Investment Fraud Lawyers File FINRA Arbitration Over GWG L Bond Losses

Haselkorn & Thibaut represents a retired small business owner in FINRA Case 25-00530 alleging unsuitable GWG L Bond recommendations.

GWG Holdings L Bonds


Haselkorn & Thibaut Investment Fraud Lawyers

JUNO BEACH, FL, UNITED STATES, August 6, 2026 /EINPresswire.com/ -- Haselkorn & Thibaut, P.A., operating as Investment Fraud Lawyers, has filed FINRA Case 25-00530 on behalf of a retired small business owner. The claimant alleges that a financial advisor recommended and sold GWG high-yield, unrated, and speculative L Bonds that were unsuitable for the client's investment profile and financial objectives.

The case, filed with the Financial Industry Regulatory Authority (FINRA) Dispute Resolution Services, raises serious questions regarding the due diligence, supervision, sales practices, and "Regulation Best Interest" (Reg BI) obligations that broker-dealer firms owe to clients when researching and selling such investments to retail investors.

"Brokers who push high-risk, unrated bond investments on retirees or near-retirees without proper vetting and adequate risk disclosures betray the trust that investors place in them," said Matthew N. Thibaut, securities arbitration attorney and founding partner of the firm. “We intend to hold the responsible parties accountable.”

The Allegations in FINRA Case 25-00530

The claimant alleges that the financial advisor and the associated broker-dealer firm responsible for supervision failed in several critical areas. Specifically, the recommendation to purchase GWG L Bonds was allegedly not in the client’s best interest. The claim asserts that the firm and advisor failed to adequately research or vet the bonds before making the recommendation.

Additionally, ongoing due diligence efforts allegedly fell short. The investment was reportedly not properly monitored after the initial purchase, leaving the retired business owner exposed to losses and damages that proactive oversight might have prevented.

GWG Holdings issued L Bonds as high-yield, unrated debt securities. Despite carrying significant risk—including the potential total loss of principal—these products were marketed to retail investors seeking income. They were often represented as stable because the firm had historically made every interest payment. However, FINRA Rule 2111 requires that all recommendations be suitable for a customer's specific profile, including age, experience, and risk tolerance. Furthermore, since June 2020, Regulation Best Interest (Reg BI) mandates that recommendations must be in the customer's best interest.

Vulnerability of Retirees and Small Business Owners

Retirees and business owners transitioning into retirement often rely on stable, income-producing plans to fund their later years. Because they are no longer in a position to replace lost capital, a material loss can jeopardize their entire financial security. When an advisor recommends speculative bonds with above-market yields, the mismatch between the client’s needs and the product’s risk profile can be severe. FINRA has repeatedly warned firms about the heightened suitability obligations required when recommending high-risk products to seniors (e.g., Regulatory Notices 05-18 and 10-22).

Seeking Recovery Through Arbitration

The arbitration claim in FINRA Case 25-00530 seeks to recover losses sustained due to alleged unsuitable recommendations, negligence, and supervisory failures. Haselkorn & Thibaut, P.A. operates on a strict contingency-fee basis, meaning clients pay nothing unless a recovery is obtained.

The Law Firm’s Track Record

Haselkorn & Thibaut, P.A. has been involved in over $520 million of securities cases with a 98% success rate. The firm is ranked in the Top 2% of attorneys nationwide by Martindale-Hubbell AV Preeminent. Partners Jason S. Haselkorn and Matthew N. Thibaut are former financial advisors and Wall Street defense attorneys who now use their insider industry knowledge to advocate for individual investors.

How to Request a Consultation

Investors who lost money in GWG L Bonds or similar speculative products can contact the firm for a confidential, no-obligation consultation at 1-888-885-7162 or by visiting InvestmentFraudLawyers.com.

About Haselkorn & Thibaut, P.A.
With offices in Florida, New York, Arizona, Texas, and North Carolina, the firm is devoted to representing victims of securities fraud, broker negligence, and financial elder abuse. They aggressively pursue recovery for individual investors against large financial institutions.

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Legal Notice
The purpose of this press release is to investigate how various broker-dealers and RIAs researched, marketed, and sold certain investment products or implemented strategies. This includes investigating supervisory issues and internal approvals at such firms. Past results do not guarantee future outcomes.

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