

# Stefan sues financial services giant for 'lost millions'

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Queensland entrepreneur Stefan is suing an international financial services giant and an adviser for sharemarket losses.

The Brisbane-based hairdressing tycoon is seeking undisclosed damages from UBS Wealth Management Australia Ltd and Stephen Martiensen, according to documents lodged in the Brisbane Supreme Court.

UBS Wealth Management has branded the claim as "opportunistic" and will oppose the legal claim.

Stefan Fashions Pty Ltd alleges breaches of the Corporations Act and ASIC Act, breach of contract, negligence and breach of fiduciary duty.

"The only party to benefit from this relationship ended up being UBS, while I lost millions," Stefan said in a statement.

"There needs to be greater accountability on the banks like UBS, they need to have more respect for the money they invest for clients and recognise where that hard-earned money has come from."

UBS, whose headquarters are in Switzerland, has offices in more than 50 countries.

A spokeswoman for UBS told AAP: "UBS Wealth Management will defend itself against this opportunistic claim by Stefan Hair Pty Ltd and will vigorously oppose the relief sought against it for the monies allegedly lost by Stefan Hair during the global financial crisis.

"As the matter is before the court, it is not appropriate for UBS Wealth Management to comment further at this time."

Stefan said he invested in the stock market based on recommendations from Mr Martiensen in the belief that he was building a portfolio of core blue chip stocks.

On UBS's recommendation, Stefan also took out a margin loan worth \$5 million.

Between July 2007 and November 2008 the portfolio turned over in the order of \$38 million worth of shares.

From that turnover, UBS earned over \$300,000 in commission, nearly \$50,000 in management fees and over \$300,000 in interest on the margin loan, Stefan said.

By November 2008, the investment was worth only \$304,013.

In the statement of claim, Stefan alleges Mr Martiensen told him at a dinner meeting in Brisbane in mid-2007 that he could trust UBS and that the firm was very experienced and cared about its clients.

He further alleges that he made it very clear at that dinner that he was reluctant to go back into the share market, as he did not want to repeat losses he had suffered decades earlier.

Mr Martiensen represented to him that "there was no significant risk of substantial losses by investment in the share market".

"(It) would be a portfolio with low risk, managed conservatively and managed for long term growth," the statement of claim says.

Stefan alleges that while the portfolio started out being based on a series of UBS Model Portfolios, Mr Martiensen traded away from that position and turned it into an extremely aggressive, high-risk portfolio, which was contrary to Stefan's objectives.

Stefan also alleges that UBS extensively delayed closing the portfolio and margin loan, despite repeated



Queensland hairdressing tycoon Stefan Ackerie. Photo: Paul Harris

requests while still charging interest and fees.

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