

GPB Capital Holdings Security Lawsuit Fraud Claims Increases

Investors in GPB Capital Holdings are making claims of security fraud.

PALM BEACH, FL, USA, March 1, 2019 /EINPresswire.com/ -- Investors who invested in with GPB Capital Holdings LLC ("GPB") or many of the independent broker-dealers that sold GPB private placements are more than likely licking their wounds incurred in 2018. According to its website, GPB is a New York-based alternative asset management firm focusing on acquiring income-producing private companies in various industries, notably the "automotive retail" sector. Since 2013, GPB, with the help of 4,000 retail investors, raised ~\$1.3 billion via its GPB Automotive Portfolio and GPB Holdings II funds ("GPB Funds"), purchased automotive dealerships in New England, Pennsylvania, New York and Texas.

Investors were lured by attractive investment returns offered GPB and the many other broker dealers who sold the GPB Funds. Brokers were motivated to sell the GPB Funds because they earned an 8% commission. In the aggregate, brokers received more than \$100 million in commissions.

[Investment Loss Recovery Group](#) is currently investigating claims against GPB and other firms that sold GPB Funds. Investors are encourage to call (888) 628-5590 or visit their website.

In July 2017, GPB sued its former business partner who allegedly reneged on a sale of multiple care dealerships in the New York metropolitan area, where among other claims, GPB sought the return of \$42 million it had paid to the former business partner. While litigation continues, other problems for GPB surfaced in 2018:

- April 2018: GPB failed to produce audited financial statements;
- August 2018: GPB announced no new investor capital would be accepted;
- September 2018: Massachusetts Division of Securities launches investigation, including sales practices of over 60 independent broker-dealers;
- November 2018: GPB's auditor, citing perceived risks, resigned; and
- December 2018: FINRA and SEC has also launched independent investigations into GPB and those broker-dealers that have sold the GPB Funds.

According to WealthManagement.com, the State of Massachusetts' investigation was prompted by an anonymous tip from an independent firm that GPB missed important SEC filing deadlines, which were required due to size of the GPB Funds. According to InvestmentNews, among the 63 independent broker-dealers cited in the Massachusetts' investigation were Royal Alliance Associates Inc., Sagepoint Financial Inc., FSC Securities Corp. and Woodbury Financial Services Inc. In addition, its believed that Newbridge Securities, Ladenburg Thalmann and Hightower

Securities also sold GPB Funds.

The GPB Funds are private placement investments, which can be very complex, risky, and unsuitable for some retail investors. Private placements are only available for accredited investors, which is an investor with over a \$1 million net worth (individually or jointly, excluding residence), or income greater than \$200,000 (or \$300,000 for joint income) for the preceding two years and earning the equivalent in the current year.

Individual brokers licensed with the Financial Industry Regulatory Authority ("FINRA") are required to adhere to various rules, laws and regulations when recommending the purchase, sale or hold of a security. Moreover, the brokers' employing firms are required by law to supervise the brokers' activities. Unfortunately, some brokers, possibly motivated by high-commissions private placements like the GPB Funds, may have run afoul of industry rules, laws and regulations in a myriad of ways. They, along with their employing firms, may be liable to you for your investment losses in GPB Funds.

If you are an investor who has any questions related to the handling of your investments in the GPD Funds or any other private placement, please [visit Investment Loss Recovery Group](#) or call at 1 (888) 628-5590 for a no-cost consultation and portfolio review. No Recovery, no Fee.

Read More at <https://moneyfiles.org/gpb-capital-holdings-fraud-lawsuits/>

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