Morgans' breach notification dd.24/09/2015

NB: black text is uplift from Morgans emails, etc ASIC comments, questions, etc are in red

---

s 45 [redacted]

concerning "s 45 [redacted]" - query the parameters of this engagement as it relates to the complaint - for example:

- period under investigation - note Morgans' s 45 [redacted]..' included with the breach notification, indicated s 45 [redacted] assertion that "s 45 [redacted]" - covering every instance of advice?
- does the engagement involve suitability of advice in all instances/transactions (or only if certain instances/transactions indicate same)?
- does the engagement include enquiries concerning circumstances of the loans to s 45 [redacted] (i.e. indicators implicating Morgans)?
- is this engagement preliminary to wider engagement or limited to this?
- is s 45 [redacted] involved in any way?

s 45 [redacted]

notwithstanding s 45 [redacted] statement that s 45 [redacted] - query Morgans' rationale for not examining the "s 45 [redacted]

Morgans' update dd.02/10/2015

---

s 45 [redacted]

- s 45 [redacted].

  other random client checks around key dates (s 45 [redacted] account movements at selected dates – large margin requirements, other times)?

- s 45 [redacted].

  what about other corro (letters?) and other random client checks?

- s 45 [redacted].
- s 45 [redacted].

  what about s 45 [redacted]

- s 45 [redacted]).

  What else do they know about s 45 *'?*

- s 45 [redacted].

  Have they written to clients (eg, registered mail)?

- s 45 [redacted].

  what are the details, responses, etc?

- s 45 [redacted].

  all or selection and what's being asked?

s 45 [redacted]

- s 45 [redacted].
- s 45 [redacted]

  what's the outlook for him financially, to meet his commitments (and his related accounts)?

s 45 [redacted]

s 45 [redacted]."

what are the details (stock, positions, values, how long, how may rolls, etc)?
why have they been allowed?
does Morgans have any contingency?

- s 45 [redacted].

other than s 45 *, any other indications concerning misconduct, complaints, etc?*

- s 45 [redacted].

  do they have the resources/capacity for this?

Morgans' email update dd.09/10/2015

---

s 45 [redacted]

[redacted].

details?

s 45 [redacted]

- [redacted]

  criteria, status, other corro..client direct enquiries?

  need to consider whether this requires a wider response .. Morgans writing to clients (all, only those identified as approached or who gave loans?), acknowledging breach, offering complaint details for lodgement, querying corro .. could have serious PI ins obligations for them + open the door for opportunistic complaints

- s 45 [redacted]:

s 45 [redacted]

[redacted]

[redacted]

- [redacted].

s 45

how many, details, etc?

s 45

how many?

let's get a total loans summary (numbers - asked/given/repaid, product categories, periods, etc)

s 45

why changed from previous format/version?

s 45

s 45

"*multiple discussions*" means..any likely additional complaints..inappropriate advice, suitability, etc? also, get updated risk report on all client accts or selected ones (those with issues?)

what about the 'external consultant review' advised previously..terms of reference (additional to s 45 enquiries)?

s 45

what are brief details of each (nature, quantum, period, etc)?

s 45

criteria..methodology re; advisers outside Caloundra?