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Businessman leaves \$100m trail in suspected fraud scheme

DAVID MURRAY, NewsCorp | 31st Jul 2016 11:38 PM Updated: 1st Aug 2016 5:46 AM

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A BODY washes up on a Sunshine Coast beach, \$100 million is missing and hundreds of investors are desperately trying to salvage their life savings.

Investors are slowly unravelling the business affairs of Buderim financial advisor Steve Halgryn, who died three months ago and now appears to have been running a giant Ponzi scheme.

Mr Halgryn had at least 600 investors who, in some cases, could lose their life savings with executors unable to trace almost all the money.

An administrator has been appointed to find assets but the investors are bracing for the worst as details emerge of Mr Halgryn's final weeks.

Up to \$3 million in requested withdrawals from the scheme were not honoured in the lead-up to his death.

The "trading syndicate" invested in shares, real estate and commodities such as crude oil and gold and aimed to achieve returns of 24% a year.

Walkers discovered Mr Halgryn's fully clothed body washed up on the Warana Beach shoreline at 5.50am on April 19. Police at the time said there were no signs of violence and did not believe it was suspicious.

"It's most likely either drowning or he had a medical condition," a spokesman told media on the day he was discovered.

Three months later, a cause of death has still not been established as Mr Halgryn's family awaits results of toxicology tests. There has been no suggestion of foul play.

Mr Halgryn, 52, had operated from a Buderim office and investors have held meetings on the Sunshine Coast as concerns grow about his scheme.

In a will prepared in February, two months before his death, Mr Halgryn left his estate to his four sons, who were not involved in his business affairs. He nominated a lawyer and a friend as

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About 350 investors in Australia and 250 overseas had \$100 million including accumulated interest invested in the trading scheme Mr Halgryn operated through his companies. It was able to operate for years under the noses of corporate regulator the Australian Securities and Investments Commission, despite investors now believing it did not comply with regulations for managed investment schemes. He was not a licensed financial advisor.

Executors found about \$91,000 in company bank accounts. About 35 residential properties in the US with a total value of \$1m to \$1.5m were also found. But the rest of the \$100 million is yet to be located.

Mr Halgryn's former accountant has said Suncoast last filed a tax return in the 2011/12 financial year and SFSGlobal never lodged a tax return.

The Supreme Court last week appointed forensic accountants Worrells as administrator of the companies at the request of executors. The firm's Sunshine Coast-based partner Paul Nogueira will investigate the companies' business, property, affairs and financial circumstances and report back within 60 days.

Mr Halgryn's other known assets were limited to a \$300,000 Gympie property, a share in Hervey Bay industrial sheds, \$120,000 in stocks and less than \$1500 in four bank accounts.

He did not lead an extravagant lifestyle, living in an ordinary home and driving a modest car.

Born in Zimbabwe, he moved to Australia about 2001 and it is believed many of his investors were from his former homeland. Company documents show Suncoast was set up in 2003.

"Our investment objective is to simply generate a monthly return on your investment at a rate considerably higher than prevailing bank interest or bond rates while preserving your capital base," says one trading syndicate document.

A letter to syndicate members in May 2013 said the syndicate was on track to complete the financial year with a 24% return.

"We have put together a group of the most successful traders over the past eight years, giving us a blend of diverse income streams, thus creating consistency, limited risk, and longevity of the investments," Mr Halgryn wrote.

"I am frequently asked when I will stop trading and managing the syndicate, so to answer your

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markets, sharing ideas and looking for trading opportunities."

A "key information" document says investment strategies "are employed to eliminate emotion from the decision making process". He was to trade "with discretion and minimal risk".

Executor Adrian Hawkes from Hawkes Lawyers said on Friday he would not comment.



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