



In the News

UBS Clients Lose Significant Sums in UBS' YES Program

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Thousands of UBS customers have lost significant sums after investing in UBS' Yield Enhancement Strategy ("YES"). The program, managed by UBS advisors Matthew Buchsbaum and Scott Rosenberg through their "Flatiron Partners" practice group at UBS, relied on an "iron condor" options strategy using two spreads: one in which they sold calls and puts to generate premium income, and a second buy-side spread, through which they were allegedly hedging risk and containing any potential losses. Wealthy conservative investors were told they could increase return, while limiting any downside potential.

Beginning in December 2019, investors began suffering significant losses after a spike in volatility. Similar to the LJM Hedge Fund collapse in February 2018, investors are discovering that during volatility spikes, price swings blow past breakeven points in the strategy, resulting in losses for most positions. And like the LJM Hedge Fund, investors in the YES program were told they could create non-correlated return, while limiting downside losses significantly.

In fact, UBS marketing materials related to YES specifically advised clients that the strategy used upside and downside protection to prepare for "unexpectedly volatile market conditions." The LJM Fund similarly marketed itself to investors. Notably, the strategy itself carried high fees (upwards of 1.75%) which was charged against assets used as collateral for the options strategy (called a "mandate"). According to sources, Buchsbaum and Rosenberg, stood to earn \$87.5 million in fees with total collateral of more than \$5 billion at play in the strategy.

Numerous UBS clients have already filed FINRA arbitration claims seeking losses suffered during December's volatility spike. Undoubtedly, many more have suffered even greater losses considering the extreme volatility experienced during the recent market downturn associated with the COVID-19 pandemic.

If you are a UBS client who suffered losses from UBS' YES program, or have questions regarding any other options strategy which led to losses, it may be helpful for you to seek out a qualified securities attorney to review your account to determine whether you have been victimized by advisor misconduct.

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Related People

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