

**SELECT COMMITTEE INTO THE  
FINANCE BROKING INDUSTRY IN WESTERN AUSTRALIA**

**TRANSCRIPT OF EVIDENCE TAKEN  
AT PERTH  
TUESDAY, 1 AUGUST 2000**

**SESSION 2 OF 2**

**Members**

**Hon Ken Travers (Chairman)  
Hon G.T. Giffard  
Hon Ray Halligan**

**MOULSDALE, MR JOHN,**  
**PO Box 1257,**  
**Mandurah, examined:**

**The CHAIRMAN:** Good afternoon, Mr Mouldsdale.

**Mr Mouldsdale:** Good afternoon.

**The CHAIRMAN:** I am Ken Travers, I will just introduce myself, but if I can introduce the Honourable Ray Halligan and the Honourable Graham Giffard, who are the other two members of this committee. You can remain seated; that is okay. If I can welcome you to today's meeting and, just to begin with, some formalities. Could you please state your full name, contact address and the capacity in which you appear before the committee.

**Mr Mouldsdale:** John Keith Mouldsdale, 3 Bellbird Court, Mandurah. My phone number is 9535-3015.

**The CHAIRMAN:** Right, and the capacity in which you appear before the committee?

**Mr Mouldsdale:** Would I be a complainant, would I?

**The CHAIRMAN:** Or investor, maybe; someone who has lent money, I guess.

**Mr Mouldsdale:** An investor with Gamel and Ward.

**The CHAIRMAN:** You will have signed a document entitled, "Information for witnesses."

**Mr Mouldsdale:** That's right.

**The CHAIRMAN:** Have you read and understood that document?

**Mr Mouldsdale:** Yes.

**The CHAIRMAN:** These proceedings are being recorded by Hansard, and that is the gentleman over here to our right. To assist the committee and Hansard, could you please quote the full title of any document you refer to during the course of this hearing for the record.

**Mr Mouldsdale:** Yes.

**The CHAIRMAN:** A transcript of the evidence will be provided to you and I remind you that your transcript will become a matter for the public record. If for some reason you wish to make a confidential statement during today's proceedings, you should request that that evidence be taken in closed session before speaking about the matter. Further, the committee may, of its own motion, resolve to take evidence in closed session. The taking of evidence in closed session may be relevant where, for example, the committee believes that the evidence may breach term of reference (3) of its inquiry, which states -

The committee in its proceedings avoid interfering with or obstructing any inquiry being conducted into related matters and in particular inquiries by

- (a) the police;
- (b) any liquidator or supervisor of any company,
- (c) the Gunning inquiry;
- (d) Australian Securities and Investments Commission; or
- (e) any prosecution.

However, even if evidence is given to the committee in closed session, that evidence will become public when the committee reports on the item of business to the Legislative Council unless the Legislative Council grants an ongoing suppression order at the time that the committee tables its report.

The procedure I guess we adopt is to give you the opportunity to make an opening statement to the committee and then we will follow up with questions to you based on the submission and the documents you have provided. We have been given copies of some documents that you have provided to the committee. If you could just formally indicate that you are tabling those as part of your address to us today. That is if you are happy with that anyway, if you are happy for those documents to be made public.

**Mr Mouldale:** Yes, all the documents I have had here, I am happy to have you people look through them.

**The CHAIRMAN:** All right, and they will become public documents now as part of the committee's - formally tabled.

**Mr Mouldale:** That's correct.

**The CHAIRMAN:** If you would like to open up with any comments you would like to make to the committee.

**Mr Mouldale:** I am a bit sort of at sea here. I have brought these documents in to give you people an idea of what I have been through with this finance broking thing and to give you my details, and anything that you people would like to ask me.

**The CHAIRMAN:** All right. Is there anything in particular you wanted to draw to the attention of the committee about the problems that you faced?

**Mr Mouldale:** Mainly, to start with, on Gamel and Ward. I found out after that I put my money in and then the people became bankrupt or put into liquidators, but I was not told by Mr Gamel that Mr Gomm was guarantor for more companies. I think if I had have known that, I might have been a little bit more wary. Gamel and Ward gave me a copy of Gomm's financial affairs with Sherr Pastoral and after I had sent my money up I had to query whether they had

received it. I had no indication from either Gamel and Ward or his solicitor that was holding the money in trust. I made quite a few inquiries on this and eventually I had letters from Gamel and Ward to say that they were still waiting for finance from Mr Gomm. I do not think this is mentioned in any correspondence but when I was speaking to him person to person, he told me that Mr Gomm was trying to get finance from Indonesia. This time went from May up to around August and I was half a mind at the time at the end of August to ask him for my money back, but by the time I got round there I had already received a letter from them to say that everything had gone through and I had two payments of interest. Then I had another one about a month later, and that was the lot. After that I made more inquiries and found that they were going bankrupt or going into the hands of receivers. Clairs Keely, the solicitors that were trustees for the money, sent a letter to say that they - excuse me a second.

**The CHAIRMAN:** No, no, take your time. It is okay.

**Mr Mouldsdale:** Sent a letter of demand to Mr Gomm and then that was about it. They went on being put into the hands of the receivers, Hall Chadwick, who called meetings of the people in this - how do you put it - all the people that were owed money by Gomm and they eventually gave up because they were not getting any results from the creditors. At one stage they mentioned that anything under \$20 000 they were not prepared to handle. You had to have more money, say over \$20 000, that they might take into account so that they could try and get the money back, so I thought, well, it is not much good. I only had \$20 000 in and they were not interested in anyone that had \$20 000 or less, so I thought at the time there, well, there is not much I can do because everybody else - whichever way you looked, you were paying money out to the solicitors and lawyers and the people handling the, what do you call it - Hall Chadwick, the liquidators. So I tried to sell it myself. We put ads in the paper. We attended the auction they had down in Collie. Nobody turned up at the auction except myself and another friend of mine that was in the same situation with a different company that Gomm was guarantor for and the people handling the auction. Of course nobody turned up and so, as I say, we put a few more ads in the paper and we never had anything. Then we found out from - - -

**Hon G.T. GIFFARD:** Can I just clarify with you, are you talking about an auction that you conducted for this block or are you talking about the auctions for the blocks in the same street?

**Mr Mouldsdale:** Sorry, yes, the auction that I attended was for the blocks next door to mine.

**Hon G.T. GIFFARD:** Right.

**Mr Mouldsdale:** I thought, well, it seems to be a waste of time and the Professionals, the estate agents in Collie, said that auctions were not popular. We did attend another one, my neighbour and myself, and that was the same, no people turned up or were interested in purchasing the blocks.

**Hon G.T. GIFFARD:** Was that near your block as well?

**Mr Mouldsdale:** That was either side of my block, yes. After that, my neighbour had a letter from the Fair Trading to say that the blocks had been overvalued. The valuer-general said that the blocks were overvalued and they were worth about \$11 000 to \$13 000. I had mine valued by Lee-Steeres in Bunbury prior to this and they took into account the blocks that were sold early in

the piece when the first was opened and they quoted around \$35 000. He did not take into account that Collie was on a downturn. The mines had put a lot of people off and were working two shifts instead of three and put off a lot of people.

**The CHAIRMAN:** Sorry, can I just check? The timing of this valuation of Lee-Steere's - was that after you had lent the money or before?

**Mr Mouldsdale:** This was after I had lent the money. Clairs Keely said to get a valuation and put it on the market so I did that and that was the result from Lee-Steeres and then my neighbour received a letter to say from the valuer-general that the blocks were worth 11 to 13 thousand. I have not any documentation on this, but Homeswest had opened up another area in Collie with blocks worth around \$11 000 so that really put the price of value of my block down. As I say, we have tried to sell it, we have had no results and the rates and the taxes are accruing on this block that I hold the mortgage for. I have the title deeds, but being a pensioner, I cannot afford to go through putting more money down to sell the block or pay for anything so I just have to let it sort of go until either the council or someone else decides to sell it. It makes it a bit difficult to throw good money after bad and this is about as far as I can go so I just have to let it take its course.

**The CHAIRMAN:** So you still currently own it but you are basically just leaving it until someone forecloses on it.

**Mr Mouldsdale:** I do not own it. I still hold the title deed.

**The CHAIRMAN:** As the mortgagee?

**Mr Mouldsdale:** Yes, that is right. I cannot sell it, nobody is interested, and there is quite a lot of vacant land down there at present. If I sold it for, say, \$11 000, if I could, I would get nothing back. There would be rates, taxes and things like that to go for it. So there is virtually nothing I can do now; just to let it sort of go.

**The CHAIRMAN:** All right. Just in terms of the surrounding blocks, are they are still vacant under mortgagee sale as well?

**Mr Mouldsdale:** I do not know if they are still under mortgagee sale. One estate agent had signs up everywhere but I noticed they have all been taken down. This was about nearly 12 months ago. The estate agents, I think Carroll Realty - I had an ad with them and had the block up for sale through them, then when I went to see them to take it off the market, they had changed their name and went to - I have not got this in the document, but they had changed their name to Air International, I think it is, Realty.

**The CHAIRMAN:** Right.

**Mr Mouldsdale:** I just sent a letter up there to take it off the market in case I did sell it and they claimed fees for it. As it is now, it is just still holding there. I have just got the title deeds and that is all.

**The CHAIRMAN:** Right.

**Mr Mouldsdale:** I do not know. I do not think there is virtually much I can do about it if I cannot sell it; just sort of hang on to the title deeds and see what happens, but I think Lee-Steeres did not give a good valuation because of the downturn in the economy of Collie and I think John Ward from Gamel Ward could have told me about the other companies that this gentleman was guarantee for. Quite a few companies of his that he was guarantor for have gone into liquidation.

**The CHAIRMAN:** Sorry, with the companies that he was guarantee for, were they ones that also had mortgages through Gamel Ward? Are you aware of that. I mean, if you are not, that is fine.

**Mr Mouldsdale:** No, my neighbour - he was through Gamel Ward. It is a different company that he was with.

**The CHAIRMAN:** Right.

**Mr Mouldsdale:** That Gomm was the guarantor for.

**The CHAIRMAN:** Gomm had a number of different companies so your neighbour had a loan to a company that was run by Gomm through Gamel Ward.

**Mr Mouldsdale:** That is right. That was Hornsby Holdings, I think.

**The CHAIRMAN:** Right.

**Mr Mouldsdale:** Mine was Sherr Pastoral, and I did not know that he more like Colak and he had other ones too that were put into liquidation.

**The CHAIRMAN:** Right, and a number of those you are aware of were borrowing money through Gamel Ward as well as Sherr Pastoral Co.

**Mr Mouldsdale:** Just my neighbour, yes, and Gomm was the guarantor.

**The CHAIRMAN:** Right. Sorry, please keep going.

**Mr Mouldsdale:** I think that is about as far as I can go.

**The CHAIRMAN:** Right. I have a couple of questions. In terms of the presentation of Mr Gomm's assets and liabilities, you have the document here that you have provided to us today, the letter dated 19 May 1995, and attached to that is an assets and liabilities statement of Sherr Pastoral Co.

**Mr Mouldsdale:** That is right, yes.

**The CHAIRMAN:** That was the only sort of documents regarding Mr Gomm's financial position that was provided to you by -

**Mr Mouldsdale:** That is all that Gamel Ward gave me.

**The CHAIRMAN:** Right. It suggests that he has properties to the value of \$4.5m and loans for just under \$2m.

**Mr Mouldsdale:** Yes.

**The CHAIRMAN:** Right.

**Mr Mouldsdale:** This is hearsay: I believe when I took my loan out that the Commonwealth Bank were after him for something like \$2m but I have no proof in writing of that. As I say, after he went into liquidation, this is what I came to.

**Hon G.T. GIFFARD:** Which one are you talking about?

**Mr Mouldsdale:** Here.

**The CHAIRMAN:** At the very front, about the second document in there is a letter to Mr N. Gribble at A.E. Dry and Co and then attached to that is an asset thing.

**Mr Mouldsdale:** Of the company.

**The CHAIRMAN:** Yes.

**Hon RAY HALLIGAN:** Might I suggest that is what purports to be an assets and liabilities statement. Of course it is not.

**Mr Mouldsdale:** Yes.

**Hon RAY HALLIGAN:** It is a list of properties supposedly owned by that company.

**Mr Mouldsdale:** That is right.

**Hon RAY HALLIGAN:** Its valuation, and we do not know where that is a sworn valuation or not.

**Mr Mouldsdale:** No.

**The CHAIRMAN:** What the mortgage is an income.

**Hon RAY HALLIGAN:** If we were looking at their total assets and liabilities, we would require a balance sheet and, of course, that may have indicated that they owed all this money to the Commonwealth Bank and the like.

**Mr Mouldsdale:** That is just what sort of what I have heard. As I say, I have no records or anything in writing on that.

**Hon RAY HALLIGAN:** In other words, you were provided with very little unfortunately.

**Mr Mouldsdale:** That is right, yes; yes, only what I had on that correspondence from them.

**The CHAIRMAN:** Obviously once the law went into difficulties, did you raise your problems with anyone at the Ministry of Fair Trading or the Finance Brokers Supervisory Board?

**Mr Mouldsdale:** Yes, I got in contact or I was in contact with a Mr Gary Wallace, the senior investigator, and he came down and took statements from me.

**The CHAIRMAN:** What time was this? Approximately what dates are we talking about?

**Mr Mouldsdale:** I am sorry, I will have to have a quick look through here.

**The CHAIRMAN:** Yes, please do.

**Mr Mouldsdale:** This was after Gomm was in liquidation and he took statements from me. You have a copy there. We did not hear anything or I did not hear anything for a long time after that until I got the letter from the Ministry of Fair Trading to say that I was not a client of Gamel Ward but Gomm was, so that left a bit of a blank there for a while. When I asked some solicitors, the gentleman from Clairs Keely said I could go ahead myself and even the Fair Trading said I could go ahead myself and see if I could recover any money, but with the costs and things like that, I thought with what I have already put in, it is only throwing good money after bad, especially when we go the valuations of the land and Homeswest opened up more property down there at cheaper prices and with the downturn of the Collie economy, it would have been a waste of time to sort of chase after these things and with Gomm being in liquidation, you would not get much chance of money from him.

**The CHAIRMAN:** Right. You do not remember approximately when you first approached the Ministry of Fair Trading.

**Mr Mouldsdale:** No; I can give you a rough idea.

**The CHAIRMAN:** Yes.

**Mr Mouldsdale:** Yes, I have not got any date on this one, my statement to Mr Wallace.

**The CHAIRMAN:** Can I say the Ministry of Fair Trading letter says, "I refer to your letter of complaint to the Finance Brokers Supervisory Board dated 25 September 1997 concerning Gamel Ward Pty Ltd"? Would that sound about the right date to you, from your memory?

**Mr Mouldsdale:** It would be pretty close there because as soon as I found out that he was in liquidation and Hall Chadwick were liquidators, I went to their meeting and because of lack of support from creditors, they did not proceed any further with attempting to sell the blocks or anything like that to recover any money. So it would be some time, as I say, on the 25th, around the end of September, that I did that.

**The CHAIRMAN:** All right. I think you just mentioned then between lodging that initial



complaint, meeting Mr Wallace and giving him a statement that from that time on the next contact you had from the ministry was this letter from - it says it is from Mr Willers but it does not have a signature on it. Was it signed at the time, do you remember? Is this a copy of the letter you actually received?

**Mr Mouldsdale:** This is the copy of the letter I received.

**The CHAIRMAN:** It was never signed by anyone.

**Mr Mouldsdale:** So, as I say, this was all I got from them.

**The CHAIRMAN:** That was in July 1998 saying that you are not a client of the broker.

**Mr Mouldsdale:** Yes.

**The CHAIRMAN:** Did you consider yourself a client of the broker at the time?

**Mr Mouldsdale:** I did actually because, as far as I know, when you go into a place like that and you are - they are asking for the mortgage, so I went in I thought I would be his client because I was putting the money into a mortgage fund and I had no contact with Gomm or anyone like that, just the broker.

**The CHAIRMAN:** Did you pay him any money or sign any documents to engage him as your agent?

**Mr Mouldsdale:** No, I did not. He told me that the person that was receiving the money - he paid all fees so at the time - I am not into this legal business and I did not realise that probably I would not be his client. Later on I approached the people up at Fair Trading about not being a client and they told me that I could go ahead and take my own way into trying to get money back but, as I say, after \$20 000 and paying more money it just seemed to be throwing it down the drain.

**The CHAIRMAN:** When you met with Mr Wallace, did he ask you any questions about what the relationship between you and Gamel Ward was? Was that discussed when he took -

**Mr Mouldsdale:** Not that I recall. I cannot sort of recall if he did or not.

**The CHAIRMAN:** Right.

**Mr Mouldsdale:** I was giving him, just like I have here, all the information that I could give him and I do not recall him saying about being a client of -

**The CHAIRMAN:** So he did not discuss that issue with you at the time that he took the statement.

**Mr Mouldsdale:** Not that I can recall, no.

**The CHAIRMAN:** So the first time, to your recollection, that the issue of whether you were a client was when they actually wrote to you saying that you are not a client and therefore they

cannot assist you.

**Mr Mouldsdale:** That is right, yes.

**The CHAIRMAN:** There were no sort of other communications that you can remember.

**Mr Mouldsdale:** No, after Mr Wallace took my statement, that is all I heard from him. I did not hear any more from him. I got the letter from Fair Trading to say that, as you see the letter there, I was not the client of Gamel Ward.

**The CHAIRMAN:** Yes, and so you did take that up later with the Ministry of Fair Trading and basically their only option to you was to pursue it.

**Mr Mouldsdale:** On my own.

**The CHAIRMAN:** That was in terms of reclaiming the money.

**Mr Mouldsdale:** Yes, to proceed myself if I wished to on that.

**The CHAIRMAN:** Did they talk to you about the problems with the broker at all in that sense?

**Mr Mouldsdale:** No.

**The CHAIRMAN:** Any broader issues of whether or not they were going to sort of look into the way that broker operated or anything like that.

**Mr Mouldsdale:** No, they did not say anything like that. They just said that I was not a client and if I wished to proceed further, I would have to get my own counsel on it. They virtually wiped their hands of it and said I could proceed myself if I wished to.

**The CHAIRMAN:** That is obviously about reclaiming your money, but were there any discussions about the way that broker was operating and whether or not there were any -

**Mr Mouldsdale:** No.

**The CHAIRMAN:** Was that something that was a concern to you at the time?

**Mr Mouldsdale:** You do not know what is happening. You try and find out these things, but, as I say, they said I was not a client and there was not much they could do about it and told me virtually just to proceed myself if I wished to. When I worked it all out myself, I thought I am only throwing money away and there does not seem to be any hope of getting any money back. By the time I pay all my fees, my \$20 000, I might only get 11 or 12 thousand if anybody wanted to buy the block. By that time I would be further in debt so there was not much I could do to proceed. I did write a letter to - every year they have a law thing and they print it in the paper.

**The CHAIRMAN:** Yes.

**Mr Mouldsdale:** I wrote to them and they virtually said the same thing and I have got till September next year if I want to bring any proceedings against Gamel and Ward, but I was told verbally that Gamel and Ward no longer existed so I had to just take proceedings against either John Ward or Mr Gamel. That was just verbally. I have not got any documents on that one at all. So that is all I can say, except to say that to proceed myself would be the only way I could go about it and the law access - on their letter they gave me several names of solicitors that handle that sort of thing.

**The CHAIRMAN:** Yes. I have a copy of that letter.

**Mr Mouldsdale:** Yes.

**The CHAIRMAN:** Did you raise your concerns with anybody else after you got the letter from the Ministry of Fair Trading? You obviously met with them.

**Mr Mouldsdale:** No, there was not much else I could do. I did mention it A.E. Dry and Co and they said, "Whatever you do, hang on to the title deed." That was verbally, so at present that is what I am doing and I will be having a word with them again later to find out, on the rates and taxes, whether the council have first priority or how that works. At present I do not know on those things. I should say they would have priority.

**The CHAIRMAN:** If they sell the block.

**Mr Mouldsdale:** Yes.

**The CHAIRMAN:** No, I think you will find to be able to sell the block you would need to either pay or have some arrangement with the person buying the block that they would need to pay out the rates and the water, if there are any water rates, prior to being able to sell the property. Otherwise if you sell it, those debts go across to the new person so no-one is going to buy it.

**Mr Mouldsdale:** That is right.

**The CHAIRMAN:** Unless that is part of the negotiations.

**Mr Mouldsdale:** Yes.

**The CHAIRMAN:** Do you know what those are because, I mean, I guess my only concern - what your total bill of rates and water charges is?

**Mr Mouldsdale:** There would be about five years. I think somewhere I had it jotted down but I could not tell you where exactly. There was somewhere around about \$3000-odd on the council rates owing. No, I could not tell you offhand but there would be, I suppose, possibly about \$4000 now on rates and they were accruing at 25 per cent interest.

**The CHAIRMAN:** 25 per cent?

**Mr Mouldsdale:** I think it is that. I am not sure on that.

**The CHAIRMAN:** I always thought the Water Corp's interest rate was high.

**Mr Mouldsdale:** As I say, I did have it on one of my jottings here. Actually, that was when I went up to put the block on the market. When I put the block on the market I inquired at the council at the time and they said that there was still water rates owing too.

**The CHAIRMAN:** Who is the block actually in the name of now?

**Mr Mouldsdale:** It is in my name, I think, as mortgagee. I have the title deeds here, or certification of title, I am sorry. Do you want to - - -

**The CHAIRMAN:** No, it is all right. Actually, maybe if I just have a quick look at it, yes.

**Mr Mouldsdale:** Yes. It has my name on the bottom part of it there.

**The CHAIRMAN:** I think we have a copy of a title document here so I can just see if it has had any changes since then. Thanks. No, this is the same as the document we already have a copy of in the documents. There have been no other changes made to it since then.

**Mr Mouldsdale:** When I went up to the Fair Trading, they checked out that and it was still as it is there. There has not been anything on it. Thank you.

**The CHAIRMAN:** In your submission you have listed four areas that you would like the committee to investigate. Is there anything else, since you have put in the submission, you would like to add to that? I take it the fact you are raising those issues is the points you want us to investigate. You think the situation you find yourself in today, it is because of those areas that the problems have arisen?

**Mr Mouldsdale:** I think so, yes. I do not think there is anything else that I can add to it. It is the valuations and the fact that all I received from Gamel and Ward was that document he gave me with the valuations of Sherr Pastoral with the blocks and things they had. I never had any other thing there to say that he, Gomm, was guarantor for several other companies.

**The CHAIRMAN:** You think Gamel Ward either withheld information from you or they did not make diligent investigations - - -

**Mr Mouldsdale:** I do not think they gave me a true picture of Mr Gomm's companies or whoever he was guarantor for. I think possibly if I had have known he was guarantor for a lot more companies, I probably would have found out a little bit more that I could about them. I did ask A.E. Dry and Co what they thought about the situation and at the time Mr Gribble from A.E. Dry thought for six months it could have been a good little investment, four to six months, and at the time that was all I needed, a little bit of extra money to clear up some debts and then I could get along with the pension quite well. I had to rent my house out later on after the situation then to get myself out of debt and now I am going along quite well, apart from this business. As I say, I think the only thing I can do now is just let it take its course and if I get some money back, fair enough; if I do not, well, I am not throwing more money after bad. That is about all I can say.

**The CHAIRMAN:** All right. Ray or Graham?

**Hon RAY HALLIGAN:** Yes, if I may. Just some points of clarification to begin with, if I may. In your original submission here where you make mention of the four areas that you would like the committee to investigate, in the centre of that you make the statement that the settlement took place about 6 September of 95.

**Mr Mouldsdale:** Yes.

**Hon RAY HALLIGAN:** It does not explain what that settlement is.

**Mr Mouldsdale:** I am sorry. That is when they gave my money to Gomm and I received the title deed, certificate of title, for the block down in Collie.

**Hon RAY HALLIGAN:** Thank you for that. Might I just ask: A.E. Dry and Co, are they your accountants?

**Mr Mouldsdale:** They do my tax in the last few years. They were friends of my uncle and aunt's. He is now deceased but he was an accountant for them and I got my tax done through them.

**Hon RAY HALLIGAN:** May I ask over how many years? How long have you been associated with them?

**Mr Mouldsdale:** Since around 91 when I bought the house in Mandurah.

**Hon RAY HALLIGAN:** That is fine. I note that one of the letters from Gamel Ward is in fact addressed to Drys, so I take it they had written to Gamel Ward on instructions from you?

**Mr Mouldsdale:** Every time I rang Mr Ward, he either was not there - and I left my phone number and when I would be home. I never, ever received any phone calls from him so that is when I put all my correspondence through A.E. Dry.

**Hon RAY HALLIGAN:** That is fine. I note in a letter dated 19 May of 95 from Gamel Ward to A.E. Dry, under the heading, "Valuation," on page 2 they make mention of, "\$35 000 per block based on current sales of blocks in recent times."

**Mr Mouldsdale:** Yes.

**Hon RAY HALLIGAN:** I note in your original submission you are concerned about the Lee-Steere valuation.

**Mr Mouldsdale:** That is right.

**Hon RAY HALLIGAN:** I bring this one to your attention where \$35 000 is mentioned "in recent times" and yet the Lee-Steere valuation suggests there has been no sales in recent times.

**Mr Mouldsdale:** That is right.

**Hon RAY HALLIGAN:** I wonder where that came from. Further, there is mention in a letter to you dated 12 February of 96 from Clairs Keely that states -

We are advised that another lot in the area has been valued at \$30 000 and we have seen that valuation, and we have been told of another valuation of \$32 000.

**Mr Mouldsdale:** Yes.

**Hon RAY HALLIGAN:** I am just trying to bring this into perspective. It is not just Lee-Steere that has given a figure that may or may not have been correct at that point in time, and I think that is important. In a letter from A.E. Dry to yourself dated 7 August of 1995 they have provided you with a fax from Gamel Ward which apparently answers seven questions, and in Dry's letter to you it says "in response to the written questions" put to them. Unfortunately, we do not have the questions.

**Mr Mouldsdale:** You do not?

**Hon RAY HALLIGAN:** We have the answers, but I am afraid I could not find the questions.

**Mr Mouldsdale:** If you do not have them, I am sorry, I do not think I have either.

**Hon RAY HALLIGAN:** Do you think you may have that documentation elsewhere?

**Mr Mouldsdale:** I do not think so.

**Hon RAY HALLIGAN:** Do you believe Drys may have asked those questions on your behalf?

**Mr Mouldsdale:** I asked Mr Gribble from Drys to ask the questions and I would say that the questions they sent would be what I have asked them to do.

**Hon RAY HALLIGAN:** Would it be possible for you to at some stage make contact with Mr Gribble asking for a copy of those questions to be communicated to the committee?

**Mr Mouldsdale:** Yes, I will try. Mr Gribble has retired from A.E. Dry but whether they have any records, I will inquire and see if I can get them.

**Hon RAY HALLIGAN:** I appreciate that. Something I found a little odd personally was in another letter from Clairs Keely to A.E. Dry where it makes mention, admittedly at settlement - these are the words that I found a little unusual, "We will ensure that all arrears of interest at the higher interest rate of 15 per cent are collected."

**Mr Mouldsdale:** Yes.

**Hon RAY HALLIGAN:** "We will ensure" sounds like a bit of a guarantee to me.

**Mr Mouldsdale:** That sounds like it, yes, but - - -

**Hon RAY HALLIGAN:** You have not followed that particular one up with Clairs Keely?

**Mr Mouldsdale:** Not at present, no. As I say, you get these things, it is a bit of a shock - - -

**Hon RAY HALLIGAN:** That is true.

**Mr Mouldsdale:** - - - and you have to work out what you can do. If I went up there and asked him about it, I suppose he would charge me fees.

**Hon RAY HALLIGAN:** You might be able to write a letter to him.

**Mr Mouldsdale:** I think so.

**Hon RAY HALLIGAN:** The committee has a number of terms of reference and some of those relate to inquiring into and reporting on the reasons for losses associated with the finance broking industry and giving consideration to the adequacy of existing legislation to prevent a reoccurrence of the events. With that in mind I would like to ask you a few more questions, if I may.

**Mr Mouldsdale:** You may.

**Hon RAY HALLIGAN:** Can you tell me if you have made any other investments other than this current one that you are having problems with?

**Mr Mouldsdale:** No, the only other investments I have is a few shares in the share market. They are fairly good, I think. That is just my opinion, but banks and something that is reasonably well done.

**Hon RAY HALLIGAN:** Would you call them blue chip stocks?

**Mr Mouldsdale:** I suppose that is what they would call a blue chip one, is it? Yes.

**Hon RAY HALLIGAN:** Can you tell us what prompted you to go through a finance broker with this particular investment?

**Mr Mouldsdale:** At the time I had just retired; I was going through a pretty lean period. My neighbour, he had an investment through Gamel and Ward and with another finance broker, Mr Fermanis. He was receiving regular interest payments on his investment. I had about \$20 000 in the R and I Bank as a term deposit and my neighbour showed me all his interest and everything and things seemed to be going along pretty well. That is when I inquired at A.E. Dry to see what they thought. Mr Gribble went through it. He apparently knew John Ward pretty well, so they received the correspondence from John Ward and he seemed to think for six months it would be a reasonable investment, and that was really all I needed to sort of get myself on my feet. As I say, unfortunately it did not come off. I still had my few shares and I managed along. Then I ended up renting out my house to sort of supplement my income a little and, I am sorry, the problems you have with that I would not like to say but in the end, after two and a half years, I went back to live in it. Eventually I sold that and I bought a cheaper one and I am just coasting

along now. As I say, I am not into this investing very well. That one bit me pretty badly in my circumstances so I will be steering clear of those in future.

**Hon RAY HALLIGAN:** But you believe you had undertaken - and it certainly appears as though you had made some effort to ascertain whether it was a fair and a reasonable investment.

**Mr Mouldsdale:** That is right, yes.

**Hon RAY HALLIGAN:** With some security.

**Mr Mouldsdale:** Yes.

**Hon RAY HALLIGAN:** I can see that you certainly appear to have done that. Can you tell me please your understanding of the word "supervisory" in the name Finance Brokers Supervisory Board?

**Mr Mouldsdale:** As far as I know, supervisory is a board or person that supervises whatever they have to do and, as far as I know, if you have any complaints you see them. As I say, they sort of are supposed to be keeping an eye on things and seeing everything is above board. That is sort of my interpretation.

**Hon RAY HALLIGAN:** Is that used with hindsight or did you take that into consideration before making this investment?

**Mr Mouldsdale:** No, you know, as I say, over the years you have supervisors and things like that that if you have any problems you go and see them, especially in the workforce and different places, and as far as I know, you know, they keep an eye on things.

**Hon RAY HALLIGAN:** We have a situation sometimes where a supervisor is required to go into some of these finance brokers and undertake certain tasks and if it is decided by the courts that that company will be liquidated, do you have any objection to that supervisor, the individual under that term "supervisor", and the liquidator both coming from the same firm?

**Mr Mouldsdale:** It is like the real estate agent, is it not? If you get a real estate agent to put your house up for sale and it sells and they have their settlement agents, if they are associated with the estate agent they have to give you a paper to explain that they are, how do you put it, with the estate agents.

**The CHAIRMAN:** They have a relationship between the two, yes.

**Mr Mouldsdale:** Relationship, that is right. Thanks. Could you ask that question again please?

**Hon RAY HALLIGAN:** Sometimes there is need for a supervisor and a liquidator.

**Mr Mouldsdale:** That is right.

**Hon RAY HALLIGAN:** The supervisor has certain tasks to perform under the Finance Brokers Act and if the company is in such a state that the courts decide that it should be liquidated, that is



the responsibility of another person whom is called the liquidator.

**Mr Mouldsdale:** That is right, yes.

**Hon RAY HALLIGAN:** Quite often they are both within the accounting profession and I am asking whether you have any problems or any concerns or certainly any objections to each of those people - and there will be two of them; not one wearing two hats, but two people - both coming from the same accounting firm?

**Mr Mouldsdale:** This I am not sure on. As I say, I approached Fair Trading. I thought they were the people to see. If you have a liquidator and a supervisory board, that I am not sure of because usually they just call in the liquidators, as far as I know, and that is how I think about that.

**Hon RAY HALLIGAN:** That is fine. Now that we have the benefit of hindsight, of course, what do you think could have been done to overcome these current problems?

**Mr Mouldsdale:** I could have taken or sought more information before I put my money in. It is very hard to say because they have all their different boards and if they cannot sort of keep control of them, it makes it difficult, does it not, for a layman like myself to sort of know how to go about things? As I say, for my own benefit if I have the money to invest anything else, I will make sure that I go into it very thoroughly and that is about all I can say on that.

**Hon RAY HALLIGAN:** I think one of our difficulties is - and I hear what you are saying - we have many boards and many professional bodies and organisations covering a whole spectrum of activities, medical, legal, accounting and the like, and certainly there is the expectation there that there will be the control over each and every professional body.

**Mr Mouldsdale:** That is right.

**Hon RAY HALLIGAN:** The fact that a lot of these people still end up before the courts suggests that not all goes as we would like it to go.

**Mr Mouldsdale:** You are right there, yes.

**Hon RAY HALLIGAN:** All right. I have no further questions. Thank you very much.

**Mr Mouldsdale:** Thank you.

**Hon G.T. GIFFARD:** Mr Mouldsdale, can you explain to us what your first approach to Gamel Ward was?

**Mr Mouldsdale:** They had ads in the paper. They wanted money for a six-month loan. I was saying something to my neighbour one day and he said, "I have an investment through this crowd." He is a retired businessman. I said, "Well, what are they like?" and he said, "Well, I'm getting regular interest payments." So I asked him about it, then I saw the ad in the paper from Gamel and Ward so I gave them a ring and he said I could go up there when I was in Perth next or if I wanted to go up and make a trip, to go up and see them. So I went up and saw him.

**Hon G.T. GIFFARD:** Who is "him"?

**Mr Mouldsdale:** Sorry, Mr John Ward.

**Hon G.T. GIFFARD:** Yes.

**Mr Mouldsdale:** After I saw Mr John Ward, I went round to A.E. Dry and Co which was -

**Hon G.T. GIFFARD:** Can I just stop you there? You saw Mr Ward. What did you discuss at that first meeting?

**Mr Mouldsdale:** I asked him about the investments and he showed me this on Sherr Pastoral as Gomm as guarantor and he showed me the asset sheet that they had.

**Hon G.T. GIFFARD:** Was that the only investment he showed you?

**Mr Mouldsdale:** That was all, yes.

**Hon G.T. GIFFARD:** Did you have any particular investment in mind when you approached him?

**Mr Mouldsdale:** No, I just asked him what he had and he said that they had this through Sherr Pastoral and the land in Collie.

**Hon G.T. GIFFARD:** Did he say that was the only investment that they had available?

**Mr Mouldsdale:** He did not mention any other investments and at the time I did not ask him because it was only for six months and that was just about what I needed to clear my debts and get myself organised.

**Hon G.T. GIFFARD:** So he gave you a run through what the proposal was.

**Mr Mouldsdale:** That is what is in the letters here or the papers here.

**Hon G.T. GIFFARD:** Yes, and then you went and saw A.E. Dry.

**Mr Mouldsdale:** That is right, yes.

**Hon G.T. GIFFARD:** And you discussed it with them.

**Mr Mouldsdale:** I discussed it with Mr Gribble and he made inquiries to John Ward and when I saw Mr Gribble again, he said, "Well, that seems pretty reasonable for a six-month investment." So I went ahead then and invested by \$20 100.

**Hon G.T. GIFFARD:** Yes. I am just asking you that because I am just interested to know - I noticed the in very first letter on the documents that you have handed up today the second

paragraph just says, "As finance brokers, we are involved in the placement of investment moneys into secure" - it goes on - "first mortgage investments with the mortgagee holding the certificate of title." I was just wondering whether or not during the discussions with Mr Ward you had talked about any other investments or he just focused on this one in that initial meeting or any subsequent meeting.

**Mr Mouldsdale:** No, I was more just interested in the six-month investment to get myself out of debt and then I would have more than likely put money into more shares or into term deposits in the bank. It was more, as I say, just to get myself on my feet after I had retired.

**Hon G.T. GIFFARD:** Mr Mouldsdale, what is the situation with Mr Gomm?

**Mr Mouldsdale:** With Mr Gomm?

**Hon G.T. GIFFARD:** Yes.

**Mr Mouldsdale:** Only verbally that I heard that he was not a very well man. I noticed later on in one of the correspondence - I think it was Hall Chadwick - that when they said they had a claim for Mrs Gomm trading insolvently, apparently just verbally I heard that she had taken over as secretary and Mr Gomm had -

**Hon G.T. GIFFARD:** I am just asking you in terms of whether or not Mr Gomm is still doing business. What do you know about it?

**Mr Mouldsdale:** I know nothing about him now.

**Hon G.T. GIFFARD:** No-one has advised you.

**Mr Mouldsdale:** No.

**Hon G.T. GIFFARD:** I just noticed he is listed as a guarantor there. I do not know what action has been taken against him.

**Mr Mouldsdale:** He was guarantor for the loans, I think.

**Hon G.T. GIFFARD:** For Sherr Pastoral.

**Mr Mouldsdale:** Sherr Pastoral, yes.

**Hon G.T. GIFFARD:** Yes.

**Mr Mouldsdale:** As I say, later I found out that he was also guarantor for the other companies that went into liquidation. That was the other one mentioned with Sherr Pastoral. Another one was Hornsby Holdings and I think another was called Colack or something like that. I cannot tell you the name properly, but he had quite a few companies he was guarantor for.

**The CHAIRMAN:** You do not know if he has personally gone into bankruptcy.

**Mr Mouldsdale:** I do not know. His house was listed in Leeming. I do not think he is there. I do not know how long he has been away from there, but one time out of interest, when I was coming back through Perth, I went past the place and to me it looked as though it was rented. It did not look as though many people were there at all or anything. As far as I know, I cannot tell you what has happened.

**The CHAIRMAN:** All right. That is fine.

**Hon G.T. GIFFARD:** Mr Mouldsdale, you mentioned before about a valuer-general's letter valuing - was it your block or a neighbouring block at \$11 000?

**Mr Mouldsdale:** This was through the valuer-general.

**Hon G.T. GIFFARD:** Did you see this letter?

**Mr Mouldsdale:** This was a letter the neighbour got. I did have a photocopy of that one. I think you should have it there somewhere.

**Hon G.T. GIFFARD:** The valuer-general's.

**Mr Mouldsdale:** Yes.

**Hon G.T. GIFFARD:** We do not have a copy of any letter from the valuer-general.

**Mr Mouldsdale:** Actually I think this might have been through Fair Trading. It said the valuer-general had valued the land down there as between 11 and 13 thousand.

**Hon RAY HALLIGAN:** Was there a suggestion as to the type of valuation? The reason I ask that is what you would not be looking for is a fair market value.

**Mr Mouldsdale:** That is right yes.

**Hon RAY HALLIGAN:** That is a figure that a prudent person is likely to pay you for your piece of land.

**Mr Mouldsdale:** That is right, yes.

**Hon RAY HALLIGAN:** Or the valuer-general's valuation which is often used for the purpose of setting rates.

**Mr Mouldsdale:** That is right, yes.

**Hon RAY HALLIGAN:** And the two are not necessarily the same, the two values.

**Mr Mouldsdale:** Originally, as I say, I think when they first opened that land, they were selling blocks for that price but then, as I said earlier, with the downturn of the mines things went very

quiet there at the time. They were building the new powerhouse but that was a lot of people coming in from different areas to do the work. When that powerhouse was finished there would only be about 12 to 13 technicians there and maybe cleaning staff and things like that, then Worsley went ahead for a little while, but that sort of went off too, you know, downturn there. So the land when it first sold, as I say, I believe did sell for around that price and the first stage was not even finished and then the other stages did not even get off the ground. So then Homeswest opened this other land up and their blocks were going for around \$11 000.

**Hon G.T. GIFFARD:** Is that in Collie?

**Mr Mouldsdale:** That is in Collie, yes.

**Hon G.T. GIFFARD:** Do you know when this valuer-general or ministry letter was dated?

**Mr Mouldsdale:** No. I do have a copy here. This letter was addressed to Mr Poole, a neighbour of mine, and he is -

**Hon G.T. GIFFARD:** I will just give you a moment if you want to try and locate it.

**Mr Mouldsdale:** Yes, if you do not mind, thanks. Now, bring it up? Sorry. Thank you.

**Hon G.T. GIFFARD:** Mr Mouldsdale, you said earlier that you - I am just interested in your perception of this. You said at one stage that from here on you were just going to let things run their course. In terms of the block of land and this whole episode of your life, how do you think that is going to pan out?

**Mr Mouldsdale:** Well, as I say, eventually I think by the time the council rates accrue the council will probably put it up onto the market and get their rates and I think that is about as far as it will go, because as I say, it is pretty hard to sell the land down there at present and after being at the auctions and advertising there does not seem to be any progress at present in Collie. Whether something else will come up and it will go ahead again and bring the land values up, I do not know.

**Hon G.T. GIFFARD:** So do you expect to get anything out of this \$20 000 investment?

**Mr Mouldsdale:** Unfortunately I do not think I will get anything. As I say, by the time it is sold, unless it sells for say \$30 000 I will get nothing. As I say, with my 20 000 that I have put in and solicitors' fees and other fees, and then they will take the council rates out, so I do not think - and as I say, it depends on what they sell it for. At present I do not think it will go for 11 or 10 thousand even as there was not any interest previous in the auctions.

**The CHAIRMAN:** Mr Mouldsdale, you mentioned that your neighbour also had an investment and obviously it was on land in Collie.

**Mr Mouldsdale:** That is right.

**The CHAIRMAN:** Was it a neighbouring block?

**Mr Mouldsdale:** No, his block was further up the hill with a better view.

**The CHAIRMAN:** In the same subdivision though?

**Mr Mouldsdale:** In the same subdivision.

**The CHAIRMAN:** Right, and had he lent money to the borrower through Gamel Ward?

**Mr Mouldsdale:** That is right, yes.

**The CHAIRMAN:** And the borrower was also a company associated with Mr Gomm.

**Mr Mouldsdale:** That is right, yes.

**The CHAIRMAN:** Right. Do you know who did the original subdivision, just by interest?

**Mr Mouldsdale:** There have been that many different things going on there. Would that be on the title deed, or certificate of title?

**The CHAIRMAN:** Gordon Davidson Brown and Sherrilee Elaine Brown. Is it possible that they were the - all right. Anyway, not to worry. We can maybe try and look at that.

**Mr Mouldsdale:** Would Carroll Realty - that has been mentioned.

**The CHAIRMAN:** There was a Joseph Neville Carroll who was on the title deed prior to Sherr Pastoral Co, so that seems to have been on the day of the transfer. They were registered at the same time.

**Mr Mouldsdale:** Yes. This could be - it was called Carroll Realty from Monash Avenue. I sent a registered letter to them to take the land off the market and I put it through the post to get an answer back but I did not get an answer. I rang up the post to see what was going on and Australia Post informed me that they had a new postman on and he just put the letter there, never got any signature for it or anything, and this is what I was trying to do to make sure that Carroll Realty had it off the books. I think they are now called Air International Realty.

**The CHAIRMAN:** All right. I also notice from your correspondence, I take it that you - did you have Clairs Keeley acting for you as your solicitors at some stage?

**Mr Mouldsdale:** I paid them a fee when they sent - they were the trustees to hold the money until the finance went through to Gomm.

**The CHAIRMAN:** Right.

**Mr Mouldsdale:** When I asked them about it - well, after the money had gone through and I asked them - that is all the interest I got after October. I got three interest payments. I kept in touch with them and then they told me that they would send a letter of - excuse me, what would you -

**The CHAIRMAN:** A letter of demand?

**Mr Mouldsdale:** A letter of demand, yes. So they did that and after that that was all I had to do with them. So I did not proceed any further with them.

**The CHAIRMAN:** Right, and you paid them for issuing the default notices under the mortgages.

**Mr Mouldsdale:** That is right, yes.

**The CHAIRMAN:** I think you have provided us with a copy of a statement or a memorandum of account for that. So did you at any time discuss with them the problems that you were having - I mean, in a general sense?

**Mr Mouldsdale:** That is with Clairs Keeley?

**The CHAIRMAN:** Yes.

**Mr Mouldsdale:** No, my main interest was, to start with, that I did not have any letter of confirmation that anyone had received my cheque. Eventually I got that all sorted out, but apart from that I would ring every now and then and ask them what was going on because I had not heard anything, and I think at one time when I did finally get hold of John Ward he was telling me that Mr Gomm was trying to get finance from Indonesia. This is all verbal, I have not got any proof on that one, but this was when I was getting a bit worried and I was asking Clairs Keely about it and one letter from them said that he was not satisfied with something about the discharge of the mortgage. Then the next thing I know, I get the letter to say that everything had gone through, and then I got two payments from Gomm and then I got a third one and that was the end. Then I asked Mr Ian Clairs about it again and he said about this letter of demand and I said, "Well, put one through," so he put the letter of demand in and later on then I found out that they had gone into receivership.

**The CHAIRMAN:** The reason I am asking you is certainly there is a letter here dated 24 August 1995 from Clairs Keely to your accountants, or attention Mr Gibble at A.E. Dry and Co.

**Mr Mouldsdale:** Yes.

**The CHAIRMAN:** It is referring to you, I assume, when it refers to, "We have, at our mutual client's request, spoken to Mr Ward on several occasions about the outstanding interest and believe he has spoken to Mr Gomm."

**Mr Mouldsdale:** Mm.

**The CHAIRMAN:** I am just trying to understand what the relationship was in all of this because it would appear from what you are telling me, and correct me if I am wrong, that you have gone to Gamel Ward but then in terms of the actual dealings on the mortgage itself, it was

actually through Clairs Keely and their trust account that all of the dealings on the actual investment was carried out.

**Mr Mouldsdale:** Yes.

**The CHAIRMAN:** Then when there were problems, they acted on your behalf, including contacting Mr Ward to chase up things like outstanding interest payments.

**Mr Mouldsdale:** Yes. Well, he did not actually chase up the interest payments. I went through A.E. Dry, Mr Gribble, more or less for a little advice on these things. Then when I was not getting any interest after I had sent my money, I got a bit worried and I would ring up John Ward. He was saying that Mr Gomm was still trying to get finance. When I got on to Mr Ian Clairs, he had a look at things. I asked Mr Gribble several questions. He wrote to these different people and got the answers, or some answers. Then, as I say, I was just about ready to ask for my money back when I got the letter to say that everything had gone through and I got my interest, so I was about two or three weeks probably from asking for my money back when things went through.

**The CHAIRMAN:** No, I understand that, but I am just trying to work out what the relationships were, whether you saw Clairs operating on behalf of Gamel Ward or were they operating on your behalf?

**Mr Mouldsdale:** Actually, as far as I know, they were just trustees of the money. They held the money in the trustee until these things came through. Apparently when things were settled, the money went then to Gomm. Actually, I do not know where it went but I got the letter to say that things had been settled and then I got the interest payment from Gomm, three actually, and then no more so I was asking Mr Keely about it and John Ward, and then when I did not get any more interest Keely sent out a letter of demand for the money and of course nothing - - -

**The CHAIRMAN:** So you did ask him to chase up the issue of outstanding interest?

**Mr Mouldsdale:** That part I did, yes.

**Hon G.T. GIFFARD:** Did you have any dealings with Clairs Keely before this?

**Mr Mouldsdale:** No, this was the first.

**Hon G.T. GIFFARD:** You came across them through Gamel Ward, did you?

**Mr Mouldsdale:** That is right, yes. Gamel and Ward told me to send the money to Clairs Keely trust account and that is where the money went to to start with.

**Hon G.T. GIFFARD:** So Clairs Keely treated you as their client?

**Mr Mouldsdale:** I really do not know on that because they were just trustees holding the money, I suppose - - -



**The CHAIRMAN:** But later on when there were problems with the loan, you were paying them a fee to pursue the outstanding interest payments?

**Mr Mouldsdale:** Yes, I sent them a fee - actually, they sent a letter of demand and then later on sent me an account for sending the letter.

**Hon G.T. GIFFARD:** That was pursuing Sherr Pastoral?

**Mr Mouldsdale:** That is right, yes.

**Hon G.T. GIFFARD:** They did not do any actions against, say, Gamel Ward on your behalf, did they?

**Mr Mouldsdale:** No.

**Hon G.T. GIFFARD:** That was against Sherr Pastoral.

**Mr Mouldsdale:** That is right.

**The CHAIRMAN:** Did you ever meet with Clairs Keely?

**Mr Mouldsdale:** Not until things went into liquidation, and at the meeting with Hall Chadwick, Ian Clairs was there. I do not know what his part in it was, whether he was for a client or not. I do not know. He did tell me - this is probably a little bit of advice on the side, when after the meeting he said to me, "Whatever you do, hang on to the title deed," and that is all he said - or the certificate of title. Apparently Hall Chadwick were going to go in and see if they could auction the blocks and things like this. At one stage - as I say, I cannot see it now - I was told that anything under \$20 000 they were not interested in, or \$20 000 and under they were not interested in. Probably people with higher finance in it they were interested in. When I looked at it and the cost of things that they wanted, I thought, well, I am only just going to keep throwing money away.

**The CHAIRMAN:** In terms of when you were talking to or met with Clairs Keely or anyone from that law firm, did they ever raise the issue with you about conflict of interest?

**Mr Mouldsdale:** No.

**The CHAIRMAN:** They did not suggest to you that they would not be able to act for you on certain matters because they may have a potential conflict of interest?

**Mr Mouldsdale:** No, we did not get anything like that at all. As I say, I saw Ian Clairs at the meeting, and I believe he was acting for another client when he was speaking to the liquidator, and as I was going out we said g'day and he just said, "Whatever you do, hang on to your certificate of title," so I just thanked him and that was all I had to do with him since then.

**Hon G.T. GIFFARD:** Mr Mouldsdale, did you ever have a discussion with Mr - is it Clairs? Is that his name?

**Mr Mouldsdale:** Ian Clairs.

**Hon G.T. GIFFARD:** About you not being a client of Gamel Ward?

**Mr Mouldsdale:** No. I only found that out when we - - -

**Hon G.T. GIFFARD:** That was the letter from Fair Trading.

**Mr Mouldsdale:** That is right, yes.

**Hon G.T. GIFFARD:** In 1998.

**Mr Mouldsdale:** Yes.

**Hon G.T. GIFFARD:** Because the documents you have handed up, Mr Mouldsdale, there is a letter I think that has already been referred to that has a series of answers to questions that we do not, I think, have the questions before us, but it is a letter by Gamel Ward and it refers to their solicitors Clairs Keely.

**Mr Mouldsdale:** Yes.

**Hon G.T. GIFFARD:** Then on the next document from Clairs Keely, in the second paragraph the letter from Clairs Keely says - and it is a facsimile to Mr Gribble, who was your accountant at that stage. Is that right?

**Mr Mouldsdale:** Yes. They were doing my tax, yes.

**Hon G.T. GIFFARD:** It says, : "We advise that the mortgage advanced to Sherr Pastoral has not been settled. We confirm that we continue," that is Clairs Keely, "to hold our mutual client's funds," they would have been your funds, "in our trust account."

**Mr Mouldsdale:** If they called me a client. As I say, I sent the money up to their trust account and it was only when I was asking Mr Clairs about interest and things and what is happening, I suppose -

**Hon G.T. GIFFARD:** I am just trying to work out, Mr Mouldsdale, what your relationship with Gamel Ward would have been if their lawyers are Clairs Keely and your lawyers are Clairs Keely in this same transaction and Gamel Ward are not acting as your agents. I am just trying to work out what the nature of the relationship is between you and Gamel Ward because it would seem to me that there is a commonality of interest there when you have the same firm representing you and Gamel Ward in that one transaction.

**Mr Mouldsdale:** I see what you mean, yes. As I say, John Ward told me to send the money to Clairs Keely trust account and I sent it to them and, of course, when things were not going too good, I was ringing Mr Clairs to see what was going on and things like that. I do not think at any time that we said I was a client of his or he was acting for me.

**Hon G.T. GIFFARD:** When you made your complaint to Fair Trading, what documentation did you provide?

**Mr Mouldsdale:** Most of this documentation here and what I told Mr Wallace. I kept all the documentation that I had through this at one time. It is all here. Mr Wallace took all my documents, had them photocopied and then returned them to me so he would have most of all this here.

**Hon G.T. GIFFARD:** Thank you very much.

**Mr Mouldsdale:** Good.

**The CHAIRMAN:** The document that you have indicated is the statement you gave to Mr Wallace. Looking at that, it indicates that you would have provided that letter that we have just been talking about from Clairs Keely to A.E. Dry and Co.

**Mr Mouldsdale:** Yes, they would have all been in that.

**The CHAIRMAN:** You said you spoke to someone at the Ministry of Fair Trading after you received that letter saying you were not a client of Gamel Ward.

**Mr Mouldsdale:** Yes.

**The CHAIRMAN:** Do you remember who you spoke to at the Ministry of Fair Trading?

**Mr Mouldsdale:** There was a woman lawyer and I am not sure whether it was - Castiglione, is it?

**The CHAIRMAN:** Castiglione.

**Mr Mouldsdale:** It was one of the lawyers there, and that was a woman. Castiglione I think I was talking to with Mr Poole. They again said that we were not a client of Gamel Ward and any proceedings we wanted to, we had to do it ourselves, like, if we wanted to proceed further with the thing.

**The CHAIRMAN:** That was purely against Gamel Ward.

**Mr Mouldsdale:** That is right, yes, to recover the money.

**The CHAIRMAN:** Did they suggest that you go to anyone else to make complaints, that there might be some other more appropriate body, the Legal Practitioners Board or anyone like that?

**Mr Mouldsdale:** No, they said if I wanted to go any further, it would be up to me to hire my own counsel.

**The CHAIRMAN:** Yes, I understand that, but they did not that there might be some other board or body that may be able to deal with the matter.

**Mr Mouldsdale:** No, they did not say anything like that.

**The CHAIRMAN:** All right. Mr Mouldsdale, did you have anything else you wanted to say to the committee before you conclude?

**Mr Mouldsdale:** No, I think that is all I can say actually. I will just present you with all this and see where it goes from there. As I say, to try and go any further like hiring solicitors and things like that - I think that would be a big waste of time because Gomm apparently is a very old person and apparently a sick man. I do not know what has happened to him, where he has gone or anything like that. He is not in the house he used to be in in Leeming and that is about as far as I know. I think, as I say, I just have to let things go and if the council and the Water Board want their rates, I will have to work it out with them. I did take my taxation into the accountants up there. It is now called Dry Kirkness. I was speaking to Mr Dry. I think later on I will go in and see him and let him have a look at some of this and see what we can do with that or just whether I let it go and wait for the council or whoever wants their money to go and see what happens then. I do not think there is anything else I can do to recover any money.

**The CHAIRMAN:** I guess my only comment would be in terms of the issue of the rates and charges, depending on who is considered to actually now be the owner of that block of land, who is then liable for those rates and charges. I guess my advise to you is to get some advice on that because what you do not want to do is find out that the debts are worth more than the value of the block of land and that you are held liable for them.

**Mr Mouldsdale:** I think it is getting pretty close now.

**The CHAIRMAN:** I think you want to be careful that you do not end up getting held - if it goes over, the last thing you want to do is lose more money on top of the situation you are already in.

**Mr Mouldsdale:** Yes.

**The CHAIRMAN:** So I would certainly give you that advice, I guess.

**Mr Mouldsdale:** Yes, I will see Mr Dry again when I go up to do my taxation. I have taken all the papers in and he said to try and find out who is liable for the rates and things.

**The CHAIRMAN:** Yes, and it may be that you would need to then enter into discussions to encourage the council to take action so that it does not incur further debt.

**Mr Mouldsdale:** They went to a great lot of trouble up there. They even put underground power in the estate which is a big first for Collie actually.

**The CHAIRMAN:** Yes.

**Mr Mouldsdale:** As I say, that is about all I can hope for at the present time. I will get advice and find out who is liable for the rates and whatever. I think then the next stage would be to go and see the council and see what eventuates with them and the Water Board.

**The CHAIRMAN:** Yes.

**Hon RAY HALLIGAN:** If you would be good enough to ask Mr Dry or that firm at least about that letter with the questions.

**Mr Mouldsdale:** I will, yes.

**Hon RAY HALLIGAN:** Thank you.

**Mr Mouldsdale:** I have got a pen here. I will write that down when I go out.

**The CHAIRMAN:** Yes, all right, thank you.

**Mr Mouldsdale:** Thank you very much.

**The CHAIRMAN:** Thank you.

**Mr Mouldsdale:** I hope I have not wasted your time.

**Hon RAY HALLIGAN:** Not at all.

**The CHAIRMAN:** No.

**Mr Mouldsdale:** Good; thank you.

**The CHAIRMAN:** We will just adjourn for a few minutes.

*Committee adjourned at 3.02 pm*