

## Infringement notice

section 12GXA of the *Australian Securities and Investments Commission Act 2001*

Day of issue: 30 October 2014

Unique identification code: B782954

TO: Equanimity Concepts Pty Ltd  
ACN 134 439 704  
Level 1, Ashmore Plaza  
160 Cotlew Street  
ASHMORE QLD 4214

1. ASIC issues this infringement notice under section 12GXA of the *Australian Securities and Investments Commission Act 2001* (the *ASIC Act*).
2. ASIC has reasonable grounds to believe that Equanimity Concepts Pty Ltd (**Equanimity**) has contravened an infringement notice provision as follows:

Between at least 1 December 2013 and 11 July 2014, Equanimity contravened section 12DB(1)(e) of the ASIC Act by, in trade or commerce, in connection with the supply or possible supply of financial services, or in connection with the promotion by any means of the supply or use of financial services, making a false or misleading representation (in the form of **Annexure A – Advertisement 3**) on its website "<http://equanimityconcepts.com.au>" with respect to the characteristics, uses or benefits of Equanimity's services.

### Particulars

The first representation in Advertisement 3 comprises of a diagram which suggests that a person can pay off their home loan in 3 years and 9 months instead of 25 years. The second representation in Advertisement 3 comprises of a diagram which suggests that a person can pay off their home loan in 7 years and 4 months. Both of these representations are false and misleading because they fail to provide a complete picture of the financial liabilities that a consumer will incur after their home loan is discharged.

Advertisement 3 suggests or implies that by purchasing an investment property, a borrower can pay off their home loan in 3 years and 9 months, or 7 years and four months, and substantially improve their financial position. However, the strategy behind both the first and second representations in Advertisement 3 requires a consumer to borrow money to purchase an investment property and defer immediate payments on that investment property loan via a line of credit (**the EC strategy**). There is no mention of this in Advertisement 3.

The EC strategy results in a borrower being left with a substantial amount of debt as a result of purchasing the investment property, of which no mention is made in Advertisement 3.

### **Applying to have this notice withdrawn**

10. Within 28 days beginning on the day after the day on which this notice is issued, Equanimity may apply to ASIC in writing to have this notice withdrawn.
11. Evidence or information that Equanimity or its representative gives to ASIC in the course of applying for this notice to be withdrawn is not admissible in evidence against Equanimity or its representative in any proceedings (other than proceedings for an offence based on the evidence or information being false or misleading).

### **Withdrawal of this notice**

12. ASIC may, by written notice given to Equanimity, withdraw this infringement notice if ASIC is satisfied that it is appropriate to do so, whether or not Equanimity has applied to have this notice withdrawn.
13. A withdrawal notice must be given to Equanimity within the time for payment of this infringement notice to be effective, that is, within 28 days beginning on the day after this infringement notice was issued.
14. If the withdrawal notice is given after Equanimity has paid the penalty specified in this infringement notice, ASIC will refund to Equanimity the amount paid under the infringement notice.

### **Requirements for applications**

15. An application to have this notice withdrawn, or for more time to pay the penalty under this notice:
  - (a) must be in writing; and
  - (b) must include the unique identification code set out at the top of this notice; and
  - (c) must include Equanimity's reasons for making the application; and
  - (d) may be made by forwarding Equanimity's application to ASIC at the address in paragraph 16.
16. You may contact ASIC in relation to this notice by contacting:

**contact:** **Philippa Kelly**

**by mail:** **Australian Securities and Investments Commission  
GPO Box 9827  
Melbourne VIC 3000**

**or by facsimile:** **03 9280 3444**

**or by email:** **ACLInfringementNotices@asic.gov.au**

*Signature of delegate issuing the notice*

Peter Kell  
as a delegate of the Australian Securities and Investments Commission



**equanimityconcepts**

Turning your common "cents" into dollars

**NEED HELP OR ADVICE CALL  
1800 263 980**

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## HOW IT WORKS

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### Two Types of Debt

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### Negative Gearing

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### Mortgage Elimination

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### Protection against Loss

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### Wages Facility

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### Head Office

Level 1, Ashmore Plaza  
160 Cotlew Street (PO Box 4366)  
Ashmore QLD 4214

Phone: **1800 263 980**

First Representation

## Mortgage Elimination

We go one step further! Instead of paying the rental income and the Negative Gearing to the investment property loan, you pay it to your home loan. Doing this see your \$250,000 home loan reduced to \$0 in just 7 years, 4 months, instead of the original 25 years. That's a saving of 17½ years! That's huge!

So, let's recap. You have bought an investment property. The bank lent you all the money. You have redirected the rent and Negative Gearing from the investment property, paying it, instead, to your home loan. In 7 years and 4 months your home loan is paid off...in 7 years, 4, months instead of 25 years!

As we said earlier, the number one priority is to eliminate your home loan. Your home loan is consumer debt. (Remembering that home loans, car loans, personal loans, credit cards etc. are all **bad debt**.)

Email: [finance@eqc.com.au](mailto:finance@eqc.com.au)

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**Licensed/Accredited**

- Real Estate Agents
- General Insurance Agents
- Australian Credit Licence  
#388752

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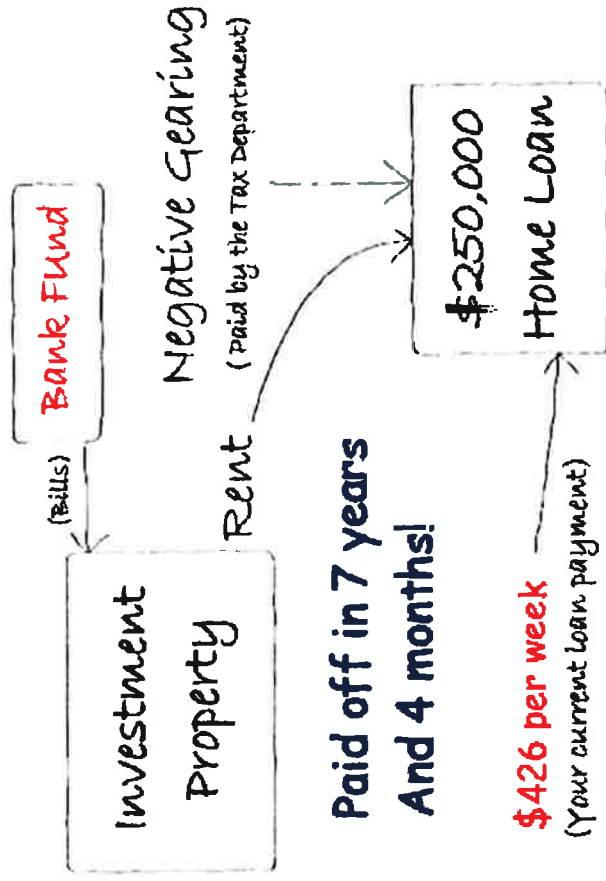
By now you are thinking, “Hang on, if I take all the income away from the investment property to pay off my home loan, how can I afford to keep the investment property??”

**GOOD QUESTION!**

This is where our facility comes into its own!

Here’s part of the secret to the success of our facility.

We setup for you a special bank funding account, from which you pay every conceivable cost associated with the investment property. The loan payments, rates, insurance, agents fees, body corporate fees, repairs etc, etc. They are ALL paid from this special account. That is why you do not have to fund from your own pocket the \$269 per week shortfall on your investment property! This happens until your home loan is paid off.



**No more Home Loan!**

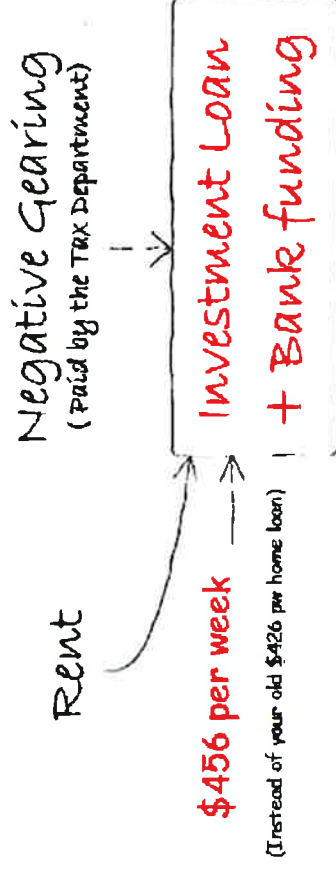
Okay. Your home loan is paid in full. Now what?

Well, you have two options.

The first option is to keep the investment property. If you do, you roll the original investment property loan and the special expense funding account into a single facility. Then (with your own home loan paid in full), you pay the rental income and Negative Gearing on to the newly consolidated investment loan.

At that point in time, it will cost you (out of your pocket) \$456 a week to keep the investment property. That's right! \$456 a week, and you now have TWO properties, not one.

But!!! Your \$426 a week payment towards your home loan will have stopped, because your home loan is gone. Thus, the \$456 you now have to find for the investment property every week is just \$30 short of what you were previously paying to your home loan!



The second option is to sell the investment property. If you decide to sell the investment property, it is anticipated that the value of the property will have increased enough to not only eliminate the amount the bank lent you in the first place, but also the additional debt accumulated to cover the investment property costs. So "if" the property value goes up far enough, and you sell it, you may be totally debt free after just 7 years, 4 months!

And how much extra has it cost you to own this investment property?  
Absolutely Nothing!

**So, you are debt free in less than eight years, and it has cost you absolutely NOTHING! How good is that?!!**

Click on the next topic ("Protection against Loss" towards the top, left side of this page) to learn how we protect you if something goes wrong.

Note: The example used in the scenario on this page is based on a hypothetical case and is intended solely to demonstrate what can be achieved using our Program. Individual, actual results will vary, depending on a person's specific financial circumstances. In this hypothetical example, the client has an annual salary of \$70,000 p.a. and \$250,000 equity in his/her own home. It assumes he/she uses that equity to purchase an investment property for \$315,000. It also assumes he/she borrows \$331,591 (at an interest rate of 7.5%) to purchase that property, and then applies the rental income (assumed to be \$16,000 per year) and Negative Gearing towards the home loan. A secondary bank funding account is used to fund the investment property until the home loan is paid off. It also assumes the Lender's qualifying criteria are met.

Equanimity Concepts Pty Ltd holds Australian Credit Licence No. 388752.



# equanimityconcepts

Turning your common "cents" into dollars

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1800 263 980**

ABOUT US REAL ESTATE HOME LOAN INSURANCE TESTIMONIALS HOW IT WORKS BLOC CONTACT US

Second Representation

## HOW IT WORKS

- **Two Types of Debt**

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- **Negative Gearing**

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- **Mortgage Elimination**

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- **Protection against Loss**

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- **Wages Facility**

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### Wages Facility

Making the most of the facility. The Grand Finale....!

Now, at the moment, your wages get paid directly into your everyday bank account. Out of that account, you have a periodical payment that pays your home loan. Out of that same account, you pay your bills, and you pay your credit card.

At the moment (let's say), you and your partner take home a total of about \$7,590 per month and spend about \$3,000 a month on bills. Now, think about this carefully. If you pay the \$7,590 straight off your home loan, that immediately reduces the balance of your home loan by that \$7,590, which means you DO NOT pay interest on that \$7,590 for that month.

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Level 1, Ashmore Plaza  
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Phone: **1800 263 980**



Email: [finance@egc.com.au](mailto:finance@egc.com.au)

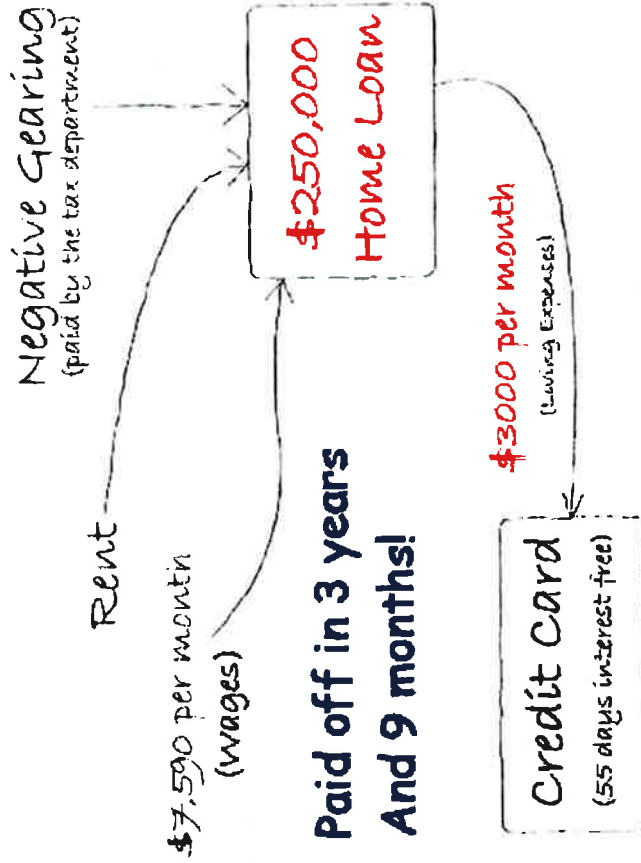
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And, if you also take advantage of the 55 day interest-free period offered on your credit card, and pay all your bills using your credit card, then that means you DO NOT pay interest on that \$3,000 either.

Put those two suggestions together, and you will have a huge savings effect, due to the compound effect of paying more than just the \$426 a week off your home loan, as you have been doing previously. And, best of all; the programme we put you on does NOT mean you have to go on a budget. You continue to spend what you are currently spending right now.



**So think about this very carefully:**

1. You do not pay the interest on the \$7,590 because it was directly deposited into your home loan account.
2. You do not pay the interest on the \$3,000 you spent on your credit card, because of the 55 day interest-free period.

So, in reality, you have saved the interest on \$10,590 for the month, when you have earned only \$7,590. How brilliant is that? It is yet another reason why this facility is SO powerful.

All you have to do is one thing. Just change the account number that your wages is paid in to – from a normal bank account to the home loan. Simple isn't it? That's the power of this facility.

**Combining everything together**

Now!!!!!! By paying the rent, the Negative Gearing and your wages directly to your home loan, and by using a credit card properly, you will pay off your home loan in just 45 months (that's 3 years, 9 months), instead of 25 years. That means you will save 21 years, 3 months. That will also reduce the amount of money the bank fund carries, which reduces the amount you will have to pay to \$320 a week instead of the \$426 per week you are paying right now.

This programme is not simply an exercise to show you how to buy investment property. It is an education programme. It will gradually teach you how to think differently towards money. If you follow this advice, you will be in a completely different position in five years' time!

If you are curious to see if you qualify to do this, please contact us by any of the following means:

Telephone: 1800 263 980

Email: [finance@equanimityconcepts.com.au](mailto:finance@equanimityconcepts.com.au)

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