

Investor Wins \$537,448 Award against PetroRock, Resolute Capital and Legacy Energy

PetroRock Mineral Holdings and Resolute Capital Partners ordered to pay investor \$537,448 in damages.

LAS VEGAS, NEVADA, USA, May 4, 2022 /EINPresswire.com/ -- An arbitration panel convened in Dallas in December, 2021 has ordered Petro Rock Mineral Holdings, LLC, Legacy Energy LLC, Advantage Capital Holdings-1, LLC and [Resolute Capital](#) Partners, LLC to pay a disabled widow \$537,448 for the sale of unregistered securities. The matter was submitted to the American Arbitration Association, Case Number: 01-20-0014-5763

The arbitrator found that Legacy Energy and Advantage Capital sold unregistered, non-exempt securities, which is a violation of the Texas Securities Act. This entitled the purchaser to rescind the transactions and recover her attorneys' fees, costs and prejudgment interest.

The arbitrator also found that in addition to Legacy Energy and Advantage Capital's direct liability as sellers of the unregistered securities, Resolute Capital and Petro Rock Mineral Holdings were also jointly and severally liable for all three purchases as control persons, sellers, aider and abettors, conspirators and/or as persons providing material assistance to the sales of the unregistered securities.

The purchaser in this case was recently widowed, and the funds she invested came from the proceeds of her husband's life insurance and union pension. The salesman, who was not licensed to sell securities, filled out the investment application forms, then docusigned the investor's name without her knowledge or permission. Among the misrepresentations made by the salesman were that the purchaser was a qualified investor, with a net worth over \$1,000,000. When asked about this at the arbitration, he confessed that he had no basis to include that information, because the purchaser was not an accredited investor, and therefore shouldn't have been accepted into the programs.

Resolute Capital and its President [Stefan Toth](#) recruited the salesman at a seminar in Las Vegas co hosted by American Alternative Investments. According to a cease and desist order issued by the state of Washington, AAI sold over \$180 million of unregistered securities for Resolute Capital, including the securities of Legacy Energy and Advantage Capital Holdings.

Resolute Capital sought to insulate itself from liability by prohibiting individual investors from suing the company. Instead, hidden in the arbitration agreement was a provision requiring investors to hire an affiliate of Resolute Capital to bring suit on behalf of all investors in the event of a default. Resolute Capital also required the submission of disputes to an expensive arbitration process, with any decision subject to an appeal in the same expensive arbitration forum. This raised the costs of doing business with Resolute Capital, Legacy Energy and Petro Rock, something investors should evaluate carefully before agreeing to arbitrate a dispute concerning an investment.

[The Law Office of David Liebrader](#) has been representing victims of investment fraud since 1993. Our recoveries to date top \$100 million. A free consultation is available. Call (702) 380-3131 for more information.

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