Investor Alert - Northstar Healthcare Income Suspends Distributions

WEST PALM BEACH, FL, 33401, February 27, 2019 /EINPresswire.com/ -- Northstar Healthcare Income, Inc. is a publicly registered non-traded real estate investment trust ("REIT") that has now suspended monthly distribution payments to investors. The Board has supposedly performed a thorough analysis of the REIT's business, financial condition, liquidity sources and capital needs, and believes it is prudent to preserve capital and protect the company's financial position.

Northstar Healthcare Income, Inc. originally sold shares at $10.00. The company was formed to acquire, originate, and asset manage a diversified portfolio of equity, debt and securities investments in healthcare real estate, raising some $2 billion between 2013-2018 and creating a portfolio of over 650 properties.

In December 2017, the company reduced the distribution rate, cutting it by more than half at that time. In October 2018, the company informed investors that it will only repurchase shares in connection with the death or qualifying disability of an investor. In December 2018 the REIT lowered the net asset value ("NAB") from $8.50 to $7.10 per share, citing numerous factors contributing to that decline in value. The Board has indicated that it plans to continually assess Northstar Healthcare's distribution policy, and there is no assurance that distributions (which are now suspended entirely) will be declared again in any future periods or at any particular time.

MoneyFiles.org, an investor fraud website, "As of now, some investors are facing a drop in the value of their original principal invested by nearly 30%, along with a full suspension of any distributions to investors."

Why is this significant?

While some investors may only have a small percentage of their overall portfolio exposed to Northstar Healthcare such that any decline in principal invested or the suspension of distributions (or both) do not have a significant impact on their overall investment portfolio. Unfortunately, some financial consultants may have recommended unsuitable positions or that concentrated or over-concentrated investor exposure to this or similar investors. As a result, some investors may now find themselves with unnecessary losses or damages to the principal value of their investments, or may have purchased these and other investments based on materially false or misleading information including the material omission of risk disclosures. In supervising these types of activities, the supervision and monitoring of the financial consultants and financial advisors who recommended such investments may have been negligent or improper activity.

What is “Over-Concentration”?

Over-Concentration is a term typically used to describe the inappropriate practice of an investment professional (financial adviser or financial consultant) recommending too much of one particular investment, one particular asset class, one particular sector or industry such that the recommendation may not be suitable for the investor as it is placing “too many eggs in one basket.”

If The Investment is Over-Concentrated – How Do You Recover Your Losses?

Generally, unsuitable investment recommendations will in one manner or another constitute a violation of securities regulations and the firm’s compliance procedures by which its brokers/advisers must abide. Further, such activities and/or the failure of the firm’s supervision, management or compliance department to properly monitor and supervise the transactions may be negligent as well.

As a result, an experienced securities attorney could help demonstrate how the recommendations were unsuitable or inappropriate for a particular investor and/or how a supervising firm may have been negligent in terms of supervision, management or compliance efforts related to the transactions, or the ongoing monitoring of the overall investment strategy. An experienced securities attorney will be able to assist an investor in potentially recouping losses from a firm by helping you demonstrate that the firm essentially failed to properly establish and/or failed to implement reasonable supervisory procedures, or failed to properly follow-up on red flags.

What Steps to Take to Attempt to Recover Your Losses

First, it is important to contact an experienced securities attorney to investigate the details thoroughly.

Many investors believe that because they have not sold the underlying investment there is no potential for recovery of any losses. That is not always the case.

You will need to take action. Depending on the facts and circumstances, this could involve filing a claim through FINRA’s Office of Dispute Resolution. Your potential for recovery may be direct against a bad actor, or it could be indirect potentially through the broker/adviser or the firm that he/she worked for during the time of the investment.

While some of the above points may appear simple on the surface, these types of FINRA claims can often be especially difficult or complex. To hold the responsible broker or his/her firm liable for your damages, you will need to research the full extent of the potential misconduct or negligence. In most cases, victimized investors actually have several different underlying legal claims, and an experienced securities attorney can assist you in considering all of your potential sources of recovery.

Depending on the facts of your case, your attorney may be able to establish vicarious liability or may be able to hold the broker-dealer firm responsible for its failure to supervise and control their representative.

Get read more at MoneyFiles.org

https://moneyfiles.org/northstar-healthcare-income-suspends-distributions/

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