



Australian Economy: Heading for recession?

QLD BUSINESS

**The crash of Blue Sky
Alternative Investments has not
come as a huge shock to
Brisbane stockbrokers and
financial analysts**

Anthony Marx, The Courier-Mail

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NO SHOCK

The crash of Blue Sky Alternative Investments on Monday didn't come as a huge shock to Brisbane stockbrokers and financial analysts.

More surprising to many of them was how long the firm managed to stagger on after it was mortally wounded in a blistering assault by US-based short-seller Glaucus Research group in March last year.

With an astonishing degree of accuracy, one of these gents predicted at the time that "it will all end in tears" for the firm, which had \$2.8 billion in funds under management.

He understandably indulged in something of a victory lap yesterday.



 Mark Sowerby Photographer: Liam Kidston.

“I couldn’t see it surviving. The writing was on the wall since the day that Glaucus drove a dagger through the heart of Blue Sky,” he told City Beat.

“It was obvious the game was up when Glaucus weren’t just dismissed as scuttlebutt merchants.”

Much like the young lad revealing the truth in The Emperor’s New Clothes, Glaucus tore strips off the company’s business model, accounting methods and excessive investor fees.

Blue Sky, which had just raised \$100 million before the Glaucus hand grenade went off, stumbled badly as it tried to recover but never managed to right itself.

Big losses, threats of class action lawsuits and an ASIC probe subsequently dogged the firm as a number of senior executives moved on.

Indeed, new CEO Joel Cann only started punching his timecard last month.

Incredibly, new chief financial officer Justine Heywood was supposed to start work yesterday.

That’s right, the same day that receivers and administrators seized control of the stricken entity!

There’s plenty of pain to go round, with founder and former CEO Mark Sowerby still holding a portfolio of 4.4 million shares now not worth the paper they are printed on. Mind you, he did manage to cash out about \$35 million before it all went pearshaped.

The disaster is sure to cast a pall over how he is remembered as Queensland’s first chief entrepreneur, a job he did for a year after stepping down as Blue Sky boss in 2016.

Sowerby did not return a call yesterday and neither did his successor, Rob Shand, who stepped down a month after the Glaucus report lobbed.

One financial player noted that Blue Sky’s breaching of terms for a \$50 million loan, the event which triggered its demise, “suggests the business is not worth much more than that”.

That’s something receivers and administrators will be trying to figure out in the days ahead.

HUGE HAUL

That gang at Women's Legal Service Queensland are still stunned.

A capacity black-tie crowd of 1000 packed in to Brisbane City Hall on Friday night for the annual Dancing CEOs event and managed to raise a staggering \$440,000 for the charity, which takes calls from 8,000 at-risk women every year.

That was far above the already ambitious \$300,000 target and a world away from the comparably meagre \$65,000 raised at the first event just six years ago.

"We're still coming back to earth and comprehending what the business community can do. We're just so honoured and humbled," the group's fundraising manager, Natalie Davidson, told us yesterday.



 Elena Gosse

Over the course of the night, 17 corporate types took to the stage with varying degrees of success but plenty of supporters cheering them on regardless.

Together they pulled in \$386,489 in pledges, with the balance coming from a raft of auctions and raffles.

Elena Gosse, whose co-ownership has become a seemingly permanent fixture in the local business competition, managing

The judges handed out the award to McAllister, while the “winner” was Michelle Delamont.

No doubt the bar has been set high.

[Blue Sky in talks to save the bar](#)

[Blue Sky takes another step](#)

[Warnings on Blue Sky's future](#)



ices, has become a significant part of the fundraising efforts.

Entrepreneur Aaron McAllister, who is the Wesley Hospital's Dr.

soiree!

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