

# Law Firm Continues Filing Arbitrations Against Western International Securities Over GWG L Bonds

*The recent case filing involves sales made by Gaylord Rohloff. Mr. Rohloff was not named personally in the filing.*

LOS ANGELES, CA, UNITED STATES, August 26, 2022 /EINPresswire.com/ -- MDF Law announces



We've sued Western International Securities multiple times on behalf of GWG L Bond holders. Call me and let's talk about your case."

*Marc D. Fitapelli, Esq.*

the filing of an arbitration complaint against [Western International Securities](#) concerning the sale of GWG L bonds, an investment offered by GWG Holdings. The case was filed before the Financial Industry Regulatory Authority, or FINRA, in Los Angeles, California. It is case number 22-01888. The customer is seeking a return of principal, interest, and attorneys' fees. [Gaylord Rohloff](#) was the representative at Western International Securities who recommended the investment. He is not named personally in the lawsuit.

The law firm represents investors in multiple individual arbitrations against Western International Securities. On August 4, 2022, MDF Law issued a similar announcement concerning Western International broker [Fariba Madison](#), who is the subject of a \$500,000 customer complaint before FINRA. The law firm believes Western International failed to undertake reasonable due diligence before selling L Bonds to its customers. MDF Law's attorney also believes many customers of Western International were misled into believing that L bonds were conservative or moderate investments. Some investors may be able to successfully sue Western International to recover their principal, interest, and attorneys' fees. If you were a customer of Western International and you invested more than \$100,000 in L bonds after January 1, 2018, our attorneys are interested in speaking to you. Please call our law office at 800-767-8040 and ask to speak with attorneys Marc Fitapelli or Jeffrey Saxon. Don't delay.

Western International, like all licensed broker-dealers, must adhere to strict rules of conduct related to the sale of securities. One of its most basic obligations under these rules is to conduct due diligence (i.e. investigate the merits) of investments that are sold to the public. On June 15, 2022, the Securities and Exchange Commission filed a complaint against Western

International, alleging that the brokerage firm's representatives did not understand the risks of L bonds. In that complaint, the SEC is seeking a civil penalty as well as disgorgement (return) of commissions. Significantly, the government is not seeking restitution for investors. Investors who want to recover their principal must retain their own attorney and file an arbitration against Western International Securities.

In its complaint against Western International, the SEC stated that L Bonds were "high risk, illiquid, and only suitable for customers with substantial financial resources." Such language came directly from GWG's own prospectus in 2020 for the sale of L Bonds. GWG described the L Bonds as containing a "high degree of risk, including the risk of losing [one's] entire investment..." In fact, L Bonds held no credit rating and were not

backed by any insurance policy. Despite this, L Bonds were routinely marketed to potential investors as a conservative investment with a guaranteed return on the investment. Under the rule known as "Reg BI," brokers, including Western International and others that recommended GWG to its customers, have a legal responsibility to recommend investments in its customers best interests. The SEC accused Western International of violating this duty because some of the salespeople that recommended GWG failed to understand the risks involved with the investment. In certain instances, there was no reasonable basis to believe that these recommendations were in the customers' best interests.

On April 20, 2022, GWG Holdings filed for chapter 11 bankruptcy protection in Texas. Prior to filing for bankruptcy, GWG Holdings ceased making monthly interest payments to L bond holders. GWG Holdings made its last interest payment to investors in December 2021. Also, prior to filing for bankruptcy, GWG announced that it was under investigation by the Securities and Exchange Commission. Significant issues surrounding the bankruptcy, including payouts to investors, have yet to be decided by the court. Periodic updates about GWG Holdings are provided here: [www.GWGCase.com](http://www.GWGCase.com)

If you invested in GWG L Bonds you may be able to recover you losses if any of the following apply to you:

- You are a conservative or moderate investor;
- You were retired or nearing retirement at the time of the investment;



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- You invested after January 1, 2018;
- You were not willing to lose 100% of your principal.

MDF Law is a New York City based law firm that represents investors nationwide. The law firm currently represents dozens of individual L bond holders who have lost more than \$10 million collectively with GWG Holdings. If you lost or someone you know lost more than \$100,000 investing in GWG L Bonds through Western International Securities, please contact attorneys Marc Fitapelli or Jeffrey Saxon at 800-767-8040. Please visit our website [www.gwgcase.com](http://www.gwgcase.com) to learn more about this investigation and our law firm.

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