5 March 2019
Our Reference: Y 0174

Standing Committee on Economics
PO Box 6021
Parliament House
CANBERRA ACT 2600

Committee Secretary,

The fundamentals of my case are as follows:

1. My completed project was in excellent, if not robust, shape under Bankwest and my management when CBA took over in December 2008. This sound status was confirmed in the considered professional opinion of:
    - Independent experts (Savills, Dransfield Hotels and Resorts and Matusik Property Insights);
    - Bankwest;
    - HBOS;
    - KPMG;
    - Ernst & Young.

2. CBA had just paid $2.1 billion for Bankwest including my $175m loan. ***NO ONE*** at CBA was prepared to talk to me on any basis let alone meet with me and come to inspect the newly completed development (valued at $255m). This was more than unusual and bizarre if not commercially negligent by CBA.

3. Bankwest, senior Bankwest executives, continued to confirm, in writing, between November 2008 and April 2009 (6 months) that the promised residual debt rollover was still imminent (under CBA ownership).This was obviously deceptive and misleading conduct, as CBA ultimately refused to roll our residual debt despite all these promises. We had readily accepted Bankwest's repeated representations in good faith as the rolling of residual debt made compelling and perfect financial sense. For CBA to do anything else was commercial suicide.

4. Freezing time-crucial decisions at project completion with peak debt exposure at $175m is commercially unworkable and makes normal responsible business practice literally impossible. As such, this conduct was unconscionable.

5. Putting my sound project in serious jeopardy and as ultimately proved by Ernst &Young is not in the bank's interest any more than mine yet that's exactly what happened under CBA's management for almost 6 months. There has not been, nor is there any acceptable, nor satisfactory, explanation for this bizarre delay and CBA's conduct.

6. Given points 4 and 5 above, CBA was either negligent in the extreme or there was some other agenda unknown to us:
    - *Is this conduct fair, reasonable or even commercially workable? No.*
    - *Was it in my interests, as customer, or not? No.*
    - *Was it ultimately in CBAs shareholders' interests or not? No.*
    - *History confirms, emphatically, that it was not.*

7. Why did CBA destroy a perfectly sound project (and customer who had done nothing wrong and indeed everything right) against all the advice and collective wisdom and experience of independent experts? Was it simply negligence?

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8. We now know that during this inexplicable 6 month "freeze" by CBA the CBA was in fact simultaneously making a $47m clawback price reduction claim against HBOS. Prima facie CBA was clearly badly conflicted during this period.

9. Had CBA rolled the residual debt, as promised, there simply would not be, nor could not be, a claim that had any veracity whatsoever. The project would have remained fully stable, robust and in a position to meet all its obligations as confirmed by Ernst & Young. This seems to be the missing piece of the jigsaw and at least a partial explanation for the totally unjustifiable "freeze" by CBA between December and April.

10. CBA's claim against my project was rejected in its entirety, i.e. not a single dollar was awarded by the independent arbiter under the CBA purchase contract Ernst & Young.

11. Ernst & Young (and KPMG) confirmed that under my management, "…all loan funds would have been returned to CBA …" through the normal course of business. CBA's actions in this regard were formally judged to be totally unjustified by respected consultants and independent experts

12. CBA has literally destroyed my project, my reputation, my family and my life not to mention some $125m of CBA shareholder funds and all totally unnecessarily.

I would welcome the opportunity to elaborate further on this, and other matters, at a convenient time to the Committee..

Yours faithfully,

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