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Attention LJM Preservation Fund Investors: Law Firm Iorio Altamirano LLP Continues to Investigate Claims

Iorio Altamirano LLP, an investor-advocate law firm, encourages LJM Preservation & Growth Fund investors to contact the law firm to review their legal rights.

NEW YORK, NEW YORK, UNITED STATES, December 30, 2022 /EINPresswire.com/ -- Iorio Altamirano LLP, a leading securities arbitration law firm that represents investors, is continuing to investigate claims against broker-dealers involving allegations of unsuitable and misleading investment recommendations to invest in the LJM Preservation & Growth Fund ("LJM," "the Fund" or "Preservation Fund"), as broker-dealers continue to settle allegations related to recommending the Fund to retail investors with the Financial Industry Regulatory Authority (FINRA AWC No. 2019061764701, FINRA AWC No. 2019061651201, FINRA AWC No. 2019061765001, FINRA AWC No. 2019061765001).

> "Our law firm continues to encourage all LJM Preservation & Growth Fund investors to contact us to review their legal rights. All consultations are free, confidential, privileged, & without obligation."
>
> *Jorge Altamirano*

The Securities and Exchange Commission filed a civil action alleging that investment advisers LJM Funds Management, Ltd. and LJM Partners, Ltd. and their portfolio managers, Anthony Caine and Anish Parvataneni, fraudulently misled investors and the board of directors of a fund they advised about LJM's risk management practices and the level of risk in LJM's portfolios (SEC vs. LJM Funds Management, Ltd. and LJM Partners, Ltd. et. al. (No. 1:21-Cv-02859 (D. Nd Illinois. Filed May 27, 2021)

LJM was an alternative mutual fund that pursued a risky strategy that relied, in part, on purchasing uncovered options. LJM's value dropped 80% during an extreme volatility event in February 2018, and the Fund ultimately liquidated and closed, resulting in losses to thousands of customers.

Upon information and belief, broker-dealers and their registered representatives failed to conduct reasonable due diligence to sufficiently understand the Fund's risks and features. Investors are encouraged to contact New York securities arbitration law firm Iorio Altamirano LLP to review their legal rights.

About the LJM Preservation & Growth Fund:

LJM was an alternative mutual fund that launched on January 9, 2013.

LJM marketed itself as “selling volatility” by seeking to profit from the “volatility premium”—the difference between implied volatility (investors’ forecast of market volatility reflected in options pricing) and realized (actual) market volatility. To achieve this goal, LJM invested primarily in purchased (long) and sold (short) call and put options on the S&P 500 futures index. LJM did not hold any underlying stock as a part of its strategy.

The LJM Preservation & Growth Fund raised hundreds of millions of dollars from investors with shares offered pursuant to Registration Statements and Prospectuses. These offering materials promoted the LJM Preservation & Growth Fund as a low-risk and trend-neutral investment, with factually inaccurate statements.

The statements contained in the LJM Preservation & Growth Fund’s Registration Statements and Prospectuses were materially false and misleading.

In reality, the Fund was overexposed to the risk of volatility and a down market, as reflected in its losing 80% of its value in just two days as markets dropped and volatility spiked. While the LJM Preservation & Growth Fund purportedly sought to preserve capital and obtain growth by betting against market volatility, the Fund actually made massive and unmitigated bets which exposed investors to excessive risks and catastrophic losses of capital, even in only a moderately down market of less than 5%.

The LJM Preservation & Growth Fund was overexposed to the risk of volatility through leveraged options that required the Fund to liquidate its capital to pay off its positions when the market declined and volatility increased. The Fund’s offering materials omitted and failed to disclose the material risk that Fund investors faced catastrophic losses of their capital investment.

On February 5 and 6, 2018, LJM suffered a dramatic drop in the net asset value (“NAV”) of Fund shares, with more than $600 million evaporating in two days, wiping out 80% of the Fund’s value.

On February 7, LJM announced that it was closing itself to new investors, and on March 29, 2018, LJM was liquidated and dissolved. Investors who held shares as of February 6, 2018 lost approximately 80% of their investment.

On February 9, 2018, LJM informed the Fund’s shareholders that a spike in volatility caused the Fund to liquidate its open positions and suffer massive losses of capital. Contrary to the statements in the offering materials, the Fund had no investment or market position to adequately preserve capital and mitigate risk in the face of volatility.

What Investors Can Do: LJM Preservation Fund investors should contact securities arbitration law firm Iorio Altamirano LLP to review their legal options. Customers may be entitled to compensation without paying any out-of-pocket fees or costs through a contingency fee arrangement with Iorio Altamirano LLP. To set up an evaluation, email securities arbitration attorneys August Iorio at august@ia-law.com or Jorge Altamirano at jorge@ia-law.com. Alternatively, call the firm toll-free at (855) 430-4010.

About Iorio Altamirano LLP:
Iorio Altamirano LLP is a national securities litigation law firm based in New York, NY. The law firm pursues FINRA arbitration claims nationwide on behalf of investors to recover financial losses arising out of wrongful conduct by financial advisors and brokerage firms.

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