

President for the Victims of Financial Fraud (VOFF) Inc.
Mr David Bridge
3 Eliza Court
Horsley, NSW 2530
Email: davegb5@hotmail.com
Telephone: 0421 588 658
Thursday 28th February 2013

Regarding: Abuse of Government Instrumentalities by Stephen Jones, MP.

To the Hon. Bill Shorten, Minister for Financial Services and Superannuation

Dear Minister,

The "Victims of Financial Fraud Inc." (V.O.F.F. Inc) strongly condemn Member for Throsby Mr Stephen Jones for the political stunt he perpetrated on innocent victims of transnational fraud at a meeting held Wednesday 27th February 2013, at the Ribbonwood Centre, Dapto.

Mr Jones has repeatedly and publically blamed the victims for their losses due to fraud, despite compelling and overwhelming evidence of transnational criminals '*taking advantage of the vulnerabilities of the Australian financial system*'. Those are the words of the Parliamentary Joint Committee investigating the Trio Capital fraud. Yet Mr. Jones refuses to acknowledge this in his public comments.

Due to his repeated public claims, more than fifty individual members of V.O.F.F. Inc have proceeded with a defamation action against Mr Jones. Letters to that effect were hand delivered commencing Friday 22nd February 2013. I attach a copy of that defamation letter for your information.

V.O.F.F Inc on Friday 22nd February, 2013 called for a meeting with Mr Jones expressly to discuss the defamation action. Mr Jones offered a meeting to be held Wednesday 4pm 27th February 2013, and to be attended also by Member for Cunningham, Ms Sharon Bird. I attach that notification for your information.

At no stage, did Mr Jones indicate that any other party would be in attendance.

However upon arrival, there were in attendance four unidentified members of the Australian Securities and Investment Commission (ASIC). Mr. Jones indicated that he had invited them to attend this meeting.

V.O.F.F. Inc strongly objected as grossly inappropriate to the presence of ASIC at this meeting to discuss our claims of defamation against Mr Jones. We also strongly object to the unprofessional way in which V.O.F.F. Inc. were not provided prior notice by Mr Jones of ASIC's intended presence.

Mr. Paul Matters objected to their presence, and requested ASIC leave the meeting. Mr Jones refused this request, and subsequently Mr Jones and Ms Bird were asked to again reconsider. V.O.F.F Inc. attendees left the room and waited outside while this was supposedly discussed. At the scheduled conclusion of the meeting at 5pm, the MP's and ASIC simply left the room without further discussion with V.O.F.F. Inc.

V.O.F.F. Inc. strongly condemn Stephen Jones for the following:

- The blatant politicization of ASIC by drawing them without notification to a meeting with V.O.F.F. Inc expressly related to claims of defamation by Mr. Jones.

- This is an abuse of Government instrumentalities by a member of Parliament, and the Government is also condemned for allowing this abuse to occur.

V.O.F.F. Inc. will not be intimidated or bullied by the Government or its MP's over the Trio Capital matter. Serious allegations of information being possibly withheld from a Parliamentary Joint Committee require the urgent and undivided attention by the Government.

We call on Mr Jones to be held to account, and rebuked by Parliament in the strongest possible terms.

V.O.F.F. Inc. is required to receive a full and unequivocal apology both in public and to the House of Representatives for this blatant abuse of Government instrumentalities.

This displays Mr Jones ongoing arrogance and insensitivity to the Trio Capital victims, many of whom live in his electorate. Many of those are steelworkers, miners, unionists and retirees. All are so called 'ALP heartland' voters.

If this view is also that of the Government, then it too should be roundly condemned for this stance despite an overwhelming amount of evidence of negligent performance by the Regulators, and at the minimum, insufficient investigation of the fraud.

What is it that has the Regulators and the relevant police authorities so terrified of uncovering?

Instead of ASIC having four representatives at this meeting, we call on ASIC to cease the road-blocking of our many Freedom of Information requests to them related to the Trio Capital fraud. We also call on ASIC to respond to the questions we submitted to you and Mr. Greg Medcraft at our meeting of the 5th July, 2012.

ASIC, and APRA, serves the Government of the day. The Government of the day serves its citizens, including protecting their financial assets. When the Regulators fail to do so, the Government has a moral obligation to remedy.

VOFF Inc state that the Governments so called 'ALP Values' which they say addresses social equality and protects workers and their families is but a myth, and simply cynical political spin.

Mr Jones is in denial regarding the role of APRA and ASIC and their negligent prudential oversight by allowing these criminals to infiltrate the financial system and execute this fraud, DESPITE the many missed signals.

Our correspondence of the 13th February 2013 to you remains unacknowledged as received, let alone responded to. Due to that, we will cc this letter to members of the Federal Opposition.

If the Government remains silent on this issue, then VOFF Inc reserves the right to make public this letter.

We committed to you that we would remain respectfully silent in the media from July 2012 due to your considerations of the PJC Report and our submitted questions, on the knowledge that you would respond by November 2012.

However, your office now refuses to acknowledge our correspondence, and one of your MP's attacks and slanders us in public.

It's clear we are simply collateral damage in what is the largest superannuation fraud in our history, and it is becoming clear that this Government, where the negligent performance of its Regulators allowed the infiltration and execution of the crime, simply lacks the courage to rectify a moral

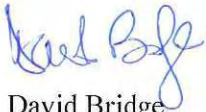
obligation to do so. This happened under the Rudd Government, and the Gillard Government lacks the fortitude, courage and a moral compass to remedy and make the Regulators accountable.

We should not have to fight to have the Government, its Regulators, the Australian Federal Police and the Australian Crime Commission to fully and effectively investigate this fraud, and recover the proceeds of the crime on behalf of its citizens.

It is a shameful blight on not only this Government, but on our democratic right to be protected by our Government.

Our correspondence of the 13th February 2013 was offered as an 'in good faith' solution to this matter, and we implore you to consider it.

Regards,



David Bridge
President – V.O.F.F. Inc.

Cc:

Mr. Stephen Jones, MP

Ms Sharon Bird, MP

Ms Deb O'Neill, MP

Mr. Tony Abbott, MP

Mr. Paul Fletcher, MP

Senator Concetta Fierravanti-Wells

Senator Mathias Cormann

Senator George Brandis

John Telford - Secretary V.O.F.F. Inc.

Members of V.O.F.F. Inc.

Members of ARP Growth Association

Bridge, David

From: Mulligan, Jane (S. Jones, MP) [Jane.Mulligan@aph.gov.au] on behalf of Jones, Stephen (MP) [Stephen.Jones.MP@aph.gov.au]
Sent: Tuesday, 26 February 2013 4:41 PM
To: 'john telford'
Cc: Bridge, David
Subject: RE: as a matter of urgency

Mr Telford,

Stephen Jones and Sharon Bird will be able to meet with VOFF representatives from their electorates tomorrow (Wednesday) at 4pm.

A room has been booked at the Dapto Ribbonwood Centre for this meeting.

Could you please provide me with the names of those from VOFF who will be attending the meeting by return email?

Thanks,

Jane Mulligan
Office of Stephen Jones MP
Federal Member for Throsby
Electorate Office: (02) 4262 6122
Parliament House Suite R1.98: (02) 6277 4661 www.stephenjones.org.au

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-----Original Message-----

From: john telford [<mailto:johnnt@1earth.net>]
Sent: Monday, 25 February 2013 5:16 PM
To: Jones, Stephen (MP)
Cc: David Bridge
Subject: as a matter of urgency

Dear MP Stephen Jones,

Victims of Financial Fraud VOFF seek an urgent meeting with you Wednesday 27th February 2013 to discuss recent important information concerning the Trio Capital crime. Also regarding the letter delivered by the people who lost their life savings due to the Trio crime.

Thank You
Regards
John Telford

21 February 2013

Mr Stephen Jones

Dear Mr Jones,

**CORRESPONDENCE REGARDING DEFAMATORY STATEMENTS PUBLISHED IN THE
ILLAWARRA MERCURY" ON 17TH FEBRUARY 2013**

I write to you in regard to defamatory statements in regard to my good reputation, attributed to yourself by a published article in "Illawarra Mercury" on the 17th February 2013.

The defamation

An article written by "Angela Thompson" headed "**Trio anger spills over as victims protest**" [attached] defamed myself with numerous imputations. The article in part states:

"The reason these people lost their money is because they followed some very poor financial advice. What sort of financial advisor in their right mind would encourage someone to put their entire life savings into a single asset?"

You are quoted as ascribing the losses that I have suffered from the fraud associated with Trio Capital to:

- (i) Irrational and incompetent financial advice to invest in a Trio Capital related entity, the Astarra Strategic Fund;
- (ii) Irrational and incompetent financial advice to place all my life savings into a single asset;
- (iii) My decision to act on irrational and incompetent financial advice to place all my life savings into a single asset; and

- (iv) My decision to place all my life savings in a single financial asset

As you are fully aware and have extensive knowledge, my losses have been caused by

- (i) A transnational financial crime that defrauded from a related entity of Trio Capital of possibly \$184 million dollars;
- (ii) The failure of the prudential regulator the Australian Prudential Regulatory Authority to responsibly and competently act on its knowledge that the directors and responsible officers of Trio Capital were incompetent;
- (iii) The failure of the prudential regulator the Australian Prudential Regulatory Authority to responsibly inform and warn me that it had formed a conclusion that the directors and responsible officers of Trio Capital were incompetent either before or after I had invested in a related entity of Trio Capital;
- (iv) The failure of the prudential regulator the Australian Prudential Regulatory Authority to responsibly inform and warn financial advisors that it had formed a conclusion that the directors and responsible officers of Trio Capital were incompetent either before or after I had invested in a related entity;
- (v) The failure of the corporate regulator the Australian Securities and Investment Commission to responsibly inform and warn me that it had formed a conclusion that control and management of the hedge fund Astarra Strategic Fund of which Trio Capital was the Responsible Entity was fraudulent and criminally in breach of Australian law;
- (vi) The failure of the corporate regulator the Australian Securities and Investment Commission to protect my investment and prevent a transnational criminal enterprise from transferring my capital from the Australian jurisdiction prior to Trio Capital being placed in liquidation and
- (vii) The failure of the corporate regulator the Australian Securities and Investment Commission to competently investigate and apprehend persons criminally involved in the transnational crime committed against my investment.

The identification issue

Notwithstanding that I am not named in the defamatory article, any reasonably informed reader of the article would be able to identify me due to my identification by my activity in the organization Victims of Financial Fraud, which is a social justice organization representing victims of the Trio Capital fraud [hereafter “the crime”] and the knowledge that I was an investor in the Trio and its related entities.

The imputations

The imputations that arise from the defamation are that:

1. I am an incompetent person in the management of my financial affairs.
2. I am a person who chose to receive advice from a financial planner who was irrationally and professionally incompetent.
3. I am a person who is incompetent to reasonably manage my financial affairs as I acted on advice from a financial planner who was irrationally and professionally incompetent
4. I am a person who is naive in the management of my financial affairs.
5. I am a person who is reckless in the management of my financial affairs.
6. I am a person whom by my receiving and acting on the advice of a professionally incompetent financial advisor is unfit and incompetent to act in any capacity in the management of the financial affairs of my family.

7. I am a person whom by my receiving and acting on the advice of an irrational and professionally incompetent financial advisor is consequently unfit and incompetent to act in any legal capacity in the management of the financial affairs of persons in a custodian capacity.
8. I am a person who is incompetent to manage the financial affairs of a corporate entity.
9. I am a person who is incompetent to be employed to manage the financial affairs of a corporate entity I am a person of insincere opinions.
10. I am a person who is mentally and intellectually incompetent to the extent that I follow irrational advice.
11. I am a person who is morally deficient in that I have detrimentally affected the welfare of my family because I have followed irrational and professionally incompetent financial advice.
12. I am a person who is socially inept and incompetent in that I am unable to discern irrational and incompetent advice, opinions and views in society.
13. I am a person who is susceptible to irrational advice, opinions and views.
14. I am a person who due to my naivety and intellectual inadequacy culpable in the crime that has been committed against my investment; and

15. I am a person who due to my naivety and intellectual inadequacy responsible for the loss of my investment in Astarra Strategic Fund.

I unreservedly reject all these imputations that will be drawn by the reasonably informed reader from your reported statement. The imputations are extremely damaging to my good name, my good reputation and to my good standing in the community.

The limited privilege defences are defeated

As you are aware there are limited privilege defences available particularly where defamation has been committed in public political debate. You are an elected member of the parliament of the Commonwealth of Australia. Electors have an interest in receiving information and opinions concerning the issues of public importance that have consequences for elections. You have an obligation to express opinion and information that is accurate and truthful. That interest was described by Lord Greene MR, delivering the judgment of the Court of Appeal in *Braddock v Bevins*, as an interest "*to have what is honestly believed to be the truth communicated*". The correlative duty was described as a duty to electors "*to inform them honestly and without malice of any matters which may properly affect their choice in using their suffrages*". Your reported views are so inaccurate and factually incorrect that you could not have expressed them honestly or you expressed them with a reckless disregard for the truth. In particular:

- (i) At no time were my "*entire life savings*" invested in the Astarra Strategic Fund;
- (ii) At no time was my investment place in a "*single financial asset*". As was set out in the Astarra Capital (later Trio Capital) Product Disclosure Statement [hereafter "the PDS"] which was accepted by the regulatory authorities Astarra Strategic Fund was a fund of funds. The PDS set out 41 underlying funds.
- (iii) At all relevant times Trio Capital was an authorised Responsible Entity under Australian law.
- (iv) Audits had been provided in compliance with Australian law.

- (v) The relevant regulatory bodies the Australian Prudential Regulatory Authority and the Australian Securities and Investment Commission failed completely in their statutory obligations to the investors in Trio Capital.

There is no justification for your defamatory statement that my loss was caused by a poor investment decision on irrational advice.

Your malice

The public interest is said to be in communicating frankly and freely. However, your reported statements have been made with a political motive. An occasion of qualified privilege must not be used for a purpose or motive foreign to the duty or interest that protects the making of the statement. Your purpose was an express malice. Your motive was improper and you have used the opportunity of your public statement to defame me. You knew that the defamatory statement was untrue and you had a lack of belief in the truth of the publication. In the alternative you were extremely reckless. Your purpose in making the defamatory statement was to support the government in its untenable position of failing to act to reform the superannuation system and provide strong protections against transnational crime. In addition you clearly had a purpose of defending the actions of the regulatory authorities that completely failed to protect my investment.

The defamation in the article you have published is egregious and motivated by malice. I require rectification and compensation for the damage to my good standing and reputation.

Prior to the serving of a "concerns notice", you can make an offer to make amends. Section 14(1) of the *Defamation Act 2005* (NSW) imposes time limits for the making of an offer to make amends.

Your offer to make amends must:

- (a) be in writing;
- (b) be readily identifiable as an offer to make amends under the Act;
- (c) if the offer is limited to any particular defamatory imputation, it must state that the offer is so limited and particularise the imputations to which the offer is limited;
- (d) include an offer to publish a reasonable correction of the matter in question;

- (e) include an offer to pay the expenses reasonably incurred by the aggrieved person including expenses reasonably incurred by the aggrieved person in considering the offer; and
- (f) may including any other kind of offer the redress the harm sustained by the aggrieved person including but not limited to:
 - (i) an offer to publish an apology; or
 - (ii) an offer to pay compensation for any economic or non-economic loss; or
 - (iii) the particulars of any correction or apology made, or action taken, before the date of the offer.

I appoint Mr. Paul Matters, spokesperson for Victims of Financial Fraud to represent me in this matter until notice of change of representation.

Yours sincerely