Form 59
Rule 29.02(1)

Affidavit

No QUD574 of 2010

Federal Court of Australia

District Registry: QUEENSLAND DISTRICT REGISTRY

Division: General

FEDERAL COURT OF AUSTRALIA
QUEENSLAND DISTRICT REGISTRY
05 MAR 2012
FILED / ~~RECEIVED~~

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

Applicant

EMMANUEL GEORGE CASSIMATIS and another

Respondents

Affidavit of: **EMMANUEL GEORGE CASSIMATIS**

Address: 22 Paperbark Place, Wakerley, Brisbane, Queensland

Occupation: (unemployed) Financial Advisor

Date: 2 March, 2012

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1.	Affidavit of **EMMANUEL GEORGE CASSIMATIS** in support of Application filed by the Respondents on 21 February, 2012 sworn on 2 March, 2012	1 - 87	1-27
2.	Exhibit "EGC1", being copies of the following documents:		

Deponent M Cassimatis

Teresa Henderson
~~Justice of the Peace~~/Solicitor

Filed on behalf of:	**EMMANUEL GEORGE CASSIMATIS** and **JULIE GLADYS CASSIMATIS**, the Respondents
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Ref:	TJH_20090020_484.docm

Audit in March, 2005

30. In or about March, 2005, Storm conducted an audit on Storm when Ms Jodie Geissmann was employed by Storm in its Front Line Management Team. Again, ASIC raised no substantial objection to Storm's advice to its clients, or any other aspect of its business.

Review of Storm Prospectus

31. On 6 November, 2007, Storm lodged with ASIC a prospectus for its offer of 160 million shares to the public.

32. The prospectus (at section 4.3) contained a detailed description of the Storm Business Model, and of the practices and procedures for the production of financial advice to clients (which ASIC alleges in Part C of the Statement of Claim constitute the Storm Model). A copy of the prospectus is at page **[250]** of my exhibit.

33. Storm's practices and procedures for the production of financial advice to clients, in November, 2007:-

(a) were accurately described in the prospectus; and

(b) were not materially altered thereafter.

34. By an email dated 12 November, 2007, ASIC notified Storm that three senior officers, namely:-

(a) Deborah Koromilas, Assistant Director, Financial Services Compliance;

(b) Elizabeth Korpi, Lawyer, Capital Markets, Compliance;

(c) Belisa Jong, Manager, Capital Markets, Compliance,

would visit Storm's Sydney office on 13 November, 2007, and requested an explanation of Storm's advice model, including the client education process and documentation provided to clients and an explanation of how the Phormula software system interacted with the services

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Storm provided to clients. A copy of an email from ASIC to Storm's solicitors at the time, Mallesons, requesting the explanation of Storm's advice model is at page **[346]** of my exhibit.

35. On 13 November, 2007, the said officers met with me and the following officers, employees and advisors of Storm:-

(a) Julie;

(b) George Cassimatis, client advisor;

(c) Carmela Richards, Compliance Manager;

(d) David McCullough, Director of Banking;

(e) Thomas Day, CFO;

(f) Lauren Davies, senior accountant;

(g) Mark McFarlane, partner, Mallesons Stephen Jaques, legal advisor to Storm.

36. In the course of the meeting, the people from ASIC referred to the prospectus and asked for an explanation of the advice that Storm gave to its Index Fund Clients. (Those were not heir precise words, but that is the effect of what they asked.) I and the other people from Storm made a presentation to the ASIC people, including a PowerPoint presentation, in the course of which we communicated to the officers of ASIC:-

(i) the substance of Storm's advice model;

(ii) the substance of Storm's client education process;

(iii) an explanation of how the Phormula software system interacted with the services Storm provided to clients;

(iv) responses to all other matters about which they enquired.

37. We also gave to Ms Koromilas and her colleagues from ASIC all documents they sought, including:-

(a) Storm's Financial Services Guide;

(b) a sample cash flow analysis;

Deponent M Cassimatis

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