

From: [REDACTED]
To: [REDACTED]
Sent: Thursday, April 30, 2009 10:54 AM
Subject: ASIC Admittance of 'gagging' Storm.

Good Morning Gents- An issue that has been bubbling along for as long as SICAG has been in existence is that surrounding the failure of Storm Client Advisers to be in contact with their Clients at a critical time early in this mess we are dealing with. As you are aware, this issue was the singular most distressing aspect of events following the sell down of Storm Clients' portfolios by Colonial. It is fair to say that it can be identified as being the catalyst that caused the creation of SICAG to be as remarkably successful as it was in bringing together our members. We proved to be a very worthy substitute in the absence of their Storm advisers.

Some investigation revealed the reason for this was, allegedly, that Storm had been 'gagged' from engaging with clients by ASIC and not the fact that they had simply gone 'to ground' as was the general consensus among distressed and angry clients.

You will recall that when questioned at our first meeting at Margate the ASIC representative denied that ASIC had gagged Storm.

Despite this, the allegation persisted. Subsequently I was able to obtain the name of the person in ASIC who was supposed to have issued this order -a Ms Deborah Koramalis. I then emailed Ms Koramalis and asked her to authenticate the allegation. She was in New Zealand at the time and her personal assistant advised me that she would attend to my query when she returned the following week. In fact it took Ms Koramalis- after a number of reminders, some six weeks to finally phone me on Wednesday 15 April (coincidentally the day before Noel and I were to meet with ASIC!) to confirm that in fact a directive was issued to Storm that prevented Advisers from engaging with their clients. This was for a period from about mid December through to Xmas Eve when for the most part Storm shut down for their Xmas break and advisers would not have been contactable. The directive was based on the premise that Storm advisers were, by telling clients that they should not pay their Negative Equity debt, putting them at risk of compounding their debt by having interest accrue on it.

Following this advice and having had time to reflect on the matter, I started to 'smell a rat'. I was skeptical that ASIC would have at that stage been fully aware of events surrounding the Banks behaviour in seeking to recover this debt. You will recall that it was a relentless, aggressive campaign which was causing enormous stress to Storm Clients. In an effort to clarify this aspect of the matter I called Ms Koramalis and left a message for her to return my call. In the meantime, Michael Ryan called me regarding 'EC's evidence' matter so I took the opportunity to ask him whether ASIC had been pressured by CBA or had they acted on their own initiative. Mr Ryan assured me that it was entirely on ASIC's own initiative that they acted. Subsequently Ms Koramalis returned my call and I posed the same question to her. She replied that ASIC were not 'pressured' by CBA BUT the Bank had brought to ASIC's attention that Storm were giving advice to Clients not to pay the debt.

I don't know what conclusions you might draw from these event but I am outraged, although not that surprised. To my mind it is simply indicative of the concerted campaign by the CBA to obliterate Storm and in which ASIC were complicit. It has taken ASIC nearly four months to begin focussing their investigation on the Banks and during this time they have paid scant regard to the interests of the real victims- the Storm clients. It is matter of conjecture as to whether this whole campaign for redressing the victimisation of our members would have been much further advanced than it is, had ASIC not been so fully focussed and aligned so closely with the Bank in its obscene haste to demolish Storm.

I seek your advice as to whether we should express our indignation surrounding this scandalous and lamentable behaviour by ASIC. I had resolved some weeks ago when the DOCA was declared dead to include in any public comment the hope that ASIC would now concentrate its investigation on the Banks with the same vigorous effort they have shown in the obliteration of Storm. I will also be most certainly relating the above events in my submission to the Parliamentary Inquiry. Should any of you have other ideas please express them.

As mentioned, the inability to contact their Client adviser has and continues to be a contentious issue. Just last night on the Website chat room someone was lamenting the fact. Accordingly there needs to be some explanation of events posted on the Website- I will attempt to compile what I think it should contain and circulate it for your comment. Regards [REDACTED]