

Senate Select Committee on Superannuation and Financial Services

Main Inquiry Reference (a)

Submission No. 104

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To Hon. Senator J. Watson
Room S142 Parliament House
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RE COMMERCIAL NOMINEES OF AUSTRALIA

ENHANCED CASH MANAGEMENT TRUST.

Two years ago, following my termination of employment after 40 years in the work force, I sought the advice from Saxby Bridge Financial Planning to construct a financial plan to fund my retirement. The establishment of a self-managed superannuation fund was recommended, using Commercial Nominees of Australia (C.N.A) Limited as Trustee.

Approximately \$200,000 of my investment was with CNA Enhanced Cash Management Trust (ECMT) from which I received my allocated pension.

On the 15th November 2000, I was advised by Commercial Nominees that they suspended all transaction in the ECMT pending an independent investigation of certain assets of the fund. I was shocked, dismayed and incensed by this news.

I lodged complaints with APRA, ASIC and Commercial Nominees. I did not get much joy from any of them. APRA replied saying that the ECMT is "NOT" an APRA regulated entity as it is a unit trust. Why am I paying \$300.00 annually to APRA if they are not safe guarding my interest? Are they not the Government body responsible for the Prudential supervision of Superannuation Funds.

The \$200,000 in the ECMT represents 20 years of my contribution and my employer to my Superannuation fund, which was to provide for my wife and my retirement as well as for the education of my youngest child.

The pain, suffering and stress that my wife and I had to endure in the past 4 months is something that we never expected, and we are still in the dark not knowing what the loss is going to be, particularly when our financial adviser assured us that the Cash trust was as safe as money in the bank. I was forced to sell other assets in order kick-start my allocated pension which to date I still have not received and having to borrow heavily from family in order to live.

I have been made aware that you are on a Senate Committee seeking to get answers to our plight. Please be assured that you have our full support and of the other many hundreds affected by Commercial Nominees mismanagement of our funds and the apparent lack of interest of APRA and ASIC. Any advice that you are able to provide will be immensely appreciated.

I sincerely hope for a speedy, satisfactory resolution to our financial nightmare and those responsible, be made accountable for their actions. It will be a long time for me to have confidence in financial institutions again.

Yours Faithfully
Dominic Galati
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