

First Republic Securities Brokers Face \$1 Million Claim On Harvest Volatility Management Sales

National investment fraud law firm investigates the sale practices of broker-dealers that sold Harvest Volatility Management products.

PALM BEACH, FL, USA, December 7, 2020 /EINPresswire.com/ -- It appears that a purportedly conservative yield enhancement options trading strategy was allegedly mis-sold or misrepresented to investors. First Republic Securities (FRS) is believed to have recently received a private arbitration claim filed by a disgruntled customer on account of losses from a Put Writing Strategy (PWS) utilized from Harvest Volatility Management. It is believed that investor customer further alleged that he neither wanted the product, nor did his risk-averse investor profile at FRS warrant the recommendation of such an investment product, as he was an investor seeking principal preservation.



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Haselkorn & Thibaut, a national investor law firm, is conducting an investigation Investors with potential customer disputes should be aware there are various time limitations that apply to their ability to bring such claims.

Investors can call 1 888-628-5590 and visit our [website](#) to schedule a free case evaluation or account review and to discuss their options on potentially recovering their investment losses associated with any investment strategies, or losses incurred as a result of questionable investment products.

The nature of the alleged mis-selling of the investment product appears generally similar to the way other firms often market similar Yield Enhancement investment strategies. Here, it appears

the investor customer is claiming the investment strategy was sold to him as consistent with his desire for safe conservative investments, and here was a n opportunity to generate a 5% extra yield on the same asset base, not having to put up additional funds, and anticipating consistent returns on those assets. Significantly, it appears this investor, relied on representations that this was a relatively low-risk investment strategy, at least based on the verbal risk descriptions received.

The Put Writing Strategy (PWS) of Harvest Volatility Management (Harvest) has also been marketed by other investment firms , but in this case it appears the recommendation came from two financial advisors acting on behalf of First Republic Securities (FRS). According to the investor customer, he realised only later that his fixed income securities would be attached, and that this investment program involved potential additional risks such that it could under certain conditions or circumstances even trigger a margin call.

For a typical investor seeking safety of principal, this is not a typical risk they are willing to consider, so did the investor’s risk profile materially change here, or did something else happen? If the risks were accurately represented in a fair and balanced manner, would a conservative risk-averse investor really want to suddenly engage in a strategy that was fraught with risk to their investment principle?

To the extent that under certain market or economic conditions, the options trading “yield-enhancement) strategy could be high risk, is that something that should have been recommended to this investor? Here, the two financial advisors involved in that claim, James W. Wilcox and Matthew Donald Babrick, were registered with First Republic Securities (FRS) as well as First Republic Investment Management Inc. (FRIM). Mr. Babrick is currently based in Los Angeles, California, and has previously been registered with Merrill Lynch Pierce, Fenner and Smith, and Goldman Sachs prior to joining First Republic. Mr. Wilcox is currently based in Jackson, Wyoming, and previously was registered with Goldman Sachs, before moving to First Republic, just last year.

A review of FINRA Brokercheck records suggests at least one other customer dispute involving a purportedly unsuitable trading strategy, and both Messrs. Babrick and Wilcox. Although details related to that “other” dispute are unclear from the FINRA Brokercheck records, it appears that some open issues that might come to light in this most recent pending claim relate to the commissions or fees charged in relation to the Harvest PMS. Was there a standard investment management fee charged? Were there other transaction-based fees, or additional investment management fee layers as a result of the recommendation of Harvest? Were all of those fees and charges properly disclosed?

At Haselkorn & Thibaut (InvestmentFraudLawyers.com) it is our job to assist investors nationwide recover losses arising out of negligent or improper investment advice or actions on the part of broker-dealers or their financial advisors.

We are investigating several broker dealer and investment advisory firms suspected of recommending Harvest PWS, and other similar investment products and strategies to investor customers over the past several years.

If you have questions regarding your investment losses incurred with Messrs. Babrick and Wilcox or any other financial advisor at First Republic Securities or any other broker-dealer firm, related to Harvest PWS or any other investment product or strategy that involved more risks than you believe you were told or reasonably anticipated, we are here to help you explore your legal options.

The sole purpose of this release is to investigate the manner in which the Harvest and similar investment strategies were approved for sale by broker-dealers to investor clients, including new product reviews, due diligence, as well as the sales practice and supervision related to these purportedly conservative investment strategies. If you have any knowledge or experience with these matters, please contact [Haselkorn & Thibaut, P.A.](#) at 1-888-628-5590

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