

GWG L Bond Investors

The Case Against Your Financial Advisor

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DISCLAIMERS

1. I am a private attorney licensed in New York. I am interested in pursuing arbitration claims against the financial advisors who marketed GWG L Bonds to the general public.
2. I am not providing you with legal advice. I am not your attorney, but want you to consider retaining my law firm.
3. This information is considered ATTORNEY ADVERTISING. Prior results do not guarantee a similar outcome.
4. The information discussed herein are allegations. Even though the government is investigating GWG L Bonds, there has been no finding of liability.
5. You must individually retain an attorney to file a FINRA arbitration seeking damages for GWG L Bonds. These claims are not covered by a class action.

What Were Investors Told About GWG L Bonds?

Maturity Term	Interest Rate (%)
6 months	4.25
1 year	5.00
2 years	6.50
3 years	7.50
5 years	8.50
7 years	9.00

Source: GWG L Bonds Prospectus, June 3, 2020

...But what about
the rest of the fine
print?

“Our obligations under the L Bonds will be subordinate to all our senior debt. For this purpose, “our senior debt” presently includes all indebtedness owed or that may in the future become owing under our second amended and restated senior credit facility with LNV Corporation....The maximum amount of debt, including the L Bonds, we may issue is limited by the indenture. In particular, the indenture prohibits us from issuing debt in an amount such that our “debt coverage ratio” would exceed 90%.”

“Substantially all of our life insurance assets are held in our subsidiaries. The L Bonds will not be directly secured by any security interest in the assets of those subsidiaries...In addition, there is the risk that the collateral security granted for our obligations under the L Bonds may be insufficient to repay the L Bonds upon an event of default. See “Risk Factors — The collateral granted as security for our obligations under the L Bonds and Seller Trust L Bonds may be insufficient to repay the indebtedness upon an event of default.”

Source: GWG L Bonds Prospectus, June 3, 2020, Page 23.

Were you told by
your financial
advisor that...

**“Investing in our L Bonds
may be considered
speculative and involves a
high degree of risk,
including the risk of losing
your entire investment.”**

Source: GWG L Bonds Prospectus, June 3, 2020

Did You Know the Truth About GWG L Bonds?

- ✓ L Bonds were not credit rated by any agency nor were they insured.
- ✓ L Bond holders are “structurally junior” to all of GWG’s other creditors.
- ✓ GWG’s prospectus allowed it to borrow up to 90% of its assets.
- ✓ Under GWG’s credit facilities, all of its assets were pledged to other creditors.

What's My
Professional
Opinion?

GWG L Bonds Were Not
Worth the Paper they
Were Printed On.

Sad Reality

GWG L Bond holders may recover nothing in the event of a bankruptcy.

Current Status of GWG Holdings

[April 13, 2022]

- GWG has been under government investigation since October 6, 2020. *This investigation was hidden from investors for almost one year.*
- GWG's auditors resigned in December 2021 and GWG failed to make recent filings with the Securities and Exchange Commission.
- GWG has made \$0 payments to L Bond Holders in 2022 (interest and redemptions).
- It is widely believed that GWG Holdings will file for bankruptcy protection.

Your Financial Advisor was Required to...

...Understand the complex risks of the investments they are recommending to customers.

...Accurately and truthfully disclose those risks to customers. Under the Securities laws, omitting an important risk is the same as lying about something.

...Recommend investments that are “suitable” for investors, in light of their age, risk tolerance and financial goals.

The Case Against Your Financial Advisor

- ✓ Possibility to sue for your principal, interest and attorneys' fees.
- ✓ Cases are individual arbitrations and not class actions.
- ✓ Most arbitrations settle and the average case lasts about 1-1.5 years.
- ✓ Filed against the FINRA member firm that held the salesperson's license.
- ✓ Liability arises under the rules of the Securities and Exchange Commission and the Financial Industry Regulatory Authority.

Hiring Our Law Firm

- ✓ Attorney Marc Fitapelli has helped investors recover over \$100 million.
- ✓ Tried many arbitrations to final awards, where clients were awarded full damages, punitive damages and attorneys fees.
- ✓ No recovery, no fees.
- ✓ Free telephone or zoom consultations.
- ✓ Currently represent many GWG L bond holders.

Next Steps...

Call me at 800-767-8040 or email marc@mdf-law.com for a free and confidential consultation.

MDF **LAW**