

FINRA Fines Dempsey Lord Smith and BD4RIA For GPB Capital Holdings Investment Sales

FINRA announced the fines of two broker-dealers for sale of GPB Capital products.

PALM BEACH, FL, USA, April 13, 2022 /EINPresswire.com/ -- The Financial Industry Regulatory Authority (FINRA) has investigated two firms recently, Dempsey Lord Smith, and BD4RIA Inc. and both have now been penalized for negligence in selling GPB Capital Holdings investments to customers. This was due to GPB's inability to audit financial statements regarding high-risk investments that pay high commissions.



GPB Capital Holdings

Both FINRA broker-dealers accepted FINRA's regulatory findings as settlements without admitting or denying the allegations. These regulatory settlements apply to actions that took place in spring 2018. Financial advisors appear to have recommended GPB private placement investments to investor customers, and two of the most significant GPB investment funds were covered by financial statements that were to be filed with the Securities and Exchange Commission (SEC) in 2018. Both of the GPB investment funds had passed the industry thresholds that required additional public filings.

The GPB investment funds failed to file audited financial statements by the regulatory deadline. Eventually, both investment funds also were later forced to reduce dividends or distributions payable to investors in the GPB private placement funds. There are multiple pending regulatory matters involving GPB as well as various former principals involved in the firm(s), some of whom were charged last year with fraud by the Justice Department and SEC.

According to Haselkorn & Thibaut, P.A. (www.InvestmentFraudLawyers.com), investors have filed lawsuits and arbitration claims against financial advisors and the financial services firms recommending GPB investments to recover investor losses. To assist GPB investors, they have set up a 1-888-902-6872 toll-free number and you can call them today to receive your free "GPB Capital Investor guide."

Brokers and financial advisors recommending and selling GPB private placement investments often charged their clients between 7% to 10% commissions and GPB product fees, which was likely at or near some of the industry's highest permitted fees and charges, and these were often paid indirectly in a manner that the investor customers never got to see directly. According to Matthew Thibaut, Esq., a partner and experienced securities arbitration attorney, "those fee and commission charges are not sitting well now with investors who have losses from these investments."

One of the broker-dealer firms that were recently fined by FINRA regulators, Dempsey Lord Smith, employs 100 brokers and financial advisors, and it allegedly violated securities industry rules in May 2018 and June 2018. According to Finra, that firm allegedly had "negligently forgotten" to notify investors in GPB Private Placement investments of its failure to promptly file required filings to the SEC. Brokers and financial advisors may have recommended the GPB investments between 2015 and 2018, and the failure by the firm and the financial advisors to notify the investors of the missed filings appears to have been a significant issue for FINRA regulators.

FINRA reports Dempsey Lord Smith consented to a fine of \$70,000 and the firm was ordered to pay restitution of nearly \$30,000 plus interest. FINRA also reports that a broker-dealer firm by the name of BD4RIA which employs 13 brokers and financial advisors allegedly failed to notify seven investors in June 2018 that the GPB investment funds they had invested in previously had failed to file required filings with the SEC. The broker-dealer firm was fined \$40,000, and on Tuesday, the firm was ordered to pay \$40,000.

FINRA seems to be gaining momentum in fining companies over GPB securities sales. Geneos Wealth Management Inc. settled with FINRA for \$400,000 last week over GPB private placement investment sales and sales of other investment funds, namely the LJM Preservation & Growth Fund.

GPB Capital, a New York-based alternative asset management firm, was the general partner in limited partnerships. These partnerships were created to acquire income-producing businesses like auto dealers or trash companies. GPB raised \$1.8 billion from investors.

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 fast, friendly, free consultation as a public service. Call today for more information at 1-800-856-3352 or [visit our website](#).

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 investment strategies. If you have any knowledge or experience with these matters,

[please contact Haselkorn & Thibaut, P.A.](#) at 1-800-856-3352.

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