

Dear Sir

The following Response to N Halpern & the HNAG is as follows as is open to the Public.

Having had to respond to the same lies in the previous Forestry MIS Inquiry I am surprised that the HNAG & Halpern have decided to regurgitate the same content.

I believe the only statement that they have made that has some substance was the comment thatfalse & misleading information is provided to the senate....

Halpern goes on to apologise later in her submission that she had previously incorrectly told the previous inquiry that I was the POA for a Timbercorp project which she then admits she had been dishonest.

I believe none of her information has been verified, but rather is all what she would like people to believe.

Halpern continually suggests she did not have a sophisticated understanding of finances. She has neglected to confirm that her business turned over more than 3 times the amount that would classify her as a sophisticated investor.

Halpern has done a deal with Timbercorp according to her statement & had paid off her home in early 2009. She also advises she became a client in 1992 & purchased the home in 1997 in Apollo Bay which sits on 120acres. Interesting that a property on 1 acre just a few doors down is currently on the market for \$600k.

Halpern states in one part of her submission that commissions were not disclosed then she mentions later on that " some commissions may have been in the fine print " . In actual fact disclosure of commissions were allocated a whole page on their own.

Her comments about never reading an SOA etc is hard to believe when she also had to sign an authority to proceed which clearly states you have read & understand the SOA which also has a dedicated section on risks.

Halpern also discussed the fact that she had been a client for 16 years prior to the GFC & never knew what a margin call was. She also states that she had numerous questions over all those years at numerous meeting wherein she asked me to repeat the same things including in emails. In BT's response to HNAG on 4 May 2016 the General Manager of Platforms & Investments with BT clearly states in clause 5 " We require applicants for a BT margin loan to specifically acknowledge that they have read & accept the risk disclosure statement we make to them as part of the application process.the risks we disclose that a lending ratioetc etc....." .

Halpern states specific false information.

She suggests commissions were being paid to HNAB of 15%. Totally false.
Omitted to disclose commissions. Totally false.
PI Insurance was utilised by family & friends. Totally false.
M & K were enticed into running the class action by HNAB. Totally false.
People had no knowledge of loans. Totally false.

Halpern & the HNAG continually use throughout their submissions the following phrases.
It was probable.
While I imagine.
I am not confident.
According to sources.
There is overwhelming evidence.
There is circumstantial evidence.

There is little more I can say about the fabrication she & they have submitted.

It is however interesting to note that ASIC on the 1 May 2017 have finally acknowledged that “ product manufacturers have too often blamed distributors such as financial planners when product failures have occurred”. This was published in Money Management.

Below is the response previously provided to the Forestry Inquiry which was also in response to the Halpern HNAG submission.

Re HNAG Submission

The submission that has been made has a number of common inaccuracies which I have no doubt is intentional & largely similar to the individual submissions that the members of the group have lodged as individuals

As per page 28 of the submission which directs people to their website which in turn provides information on how to lodge a complaint to ASIC & how to make a submission to Senate Inquiries, it appears obvious that the submissions are choreographed to get the desired effect whilst using parliamentary privilege to not be held accountable.

This appeared obvious when a past client who is a tradesman & who used to provide source material for tax preparation in the past would provide such information in virtually an unreadable state. However it was interesting to note the eloquence & repetitive terms that were used when he lodged his submission to the Senate Inquiry.

Repetitive Inaccuracies used by the HNAG are as follows.

Clients not advised of Risks
2000 clients affected
15% commissions
Clients told Managed Investment Schemes were “Govt guaranteed”
Margin Loans exceeding 200%

MIS “vastly superior to superannuation”
Clients placed into loans without knowing
Fraud
Staff of HNC unable to cope with BT margin calls
HNC “possibly getting other benefits from Timbercorp such as equity etc”
Signatures forged
Led to believe P Holt approached M & K to take the heat off
MIS was blue chip investment
Withdrawals from CMT’s without client knowledge
Etc etc

My response to inaccuracies.

All clients were advised of risks associated with MIS in meetings, in SOA’s & in the PDS
Number of total clients invested would be in 100’s from 1998 to 2008 of which most are still
accounting clients not 1000’s
8% was the commission paid to HNC no more. Any soft dollar benefits were always disclosed in
SOA.
No client was ever told such a ridiculous comment such as a farm being govt guaranteed.
Any client in margin lending against shares was advised that 50% LVR should be maintained. In a
falling market the only way to do that is via sale of shares or by input of funds.
Margin lending cannot exceed generally 80 – 85%
MIS was never suggested as superior to Superannuation but as an alternative. It was desirable to
the executive of the HNAB Action group because it gave them the tax benefits of super but
allowed them to put the maximum into their mortgage. Thereafter the quality of the investment
depended on the MIS product vs where the superannuation funds were placed.
All clients signed authorities to prepare Statements of Advice & thereafter Authorities to
proceed including acknowledgement that they understood the SOA outlining loans & all clients
signed the loan applications.
The word fraud is used regularly but always on the basis that their inaccuracies were true.
BT advised HNC that “their” system collapsed during the GFC
No equity was provided by Timbercorp
No signatures were forged
No one from HNC was instrumental in securing M & K to take on the case
Blue chip has never been used to describe any investment outside of the top listed securities
Withdrawals were never made from CMTs without clients knowledge. The client must signoff.

Obviously this list could go on for a long time regarding false comments

I hope this clarifies the quality of the aforesaid submission.

Yours Sincerely

Peter Holt