

GPB Capital Lawsuit July Update: Investors Discover New Ponzi Scheme

Investors in GPB Capital Holdings are making claims of security fraud and filing lawsuits to recover losses.

PALM BEACH, FL, USA, July 29, 2019 /EINPresswire.com/ -- Last week InvestmentNews reported that [GPB Capital](#) had been accused of financial misconduct by a business partner. An owner of an auto dealership who sold a majority stake to the firm said GPB Capital is running a Ponzi-like scheme.

The GPB Capital business partner is suing the issuer of the high-risk private placement investments claiming GPB engaged in "serious financial misconduct." They were trying to push him out after he complained to the Securities Exchange Commission (SEC) according to a published report.

Investors have filed lawsuits against GPB Capital to recover lost funds. Haselkorn & Thibaut, [InvestmentFraudLawyers.com](#), is running an investigation into thousands of sales of GPB investments. Investors are encouraged to call (888) 628-5590 for a free consultation.

Just last month GPB Capital Holdings has informed its investors and custodians its private placement funds have plunged in value by 25% to 73%. The alternative asset management company, which has its largest funds in GPB Holdings II and GPB Automotive Portfolio with a combined investment capital of \$1.27 billion have experienced losses in these two funds to the tune of 25.4% and 38% respectively. These are significant losses, and it is time for investors to be worried about their investments.

The bulk of these private investment funds are sold as investments for car dealerships and waste management. GPB Capital Holdings was established in 2013, and a year ago, it put an end to all redemptions that had to do with its funds. In November, shortly after the company's sales methods and accounting practices were questioned, the auditing company that GPB Capital regained stepped down.

GPB Capital relies heavily on broker-dealers to sell its private placements while they earn a commission and more than 60 broker-dealers have made these sales to hundreds of customers each. The commission they earn on GPB funds is several times higher than what they would earn on mutual funds.

Private placement investors are for investors that are accredited. For an investor to be considered accredited, that investor must have made more than \$200,000 per year over the last



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two years and is expected to make that much in the current year. The other thing that makes an accredited investor is for them to have a net worth of more than \$1 million. If the person is married, the criteria will be different. Accredited investors are somewhat more grounded in investing as they know the risks involved in investing in risky securities.

Now, there is a serious concern that the investors who bought GPB private placements did not have the proper accreditation and should not have bought these placements at all. A one-time business partner of HOB Capital Holdings, Patrick Dibre, is adding additional accusations on the company that GPB ran a Ponzi scam.

Contact Investment Fraud Attorneys to Recover GPB Capital Fund Losses

Last year Haselkorn & Thibaut P.A. (InvestmentFraudLawyers.com) began an investigation and met with GPB investors nationwide to figure out whether they can file claims to recover losses against their broker-dealers. Since then InvestmentFraudLawyers.com has filed many FINRA claims on behalf of their clients to recover losses. They are alleging investment fraud in which clients lost hundreds of thousands of dollars by buying GPB Capital Holdings private placements.

If you bought some of the private placements that GPB Capital offered and lost money without knowing the risks involved or were improperly advised about the suitability of this investment, kindly get in touch with Haselkorn & Thibaut. Investors should call (888) 628-5590 for a free consultation and one of our [GPB Capital investor fraud attorneys](#) will attend to your case.

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