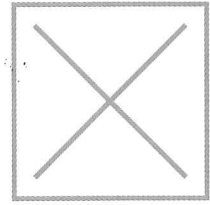


# Upfront



## Court to rule on dispute

**T**he lengthy and bitter legal dispute between Queensland-based financial planner Leo Menkens and his former employee Rob Wintour is expected to be resolved this month. The Brisbane Supreme Court is set to rule on the case in early September.

On August 19, Menkens, a former authorised representative of AXA dealer group Charter who joined boutique dealer Madison Financial Group in 2006, faced off against Wintour, an authorised representative of Charter, over

claims that Wintour took a large part of Menkens's client base with him when he left Menkens' practice, Menkens & Associates, to set up his own business.

It is understood Menkens is suing Wintour for four years of lost income plus damages, and legal expenses amounting to around \$1 million. The case reignites the debate over who owns the client (see cover story on page 20), and if it is successful, Menkens is also expected to seek damages against his former licensee AXA.

Menkens is suing Wintour for four years of lost income plus damages, and legal expenses amounting to around \$1 million.

## Lachlan in expansion mode

**M**acquarie-backed financial planning and accounting group Lachlan Partners has signed a heads of agreement to purchase a Queensland-based practice, just one month after completing its acquisition of Melbourne-based Peloton Private Clients.

It is Lachlan's fourth acquisition in the past 12 months, and the group hopes to complete a further two transactions by the end of March 2011, managing director Philip Pezzi says.

"We are aggressively looking to expand our footprint in Sydney and Brisbane and hope to be in a position to complete at least two deals in the next six months, more if we can find the right firms," he says.

Lachlan has offices in

Melbourne, Sydney and Brisbane, and employs 105 staff including 26 financial planners and 39 accountants.

Peloton directors Roger Wilson, Nathan Haslem and David McCrorie have joined the group's executive team alongside Pezzi and business partner Michael Burton.

Pezzi says the group had earmarked a number of potential transactions.

"We've looked at about 60 firms in the past 12 months and I'm surprised at how many businesses are not successful," he says. "Once you strip out commissions and rebates, and account for the increasing cost of compliance, staff and infrastructure, there aren't many turning a profit."

### BRIEFS

#### Growth super funds on the rise

The median growth superannuation fund returned 2.2 per cent in July, pushing returns for the year to July 31, 2010, to 8.6 per cent. Researcher Chant West says the result was helped by strong global and domestic sharemarket performance, the main drivers of a growth fund. But funds need a further 13 per cent from here to get back to pre-GFC levels.

#### Investors turn to index funds, ETFs

Inflows into index funds and exchanged traded funds have risen significantly since the GFC as more investors turn away from active management. Standard & Poor's predicts that index products will continue to grow as index managers strengthen their marketing and consumer education campaigns and more offshore fund managers launch products in Australia.

#### Partnership offers holistic advice

Life insurance company Asteron and dealer group Aon Financial Planning and Protection have teamed up with personal mortgage brokers Smartline to offer holistic risk insurance advice to Smartline's new and existing clients. Under the partnership agreement, Smartline's 200 mortgage brokers have access to Asteron's products and Aon's 153 financial planners.

#### New growth fund for AMP

AMP Capital has launched a new listed infrastructure fund, which seeks to generate predictable, stable income for investors while offering liquidity and long-term capital growth. The AMP Capital Global Infrastructure Securities Fund invests in 25 to 35 companies that own and operate infrastructure assets offshore and derive the bulk of their cash flow from those assets.