

(PRLEAP.COM) April 23, 2014 - Plano, Texas - Rex Securities Law filed an arbitration (FINRA Case #14-01249) with the Financial Industry Regulatory Authority (FINRA) against VSR Financial Services on behalf of a widow from Plano, Texas, who is seeking damages in excess of \$475,000. Our client, who had no prior investment experience, received insurance proceeds of about \$750,000 upon the death of her husband and opened an account with VSR Financial Services through their registered representative Dennis Van Patter.

Upon the advice of VSR's agent, over \$700,000 was invested unsuitable investments and various non-conventional alternative investments, including the following:

Atlas Energy Public 17-2008B Atlas Energy Public 18 2009B Boston Capital Series 44 Boston Capital Series 47 CNL Lifestyle Fund Cole Credit Property Trust II Cypress Equipment Fund 15 Inland American Real Estate Trust KBS Real Estate Investment Trust Inc. MPF Income Fund 25 Penneco Oil Company 2008-1 United Development Funding III The claim alleges that the investments, which were sold to her by VSR Financial broker Dennis Van Patter, owner of First Financial Services Group in Plano, were unsuitable for her and were negligently misrepresented. It also alleges that VSR Financial breached its fiduciary duty and was negligent in the supervision of its brokers.

VSR Financial has had recent problems with securities regulators in connection with the sale of alternative investments. In May 2013, in FINRA case No. 2010022963602, VSR Financial Services was sanctioned and fined \$550,000 by FINRA for failures in the supervisory systems within the company in connection with the sale of non-conventional investments to investors. VSR's co-founder and CEO Donald Beary, was also named in the enforcement action, was suspended and fined as well. FINRA made numerous findings criticizing the supervisory system failures at VSR, including the following:

"From on or about July 28, 2005, through on or about August 19, 2010, VSR and its co-founder Donald Beary failed to adequately implement the Firm's supervisory system pertaining to its supervision of concentrated positions in alternative investments through the use of a "discount program" that artificially reduced the amount a customer had invested in a particular investment for purposes of calculating concentration. In addition, when calculating concentration at certain risk levels, VSR reduced the risk ratings on many investments making the ratings inconsistent with the risks stated in offering documents related to the investments. VSR also failed to supervise from January 1, 2006 through January 1, 2012, the use of consolidated reports by its registered representatives, resulting in inaccurate statements being sent to customers."

The entire FINRA Letter of Acceptance Waiver and Consent can be accessed below.

Visit our website for more information on the recovery of investment losses through FINRA

arbitration.

We represent investors nationwide.