR & VT Marshall Family Superannuation Fund.

As you are aware, Commercial Nominees of Australia Limited (CNA) provides your fund with specialist excluded fund administration support. Our contact details are as above.

Please find enclosed a supply of contribution remittance advices. If you intend to make a personal contribution, or have contributions made by your employer, please complete one of these forms and forward it to our offices.

Please note that we require authorisation prior to any further investments taking place. Authorisation can be in the form of letter, fax or email. Enclosed are investment advice forms which may be used for this purpose, otherwise you can email myself on [cjsimpson@commercialnominees.com.au](mailto:cjsimpson@commercialnominees.com.au). Where the forms are used, they should be signed by all members or your investment advisor, if you have nominated them to do so.

Please note that many rollover institutions are now requiring an Australian Business Number (ABN) prior to processing rollovers. For new funds, one of the first tasks we undertake is to lodge an application for an ABN with the Australian Taxation Office (ATO). At present the ATO is taking at least 6 weeks to process ABN's, and therefore we are experiencing delays in receiving rollovers. Your money will continue to derive earnings with the fund it is presently in. You will be advised by both ourselves and your existing fund when your rollover is processed.

Naturally should you have any concerns or questions, please do not hesitate to contact us. We look forward to servicing your superannuation needs now and in the future.

Yours sincerely,

Campbell Simpson  
Superannuation Accounting Manager



26 July, 2000

Commercial Nominees of  
Australia Limited

Level 1, 140 Sussex Street  
Sydney, NSW 2000  
GPO Box 1517  
Sydney, NSW 2001

Telephone (02) 9299 9622  
Facsimile (02) 9299 9406

[www.commercialnominees.com.au](http://www.commercialnominees.com.au)

Mr P Marshall  
22 Romilly Avenue  
MANNINGHAM SA 5086

Dear Mr Marshall

**PR & VT MARSHALL FAMILY SUPERANNUATION FUND**

We hereby confirm receipt of a contribution in the amount of \$36,186.06 to your superannuation fund.

This contribution is comprised of the following categories:

Undeducted Contributions	\$36,186.06
--------------------------	-------------

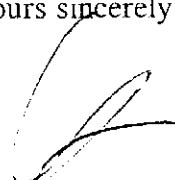
Please note that total employer contributions includes both salary sacrifice contributions and Superannuation Guarantee Contributions.

For large contributions this amount should be available to be invested in full. To the extent that we have received investment instructions, we will follow these instructions promptly and confirm details of such investments as soon as possible. As some investments can take up to a month to be advised to us there may be a delay before we are able to confirm to you the exact details of the fund's investments. For small contributions, the amount will be invested into the fund's bank account where it will derive interest. NE

Should we not have any investment instructions for this contribution please advise us either directly or, where appropriate, through your investment advisor of the fund's investment strategy. Until we receive instructions, the contribution will derive interest earnings for the fund.

Should you have any queries, please contact the undersigned on (02) 9299 9622.

Yours sincerely

  
Campbell Simpson  
Superannuation Accounting Manager





26 July, 2000

Mrs V Marshall  
22 Romilly Avenue  
MANNINGHAM SA 5086

Commercial Nominees of  
Australia Limited

Level 1, 140 Sussex Street  
Sydney, NSW 2000  
GPO Box 1517  
Sydney, NSW 2001

Telephone (02) 9299 9622  
Facsimile (02) 9299 9406

[www.commercialnominees.com.au](http://www.commercialnominees.com.au)

Dear Mrs Marshall

**PR & VT MARSHALL FAMILY SUPERANNUATION FUND**

We hereby confirm receipt of a contribution in the amount of \$80,000.00 to your superannuation fund.

This contribution is comprised of the following categories:

Undeducted Contributions \$80,000.00

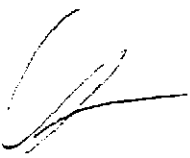
Please note that total employer contributions includes both salary sacrifice contributions and Superannuation Guarantee Contributions.

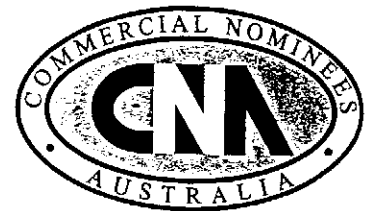
VB. | For large contributions this amount should be available to be invested in full. To the extent that we have received investment instructions, we will follow these instructions promptly and confirm details of such investments as soon as possible. As some investments can take up to a month to be advised to us there may be a delay before we are able to confirm to you the exact details of the fund's investments. For small contributions, the amount will be invested into the fund's bank account where it will derive interest.

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Should you have any queries, please contact the undersigned on (02) 9299 9622.

Yours sincerely

  
Campbell Simpson  
Superannuation Accounting Manager



26 July, 2000

Mrs V Marshall  
22 Romilly Avenue  
MANNINGHAM SA 5086

Commercial Nominees of  
Australia Limited

Level 1, 140 Sussex Street  
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Sydney, NSW 2001

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Facsimile (02) 9299 9406

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Dear Mrs Marshall,

We wish to welcome you as a member of the PR & VT Marshall Family Superannuation Fund.

As you are aware, Commercial Nominees of Australia Limited (CNA) provides your fund with specialist excluded fund administration support. Our contact details are as above.

Please find enclosed a supply of contribution remittance advices. If you intend to make a personal contribution, or have contributions made by your employer, please complete one of these forms and forward it to our offices.

Please note that we require authorisation prior to any further investments taking place. Authorisation can be in the form of letter, fax or email. Enclosed are investment advice forms which may be used for this purpose, otherwise you can email myself on [cjsimpson@commercialnominees.com.au](mailto:cjsimpson@commercialnominees.com.au). Where the forms are used, they should be signed by all members or your investment advisor, if you have nominated them to do so.

Please note that many rollover institutions are now requiring an Australian Business Number (ABN) prior to processing rollovers. For new funds, one of the first tasks we undertake is to lodge an application for an ABN with the Australian Taxation Office (ATO). At present the ATO is taking at least 6 weeks to process ABN's, and therefore we are experiencing delays in receiving rollovers. Your money will continue to derive earnings with the fund it is presently in. You will be advised by both ourselves and your existing fund when your rollover is processed.

Naturally should you have any concerns or questions, please do not hesitate to contact us. We look forward to servicing your superannuation needs now and in the future.

Yours sincerely,



Campbell Simpson  
Superannuation Accounting Manager

# COPY

11<sup>th</sup> March 2001.

Senator Watson  
Committee Chair  
Select Committee on Superannuation and Financial Services  
Parliament House  
CANBERRA ACT 2600.

Re: CNAL.

Dear Senator Watson,

On receipt of Megan Cassidy's (ASIC) email response dated 23<sup>rd</sup> February 2001 together with your letter dated 5<sup>th</sup> March 2001 suggesting we seek our own legal advice we were absolutely astounded to receive this information from registered Government bodies who are there to support us or so we thought.

Our stance from the commencement of our correspondence has been that our Superfund is not a **unitholder of Enhanced Cash Management Trust (ECMT)**. Commercial Nominees of Australia Limited (CNAL) was the trustee of our fund and was the legal unitholder of ECMT on our behalf. Note our attached letter dated 21<sup>st</sup> Feb 2001.

Correspondence from Ferrier Hodgson Management Services Pty. Ltd. dated 26<sup>th</sup> February **confirms** we are **not Unitholders**. (See attached confirmation).

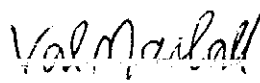
**Further to this we would like you to note the following:**

- We are not extremely wealthy people with the luxury to pay a costly and/or lengthy court proceedings.
- We are not poor enough to seek free legal advice.
- Our retirement resources are small as you should be aware total approx. \$116,000 only.
- Extracts from the Economics Legislation Committee/Senate dated 21<sup>st</sup>-22<sup>nd</sup> February highlight a series of Government bodies were aware of the problems with CNAL some many months prior to our investments with CNAL, therefore either concealed or failed to act to protect the Australian public in safe dealing with superannuation funds.
- If neither of these Government bodies have the powers to safeguard the Australian public's superannuation funds the question remains unanswered "who has?"

- Senator Watson as you had previously stated with Senate Select Committee; " At the end of the day the government carries the can for these sorts things. But the government relies on the regulators to draw its attention to deficiencies. " Etc. We believe that the government regulators were negligent in their duties because they both admitted to your Committee that they were aware of the financial problems within CNAL over 12 months ago. Had APRA or ASIC made this public or our financial adviser had been aware then of course we would not have been exposed to the current situation.
- We are not concerned whether it is ASIC, APRA, CANL or their liability insurers or the Government Superannuation Levy fund as long as the money is made available quickly. We are sure that all the other investors would appreciate immediate availability of their money.


Yours truly,

  
Peter R. Marshall

  
Valda T. Marshall

Copies: ASIC  
APRA  
Mr. J. Trimmer.

COPY.



8<sup>th</sup> January 2001.

Senator John Watson  
Senate Select Committee  
Superannuation and Financial Services  
Parliament House  
CANBERRA. ACT. 2601.

P R & V T Marshall  
22 Romilly Ave  
MANNINGHAM SA 5086  
PH, 08 8261 7884 Hme  
WK 08 8300 6152.

Dear Sir,


RE: Cash at Bank held by Commercial Nominees Australia for the  
P R & V T Marshall Family Sup'n Fund.  
ASIC Reference: 29115/00.

Thank you for taking the time to speak to me by telephone yesterday. Enclosed you will find documents in support of our request for confirmation from Commercial Nominees Australia that our original intent with this Superannuation Fund has been fulfilled and is secure.

I would like to highlight that the Allocated Pension payments ceased as from October 2000 and we have requested Commercial Nominees to recommence these payments to supplement our monthly income as originally directed in July, 2000 on Peter's retirement from the South Australian Police Force after 35 years at age 55 years as a result of ill health due to his Vietnam service with the Royal Australian Army as a conscript.

Enclosed:

- Information from our financial adviser, Mr. Jeff Trimmer, on setting up an appropriate fund. We felt extremely satisfied with the approach to us by Mr. Trimmer. We had spent 18 months intensive researching our best options with other financial advisers and considerable time over many months with Mr Trimmer.  
(Reference to balance (up to 10% before Vai also retires)- **cash or other high security is noted on Mr. Trimmer's documents provided to us.**)
- Key Features Statement from Commercial Nominees Aust documenting "Cash at Bank" features. Page 4 etc. dated **2 July 2000.**
- Key Features Statement from Commercial Nominees Aust documenting "The Trustee's Role as a Service Provider in Relation to the Fund's Investments. Page 3, specifically, dated **2 July 2000.**

- 
- Correspondence from Commercial Nominees Aust dated 26/7/00, 20/12/00x2, 11/01/01.
  - Application details to Commercial Nominees Aust-including Section 3-Investment Choice stating **CASH\* 5 TO 10%**  
(Footnote \* states 10% minimum requirement to cover liquidity for taxes, fees, insurance etc.)
  - **From receipt of issue:**  
Our correspondence to Commercial Nominees Aust, dated 5/01/01 & 16/01/01.
    - Our correspondence to ASIC NSW Operations dated 30/11/00.
    - Asic's correspondence to us --reference- 29115/00 dated:
      - 4/12/00 from Annabel Manlutac
      - 4/12/00 from Thomas Transfield
      - 12/12/01 from Megan Cassidy.(Rather confusing as to who is actually researching this issue for us).

We trust you have what is needed to assist us with this matter, and again accept our sincere appreciation.

Yours truly,

TER RICHARD MARSHALL.

VALDA THERESE MARSHALL.

COPIES: ASIC  
APRA.