

GPB Capital Holdings Investor News Alert

Investors are filing GPB Capital lawsuits to recover losses after raids by the FBI, investigations by state agencies and massive declines in share value.

PALM BEACH, FL, USA, September 10, 2019 /EINPresswire.com/ -- Some investors in [GPB Capital Holdings LLC](#) ("GPB") funds recently received a letter from GPB Capital dated August 27, 2019, containing representations of a future full disclosure of financial performance (anticipated on or about September 30, 2019.) Nevertheless, investors remain extremely concerned about their GPB investments, with some electing to file lawsuits to recover their investment losses.



According to its website, GPB is a New York-based alternative asset management company which focuses on the acquisition of private income-generating companies in various industries, specifically the "automotive retail" sector. Since 2013, GPB, with the help of 4,000 retail investors, has raised ~ \$ 1.3 billion through the GPB Automotive Portfolio and GPB Holdings II ("GPB Funds"), buying automotive dealers in Texas, New England, New York, and Pennsylvania. Some investors were attracted by the high income offered by GPB and many other brokerage dealers that sell GPB Funds. However, brokers are motivated to sell GPB Funds because they get an 8% commission. Overall, the broker received more than \$ 100 million in commission.

Jason Haselkorn, Partner at Haselkorn & Thibaut said the following, "We are receiving a number of calls from investors that were sold GPB funds based on some material representations that were not accurate, or which omitted significant details for investors to consider." Now those investors are concerned that the capital they invested in GPB funds (as well as the anticipated income stream from that investment) are at substantial risk of loss.

The investment fraud lawyers at the Haselkorn & Thibaut, P.A. law firm ([InvestmentFraudLawyers.com](#)) are currently investigating a number of claims against financial advisers and broker-dealer firms that were selling GPB Funds. Investors with information related to broker-dealer and financial adviser recommendations of transactions in GPB funds are encouraged to call (888) 628-5590 or visit their website.

In July 2017, GPB sued its former business partner. While the litigation continues, a number of disconcerting allegations have been raised relating to GPB's business. In addition, other problems for GPB began to arise in 2018 and carried into 2019:

- April 2018: GPB fails to produce audited financial statements;
- August 2018: GPB announces that no new investor capital will be accepted;

- September 2018: The Massachusetts Securities Division launches an investigation, including the practice of selling more than 60 independent traders;
- November 2018: GPB auditors, with reasons related to risk parameters resigned;
- December 2018: FINRA and the SEC have also launched an independent investigation into GPB and broker-dealers who have sold the GPB Fund; and
- February 2019: GPB office is raided by the FBI.

According to InvestmentNews.com reports, there were over 60 broker-dealer firms selling GPB and earning substantial commission levels for doing so. That list includes (but is not limited to) Royal Alliance Associates Inc., Sagepoint Financial Inc., FSC Securities Corp, Woodbury Financial Services Inc., Newbridge Securities, Ladenburg Thalmann, and Hightower Securities.

GPB funds are private placement investments, which can be very complex, risky, and not suitable for some retail investors. Private placements are only available to accredited investors, but selling them to an accredited investor does not necessarily mean the transaction is suitable or appropriate for an investor.

Individual financial advisers licensed by the Financial Industry Regulatory Authority ("FINRA") are required to comply with various rules, laws, and regulations when recommending buying, selling, or detaining security. In addition, companies that employ brokers and financial advisers are required by law to oversee these types of transactions. Unfortunately, some brokers and financial advisers, perhaps motivated by the promise of high commission rates for investments such as GPB Funds, may have run afoul of internal rules or policies at their firm, or run afoul of industry regulations, laws and applicable industry regulations. For some investors, the financial advisers that recommended the transactions and/or the broker-dealer firms that employ them, may be responsible to investors for the losses caused by the investments in the GPB Funds.

If you are an investor who has questions regarding handling of your GPB fund investment or other private placement, please visit InvestmentFraudLawyers.com or call 1-(888)-628-5590 for a free consultation and portfolio review fees. No Recovery, no Fees.

The sole purpose of this release is to investigate the manner in which GPB Capital funds were approved for sale by any broker-dealers to investor clients, and the manner in which GPB Capital investment transactions were supervised by broker-dealer firms. If you have any knowledge or experience with these matters, please contact Haselkorn & Thibaut, P.A. at 1-888-628-5590, or visit the law firm's website at InvestmentFraudLawyers.com.

About Haselkorn & Thibaut, P.A.

Haselkorn & Thibaut, P.A. is a law firm that specializes in investment fraud matters and FINRA arbitrations nationwide. They represent both individual and institutional investors seeking to aggressively recover investment losses for victims of investment fraud. As former securities industry defense attorneys, they are an experienced group of lawyers that have moved from their side, to YOUR side and are now available to help you maximize the value of your claim.

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