



# GPB Capital Holdings Lawsuit Update - Broker-Dealers May Not Have Performed Required Due Diligence

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*Investors may be able to recover their losses at [GPBRecover.com](http://GPBRecover.com).*

PLANTATION, FL, USA, August 22, 2019 /EINPresswire.com/ -- Investor advocate expresses concern over the lack of research broker-dealers conduct before recommending GPB products.

The [securities attorneys](#) and investor advocates at the Wolper Law Firm are currently investigating claims into broker-dealers who recommended private placements offered by GPB Capital Holdings, LP. GPB Capital Holdings is presently facing a federal investigation over questionable accounting principles and inaccurate disclosures that were made to investors. The company offers several funds, all of which have decreased in value between 25 percent and 73 percent from their original amount, according to the company's own disclosures.

Broker-dealers are responsible for conducting due diligence on the products they recommended. Additionally, broker-dealers should only recommend appropriate products to clients, based on the client's stated goals, risk tolerance, knowledge, investment timeframe and the total amount of assets.

A private placement is a sale of company stock, bonds or other securities that is not a part of a public offering. Most financial experts and commentators agree that private placements generally carry more risk and are less liquid than publicly traded securities because the pool of potential buyers is much smaller.

Private placements are a very specific type of investment that are not appropriate for most investors. However, according to recently released GPB documents, the company raised \$1.5 billion in assets from investors, paying out an incredible \$167 million in commissions to the broker-dealers who sold the private placements. This amounts to approximately a 9 percent commission, which is above average in the industry.

The Wolper Law Firm's concern is that broker-dealers were blinded by the potential for massive commission checks and failed to look into GPB Capital Holdings. If broker-dealers were unable to conduct due diligence, or recommended inappropriate investments to garner commission, the broker-dealers and the brokerage firms that employ them may be liable for investors' losses.

The skilled investor advocates at the Wolper Law Firm combine their in-depth knowledge of securities law with an aggressive litigation style to best serve their clients. The Wolper Law Firm represents clients across the country, including, but not limited to Miami, Orlando, Houston, Washington, D.C., Boston, Phoenix, Salt Lake City, New York, Chicago and San Francisco, and can be reached by calling 800.931.8452.

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