

## City Pacific investors push for public inquiry

SARAH DANCKERT THE AUSTRALIAN JANUARY 19, 2015 12:00AM

**INVESTORS in one of Australia's biggest property casualties of the financial crisis are preparing a submission to the federal government that could result in a public inquiry into the events precipitating the 2009 freezing of the Pacific First Mortgage Fund once run by collapsed Gold Coast financier City Pacific.**

Independent chairman of the PFMF investor committee Ken Atchinson said the fund was calling on investors to send in any information on the events that led to the collapse in June 2009 and the freezing of the fund that once held \$700 million in commercial property mortgages.

The submission will then be sent to the federal government joint parliamentary committee on corporations and financial services for consideration.

"We are seeking details on any unit holder communications with government and corporate entities expressing concerns about the operations of City Pacific First Mortgage Fund," Mr Atchinson said. "This is a general search for information rather than a specific focus on an individual organisation."

He said the committee was seeking copies of any written correspondence, oral conversations (where reference numbers may have been assigned) and emails from investors to the ASIC, the ACCC, consultants and auditors expressing their concerns about the fund prior to June 2009.

"There has been much public debate and exposure about the collapse of organisations such as Storm Financial and Fincorp, but practically nothing about City Pacific," Mr Atchinson said.

He said a public airing of the grievances of investors "seemed appropriate" to stop other investors in the future from suffering.

Secretary of the powerful joint parliamentary committee on corporations and financial services Toni Matulick said that the committee would consider the submission. She said it was too soon to say whether it would result in an inquiry, but noted that unlike other committees of the parliament, the corporations and financial services committee did not need reference from parliament to conduct inquiries.

Members of the committee include senator John Williams, who has been a vocal advocate for aggrieved investors in Timbercorp and Great Southern as well as clients of Commonwealth Bank's financial planning arm.

In November, The Australian revealed the auditor of the fund had warned that the \$298m of remaining non-distressed loans held in the fund were unlikely to be recovered and that the only chance investors could now see a return is if one of the five court actions against the fund's previous auditor, consultants and directors was successful.

City Pacific founder Phil Sullivan could not be reached.