Story Overview
Aussie World War II hero Sir Edward "Weary" Dunlop's family decimated by Perpetual Trustees. Is this the way Australia treats the families of our heros?

Why are unscrupulous players in the finance industry getting away with this sort of disgraceful behaviour? **Take action with us now.**

Story Details**Story Of:** Dr Alexander Dunlop & Perpetual Trustees
Bank Malpractice Type: Predatory Lending
Unconscionable Conduct
Year Trouble Began: 2004
Did You Receive Effective Help?: No

Bad Banking Experience - Full Story:

Perpetual Trustees Ripped Off Sir Edward "Weary" Dunlop's family

Dr Alexander Dunlop was the son of Aussie World War II hero Sir Edward "Weary" Dunlop. Alexander, along with his brother John, inherited their dad's property. Tragically Alexander became **mentally disabled due to schizophrenia** and was unable to work. An unscrupulous mortgage broker effectively teamed up with Perpetual to strip Alexander of everything he owned.

On the way to this outcome is a trail that saw **the broker, Nathan Stewart of NAP Finance, use the money borrowed from Perpetual to buy a property. That property was used as a brothel with the broker pocketing the rent.** The CEO of Perpetual - **Geoff Lloyd** - knows exactly what happened. He also knows that there are many other examples of similar abuses and thus far he refuses to see to it that the Dunlops and other families are fully compensated.

Alexander died penniless in 2014 but his children don't deserve to see the family's assets enriching crooked mortgage brokers and company CEOs that appear to enjoy profiting from shady dealings.

Important Note: Geoff Lloyd, the CEO of Perpetual, was recently also appointed to Chair the Financial Services Council - the body overseeing Australia’s $2.6 trillion wealth management industry. This is a classic example of how the system is rigged. **Unscrupulous players in the**

finance industry, put in powerful positions, manipulating regulatory agencies and governments

John Dunlop has written a detailed account of the sequence of events. If this appalls you - please read on about how you can help make Perpetual fix this sorry mess.

John Dunlop's summary of the take down of his family by Perpetual

1. My name is John Stuart Ferguson DUNLOP.

2. My date of birth is 22 June 1950 and I am 66 years of age.

3. I reside at 265 Jackson Road El Arish in Queensland.

4. I am a consulting mining engineer and company director.

5. I am the younger brother of Alexander Boyd DUNLOP, who is three years my senior.

6. In 1988 our mother Helen Raeburn DUNLOP died in Melbourne, where she lived with my father.

7. In 1993 our father Ernest Edward DUNLOP died, leaving his residuary estate to Alexander and myself.

8. Following the general winding up of our father’s estate, my brother and I were left with some cash and shares, plus 2 farm lots each in Smiths Gully, Victoria: Alexander, lots 1 & 2, and myself the remaining lots 3 & 4.

9. In late 1993, Alexander married Amanda. There are two children from this marriage: Edward and Diana, who are now aged 13 and 11 to my knowledge.

10. At the time of our father’s death, Alexander had exhibited signs of mental illness for some years. This illness had prevented him from working professionally as a qualified medical practitioner for at least 10 years up to that point in time. He has not worked since and most probably never will.

11. Alexander had been seeing and receiving treatment from a psychiatrist, Dr Geoff Conran in Melbourne, but his attendance was sporadic and he (according to Dr Conran) was consistently refusing to take appropriate medication. Dr Conran had diagnosed his condition as dissociative schizophrenia.

12. In the period from 1993 to approximately 2002, Alexander’s immediate family lived on lot 1 at Smiths Gully, which is addressed as 395 Smiths Gully Road. During that period, Alexander had no income other than interest and capital draw down from his proceeds from his father’s estate, which were administered by Equity Trustees of 575 Bourke Street Melbourne, more specifically by a Steven Parrott of that firm.

13. By 2002, Amanda had become very concerned as to Alexander’s state of mind. By that time, she had realized that he was unfit and unlikely ever to work again, and consequently set about determining if he and the family would be adequately provided for in the longer term.

14. At the same time, Alexander was drawing funds from Equity for general living expenses, without any regard for the need to make any prudent provision for the future of himself or his family.

15. Equity trustees expressed some concerns to me about this (by phone) and I recall discussing the problem with Amanda. She approached Equity with a view to taking some financial control of Alexander’s affairs, though I understand that Equity did not support this on prudential grounds.

16. Amanda then took her concerns to VCAT, seeking to revoke Equity's Power of Attorney for Alexander. This was dismissed by VCAT in May 2001.

17. Amanda decided to commence divorce proceedings in the Family Court. At that time, she told me that this was, in part, with the objective of gaining a settlement of part of Alexander's estate, so that she could protect him from losing it. Other than that, the marriage had broken down as a result of Alexander's mental state.

18. A settlement was made by the Family Court in 2002 or 2003 which provided Amanda with some cash and title to lot 2 at Smiths Gully.

19. She moved out about that time and began to live, with the two children, at a house which she owned in Melton Victoria.

20. As part of the settlement with Amanda, and associated with the transfer of lot 2, Alexander granted me Power of Attorney over his affairs (approximately January 2003). At that time, I was not aware of any other PoA with Equity Trustees, or whether the new PoA revoked that of Equity Trustees.

21. Following the family's departure to Melton, Alexander remained at the original family home on lot 1 at Smiths Gully. I had no cause to make any use of the PoA from that point in time onwards.

22. I remained in contact with Alexander periodically, from my then home in Perth, WA. He was rambling and generally incomprehensible most of the time. When I saw him, he was disheveled and generally of poor health.

23. Over time, I also became aware that people in the local community were tending to take advantage of him, by agisting cattle, removing firewood and pumping dam water off the property.

24. This was of concern because by that time, Alexander only owned lot 1: lot 2 was owned by Amanda; lot 3 by myself and Chantal Danielle DUNLOP; and lot 4 by my second son Andrew Edward DUNLOP. None of the other owners had been made aware of these seemingly unlimited access arrangements.

25. Sometime after Amanda and the children moved out in 2003, Alexander's funds became depleted and Equity closed the account with Alexander and ceased to provide any further trusteeship duties.

26. Alexander continued living alone at Smiths Gully and was pressured financially. I am aware that he sought, and obtained, some assistance from friends and/or relatives.

27. About 2004, I made routine enquiries as to his well being. During that conversation I suggested that he apply for some form of disability pension. I also asked whether he had entered into any mortgages over the lot 1 (or any other property) to which he replied he had not. I also reaffirmed our agreement that he not sell any family heirlooms without prior discussion with me. He acknowledged this arrangement also.

28. Primarily because of his medical state, I became increasingly concerned about his ability to look after himself and his affairs. He was not opening his mail and countless bills had gone unpaid.

29. **About this time, Alexander came into contact with a Nathan Stewart of NAP Finance, which had an office in Toorak Victoria. It now appears that Alexander expressed a need for financial advice, which Stewart seems to have agreed to provide.**

30. Some time after this, Stewart appears to have accompanied Alexander to the premises of auctioneers, Leonard Joel, with a view to selling some paintings which formed part of what I have already referred to as family heirlooms. The paintings were sold without reference to me. Alexander reluctantly admitted to the sale very much later. I also became aware that Leonard Joel's auctioneer was uneasy about Alexander's capacities at that time and expressed some concerns about the sale.

31. **By 2005 or 2006, Alexander's arrangements with NAP Finance had advanced to the point where NAP had arranged for Alexander to enter into a mortgage over his lot 1 farm property with a mortgagor, Perpetual Trustees. At the time, I was unaware of this arrangement, and Alexander never spoke to me about it, either before entering into it, or after it, until I actually became aware of it and raised it with him myself.**

32. **I had no idea how Alexander could service a mortgage without a steady income, and therefore asked him to direct me to his financial advisor.**

33. I obtained contact details for NAP Finance and hence began a series of phone calls to Nathan Stewart, all concerning Alexander's well being and financial affairs.

34. In a general sense, Nathan was firstly elusive but in any event evasive. This was not so much because he was protective of Alexander's confidentiality, but rather because, as I later came to suspect, that he had cause to conceal some of his arrangements with Alexander.

35. Nathan's response to my enquiries was that Alexander had invested in an investment property at Carlisle Street in St Kilda which was mortgaged to Perpetual Trustees and serviced by rental from the property itself. He gave no indication of where the deposit for the investment came from but assured me that the rental exposure was insured.

36. I later found out that the Carlisle St property was rented out as a brothel. When I visited the premises with my then lawyer Rosemarie Ryan, there were two working girls in residence. They confirmed that the weekly rent was paid in cash to a MT Stewart.

37. **I felt I needed more details of the loan and the investment in general, as Alexander was completely unable to provide details of the purchase. For example, he did not know who had granted the mortgage; how much was owed; what the rental amount was; where it was banked.**

38. During this time, Amanda had continued to make weekend visits to Alexander, who had access to his children at these times. Amanda began to call me more frequently and to discuss her concerns more than she had done in the past.

39. By 2007, she had sold the property in Melton and moved back to Smiths Gully, this time as a carer as opposed to a spouse. She was studying full time; Edward was boarding at Scotch College in Melbourne and Diana was attending the local Eltham state school.

40. In 2006, 2007 and early 2008, I made visits to the Smiths Gully properties and looked at all of the lots as well as visiting Alexander.

41. On a visit dated Friday 2 May 2008 I visited Alexander with Amanda present. The house was cluttered but there were signs that Amanda had attempted to keep the place tidy. Notably, there was enough unopened mail lying about the house to fill at least one 300 litre wheeled bin.

42. Amanda showed me **letters of demand and letters of default from Perpetual Trustees for two mortgages: one over the farm lot 1 and the other over the Carlisle Street property. This was the first time I became truly aware of the extent and gravity of the position. The deadlines set out in the letters of demand had by that time been passed.**

43. **I called NAP Finance to ascertain if they were aware of the letters of demand. I had assumed that Nathan Stewart had reached an arrangement with Alexander wherein he (Nathan) would attend to the lot 1 mortgage payments whilst the Carlisle Street rental would look after the second mortgage. I was assured that the letters of demand would be addressed, by NAP making the necessary payments for Alexander.**

44. Stewart also added that he had a buyer for Carlisle Street; that the sale would result in a capital gain for Alexander of approximately $100,000, which could be applied to the lot 1 mortgage after discharging the Carlisle Street mortgage.

45. Next, I asked Alexander if he could tell me what the payment arrangements were. He could give no explanation and seemed confused as to whether there were two (or any) mortgages.

46. Alexander was then served a writ to appear in the Court, in connection with the lot 1 mortgage default. Amanda failed to act on this and a judgement was handed down to the effect that Alexander vacate the property by a date late in June 2008.

47. **On becoming aware of this, I made contact with the lawyers for the mortgagor, and spoke with a Paul McCarthy early in June 2008. I explained to McCarthy what I understood to be the sequence of events: that Alexander did not know that he was in default, thought that NAP was "arranging things" and that he did not understand the eviction order.**

48. I then proposed to McCarthy that we, that is, Amanda and I, paid an amount to reinstate the mortgage, plus all associated costs. After taking instructions from Perpetual, McCarthy reverted to me with a "payout figure" as at a date around 24 June2008. A formal letter confirming this then was emailed to me in Queensland.

49. Before posting the agreed payout amount, I placed the whole matter in the hands of lawyers Rosemarie Ryan and was advised to end contact with both McCarthy and Stewart at that point.

50. **A document review commenced, from which the preliminary finding was that NAP had drawn down the lot 1 mortgage on Alexander's behalf and had borrowed some of the proceeds for its own use.**

51. In addition, it was confirmed that **there were two mortgages, both in a state of default.**

52. By about mid June 2008, the story broke in the press concerning Alexander's eviction order. I had instructed Alexander and Amanda not to name NAP Finance or Perpetual Trustees. Despite this, NAP was revealed in at least one news article.

53. Nathan Stewart was also interviewed by the press and made the statement that Alexander would not be evicted.

54. Shortly after that interview, Stewart called me by phone. The essence of his message was this: that **the crisis could be sorted out without resorting to litigation; that his and my lawyers could get together and arrange this; and that Alexander need not be evicted.** I was conscious of the fact that it was inappropriate for us to be talking and advised Stewart to move forward quickly with any proposed settlement offer.

55. **At the time of writing NAP finance had not even repaid the funds it allocated to itself from Alexander's lot 1 mortgage.**

56. At all material times the only income the Defendant was receiving was the Disability Support Pension.

57. **On or about 2008 Perpetual Trustees Victoria Ltd (CAN 004 027 258) commenced an action in the Supreme Court (No. 5764 of 2008) against my brother (Defendant) and Nathan Stewart and his NAP Group (CAN 089 104 076). I was appointed as Alexander's Legal Guardian.**

58. **Perpetual sought to take possession of the farm property Lot 1 (and later, the Carlisle Street property as well).**

59. **The defence was predicated on trickery and fraud, on the basis that Alexander's**

signature was procured with deception for the loan agreement and associated mortgage.

60. With subsequently mounting legal costs, pro bono assistance was applied for on or about 2008 with the Public Interest Legal Clearing House (PILCH). The application was rejected on the basis that the loan was of a commercial not private nature.

61. The action was eventually settled with the sale of Lot 1 Smiths Gully and the Carlisle St apartment the proceeds being $412,274.92 apportioned as follows: outstanding loan $407,802.85, consideration for early repayment $4,222.07 and an early payout calculated fee of $250.

62. On or about late 2008, Alexander was admitted to Darley House (a branch of Austin Health) on a full time aged care basis. I liaised with the administrator there, Aaron Smith, with regard to Alexander's disability pension payments and live-in costs. I visited him approximately monthly thereafter, travelling from my home interstate.

63. As his condition deteriorated, he was transferred to a "high level" care facility in East Keilor, where I continued to visit him.

64. **On 10th March 2014, Alexander died whilst in care, effectively penniless, leaving no estate of any significance for the benefit of his children.**

65. His then ex-wife, Amanda, sold off lot 2 to pay off school fees and other debts.

Prepared by John Dunlop - February 2017

BRN Wrap Up On This Appalling Story

> Where the babbling burn "Glazert" winds round a small rise, through the green countryside of East Ayrshire, there is a place...a place where Celtic men and women defended their homes and families 1,000-2,000 years ago. Against the painted Picts, the Brits of Strathclyde, the Gaels of Ireland, the Angles, the Romans and the Vikings, they stood in this place, this fort of stone and mud, this insignificant small hill and paid for these lands with sinew and steel and blood! They gave this place a name, these Celts... a name that would be carried by thousands down the Halls of Time.....to Ireland, America, Canada, Australia.....a Name that we know well ... for it is ours .....the place, the name ..... Dunlop

BRN thanks John Dunlop for his excellent summary. **We all - to some degree - pay for our homes and land with "sinew and steel and blood." In times of peace more so with sweat and tears. Are we going to let crooks get away with stealing our homes and land? Is the Australian way now to just sit and watch as injustices get rewarded and abuses go unpunished?**

We think Geoff Lloyd - Perpetual CEO and Chair of the Financial Services Council - has a duty to either resign from both positions or clean up the Perpetual mess that we will be detailing over the coming weeks and months. He can start with the Dunlop family. This issue is "officially" not going away. It will not fade. Perpetual has profited from systematic abuses of vulnerable clients. Regulators and politicians need to understand we live in a different world now - the people are taking action .... and we will win.

How You Can Help Get This Wrong Righted

1. Drop this link at other relevant finance / corruption / politics related Facebook pages >> https://www.facebook.com/bankreformnow/posts/1070054159769898:0
2. Spread our twitter messages >> a) https://twitter.com/BankReformNow/status/835627248233275392 / b) https://twitter.com/BankReformNow/status/835623228483633152
3. Use these hashtags >> #Perpetual #GeoffLloyd #banksRC #auspol #WearyDunlop #RSL #Banksters
4. Help Boost our Facebook posts by dropping a few dollars into our fighting fund. All contributions coming in over the next week will be 100% used on the Perpetual campaign. Whatever comes in today and tomorrow will be used to boost today's post. $1,000 will see the post go to up to an extra 270,000 people. Contribute here >> http://www.bankreformnow.com.au/donate
5. Talk to your friends and family about this issue.
6. Contact you local politicians - Federal, State, MPs and Senators. Tell them about Perpetual and Weary Dunlop and say you're not copping crims in business and politics spoiling our country.
7. Contact Paul Callaghan at the Financial Services Council. He's the General Counsel & Company Secretary. Phone: 02 8235 2526 Email: pcallaghan@fsc.org.au Tell him it is not appropriate to have Perpetual CEO Geoff Lloyd acting as CEO and Managing Director of the FSC.
8. Contact Malcolm Turnbull - https://www.pm.gov.au/contact-your-pm Tell him it is not appropriate to have Perpetual CEO Geoff Lloyd acting as CEO and Managing Director of the FSC and if he can't get Perpetual to compensate the Dunlops he shouldn't even be running Perpetual.
9. Contact Bill Shorten and tell him the same thing. Phone (02) 6277 4022 email: Bill.Shorten.MP@aph.gov.au

How My Life Has Been Affected:

Alexander's life has been destroyed. My father spent much of his life in the service of other people and would have fought to correct the social injustice of this looming subprime financial crisis. Why are Australians appearing to ignore the trouble heading our way? It's not just NAP Finance but other mortgage brokers as well as the major banks. Unless we all take action many more of us will targeted just like my family was.

Related Links: The Age Story - Weary's family takes fight for farm to Supreme Court
More About Sir Edward 'Weary' Dunlop
Weary's family pin hopes on old mail
Hidden firms who repossess homes exposed
The State Funeral Service for Sir Edward "Weary" Dunlop - Eulogy by Rt. Hon. Sir Ninian Stephen

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