

GPB Capital Investor Update October 2020

GPB Capital investors received additional negative news as the State of MA filed investor fraud charges.

PALM BEACH, FL, USA, October 1, 2020 /EINPresswire.com/ -- Recently news reported that the Massachusetts state securities regulators charged GPB Capital with violating state securities laws. This comes after nearly 2 years of an avalanche of negative news. [Haselkorn & Thibaut](#) is currently representing multiple investors in GPB Capital Lawsuits.



There is a limited time for investors to file complaints. Investors can call 1 888-628-5590 at visit our [website](#) to get a free case review and options on recovering GPB Capital losses.

How does this impact GPB Capital investors in the state of Massachusetts?

- If you are among the estimated 180 investors in GPB Capital in that state who have invested an estimated \$14 million in GPB Capital, this likely comes as a positive step. Knowing the state regulator is taking issue with the content of the private placement memorandum and marketing materials that were used to promote and pitch this investment is helpful, but it does not provide investors with a direct claim for damages and any potential restitution appears to be off in the distant future, if contemplated at all.

- As a result, if investors wish to address their damages or investment losses, they still must take matters into their own hands.

How does this impact GPB Capital investors outside of Massachusetts?

- While it is helpful knowing that a state securities regulator has observed similar issues or potential problems, the allegations remain unproven and for those outside of the state, there is likely no prospect for any potential future restitution, unless/until the national securities regulators may take a material step in that direction. As it stands, the SEC and FINRA are

continuing their own investigations.

What can investors in GPB Capital do?

While there are some class action claims pending that include GPB Capital, as well as various other parties, the large majority of GPB Capital investors who have decided to take action, have determined that a customer dispute (a private arbitration) through the Financial Regulatory Authority (FINRA) Office of Dispute Resolution is the quickest, most efficient, and most direct opportunity.

The FINRA dispute resolution process is a private, confidential, non-public process involving document exchanges (no depositions). For most investors, they opt to retain experienced investment fraud lawyers to assist them through the FINRA dispute process. The dispute is typically filed against the broker-dealer firm where the investor purchases and holds the GPB Capital investment.

In the course of investigating these types of claims, many broker-dealer firms were faced with the same and similar issues now being raised by the Massachusetts state securities regulators. These issues include representations related to the manner in which distributions would be paid out from GPB Capital to investors. These were issues that required the broker-dealer firms to learn the details of and make sure that representations to investors were accurate. Other issues involve conflict of interest issues that were discoverable by broker-dealer firms, but the firms failed to investigate or discover those red flag type issues before selling these investments.

Negligent due diligence or other negligence or inadequate supervision issues in the sales practices are often where broker-dealer firms failed their investor customer when it comes to selling products like GPB Capital investments. While these issues existed before the state securities regulators filed their complaint, that recent action helps illustrate the specific nature and substance of some of the deficiencies that might apply to transactions in GPB Capital investments. The fact that one state regulator has highlighted these issues is helpful, but thus far those investors are not any closer to recouping their investment losses or recovering damages unless they take their own action to address these issues.

Taking the Next Step

In addition to inadequate disclosures as outlined above, financial advisors often gloss over the details in presenting these investments to customers, leaving investors unaware of the risks they are actually taking on with these investments, as well as a lack of clarity or any understanding of where these individual investment pieces might fit in with an overall investment strategy and how they could potentially impact the portfolio. Here, it goes a step further and it is possible that the investments should have not been approved for sale, or would have only been approved for sale in certain amounts to certain customers.

Broker-dealers in some cases ignored their obligations and the laws, rules, regulations that

apply, because the selling agreements, commission structures and other arrangements internally related to selling these investments were extremely lucrative for the broker-dealer firm and served to motivate recommendations to investors that may not have always been in the best interests of the customer.

Broker-dealer firms must adequately supervise their financial advisors who are recommending these investments to customers as they are only permitted to recommend these investments to customers when they are considered suitable and only to investors who can handle the risks involved.

If your investment losses with GPB Capital investments are substantial, we are here to help. Experienced attorneys at Haselkorn & Thibaut, P.A. are available for a free consultation as a public service. Call today for more information at 1 888-628-5590 or visit our website and email us from there at www.investmentfraudlawyers.com

About Haselkorn & Thibaut, P.A.

Haselkorn and Thibaut, P.A. is a nationwide law firm specializing in handling investment fraud and securities arbitration cases. The law firm has offices in Palm Beach, Florida, on Park Avenue in New York, as well as Phoenix, Arizona, Houston, Texas, and Cary, North Carolina. The two founding partners have nearly 45 years of legal experience.

Haselkorn & Thibaut, P.A. has filed numerous (private arbitration) customer disputes with the Financial Industry Regulatory Association (FINRA) for customers who suffered investment losses relating to issues similar to those matters mentioned above. There are typically no depositions involved, and those cases are typically handled on contingency with no recovery, no fee terms.

The sole purpose of this release is to investigate the manner in which GPB Capital Holdings investments were approved for sale by broker-dealers to investor clients, including new product reviews, due diligence, as well as the sales practice and supervision related to these purported conservative strategies. If you have any knowledge or experience with these matters, please contact Haselkorn & Thibaut, P.A. at 1-888-628-5590

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