

Dear Ms. Joanne Hutchinson,

I often wonder when you compose the content free rubbish, which never answers a single question, if you have any idea of the effect of your poorly written missives have on the recipient. You know, those flesh and blood Australians who could easily be your brother, your sister, your father your mother, or a personal friend. The majority of them helped build this country, and they are of an age where they can never recover from the Westpoint disaster. The impact of your replies, which never have anything to do with the questions they ask, causes them pain not measurable in monetary terms.

In passing, many members of our group have asked me if your title of Advisor is a qualification from the University of Spin. Does it refer to a gazetted position? As Australian citizens pay your wages, would you please supply me with your job specification?

All Westpoint investors believed they were purchasing an ASIC “regulated product”, and their planner was ASIC licenced, i.e. possessed an AFSL. Licenced or not, these planners stressed the safety of the products because of the Westpoint guarantees, and no adverse comment from the auditors, KPMG. For those who did not totally rely on the word of our planner, we found comfort on the Internet that Norton Capital Ltd., who held both an AFSL and a Research Licence issued by ASIC, advocating Westpoint as a purchase. Had we better understood the financial industry we would have noted immediately NCL didn’t know the difference between a Prospectus and an Information Memorandum.

I remind you of what you must already know. And present a few selected details on where the true blame for the Westpoint disaster lies. It is not, as has been claimed by ASIC Chairman Jeffrey Lucy, the greedy investors, the avaricious planners, or the auditors, then back to the planners. The following short list from a mountain of evidence from the public domain is sufficient to show where the true blame lies.

- * In 2000 ASIC gave Westpoint Lawyers, Freehills, a document stating they had no issues with the Westpoint Mezzanine Schemes- the very same schemes the WA Supreme Court found in 2006 had always been illegal Managed Investment Schemes (MIS’s).
- * In 2000 & 2001 Denise Brailey discussed with ASIC Commissioners the legality of Westpoint Mezzanine Schemes as MIS’s, but ASIC took no action.
- * Beginning in 2002, the West Australian Government wrote to ASIC/Treasury on no less than five occasions without any action taken.
- * Hansard reports ASIC first became concerned about Westpoint in 2003. It is further stated in Hansard ASIC played “cat and mouse” with Westpoint lawyers. ASIC said nothing about any of this to the investors they were supposed to protect.
- * Although possession of an AFSL is a statutory requirement to sell regulated products, many investors bought Westpoint products from non- licenced planners, none of which have been prosecuted to date.
- * The head of the planning organisation, with whom I invested did not disclose he had previously been a bankrupt, had changed his name by deed poll, and did not possess an AFSL. He is mentioned in Hansard for providing illegal SMSF advice during 2003, but he “slipped through the cracks”.
- * ASIC are currently prosecuting Neil Burnard over his role in “Kebbel Bank”, which played a large role in inducing many Westpoint investors to part with their life savings, existed for many years without detection by either ASIC or APRA. It took ASIC over a year after they found out about the existence of Kebbel Bank before they bothered to take legal action.

On all of the above occasions, with apologies to Shakespeare, “ASIC, ASIC, where wert thou ASIC?”

I also mention the Minister for whom you work is in the direct FSR chain. You might like to ask him why Parliament did not prescribe the wording of Personal Indemnity Insurance policies, (PII) and why they removed the minimum amount of PII cover

Australians pride themselves on living in a country that gives its citizens a “fair go.” A sentiment

often echoed by John Howard. Among many in the community, including David Hicks and a long line of previous Australian Investors, we Westpoint investors have learned how John Howard and the incumbent government interpret “ a fair go” to our detriment.

A few Westpoint investors have committed suicide. Many have lost their homes. Marriage breakdowns under the stress are commonplace, as are mental problems and illness. Most of us have had our lives smashed by the disaster in one form or another. I do not wish to have the problems of the woman to whom you wrote. Then there is the woman who has had four bouts of cancer and the unscrupulous woman planner, who remains uncharged by ASIC, insisted on the immediate transfer of money two days before the collapse. The many affected retirees will never recover from the Westpoint disaster. We will go to our graves with the knowledge our country has failed us.

This document to date is emotion charged, I hear you cry. Yes, it is. But it is an accurate depiction of events. Neither you nor the Hon. P. Dutton admit to your respective consciences the deliberate suppression of the truth is no more socially acceptable than the telling of deliberate lies.

Your comments on the warnings by ASIC on their website are risible. I have examined every MR and IR on the abomination ASIC proudly calls its database without finding a single warning that did not relate to 90% of the products in the marketplace. I have often demanded, without success, how one could specifically relate these “warnings” to Westpoint products, and not to a huge number of products in the marketplace. It was one of the questions in my document of 28/06/2006. I once again demand an answer to every one of my questions in that document. Six months is more than sufficient time for the receipt of answers from the Assistant Treasurer’s Office.

As a previous Liberal voter, I am dismayed to find I now believe the Assistant Treasurer’s Office is a variant of Orwell’s Ministry of Truth in 1984. It is obvious to all; your position exists to frustrate those who seek truthful answers to honest questions.

The truth has a habit of surfacing even under the most difficult of environments. When it does, neither you, nor the Hon. P. Dutton will be able to claim the Nuremberg defence: “We were only carrying out orders”.

I have one further request of you. Please stand in front of a mirror and ask yourself: “What am I.” As your replies clearly display a complete lack of compassion for fellow Australian citizens, who find themselves in a terrible situation largely because of the failure of both ASIC and the Australian Government, it is the correct question. You lack those basic qualities that make most of us human. If your conscience tells you have acted honestly, and in the best interests of those to whom you write, then what can I say?

In this election year, the Internet is a Godsend to those wishing to disseminate information around the globe on the suppression of the truth.

Graham MacAulay
President, Westpoint Investors Group
gmac@ihug.com.au 0411 141 888