

EUFA NZ

**Exposing Unacceptable Financial
Activities Incorporated Society**

REPORT

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1. BACKGROUND

EUFA was set up by the writer of this report Suzanne Edmonds and Jim McSoriley of Wellington. In 2005 through to 2007 as consultant to the Negotiator Ltd, (a disputes resolution company) Suzanne had been working with clients, Jim and Lynda McSoriley of Wellington who had a dispute over advice they had received late in 2000 from their AMP financial advisor. The advisor had been their insurance agent for almost 20 years and someone they trusted implicitly, considering him a friend.

In 2007 with a dispute well on the table with AMP, the McSorileys requested a copy of their file from the advisor and inadvertently the advisors legal counsel sent a list of some of the advisors clients to the McSorileys. After contacting some of the advisors clients a very timely vindication of the McSorileys stance was presented as they were beginning to lose confidence in themselves and their claim. The McSorileys were made to feel by AMP management that they were the only people who had a complaint about the bad advice, however knowing other clients were suffering similar losses, in a weird way, was energizing. These same clients had also been exposed to high-risk investments when they needed their capital secured.

The McSorileys money was neither investment money nor savings. It was proceeds from the sale of their home that wanted safely deposited until they purchased another home. The cause and effect has been catastrophic as the bad advice has meant the McSorileys no longer have a home – something they worked for all their lives and with pending retirement they feel their future is shattered.

The idea was to set up a lobby group, similar to the one Suzanne Edmonds had run as Manager of Age concern in Tauranga in the late 80's early 90's as AMP had declined responsibility over the bad advice. Exposure was the only option opened to the McSorileys. The initial transactions took place in November 2000 but they were unable to afford legal / court action against AMP. By September 2007 they had also fallen outside the statute of limitation, albeit they had made several attempts to seek redress. But the injustice remains.

Anyone who spreads rumour to discredit the McSorileys over their case is either ill informed or has a hidden agenda. The McSorileys experiences and situation is one of the worst-case scenarios on EUFA's files.

NB. The McSorileys file has been compiled in a 'time line' with all available documents along with their story and other supporting evidence. It is a very self-explanatory file of the events that occurred. Nothing can change what actually happened at the time the investments were made. The file could be made available to interested parties.

2. HOW EUFA BEGAN TO GROW

Bridgecorp went into receivership in July 2007, two months before EUFA launched. As a result of the media coverage EUFA received at that time, there were many inquiry's regarding the Bridgecorp situation. Although the organisation was in its infancy, Suzanne Edmonds called for a meeting of Bridgecorp investors and from that meeting an Incorporated Society was formed.

Suzanne Edmonds has continued, in a voluntary capacity, to head EUFA as the coordinator and others have also volunteered to assist in various ways, from dedicating occasional hours to fulltime assistance.

Gray Eatwell who had a dispute with his bank in the late 1990's was invited to join the organisation when it became obvious that the intended small support group was becoming a larger vehicle for individuals with nowhere to turn for justice. Gray Eatwell's own crusade to seek justice for himself and his family brought a wealth of experience and knowledge to the organisation. Gray Eatwell became the finance spokesman for the group and continues in this role.

The organisation has come into considerable criticism outside of its members due to Suzanne and Gray being related. Privacy of members is paramount but they want their message delivered and Suzanne and Gray are the member's messengers. The critics have made the members more determined to stick with the mandate to expose unacceptable financial activities and to seek accountability for the actions of those who have breached their commercial responsibility and New Zealand's laws.

3. PEOPLE POWER

Individuals are ignored by big companies, governments etc. Using people power to exposure the issues, helps fight the practice of 'divide and rule' as a larger group normally has a better chance of being heard. This is evident in the fact that EUFA have had meetings with MP's including the Minister of Commerce, whereby individuals most often get fobbed off. Members have struggled to do so. A Hamilton MP advised two separate constituents to simply get on with their lives. One was a BlueChip investor and the other is involved with finance Companies. They were devastated by their MP's attitude. This MP's behaviour demonstrates the game of 'divide and rule' and shows how an individual cannot easily achieve an effective remedy. 'People Power' is not just achieved through the media. Revolutions have happened when people have been united.

4. INVESTORS: - WHO ARE THEY?

The reality is that those labelled 'Mum and Dad investors' – are not investors they are savers/depositors of hard earned real money. It was the Finance Industry that invested those savings recklessly not the depositors who handed over their savings in good faith. The people directly responsible for investing the savings are those who own / hold shareholdings in Finance Companies and the associated shelf companies, trusts etc. The finance Companies models provided unconscionable dividends shown as profits. These profits went to the true Investors not the depositors. Investor's lay out capital in view of profit. The finance Companies laid out the depositor's money (depositor's capital) for their own profit. Depositors entrusted their savings with finance companies believing they were preventing depreciation or erosion of their hard earned savings/capital to ensure their ongoing independence.

The media at large called the depositors "Mum and Dad investor"; a better term would have been Mum and Dad savers/depositors. The term gave the wrong image of who this group actually are as individuals and distorts the facts of what their realistic expectations were when entrusting their savings on a promise of a secure fair return. The term enables the critics to lump this group with professional investors. The critics forget the main group of depositors went for advice and in general, interest rates were not the focus, security of capital was – keeping it safe. Almost all members of EUFA maintain this was the number one requirement.

The harsh reality is that if the vast majority of EUFA members had known the TRUE risks involved they would not have deposited their savings as they did.

Investors are those who invested their energy in owning and/or running finance Companies to become wealthy. The lavish lifestyles and attitude of these people demonstrate this. In general the depositors have not lived in this flamboyant way. When Hanovers Mark Hotchin

was asked at the meeting on the Moratorium on 9 December 2008, if he would cease building his lavish home on Paratai drive, rumoured to cost \$30m in Auckland his answer was "no". He informed the Hanover depositor that this was to be his family home. This is very hard to take.

Generally New Zealand's prudent savers are the people who have been employed or run small businesses and have strived to better themselves. Being able to maintain and have ongoing independents, especially in retirement, was nearly always depositor's mandate. They have also saved to enjoy retirement enabling recreation and privileges they had earned.

The depositors did seek professional advice or researched companies, read prospectus and with justifiable expectation, trusted that in New Zealand rules, the laws and the authorities would protect them. Most also, had an expectation that business people in New Zealand would run the company with integrity and an honest culture. The state also had an obligation to ensure it protected the general public by policing the finance industry. These police have been asleep. The devils advocate viewpoint that depositors were chasing high interest is over stated, as the interest was not much higher than bank deposits. Banks such as ANZ sold depositors into ING so the devils advocate theory/argument is somewhat destroyed by the ANZ example.

5. EFFECTS ON DEPOSITORS (VICTIMS)

No one can minimise the serious effects on the lives of the victims of the finance collapse. Individuals have likened their lives to a nightmare or a bad dream. Almost every depositor held the natural expectation that their capital was protected under the law, e.g. in a free society individuals believe that all sections of commerce have a legal obligation to present their products to the public with accuracy as to the true performance of the product.

The Finance Industry has failed to provide true information to the public.

As a result of such dishonesty, men are feeling desperate as they face the future overcome with helplessness due to the enormous and seemingly impossible path of recovering funds they entrusted to finance companies. The big black hole of depression has struck many of these men due to the instinctive feeling of failure as the 'hunter gather'. The enormity then surfaces bringing anger, disbelief and frustration, which manifests in dreadful suffering.

Seeking accountability becomes debilitating and even with group support the desperation to get some action is fuelled by the length of time the process take. The cruelty of the deception, malpractice and lack of protection by authorities stews around in their minds making many of them emotionally and physically ill.

The similar experiences of women have surfaced as they are equally suffering. Women are driven by their need for security and this having been lost creates insurmountable pain. The fact that generally this group of hard working decent people having been conned out of their earnings and savings, gives enormous grief at the loss of dreams, goals and independence.

The extended families and friends also suffer and the domino effect snowballs, increasing and intensifying the stress. While this group try to move on and be thankful for what they have, they are sickened when they are constantly reminded of the lavish lifestyles of the perpetrators. This is likened to salt being rubbed into a wound with the pain resurfacing on a daily basis. The group don't want sympathy or revenge they just want their rights delivered.

6. THE MONEY GAME

Anyone who invested in the finance companies and was just playing the money game, not concerned about loses and who held a win some lose some attitude have not been as adversely effected by the crisis. However they are a different type of victim, but even so are still a victim to what has been identified as an industry out of control.

While these victims cannot be lumped into the same category as the people who simply had savings that needed to be put in a low risk savings plan, they have every right to have expected compliance, honesty and competent business practices. They also have the same right to expect regulatory agencies to be proficient.

7. PONZI SCHEME

Australian consumer advocate, Denise Brailey, who came to New Zealand mid 2008 as a guest of EUFA alerted New Zealand to Ponzi schemes.

http://en.wikipedia.org/wiki/Ponzi_scheme.

A flurry of inquiries came to EUFA and to Ms Brailey to explain the scheme. It appeared that a Ponzi scheme was not well understood in the finance world and certainly wasn't known to anyone wanting to put savings in a safe low risk deposit.

Ten months later (March 2009) the Companies office report states that "a number of failed finance Companies were in the end acting in a similar way to Ponzi schemes". The only name that the finance model can be called is "the mad profit schemes". This is a disease of greed by individuals who live at the top of the society ladder because of their wealth. They turned New Zealanders savings into loans, often to "their mates" and then with creative accounting they created a profit – a Clayton's profit. A "mad profit scheme"

The model was a disaster waiting to happen and the 'copy cat' practices forged ahead in an 'old boy's club'. The interparty related loans are just another example of the lack of ethics and competence of this industry.

8. MAD PROFIT SCHEME

The Companies Office report states "It is our understanding a number of failed finance companies were in the end acting in a similar way to Ponzi schemes". Either the finance companies business model was setup originally as a similar scheme to a Ponzi scheme OR it changed to that during its lifetime.

Either way a deliberate attempt to deceive occurred. Charles Ponzi was a criminal and went to jail. He was charged with 86 counts of mail fraud.

http://en.wikipedia.org/wiki/Charles_Ponzi

If the model was set up to "act in a similar manner to Ponzi schemes" then that's a serious indictment on the honesty of the management and competencies of the directors, the trustees, associates auditors and regulators.

Although many individual depositors and very credible commentators have been publicly stating facts that accountability lies at these levels the state has failed to take appropriate action. A "mad profit scheme" exists.

9. COMPANIES OFFICE REPORT

The validity of the Companies Office report opens a floodgate. Because the report says “It is our understanding a number of failed finance Companies were in the end acting in a similar way to Ponzi schemes” the government must immediately act because of the large number of finance companies in moratoriums.

With this disclosure the Companies Office has identified an alleged crime and no authority has taken notice of the report by failing to act immediately on this serious official disclosure.

The report by the Companies Office opens the lid on the industry. It puts on paper the views of many people involved in the entire collapse and confirms what commentators such as Bruce Sheppard, Brian Gaynor, Gareth Morgan and others have been exposing. However the report never went far enough and perhaps inadvertently the Companies Office has shown a loyalty to the ‘old boys club’ by failing to address the serious issues surrounding the individuals in the seedy web.

Also the Companies Office report was glaringly inept by failing to identify failures within government agencies. It omitted to investigate and or disclose where legislation fell down. It also failed to investigate the competence of the people involved. The people heading these organisations are paid by the tax payer and are expected to have the competence to drive any government to provide adequate laws, giving them adequate powers to operate. The cause and effect issues remain.

10. ROYAL COMMISSION OF INQUIRY V COMMERCE COMMITTEE INQUIRY

Like all of EUFAs calls for Government intervention since EUFA was formed the idea of a Royal Commission of inquiry is getting very little support in political and associated circles. In states that are Commonwealth Realms a Royal Commission is a major Government public inquiry into an issue. [en.wikipedia.org/wiki/Royal Commission](http://en.wikipedia.org/wiki/Royal_Commission)

The EUFA petition tabled in Parliament for a Royal Commission of Inquiry has been prematurely dismissed, the depositor’s voice is virtually ignored albeit by being misled they put \$6b into finance companies that have failed.

The EUFA organisation is likened to Sensible Sentencing with the mandate coming from its members. Sensible Sentencing makes the stand on behalf of members and New Zealanders at large. Not on the whim of one or two people. The EUFA organisation is the same. Every New Zealander is affected by the finance crisis, either, directly or indirectly, which means ignoring the crisis and ignoring the depositors shows a level of arrogance, cover-up and ignorance. The depositors have a right to a Royal Commission of Inquiry.

Act MP Mr John Boscawen has taken the challenge to get a Commerce Committee Inquiry and EUFA support this, but it is second best to what New Zealanders deserve. Mr Boscawen’s efforts are commendable and EUFA appreciate and recognise his tireless efforts. A few members have said “take what we can get” but an Inquiry run within the current system, would undoubtedly have inadequate terms of reference, some sitting on the committee could have a conflict of interest and such an Inquiry could end up being a whitewash - a waste of time.

New Zealand depositors do not want an inquiry that whitewashes the problem by failing to address every aspect of the crisis. Addressing the issues from state governance down to individuals who participated in creating the crisis must happen.

The petition for a Royal Commission of Inquiry was researched and appears the best way forward to seek a full and competent review of the actions of the finance industry. Forty six

(46) companies are troubled making the problem colossal with numerous people, (some of very public standing) and this can no longer be minimised and swept under the carpet. Conflicts of interest, hidden agenda and incompetence would be exposed to be dealt with as appropriate.

Just because Royal Commissions of Inquiry's have rarely happened in the past, it is not reason enough to dismiss the validity of holding one at this juncture. The current situation with such an intertwined web gives valid reason for a Royal Commission of Inquiry to be held.

11. BLUECHIP

The BlueChip companies are being investigated by officials at various levels. There is nothing the EUFA organisation should do and must not interfere in these processes. All those who are involved with BlueChip either as victims or with other interests are contributing to the various investigations and/or actions being taken. By providing as much information everyone from the victims to those ensuring the law is upheld are informally working to seek a 'just' outcome

The legal action being taken by Paul Dale and his associates has been an enormous task and if the court action is successful it will be a very positive outcome for every BlueChip investor. Sadly some people have not afforded to join in the action and for those who have not, EUFA have continued to battle for their rights for protection.

However the lack of legal representation has meant some have been targeted by lenders and are living under the threat and are vulnerable of having mortgagee auctions proceed superseding the 'just' process. This is why EUFA have been so aggressive over the ongoing recovery action, including the interest payments being collected.

The Court actions scheduled for the near future maybe a saving grace for all BlueChip victims.

Recently TEA Custodians Interstar Ltd postponed a mortgagee auction scheduled for 3 April 2009. As Paul Dale has filed against this company for a large number of BlueChip investors it is hoped that the postponement will result in a cancellation of the sale if the court action, to stop mortgagee sales, is successful.

All the participants who are making contributions to support BlueChip investigation are to be congratulated.

Paul Dale and his associates are working beyond the call of duty and it is obvious they feel a strong certainty that this set of circumstances is the most unjust and dire situation this country has seen in many years, if at all. They are compassionate and are personally affected by the suffering they see. This suffering is possibly a crucial motivator in getting their clients and the group at large positive rulings.

While each group has to work on their own mandate, staying focussed together is paramount. There are going to be no heroes in this debacle albeit some will naturally be key players who deserve credit for their tenacity, endurance and commitment.

12. LEGAL ADVICE

Some EUFA members seeking legal advice have been faced with costs that are not insignificant and have not produced much advancement. Victims are often told by their lawyer to move on with their lives or face stressful lengthy and costly court action. When their lawyer delivers the blow of the huge cost involved and the possibility of losing a case

due to legal process, most individuals feel further trapped by the injustice of being unable to emotionally and/or financially take action.

13. LEGAL AID

Legal Aid is not available to many for various reasons. The availability and practical use of legal aid is misunderstood by the public. Many highly skilled lawyers don't accommodate it due to the malfunctions of the system, meaning those who need specialist legal representation to address the complexities of the finance crisis could not use legal aid even if it was available to them. .

Furthermore the legal aid fund would not cope with the enormity of the financial crisis as its resources appear to be limited.

14. LEGAL ACTION

The EUFA administration team has coordinated and assisted in getting groups together to pursue legal action against individual advisors and advisory companies.

EUFA have also been able to promote an initiative by Grimshaw and Co to offer free appraisals to EUFA members. This has given all victims the opportunity to get a legal opinion without added costs.

EUFA have stood back from working individually with members progressing to this legal action being taken. Client confidentiality and legal privilege is not an area that EUFA can be involved with, however support is given to members if it is needed and also in relation to other issues that come outside of the cases.

15. KIWISAVER: CRITICS WANT A 'BOB' EACH WAY

The irony in all of this is too many in authority, in positions of power, who work in the industry or are simply the 'hot shots' have draconian attitudes to the New Zealanders who have been New Zealand's backbone of society working and saving. Most of these groups advocate strongly for KiwiSaver. The KiwiSaver scheme invests the participant's money. The KiwiSaver scheme is not named 'Kiwi Investor', rightfully so as saving must become a part of our national culture. The private depositors do not differentiate from the participants in the KiwiSaver scheme. In fact several of the KiwiSaver advisors are advisors who feature in the crisis as product sales people to EUFA members and other depositors. Some of these advisors have reinvented themselves in new shop fronts operating the exact same business with the exact same hierarchy.

16. MORATORIUMS

Depositors who voted for moratoriums in the various troubled companies did so as they want the best outcome for recovery. Moratoriums are not the problem; it is the structure of them that is the issue. The manner in which the 'foxes were left minding hen houses', something EUFA raised publicly several times many months ago.

The finance company moratoriums appear to structured to maximise recovery but it seems the structures are not just focused on depositor recovery but rather equally focussed on the Investors (the finance companies including shareholders)

The problem that surrounds the moratoriums is the fact that the Companies Office has reported that "a number of failed finance companies were in the end acting in a similar way to Ponzi schemes".

If this is so the moratoriums may well be in trouble as stated previously Charles Ponzi was a criminal.

The Moratoriums are simply an agreement between those who have deposited their money with a finance company and the company representatives; it is not immunity from the law as some will have you believe.

17. BANKING / INSURANCE AND SAVINGS OMBUDSMANS SCHEMES

These two organisations have very limited powers. Their terms of reference and processes impede a timely resolution for complaints/disputes arising from bad practices within the industry. Usually when victims get to the stage that they need to lay a complaint they have greater expectations than can be delivered to them, adding extra frustration to victims who are usually experiencing a very difficult time over the case.

Typical cases where this has happen involves the McSorileys, the Eatwells and in recent times several cases where bank managers coerced customers to deposit their savings invested in a savings account into investments with the banks offshoot, ING. From EUFA's experience in one particular case with ING, the Banking Ombudsman Office has handled the case very poorly.

As with the IFA, MP's have little insight at the powers and processes of these bodies. They are not government authorities, but are industry funded self regulators, causing unavoidable bias of jurisdictional power that conflicts directly with enforcement of 'just' remedies

18. INSTITUTE OF FINANCIAL ADVISORS (IFA) www.ifa.org.nz

The financial advisors who belong to this organisation are usually those who are happy to be policed. The membership is voluntary so any advisor who does not wish to comply with industry standards simply does not join.

The IFA have come under a lot of criticism, but it is because it has such limited powers. It is of little value to victims who lay complaints because while it can censor its members from malpractice, no ruling for compensation or recovery of losses can be made. (Victim's case study to be linked here later)

Few EUFA members have complaints against the IFA organisation and EUFA have no issues with its dealings with the IFA administration but are frustrated by their limited powers.

Typically MPs refer constituents with complaints to the IFA but they are obviously unfamiliar with the size of the membership, the terms of reference, the group's limitations and its constitution.

19. FINANCIAL ADVISORS

This is a term loosely used. Any one who merely sells products for their own personal gain (commission) and fails to provide the client with the services requested is not performing their duties and breaching laws. These people are salespeople offering a different service than that of their mandate (advice). The industry has been hit hard by allowing these so called financial advisors to come under the umbrella of genuine experienced and skilled people giving financial advice. Current progress for new legislation is positive for the industry but this does not mean that existing laws broken by these irresponsible sales people should absolve them of accountability.

Even with the negative profile this industry has had in recent times, some of the perpetrators are reinventing themselves and their responsible and ethical peers have no way of stopping them. There are approximately only 10% of financial advisors who are guilty of poor advice

and malpractice but the damage these cowboys have caused has contributed massively to the size of the problem.

Those who are reinventing themselves under new shop fronts are likened to the perpetrators of the leaky homes crisis and no one is stopping them.

Those who labelled themselves as a financial advisor but who have been just product sales people have ultimately destroyed an industry.

Those players should be held to account by the authorities and exposed through the correct legal process. With current complacency and head in the sand mentality it is unlikely this would happen unless pressure is brought to those who have responsibility to this end.

EUFA challenge the industry to open trust accounts that they contribute to fund cases against these cowboys. In unity with EUFA this industry could well redeem itself and enable a clean out of the malpractice and eradicate the Wild West cartel.

Competent financial advisors have practiced under world wide industry standards and have not exposed clients to undue risk but sadly the 10% of bad practitioners who have practiced using their selfish desire for income has caused the industry to self almost destruct.

NB. With individual members, EUFA are in communication with the Commerce Commission as joint complaints have been made through EUFA by its members against people who posed as financial advisors.

As EUFA are aware of the many sales people who posed as financial advisors, members believe the Commerce Commission has a duty to coordinate the individual complaints and hold an inquiry into these cases. EUFA is waiting for the Commerce Commission to take up and lead a campaign for individuals to make such submissions.

20. MEDIA

The Media support and coverage has helped EUFA establish its standing and has essentially cemented the organisations foundations through public awareness. Most media outlets can take credit for the growth and publicity of EUFAs work. White-collar crime, commercial malpractices, professional incompetence and abdication of statutory duty is not easy to deliver in the media, as the industry people often say, "If it doesn't bleed it doesn't lead".

However the NBR continue to do a fantastic work in research, investigation and reporting. This type of journalism is often the key player in exposing important detail. The Sunday papers and TV current affairs, although mostly a different type of journalism, often open the flood gates to big stories and they expose so much more and give the public important information. The other mainstream media such as TV news and radio and daily New Papers continue to expose and follow up hundreds of interrelated stories to the wider community on a daily basis. It is this dedicated work that helps 'People Power' impact on the authorities.

Media are always after exclusive interviews and EUFA members have often courageously shared their personal financial misery with the media. Love them or hate them the media expose wrong doing and we are indebted to this industry for the individuals who are tenacious and dedicated.

No organisation can expect such exposure to continue to take priority in the media, but with the increasing use of websites, organisations like EUFA can provide ongoing information.

Recently the EUFA website has been and will continue to be updated to become its main medium and the way to reach the majority of victims and the public.

EUFA is planning to utilise the site www.eufa.co.nz, by creating a larger capacity to expose details unreported previously.

21. DIVERSIONARY TACTICS

Derogatory name calling of depositors (otherwise known as “Mum and Dad investors”) labelled as greedy, stupid, naive etc unjustly describes this group.

Such unjustified pigeon holing is a cop out used to hide the real depth of deception and misrepresentation that has been practiced by some sectors of the finance industry from the directors all the way down to the sales people.

Diversionary tactics are to cover up incompetence, negligence, inexperience, lack of resource, inadequate skills, monitoring failure, and inaction by regulators. This has allowed common laws of protection to be ineffective.

By focussing the attention on the depositor and their perceived shortcomings, if any, deflect the accountability from where it truly lies.

22. DISCREDITING ‘PEOPLE POWER’

Since its inception EUFA have continued to communicate the issues, even though the rumour mill has attempted to discredit the organisation.

A common comment is that “Suzanne Edmonds expects the government to pay all the victims back” This is ludicrous a scurrilous rumour. EUFA has simply insisted that the law be upheld and those with the statutory duty to enforce compliance do their job and recovery of the losses should come from those who have caused them.

Unfortunately every agency with the obligation to uphold the States International obligations to protect all citizens by the rule of law and provide effective remedies for their disputes, have failed in their duty in the area of financial malpractice.

Some individuals in and around Government wrongly interpreted EUFA’s exposure of the failures of its agencies and authorities as being directed at them personally and they took a very negative and reactive stance.

This further obstructed the rights of those who have lost billions of dollars of their savings to unacceptable practices in which the State has the mandate to police.

Sadly for the thousands of victims of the crisis this futile attitude has seriously impeded the due processes of justice, while in some offices of authority (and media) a Wellington Barrister was blatantly discrediting the EUFA organisation and in particular Suzanne Edmonds and Gray Eatwell to the point of serious defamation.

This Barristers ongoing calls to media, lawyers, officials and various others, who he thought he should talk to, were requested they receive his call in confidence. Once they agreed to a confidential conversation he launched into his unjustified attack on the above mentioned.

The mere fact this man is a very well spoken “Wellington Barrister” seemed to give his claims added credibility. It is human nature to naturally take notice of someone of such a prestigious position. However his stupid behaviour, which began in early 2008, is over as he has over exposed his self-serving agenda. He also has tried to run his disruptive campaign with people who knew the claims he was making were false.

The undercurrent and 'Chinese whispers' that resulted in this desperate effort to shut down EUFA certainly has had an adverse effect on the groups' progress. The motivation of this Barrister is unknown but he can not stop the strength of 'People Power'

As the months have gone by, his impact is having less effect as the group have maintained its stance and the depositors and the organisation have been at the very least vindicated by the Companies Office report.

23. Membership

An annual donation to join the organisation to assist in administration and operating costs was set at \$120. The membership donation has not been made compulsory but was necessary to allow the group to continue. Some members simply have not had enough money to survive and have not paid membership. Some of these people have given their time and others simply support the efforts but have no time or funds due to the crippling effects this crisis has delivered.

To continue its operation the organisation is reliant on new membership and renewals. It is 'People Power' that gets action. The financial crisis needs to find a high level of accountability and EUFA has proven it is effective and it is the people voice and will continue to be.

People who have not paid membership because they want to sit back and see what EUFA achieves, simply don't grasp the concept of a group of dedicated individuals standing up for justice. They don't grasp the value of 'People Power'. Those who are sitting on the sidelines reflect the attitudes of in the story of the little red hen. The animals didn't help the hen plant the wheat, or cultivate the it into flour or bake the bread, but were first in line to eat the bread.

All EUFA members make up a team and are determined to continue to seek accountability and recovery where it is justified.

NB The accounts for 2008 accounts are currently being prepared and will be available to members in the near future.