

GWG Holdings Appears to be Preparing For a Possible Bankruptcy As Investors File Lawsuits (and FINRA Claims)

Investors worry about a potential bankruptcy by GWG Holdings.

PALM BEACH, FL, USA, April 7, 2022 /EINPresswire.com/ -- [News sources](#) are reporting that GWG Holdings, Inc. may be preparing for Chapter 11 bankruptcy protection, which could be a filing as soon as this coming week. GWG Holdings, Inc. previously sold \$1.6 billion of bonds backed with life settlements through a network of independent broker-dealers throughout the United States.



GWG, an alternative asset management firm that issued high-yield bonds called L Bonds has had a difficult time recently and repeatedly missed the deadline for filing audited financial statements over the past few years. In January 2022, it failed to pay \$13.6 million in principal and interest payments due on its L Bonds series and defaulted on those payments.

Investors who purchased GWG L Bonds through financial advisors and brokers are considering their options and many are considering pursuing claims against the firms, brokers, and financial advisors that made the investment recommendations and sold them.

Matthew Thibaut, Esq., a founding partner of Haselkorn & Thibaut ([InvestmentFraudLawyers.com](#)) a nationwide law firm that is investigating these potential claims on behalf of investors with over 20 years of investment-related litigation and securities arbitration experience, commented that based on the calls we are getting recently, it appears that some financial advisors that were marketing GWG-related investments (and GWG L-Bonds in particular) were not accurately representing the level of risk associated with these high-yield securities.

They have opened up a GWG investor hotline at 1-800-856-3352, and they have experienced attorneys available to provide a fast, free, friendly case evaluation for investors with questions

regarding their GWG investments.

A source in the industry who requested anonymity confirmed that the company was planning to file for bankruptcy. The Wall Street Journal first reported this news on Monday morning.

GWG Holdings indicated that bankruptcy protection was the next step at the end of last week. GWG filed a Friday filing with the Securities and Exchange Commission stating that it could not file its 2021 annual reports and financial statements due to the resignation of Grant Thornton. If the auditor is not available after three months, a bankruptcy filing may be likely under the circumstances.

A GWG spokeswoman declined to comment on the company's plans to file for Chapter 11 bankruptcy protection.

One GWG investor asked not to be identified, but he said that the L Bonds were worth 20 and 30 cents per dollar. It is unclear if that is still the case.

GWG Holdings shares fell more than 16% on Monday to trade at \$4.48 per unit in just minutes that afternoon. In October, the latest share price hit a previous peak around \$10.90 per unit.

GWG's website states that Emerson Equity, a San Mateo broker-dealer specializing in private placements serves as the managing broker-dealer. In traditional investment banking terms, the managing broker-dealer acts the same way as a lead underwriter. Emerson Equity was not the only broker-dealer that could have sold this product, and there were many other registered investment advisors and broker-dealers who could have recommended and sold these securities to investors.

As investors seek higher yields and diversification in this low-interest-rate environment, there's been an increasing push by financial advisors and brokers to re-direct client investments toward alternative investments and less traditional investment options, and in this example toward a life settlement business. Life settlement payouts may now generally be higher than in the past because of this increased demand for such investments.

Please call the experienced attorneys at [Haselkorn & Thibaut, P.A.](#) at 1-800-856-3352 if you have any information related to GWG investments that were recommended by brokers or financial advisors. In addition, please do not hesitate to schedule a free consultation if you have questions about this announcement, your legal rights, or if you have purchased or acquired GWG stock or bonds in the past.

The sole purpose of this release is to investigate how the GWG investment products and strategies were approved for sale by broker-dealers and financial advisors to investor clients, how these investments were presented to individual investors, including broker-dealer new product reviews, due diligence, as well as the sales practice and supervision related to these

investment products and investment strategies that included these products.

Haselkorn & Thibaut, P.A. is a law firm that specializes in handling investment fraud matters and FINRA arbitrations nationwide. The law firm has offices in Palm Beach, Florida, on Park Avenue in New York, and Phoenix, Arizona, Houston, Texas, and Cary, North Carolina. The attorneys have over 50 years of legal experience. They represent both individual and institutional investors seeking to aggressively pursue their claims and maximize their recovery of investment losses.

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