

**Aim**

To highlight deficiencies in communication that has lead to problems outlined in the Royal Commission

**Reason for the Failures**

Refer to Section 10.2 Financial Advice - Paragraphs:

- When an employee or authorised representative is terminated for fraud or other misconduct, should a licensee inform their clients of the reason for termination?
- When an employee or authorised representative is terminated for fraud or other misconduct, should a licensee review all files or clients of that employee or intermediary for incidence of misconduct?

Once we have asked ourselves these questions – we have failed!  
We are asking if we should protect the guilty!

It now becomes a judgement by employee or authorised representative if to promote law and order or not. That judgement is influenced by the surrounding circumstances of their livelihood. "Will I be better off if I shut my eyes and don't rock the boat?"

Once a person has been found guilty, that person is more likely to offend in other circumstances. The guilty persons must be named and shamed.

In our case the opposite happened. [REDACTED] the MD of [REDACTED] [REDACTED] was allowed to change its company name to [REDACTED] on the same day the company went into receivership. This was to protect his other [REDACTED] companies from the stigma of being related to a defunct company and its MD. At that time it had the desired effect as [REDACTED] fooled me and our solicitor into inactions.

After our direct claims and claims through FOS failed we were advised that it could cost us between \$200,000 to \$400,000 to take the case to court, with no guarantee that it would be successful

**The - I'm Sorry Country**

We are a truly lucky country. We are the envy of the world. We have abundant resources, fantastic climate, an island with water borders easily defendable and if we play it right, have the opportunity to enjoy life to the full. We don't have to take life seriously.

- Ned Kelly was just a rogue.
- Let's celebrate our greatest war disaster.
- Our Prime Minister cheering on Bond.
- Forgive the greatest sports hero crooks after they shed a few tears on TV.

If our failures are not forgotten we have a mechanism to fix it all. We say "sorry" by a person who had nothing to do with it.

How many years from now will we hear "I'm sorry" about disasters that have been uncovered by the Royal Commission? My guess is that it will be by somebody maybe not even born yet. There would not be one current Financial Services Professional, lawyer or Government representative who would dare to utter these words.

One day somebody will do a body count of premature death of the victims. After all the sufferers were pensioners, farmers and other vulnerable people of our society. Great many, like us, became pensioners after we were cheated. The guilty parties should pay for this additional cost to society.

In our case my wife Geraldine underwent 2 ovarian cancer operations in the years when the main damage was done. This is now 10 years on and I am getting closer to the truth.

### **How to Fix it**

When you browse through the Interim Report you become aware of the enormity of the task ahead. It is impossible to tackle the problem addressing all misdeeds.

Basically the paperwork is in place – all we need to do is to adhere to it.

The example that I recently came across is an Employment Agreement that an adviser had to sign to get commissions from the [REDACTED]. There were 14 pages of directives, with reference to other documents that the employee had to adhere to. However if the advisers adhered to the directives, there would be fewer customers, less revenue and therefore less money for the shareholders. So what does [REDACTED] do? They do not audit if the adviser is adhering to the directives.

To change this culture we must start of making an example of an operator that has been warned and still hasn't learnt a lesson, despite the Royal Commission.

Once you go hard on such a case, the fear in other operators will start to make a difference. Basically humans don't like to be called crooks.

Our case could be the example. I have data of my struggle for 10 years and as of last week the [REDACTED] went in hard for me to give up.

As I am typing this the day before the submission has to be in, it will only be sketchy. I was made aware of this opportunity to submit by a fellow trekker in the 150 year old goldfields of Victoria last week.

### **Our Case with [REDACTED]**

Our total case had been submitted to the Royal Commission under reference : PWF.0001.0001.8964

In 2017 we contacted [REDACTED] when we found anomalies in the Quantum Warrant (QW) documentation for the Townsville Gateway Units 804 and 507 in our SMSF.

We had sold unit 507, as keeping it with a Warrant loan in our SMSF, would have sent us broke. We sold off another property in our SMSF to raise sufficient funds to discharge the loan for Unit 804 and had a rental arrangement with the [REDACTED]

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Ph: [REDACTED]

email: [REDACTED]

group for income.

■■■■ believed that our Unit was just a private investment and offered us cheap rental for staying in our Unit, which is not allowed for a SMSF investment. We suspected money laundering. This issue has not been resolved to date.

We wanted to know details of purchasing transactions and rental income statements. We believed that we could clarify this anomaly with paperwork held by the ■■■■

We submitted a trace request for specific rental income amounts over the suspect period.

- **30/10/17** ■■■■  
Thank you for your recent trace request. We confirm that the remitter details are as follows:  
Financial Institution: ■■■■  
Account Name: ■■■■  
Stat Trust Amount: ■■■■  
Fee: \$27.00

#### **Our Comments**

We found this trace reply unprofessional as it did not include

- transaction dates,
- account reference,
- transaction deposit notes

When our adviser ■■■■ signed us up with ■■■■ in 1996 we were told that ■■■■ is the bank that is allowed to bank SMSF money. We believed that we had certain protection. ASIC would not allow SMSF banking to be uncontrolled. In the early days we were asked questions about certain transaction, which meant to us that ■■■■ was controlling our SMSF banking.

We subsequently found out that anything from anywhere can be deposited in our ■■■■ SMSF ■■■■ account. There is no protection.

We wanted to understand our relationship with the ■■■■

This lead for to set up a dialogue with ■■■■ resulting in this last email.

- **22/10/18** ■■■■ Email  
■■■■  
Reference ■■■■  
Thank you for your time last week.  
As we discussed, the form found online does not relate to ■■■■ previous position on the ■■■■ was listed as your financial adviser with enquiry authority. ■■■■ used its discretion to remove this position from the account as your intention was clear that you were not being serviced by ■■■■  
■■■■ dealer group and AFSL holder would have earned a

commission of 0.25% (exclusive of GST) of the average account balance each month. This is a payment made by [REDACTED] with no cost to you. To confirm the amounts paid, please refer to [REDACTED] office.

I would like to take this chance to re-iterate that the advice provided by [REDACTED] office has no correlation to his role as *financial adviser* on your [REDACTED]. In respect to your [REDACTED] was recognised as a Financial Services Professional. You chose and appoint your Financial Services Professional. Unless your Financial Services Professional is an authorised representative of a [REDACTED] company (which [REDACTED] is not), no [REDACTED] company is responsible for the acts or omissions of your Financial Services Professional.

I appreciate that you are attempting to find a method of re-course against [REDACTED] for advice provided to you by his office which has so far been unsuccessful. [REDACTED] does not have any further information which can assist in this matter.

I hope the information in this email helps clarify the matter.

Regards

### Our Comments

- I had made it clear to [REDACTED] that [REDACTED] was not acting in our best interest about 12 months ago - but they only removed him from our account on 26/06/18 after we sent [REDACTED] a sarcastic email 24/06/18. [REDACTED] later said they revoked him. Revoking is a serious matter, which should result in an investigation by [REDACTED] on all accounts that [REDACTED] had through [REDACTED]. It appears that he was removed from our account only.

- The argument that [REDACTED] is paying the .25% from their account means that [REDACTED] is in [REDACTED] employment. They had refused to give us their employment agreement so we can check what clauses [REDACTED] broke to continue dealing with us. We now suspect what [REDACTED] meant when he said we had protection in 1998. For the 0.25% he must have been obliged to "seeks always to act in the best interest of the client." This quote was taken from a [REDACTED] Employment agreement.

- If the .25% is a monthly payment, the actual commission is 3% per year - a significant amount when you only get 1%/year in the [REDACTED].

-The statement 'the advice provided by [REDACTED] office has no correlation to his role as *financial adviser* on your [REDACTED] is odd. Why call somebody an adviser, if he is not an adviser?

- **15/10/18 [REDACTED] Email**

'[REDACTED] as an enquiry authority on your account'

- **10/09/18 [REDACTED] Email**

When we revoked [REDACTED] authority on your account, no notice was provided to his office.

- **20/07/18** [REDACTED] **Email**  
[REDACTED] authority on the account has been revoked.
- **26/06/18** [REDACTED] **Email**  
Please be advised that I have removed [REDACTED] authority on your account.
- **24/06/18 Peter Wegner's Email to** [REDACTED]  
Dear [REDACTED]  
Thank you for sending me the 3rd Party Authority form for removing [REDACTED] [REDACTED] as our current [REDACTED] type of adviser to the Wegner SMSF (MBAW). As far as I can make out we honoured him with that title in 1996 when he was a fledgling accountant that was allowed to set up SMSFs. He convinced us he was going places. The title was not functionally dependent as [REDACTED] did not require to produce a Statement of Advice nor give good advice nor have approval from ASIC. He just got us into numerous self-made investments that proved to us to be superior SMSF investments. I know he liked us a lot and took us for drinks at his club after GMs and more.

In 2006 he lost his way and got us into purchasing a Unit in a development project in Townsville that was completed in 2009 which could never make any money for our SMSF.

In 2008 he gave the MBAW title to [REDACTED] "as he was too busy with other major projects" but assured us that he would continue to oversee our SMSF. [REDACTED] sold us another unit in the same complex and was made Director of the company straight after.

In 2010 we proceeded to take all our investments, accounting and auditing functions from him. We made a claim on [REDACTED] and their companies and we got nowhere. We followed it up with a claim through FOS with the same result.

In 2010 [REDACTED] re-acquired the MBAW title and in 2013 re-confirmed it when the company changed company name.

You now expect us to take the MBAW title from him.

However I cannot fill out the form properly as I do not know his current

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Ph: [REDACTED]

email: [REDACTED]

company and company status to put on the form. In our conversation you at first said that he was with [REDACTED] and later said that I can find him with [REDACTED]. The following day I got a message from LinkedIn that [REDACTED] is with [REDACTED].

Please advise us [REDACTED] current adviser status, company position and address so we can ask him why he still wants the MBAW title - just in case he may get upset.

It would be even better if you could ask the question and provide us with the answer. Our lawyer [REDACTED] has tried to contact him several times over the last 2 years about a double stamp duty matter and [REDACTED] just doesn't reply.

Regards  
Peter Wegner

- **10/01/18 [REDACTED] Email**

Dear Peter

[REDACTED]  
Thank you for your time recently.

Please find below a timeline for financial advisers who have been listed on your [REDACTED] since it was opened and the AFSL under which we have them recorded as operating.

Please note that it is solely the obligation and the responsibility of the financial adviser on a client [REDACTED] to provide this information to [REDACTED] and to report any changes to their dealer groups / company or the AFSL under which they operate on an ongoing basis.

This enables us to keep the information that we have in our systems as up-to-date as possible. The information about your financial advisers that we have recorded in our systems against your [REDACTED] (and now provided to you), is only representative and evidence of what they have provided to [REDACTED].

Date	Adviser	Company	AFSL	How change was initiated
31/12/1996	[REDACTED]	[REDACTED]	[REDACTED]	Signed client authority
27/05/2008	[REDACTED]	[REDACTED]	[REDACTED]	Signed client authority
24/09/2010	[REDACTED]	[REDACTED]	[REDACTED]	Request by the dealer group
12/06/2013 - Present	[REDACTED]	[REDACTED]	[REDACTED]	Change of name of the company and the dealer

For any further information relating to the financial advice you have been provided by your financial adviser, I would suggest you reach out to the relevant dealer group or industry body.

For your convenience I have also attached the following documents:

Ph: [REDACTED]

email: [REDACTED]

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- A copy of the authority used to change the financial adviser from [REDACTED]
  - A confirmation of the results of the transaction investigation you requested in August last year.  
For security reasons these documents have been encrypted with a password. The password has been set as your date of birth in the format of DDMMYYYY.  
Yours sincerely,  
[REDACTED]

### Our Comments

- We requested copies of the AFSLs, client authorities and the request by dealer group. We received copies of the signed client authorities only. The one dated 31/12/96 we were familiar with and had a copy of on file. However the one dated 27/05/08 we cannot recall and had no copy on file, although it had our signatures on it. That document revealed that there were commissions involved.
- The document dated 24/09/10 was of special interest. [REDACTED] refused to give us a copy of the Request by the Dealer Group, whoever they were. The date was in the period when we were building our case for a claim against [REDACTED]. [REDACTED] was reconfirmed as our adviser on 12/06/13, in the period when our case against [REDACTED] went through FOS, Case No: 321807. FOS confirmed that the investment of the 2 units was not suitable for the SMSF but did not know who the licensee was.
- To our knowledge [REDACTED] were never approved advisers through ASIC.