

SEC Sues Western International Securities for Due Diligence Failures Related to GWG L Bonds

Iorio Altamirano LLP, a securities arbitration law firm, continues to

investigate the sale of GWG L Bonds to investors by Western International Securities, Inc.

NEW YORK, NEW YORK, UNITED STATES, June 16, 2022 /EINPresswire.com/ -- On June 15, 2022,



The time for investors to act is now. We encourage all GWG L Bond investors to immediately contact our law firm to evaluate their potential claims to recover their investment losses.”

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the United States Securities and Exchange Commission filed a lawsuit against Western International Securities, Inc., and several of its brokers in California Central District Court (2:22-cv-04119) in connection with approximately \$13.3 million in L Bonds sold to retail customers. The firm is accused of failing to perform due diligence regarding the inherent risks associated with L Bonds issued by GWG Holdings, Inc. GWG Holdings, Inc. filed for Chapter 11 bankruptcy on April 20, 2022 (4:2022-bk-90032). The brokers included in the suit are Steven Graham, Andy Gitipityapon, Thomas Swan, Nancy Cole, and Patrick Egan.

Last month, Iorio Altamirano LLP (gwglawyer.com), a nationally recognized law firm based in New York, NY, announced that it was [investigating](#) the sale of GWG L Bonds to retail investors by Western International Securities, Inc. (“Western International Securities”). The law firm currently represents numerous GWG L Bond investors who have filed claims collectively seeking to recover over \$2.5 million from their brokerage firms who provide misleading and unsuitable investment advice.

Western International Securities was part of a network of broker-dealers who sold the speculative, high-risk, and illiquid GWG L Bonds. Iorio Altamirano LLP has spoken to several retail investors who purchased GWG L Bonds through the recommendation of broker Dan Beech, who was registered with Western International Securities in Westlake Village, CA, from May 10, 2016, until March 9, 2022.

Western International Securities is an SEC-registered broker-dealer and investment advisor

based in Pasadena, CA. The firm is currently licensed to sell securities in 53 U.S. states and territories and currently has a roster of approximately 456 registered brokers and investment advisors across the country.

According to the firm's public disclosure report, it has been sanctioned 11 times by regulators for alleged misconduct. The most recent sanction was settled in 2021.

Now, the SEC has charged Western International Securities and several of its brokers with violating Regulation Best Interest standards and failing to perform due diligence regarding the inherent risks associated with GWG L Bonds. According to the SEC's complaint, between July 2020, and April 2021, registered brokers of Western International recommended and sold approximately \$13.3 million in GWG L Bonds to retail investors.

The complaint alleges that although the prospectus for the June 2020 offering stated that L Bonds were only suitable for customers with "substantial financial resources," Western International did not set any criteria or thresholds for its customers to invest in L Bonds. Western International Securities also did not restrict the sale of L Bonds to customers with certain risk profiles or investment objectives.

According to the complaint, the following Western International Securities brokers sold GWG L Bonds between July 2020 and April 2021: Steven Graham (\$1,061,400), Andy Gitipityapon (\$330,000), Thomas Swan (\$297,000), Nancy Cole (\$250,000), and Patrick Egan (\$184,500). The complaint alleges that each of these brokers misunderstood important issues regarding GWG Holdings, Inc. and the GWG L Bonds, including that GWG significantly changed its business model beginning in 2018 and that GWG L Bonds were not directly collateralized by life insurance policies. As a result, the brokers recommended GWG L Bonds to retail customers without a reasonable basis to believe that the investments were in the customers' best interest.

Brokerage firms like Western International Securities are required to make investment recommendations that are suitable and in the best interest of their customers. Brokerage firms and financial advisors must also disclose all material facts and risks of a security when making a



recommendation. Firms and brokers must also conduct reasonable due diligence on products they offer before recommending them to any clients. When a firm or advisor fails to meet these standards of conduct, they can be held liable for damages.

Iorio Altamirano LLP encourages all investors who purchased GWG L Bonds from Western International Securities between July 2020 and April 2021 to contact the firm to review their legal rights. Investors will receive a free case evaluation.

Iorio Altamirano LLP has recently [published](#) the initial findings of its comprehensive investigation into GWG Holdings and continues to urge individuals who purchased L Bonds issued by GWG Holdings, Inc. to contact the firm for a free and confidential consultation.

What Investors Can Do: GWG L Bond investors should contact securities arbitration law firm Iorio Altamirano LLP to review their legal options. The firm will review the terms of investors' GWG L Bond investments at no cost. Customers may be entitled to compensation without paying any out-of-pocket fees or costs through a contingency fee arrangement with securities arbitration law firm Iorio Altamirano LLP. To set up an evaluation, email securities arbitration attorneys August Iorio at august@ia-law.com or Jorge Altamirano at jorge@ia-law.com. Alternatively, call the firm toll-free at (855) 430-4010.

About Iorio Altamirano LLP:

Iorio Altamirano LLP is a national securities litigation law firm based in New York, NY. The law firm pursues FINRA arbitration claims nationwide on behalf of investors to recover financial losses arising out of wrongful conduct by financial advisors and brokerage firms.

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