

Townsville Bulletin

Established 1881

Wednesday, November 19, 2008

\$1.20

Freight extra



Photo: SCOTT RADFORD-CHISHOLM

STAR TURN ... Logan Mattingley, 8, walks the red carpet with his mum Sandy

WELCOME TO BOWENWOOD *the premiere*

NICOLE Kidman, Hugh Jackman and Baz Luhrmann – who needs 'em? Boy star Logan Mattingley filled the shoes of all three as Bowen rolled out the red carpet last night, with a world premiere of the epic movie *Australia* at Bowen Summergarden Cinemas. And what a movie it turned out to be.

Page 5 Red carpet photos from all the premieres

Page 6 Bowen's boy star steals the show at the Summergarden

Page 7 Read John Andersen's exclusive first review



Storm drain

TWO Townsville retirees have lost their life savings and may have to live out their days in a caravan after taking advice from Storm Financial, their family has claimed. Scott Dietrich said his parents have lost more than \$500,000 as a result of the stock

market crash, and are selling off their Kirwan home to pay off debts. Documents seen by the Townsville Bulletin show the retirees had borrowed heavily against their home, but were encouraged to borrow further by Storm. Storm Financial CEO Emmanuel

Cassimatis rejected claims the share portfolio had gone into negative equity, and said the retirees position was not that bad.

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THE GREAT DEBATE

IS THE EARTH WARMING OR COOLING?
TWO SCIENTISTS - TWO VIEWS - YOU DECIDE

townsvilleeye FREE INSIDE



Family says they were led to ruin

By TONY RAGGATT

TWO Townsville retirees have lost their home and life savings in the sharemarket crash and may have to live out their days in a caravan, their family has claimed.

Financial planners Storm Financial have denied they are at fault or that the retirees' position is that bad.

Family member Scott Dietrich wants to highlight their plight and warn others to avoid it.

The retirees have been caught in the sharemarket collapse with big loans to margin lenders and on their home.

They say they have been forced to sell their stock at a loss of more than \$500,000 and are now selling their Kirwan home to pay debt.

"When this first came to light I was angry and very frustrated, but after a couple of days I wondered how many other people are in this position," Mr Dietrich said.

Storm Financial, with 13,000 clients across the country and \$4.6 billion under management, has been accused of getting its clients to borrow using their home and any other asset which can be leveraged to buy stock in the sharemarket.

Mr Dietrich said his family had been devastated.

"They feel like they are going to be left with nothing," he said.

The family approached the company last year to review their investment plan after selling a part-share in a small business and deciding to retire at age 61.

The retirees were in debt to the tune of \$705,000 and had a net worth in cash and shares of \$587,933.

The Storm recommendation was to increase their borrowings by another \$193,068, cash in their super and buy more shares.

In January, as the sharemarket began its slide, they borrowed a further \$100,000 at the recommendation of Storm.

By June their total debt had ballooned to \$1.1 million



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with the capitalising of interest on the loans.

On October 8 the Dietrichs were warned to switch up to 100 per cent of their shares to cash or risk losing the lot.

"Should you go into margin call, the margin lender is likely to sell you down completely and pay down debt," the letter warned.

The Dietrichs sold 90 per cent of their portfolio.

Mr Dietrich said their funds remained in cash management and share accounts but they had estimated the share portfolio had negative equity of about \$200,000.

They intended to pay off the debt with cash reserves and the proceeds from the sale of their home.

"It's affected everyone in our family," Mr Dietrich said.

"They have sold the home and are in the process of packing to move out.

"They are going to move into a caravan and move out to a brother's residence.

"They are hoping that with whatever money they can salvage out of this disaster they can rebuild their lives."

They will be left with no home and about \$390,000.

Mr Dietrich said he believed they could have lived reasonably comfortably through smart investment of their superannuation without the need to go into debt, and blames Storm Financial for much of their current difficulties.

"Storm don't have control of the sharemarket but what they do have control over is how you are exposed to the sharemarket," he said.



RUIN . . . Scott Dietrich outside Storm Financial

Photo: DARREN HILDER

Storm Financial joint CEO Emmanuel Cassimatis said the share portfolio had not gone into negative equity, nor had the sale of the home been forced by investments turning sour.

"They are definitely not in negative equity or near it," he said.

"As for the selling of the home . . . it was mooted months ago."

Mr Cassimatis defended the geared strategy for the retirees as more beneficial than rolling the investments into superannuation with an allocated pension.

"At the best of times allocated pensions run out as opposed to a capital base increase," he said.

He said that at a time when the world financial system was collapsing, the Dietrichs had gone from having a 'superb' position to one that was 'okay to good'.

One source in the finance industry told the *Townsville Bulletin* the Dietrichs' level of gearing was excessive and preposterous for someone in retirement.

"You should get to retirement with no borrowings at all," the source said.

Another said they had never heard of any financial adviser who had cashed out a retiree's super to put it into a geared sharemarket.

"In my view it's very poor advice," the source said.

The Financial Planning Association declined to comment on the Dietrichs' case but CEO Jo-Anne Bloch did say they were 'actively reviewing' issues that had been raised in the media about Storm Financial.

Mr Dietrich said the family was considering legal action.

Death-crash driver's case adjourned

THE driver accused of killing Jessica Lance in a traffic accident on Charters Towers Rd last July entered no plea when he appeared in Townsville Magistrates Court for remand yesterday.

Charles Benheli, 65, entered no plea when the charges of dangerous driving causing death and grievous bodily harm, and leaving the scene of an accident were brought before Magistrate Cathy Wadley.

Jessica died in the accident and her sister Rebecca was seriously injured in the as-yet unexplained crash.

Police say that moments before the fatal collision Mr Benheli had collided with a motorcyclist, but had continued on Charters Towers Rd for several hundred metres before he collided with Ms Lance's car.

Detectives brought the charges last Sunday, after prolonged investigations, and police prosecutor Sen Sgt Greg Mobbs said toxicology tests were still being done in Brisbane.

Although the prosecutor opposed an application for bail variation, Ms Wadley dropped the twice-a-week reporting requirement on Mr Benheli's bail, but retained the condition that he remain living at his Wulguru home.

The magistrate adjourned the matter for further mention to January 16.

Cars seized

TWO youths had their cars seized after they were caught doing burnouts in Innisfail.

Residents complained to police that two 17-year-old youths were doing burnouts on Flying Fish Point Rd on Monday.

Police seized both cars for 48 hours and charged both youths with driving without due care and attention.

Doomadgee death inquiry progresses

A QUEENSLAND Police ethical standards command investigation into the death in custody of Cameron Doomadgee will be forwarded to the Crime and Misconduct Commission (CMC) within a week.

Riots erupted on Palm Island on November 26, 2004, after a post-mortem examination on 36-year-old Mr Doomadgee who died in police custody a week earlier.

Commissioner Bob Atkinson said the report had been with senior

counsel for independent overview and was now being finalised for the CMC's overview.

"This investigation has been unavoidably drawn out by a range of factors, including court matters," Mr Atkinson said yesterday.

"The report is now being finalised and will be forwarded to the CMC for overview."

Riot ringleader Lex Wotton was sentenced earlier this month to six years' jail.

Cane toad takes on the freshwater croc

CANE toads have more than halved the number of freshwater crocodiles in some Northern Territory waterways, according to research.

As the toads continue their march west a leading animal ecologist says there has been an alarming drop in the number of freshwater crocodiles.

Professor Keith Christian, from Charles Darwin University's School of Environmental and Life Sciences, said research conducted west of

Katherine over two years had unearthed alarming figures.

"A recent survey on the Victoria River showed that in a one-year period as many as 77 per cent of the crocodiles have died as a result of eating cane toads," he said.

Prof Christian said this had dire implication for the future of the species, which is the timid relation of the much larger and aggressive saltwater crocodile.

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Monday December 8

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