

Fund Finance Friday



New York Private Equity Manager Accused of Fraud

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GPB Capital, a New York-based alternative asset management firm, stands accused of fraud in a class action lawsuit filed in Austin, TX, on Nov. 6. The complaint alleges that investment returns paid to investors were funded out of the capital commitments of new investors and that principals participated in less-than-arm's-length transactions in selling assets to the funds. GPB Capital has been in the news periodically since the summer of 2018 when it announced plans to restate its 2015 and 2016 financial statements and delayed its 2017 audit. We are not aware of any fund finance exposure to the firm.

Law360 summarized the lawsuit and the events leading up to it [here](#) (subscription required).