

(PRLEAP.COM) May 14, 2014 - Plano, Texas - Rex Securities Law filed an arbitration (FINRA Case #14-01472) with the Financial Industry Regulatory Authority (FINRA) against VSR Financial Services on behalf of a Vietnam Veteran and his wife from Richardson,Texas,who are seeking damages in excess of \$400,000.

Upon the advice of VSR's agent, Dennis Van Patter, nearly \$500,000 was invested in unsuitable investments and various non-conventional alternative investments, including the following:

Allianz Master Dex 10 Annuity Black Diamond Energy 2005a Bradford Drilling XVIII Boston Capital Series 30 Cole Credit Property Trust II Franklin Founding Funds Franklin Income Funds Global Macro Trust Inland American Real Estate Trust KBS Real Estate Investment Trust Inc. MPF Income Fund 22 Retail Prop of America (Inland Western REIT) United Development Funding III The claim alleges that the investments, which were sold to him by VSR Financial broker Dennis Van Patter, owner of First Financial Services Group in Plano, were unsuitable for him 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.