

Claims Trends

A Review of Claims
Activity in the
Mutual Fund Industry
(January 2025–March 2026)

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Abbreviations used in this *Claims Trends*:

'33 Act	Securities Act of 1933
'34 Act	Securities Exchange Act of 1934
CFTC	U.S. Commodity Futures Trading Commission
DOJ	U.S. Department of Justice
DOL	U.S. Department of Labor
ERISA	Employee Retirement Income Security Act of 1974
EXAMS	Division of Examinations of the SEC
FINRA	Financial Industry Regulatory Authority
IAA	Investment Advisers Act of 1940
ICA	Investment Company Act of 1940
NASAA	North American Securities Administrators Association
SEC	U.S. Securities and Exchange Commission

In addition, U.S. Courts of Appeals are referred to by their circuit number (e.g., First Circuit, Second Circuit).

Note

This *Claims Trends* is current through March 31, 2026. For more recent information on the matters discussed herein, please refer to ICI Mutual's online *Litigation Notebook* (available at <http://www.icimutual.com/litigation/notebook.php>). The *Litigation Notebook* provides basic public information about recent lawsuits and regulatory enforcement proceedings involving funds, fund directors and officers, and fund advisers; free access to significant documents filed in those matters; and, to the extent applicable and available, additional public information about the matters, including procedural histories and links to relevant federal or state docket sheets or to the relevant regulators' websites.

Introduction

ICI Mutual's annual *Claims Trends* reports on significant civil lawsuits, regulatory enforcement proceedings, and operational errors involving fund advisers and their affiliates, registered investment companies, and fund directors and officers. The publication is designed to assist ICI Mutual's insureds to better assess and manage the risks associated with such matters, thereby reducing the potential for associated losses and reputational damage.

ICI Mutual measures claims activity by both *frequency* and *severity*. Although 2025 saw a slight year-over-year decrease in the overall number of claims submitted by ICI Mutual's insured fund groups, claims frequency for the year remained within historical norms. Over the five-year period 2021–2025, nearly 30% of ICI Mutual's insured fund groups have submitted at least one claim notice.

Unlike frequency, severity can be more difficult to assess, particularly for civil litigation and regulatory investigations and proceedings, where it can sometimes take years to establish the magnitude of losses (in the form of defense costs, settlements, and judgments). Even as the frequency of claims reported to ICI Mutual has remained within historical norms in recent years, ICI Mutual has seen increased claims severity in recent years. (See box on the upper right.)

Historically, higher severity claims have involved civil lawsuits or, in some cases, regulatory investigations and

Waves, One-Offs, and High Severity Clusters

ICI Mutual has long used the catchphrase “waves and one-offs” to describe the fund industry claims environment. This catchphrase has reflected the industry's experience over the decades with both waves of substantially similar claims involving multiple fund groups and one-off claims involving individual fund groups. Claims developments of late suggest that the catchphrase be amended to read “waves, one-offs, and high severity clusters.” The amendment reflects the emergence of clusters of claims that have little in common apart from their proximity in time and their high severity (with the exposure in each claim ultimately totaling \$10 million or more in settlements, defense costs, and/or corrective payments, prior to any insurance recovery).

ICI Mutual has itself experienced two high severity clusters in recent years, with the second having emerged over just the past few years. While it is difficult to assess how often high severity clusters may be arising in the fund industry as a whole, it seems unlikely that they are limited to fund groups insured by ICI Mutual.

proceedings. Since the mid-2010s, however, in a marked break from past experience, ICI Mutual has also seen multiple high severity costs of correction claims.

For fund groups faced with civil litigation and/or regulatory investigations and proceedings, legal defense costs remain substantial. ICI Mutual's claims experience indicates that defense costs can quickly reach seven figures for affected fund groups and, in significant shareholder litigation or regulatory enforcement matters, can in some cases climb into eight figures.

Appendix

This year's *Claims Trends* includes an appendix that serves as a primer and general overview of (1) the common underlying legal theories used in litigation against fund groups (e.g., '33 Act, '34 Act, ICA, state law, ERISA), (2) the structural forms of such litigation (e.g., class actions, derivative actions, quasi-derivative actions), and (3) the key procedural stages in litigation (e.g., motion to dismiss, discovery, motion for summary judgment, trial).

Disclosure

“Prospectus liability” lawsuits—i.e., shareholder class action lawsuits brought under the ’33 Act that allege misrepresentations or omissions in fund offering documents—have long been a source of significant potential liability for funds and their directors, officers, advisers, and principal underwriters.¹ As discussed below, new prospectus liability lawsuits were filed in early 2025, and there were developments in earlier prospectus liability lawsuits.²

Plaintiffs have also challenged fund disclosure under the ’34 Act (as opposed to under the ’33 Act) or under state law. As discussed below, plaintiffs have historically had limited success in bringing these types of lawsuits against fund industry defendants.

Disclosure issues remain an area of interest for regulators as well and may lead to regulatory enforcement actions (see “Regulatory Developments” below).

Prospectus Liability Lawsuits

The fund industry’s historical claims experience shows that prospectus liability lawsuits are often initiated in the wake of disruptions affecting certain industry sectors or the broader market, but also sometimes arise from discrete issues affecting individual fund groups. The currently active prospectus liability lawsuits are of the latter type.

New prospectus liability lawsuits were filed in 2025, and there were developments in earlier prospectus liability lawsuits.

- *Alleged Misrepresentations of Certain Accounting Practices:* In March 2025, two prospectus liability lawsuits involving two separate fund groups were filed in New York state court alleging ’33 Act violations. Each

lawsuit alleges that certain mutual funds, their adviser, their trustees (including independent trustees) and certain officers, and their distributor, among others, misrepresented, in the funds’ registration statements, the funds’ accounting practices regarding the treatment of dividend income and capital gains.³ In one lawsuit, which was subsequently transferred to Delaware state court, the defendants filed a motion to dismiss an amended complaint in November 2025.⁴ In the second lawsuit, the parties stipulated to a discontinuance of the lawsuit against certain defendants,⁵ while the remaining defendants await the court’s decision on the September 2025 motion to dismiss.⁶ A similar lawsuit was filed in April 2025 in Pennsylvania state court and was effectively voluntarily dismissed without prejudice in June 2025.⁷

- *Alleged Failures to Follow Investment Objective:* In October 2020, a plaintiff filed a New York state court action alleging ’33 Act violations against a registered fund, its adviser, its distributor, and its trustees (including independent trustees) and officers, alleging false and misleading registration statements and prospectuses by misrepresenting the level of illiquid assets held in the fund.⁸ In February 2023, the court granted in part and denied in part a motion to dismiss.⁹ The parties filed a stipulation of settlement in January 2026, which the court preliminarily approved in February 2026.¹⁰

Other Disclosure-Based Litigation

Previous *Claims Trends* have reported on fund shareholders’ challenges to disclosure in class action “securities fraud” lawsuits brought under the ’34 Act. Because these lawsuits typically are subject to legal requirements that can be difficult for plaintiffs to satisfy in the mutual fund context, plaintiffs have historically had limited success in pursuing these lawsuits against fund industry defendants.¹¹ Two new lawsuits filed in 2025 alleged ’34 Act violations.

In a lawsuit filed in October 2025 against a closed-end interval fund, certain of its officers, its trustees (including independent trustees), and its auditor, the plaintiffs alleged that the defendants inflated the fund's NAV by intentionally misvaluing a portfolio holding of the fund and made false and misleading statements in the fund's public filings in violation of the '34 Act.¹² As discussed below under "Fees," the lawsuit also alleged an ICA violation. The lawsuit is in its early stages. A

second lawsuit brought against an adviser and its former portfolio manager alleged '34 Act violations with respect to "cherry picking" (or trading in shares for certain clients ahead of others) by the former portfolio manager in contravention of the adviser's stated investment allocation policies and procedures.¹³ Plaintiffs filed an amended complaint in March 2026; this lawsuit remains in the early stages of litigation.¹⁴

Litigation under State Law

Lawsuits against fund groups have sometimes taken the form of (1) state or common law–based derivative actions—i.e., lawsuits purporting to be filed on behalf of funds themselves—that allege violations of state or common law by fund advisers and/or fund directors and officers¹⁵ or (2) state or common law–based class actions—i.e., lawsuits purporting to be filed on behalf of groups (or “classes”) of fund shareholders, that allege violations of state or common law by fund advisers, funds themselves, and/or fund directors and officers. This section describes recent developments in such actions and in similar state or common law–based lawsuits brought directly (as opposed to derivatively or as purported class actions) by shareholders.

In 2022, litigation was initiated in federal court against a fund adviser, fund trustees (including independent trustees), and various funds, alleging breach of fiduciary duty with respect to a reduction in minimum investment requirements for retirement plans investing in certain institutional funds.¹⁶ In May 2025, while a motion for final approval of a settlement of the litigation was pending, a class member challenged the settlement, citing the defendants’ parallel settlement with the SEC.¹⁷ In January 2026, the district court issued its order and final judgment approving a \$25 million settlement.¹⁸

In October 2024, a class action lawsuit was filed against an investment adviser, trustees (including independent trustees), and officers of a registered money market mutual fund for breach of fiduciary duty and unjust enrichment, among other things, by allowing certain shareholders to remain in a more expensive share class even when the shareholders qualified for a less expensive share class.¹⁹ In March 2026, the district court

granted the defendants’ motion to dismiss the complaint; however, plaintiffs were granted leave to file an amended complaint.²⁰

In March 2025, a plaintiff filed a class action lawsuit against an investment adviser (the complaint was later amended to change the defendant to the affiliated distributor) alleging the defendant altered contracts, in violation of state law, to impose new fees on existing clients.²¹ The district court granted the defendants’ motion to dismiss in February 2026.²² In March 2026, the plaintiff filed an appeal with the Third Circuit, which remains pending.²³

Closed-End Fund Litigation: Litigation involving closed-end funds has often involved activist shareholders of closed-end funds. Although these challenges have historically involved state or common law issues, many recent closed-end fund lawsuits—chiefly initiated by one activist shareholder—raise a federal law issue (specifically, whether certain closed-end fund governance provisions violate the ICA).

Closed-End Fund Litigation Alleging ICA Violations

Recent litigation, chiefly by one activist shareholder, has involved the permissibility under the ICA of “control share” bylaw amendments, which restrict the voting power of certain voting shares unless a majority of disinterested shareholders vote to permit the shares to be voted.²⁴ In June 2023, the same activist shareholder filed a control share lawsuit against sixteen Maryland-domiciled closed-end funds and the trustees (including independent trustees) of certain of those funds challenging the funds’ adoption of control share bylaw provisions under the ICA.²⁵ In August 2023, the fund defendants filed a motion to dismiss, which the district court granted as to five defendant funds (and their trustees, including independent trustees) and denied as to the remaining defendants in September 2023.²⁶ In October 2023, the remaining defendant funds

(including independent trustees of certain funds) filed motions to dismiss, which, in December 2023, the district court denied and granted summary judgment to the plaintiffs, holding that the bylaws at issue violate the ICA and ordering the rescission of the bylaws.²⁷ In late December 2023 and early January 2024, a number of the defendants (including independent trustees) appealed the district court’s decision.²⁸ In June 2024, the Second Circuit affirmed the district court’s ruling, citing an earlier decision holding that section 47(b) of the ICA permits private lawsuits seeking rescission of contracts that allegedly violate the ICA.²⁹ In June 2025, the U.S. Supreme Court granted a petition for writ of certiorari in order to address the question of whether section 47(b) creates an implied private right of action (see box, below).³⁰ Oral arguments were held in December 2025 and a decision is expected by summer 2026.

In January 2024 and March 2024, the activist shareholder involved in most of the “control share” lawsuits filed two additional complaints in federal court

in New York alleging that certain other closed-end fund governance provisions violated the ICA. The first lawsuit, filed against a closed-end fund and its directors (including independent directors), alleges that the closed-end fund’s “poison pill” plan violates the ICA.³⁸ In March 2025, the district court granted the plaintiffs’ motion for summary judgment.³⁹ Later that same month, the defendants filed an appeal with the Second Circuit.⁴⁰ In August 2025, the parties filed a stipulation agreeing to withdraw the appeal, thereby concluding the litigation.⁴¹

The second lawsuit, filed against a closed-end fund and its trustees (including independent trustees), alleges that a bylaw provision “entrenches” the board in violation of the ICA.⁴² In August 2024, the plaintiff filed a motion for summary judgment; in November 2024, the defendants filed a motion for judgment on the pleadings.⁴³ In July 2025, the district court agreed to stay the action pending the outcome of the Supreme Court’s decision in the lawsuit discussed above.⁴⁴

U.S. Supreme Court Case Involving Private Rights of Action

As discussed above, the Supreme Court is reviewing the Second Circuit’s decision to address the question of whether section 47(b) creates an implied private right of action. In recent years, federal courts, with the exception of the Second Circuit, have recognized only one express private right of action under the ICA—namely, under section 36(b) with respect to advisory fees—with other ICA provisions subject to enforcement exclusively by the SEC.³¹ The Supreme Court’s resolution of this split among the courts is expected to clarify the scope of investor remedies under the ICA and may have broader implications for fund governance litigation.³²

Fund industry observers note that a decision rejecting an implied right of action would have the impact of limiting private claims, providing CEFs with greater certainty regarding fund governance, and reinforcing the SEC’s primary oversight role.³³ Conversely, commentators observe that a ruling recognizing an implied private right of action under section 47(b) poses a “back door threat” to the fund industry overall (i.e., beyond the CEF space).³⁴ In particular, because most funds are externally managed and operated, such a ruling may encourage shareholder lawsuits challenging fund governance practices and contractual arrangements—areas traditionally subject to SEC oversight.³⁵ Some observers have cautioned that broader access to private enforcement could elevate litigation risk and compliance costs for funds.³⁶ Moreover, one observer suggests that an increase in private claims could undermine “the stable regulatory framework established through the SEC’s decades of rulemaking, exemptive orders, no-action letters and other guidance.”³⁷

Fees

Section 36(b) of the ICA imposes a fiduciary duty on investment advisers with respect to the compensation they receive for providing advisory services to registered investment companies. The section expressly authorizes both the SEC and fund shareholders to bring lawsuits in federal court for breaches of the fiduciary duty established by the section.

Although no new standalone section 36(b) proceedings were initiated against fund advisers in recent years, one new lawsuit filed in October 2025 included a section 36(b) allegation. This lawsuit (discussed above under “Disclosure – Other Disclosure-Based Litigation”), which primarily raises ’34 Act claims in connection with the alleged inflation of a closed-end interval fund’s NAV, also alleges that, due to the inflated NAV, the fund’s adviser received “ill-gotten compensation” in violation of section 36(b). This lawsuit is in its early stages and remains pending. The inclusion of 36(b) allegations in the lawsuit illustrates that fund fees remain an enduring

focus area for the plaintiffs’ bar.

As discussed in prior *Claims Trends*, over the period 2000–2018, the plaintiffs’ bar initiated twenty-nine section 36(b) lawsuits, involving a total of twenty-six fund groups.⁴⁵ That wave of excessive fee lawsuits finally ended in 2021, and the last lawsuit in that wave was filed in 2018.

On an overall basis, the results for the fund industry in this long-running wave were positive. Plaintiffs failed to secure any judgments in their favor, and defendant advisers prevailed on summary judgments or following trial in a number of cases. But these positive results came at a substantial cost, both in terms of external legal and other costs incurred by fund groups in the defense of these lawsuits, and in the time and other internal resources expended by fund groups in their defense efforts. ICI Mutual estimates that, on an industry-wide basis, defense costs incurred by fund groups in this wave of section 36(b) lawsuits totaled several hundred million dollars.

Regulatory Developments

The new presidential administration ushered in significant changes for the SEC (including new leadership at the Commission and division levels) and for other regulators.

In April 2025, Congress confirmed former SEC commissioner Paul Atkins as SEC chairman.⁴⁶ There are currently three Republican commissioners, and two seats remain vacant.⁴⁷ There are also new directors (or acting directors) of various SEC Divisions, including Investment Management, Enforcement, EXAMS, and Economic and Risk Analysis.⁴⁸ In addition, the SEC has eliminated the regional directors of the SEC's ten regional offices, which are instead divided into three primary regions, each overseen by a deputy director of the Enforcement Division.⁴⁹ At the same time, there have been significant reductions in SEC staffing, with a government report finding that nearly a fifth of the SEC's staff had left in fiscal year 2025, including nearly a quarter of the staff in the Division of Investment Management.⁵⁰

SEC Priorities

As in the past, the SEC's focus areas are often communicated by SEC leadership and staff in speeches and other guidance. Highlighting a focus on deregulation and a shift in the SEC's regulatory and enforcement agendas, Chair Atkins has stated that the SEC will have a "...renewed focus on supporting innovation, capital formation, market efficiency, and investor protection."⁵¹ In a March 2026 speech, Chair Atkins described the SEC's strategy under which SEC initiatives would generally be aimed at aligning rules with market operations, clarifying the SEC's regulatory regime "to streamline oversight and unlock innovation," and/or eliminating burdensome or impractical requirements.⁵² With respect to the asset management

industry specifically, the Director of the Division of Investment Management, in a December 2025 speech, described the Division's priorities of deregulation, modernization, democratization of alternative asset investments, and promotion of artificial intelligence.⁵³

SEC's Approach to Regulation

In the past, the SEC's agency-wide priorities were frequently reflected in proposed and adopted rules. With the new presidential administration, such priorities have been reflected, in part, in the SEC's approach to previously proposed and adopted rules. In January 2025, President Donald Trump issued an executive order freezing any pending or recently finalized SEC regulations.⁵⁴ In June 2025, the SEC formally withdrew over a dozen rule proposals (including proposals relating to ESG, AI, and cybersecurity) that were outstanding under the previous administration's agenda.⁵⁵ In addition, with respect to certain previously adopted rules (including certain reporting requirements of the so-called "names rule"), the SEC has extended compliance dates.⁵⁶ It is also noteworthy that many of the rules finalized under the prior administration have been challenged in courts., which have delayed, vacated, returned to lower courts for revision, and/or paused nearly a dozen of them ⁵⁷

With respect to potential new rulemaking, Chair Atkins has discussed changes to the SEC's regulatory regime.⁵⁸ The SEC has, for example, launched a new "Crypto Task Force" that is intended to clarify the application of the federal securities laws to digital assets.⁵⁹ In September 2025, the SEC announced certain priorities through the publication of its Unified Agenda of Regulatory and Deregulatory Actions, which indicated, among other things, that the SEC would consider proposed amendments to form N-PORT, rule 17a-7 under the 1940 Act, and custody rules and finalizing a rule for customer identification programs for registered investment advisers.⁶⁰

SEC's Enforcement Agenda

Under new leadership, the SEC is, in Chair Atkins' words, prioritizing "engagement over 'regulation by enforcement.'"⁶¹ In that regard, the agency has closed a number of proceedings that were initiated under the previous leadership, including some high-profile crypto-related proceedings.⁶² Chair Atkins has also emphasized the need for predictability, due process, and transparency in the SEC's enforcement proceedings, and he has called for a "revisiting and refreshing" of the "Wells process" that provides prospective respondents with an opportunity to respond to the SEC before formal charges are brought.⁶³ In a February 2026 speech, the now-former Director of the Enforcement Division described her views on Enforcement's process and priorities, vowing to protect the public from fraud and focusing on the fairness and timely resolution of cases.⁶⁴

SEC Enforcement Actions

In fiscal year 2025, the number of new SEC enforcement actions appear to have declined from the prior fiscal year. As of March 2026, the Division of Enforcement had not published its annual summary and statistics for fiscal year 2025. Third-party estimates indicate that the SEC brought approximately 310 actions in fiscal year 2025 (including approximately 90 actions involving investment advisers and/or investment companies), as compared to 431 original or "standalone" enforcement actions (including 80 "standalone" proceedings against investment advisers or investment companies) in 2024.⁶⁵ As in prior years, enforcement actions against entities outside the registered investment company space (e.g., unregistered funds and their advisers) appear to have outnumbered those within the registered fund space.

New Enforcement Manual

In February 2026, the SEC's Division of Enforcement announced significant updates to its internal enforcement manual, which provides non-binding guidance to the Enforcement Division's staff.⁶⁶ The revisions are intended to modernize investigative procedures and promote uniform practices across the Division.⁶⁷ Among other things, the Division implemented a more standardized Wells process, with clearer timelines and guidance for submissions, and pledged senior leadership involvement to encourage dialogue with the reporting company and timely resolutions.⁶⁸ The updated manual also provides new guidance on cooperation and remediation and restores the practice of allowing simultaneous consideration of settlement offers and related waiver requests.⁶⁹ The manual also updates procedures related to formal orders and criminal referrals.⁷⁰

It is perhaps noteworthy that most SEC actions in fiscal year 2025 appear to have been initiated under the prior SEC leadership. Some industry observers have suggested that the government shutdown in October–November 2025, as well as reductions in SEC staff, contributed to the decline in enforcement actions.⁷¹

Administrative Proceedings

Administrative proceedings initiated and/or resolved by the SEC in 2025 and early 2026 against advisers (and/or their affiliates) of registered funds involved various issues, including misrepresentations in filings made with the SEC,⁷² failure to certify the financial statements of a registered investment company by an independent public accountant,⁷³ and misleading disclosures relating to potential tax consequences.⁷⁴

With respect to administrative proceedings initiated and/or resolved by the SEC in 2025 and early 2026 against fund advisers (and/or their affiliates) outside the registered fund space, the SEC brought actions involving the following issues: conflicts of interest with regard to client recommendations to move into a managed account program⁷⁵ and conflicts of interest relating to rollovers in retirement accounts.⁷⁶

Civil Litigation

In addition to administrative proceedings involving advisers (and/or their affiliates) of registered funds described above, the SEC may also initiate civil litigation against advisers (and/or their affiliates) of registered funds, as well as against fund officers, inside directors (and, less frequently, fund independent directors), and employees.

In May 2021, the SEC filed a lawsuit against investment advisers and portfolio managers for material misrepresentations and breaches of fiduciary duty relating to the risks of options trading strategy for a mutual fund.⁷⁷ In January 2024, the parties filed motions for summary judgment.⁷⁸ In October 2024, the district court denied the defendants' motion for summary judgment and granted in part and denied in part the SEC's motion for summary judgment.⁷⁹ The litigation came to a conclusion in June 2025, when the defendants consented to a final judgment without admitting or denying the allegations.⁸⁰ In a parallel proceeding brought against the same defendants by the CFTC, the regulator alleged defendants deceived prospective and existing commodity pool participants through misleading statements or omissions regarding scenarios for the adviser's trading strategy.⁸¹ In June 2025, the defendants consented to the entry of final judgment in this proceeding as well, without admitting or denying the allegations, thereby ending the litigation.⁸²

In another lawsuit, filed in February 2022, the SEC alleged that an officer and control person of a registered fund's investment adviser perpetrated a fraudulent valuation scheme to mask the fund's performance. In a parallel action, the CFTC initiated a lawsuit against the same individual alleging improper valuation of swaps in registered commodity pools.⁸³ The SEC and CFTC lawsuits are both pending, with the CFTC's motion for summary judgment filed in March 2025⁸⁴ and the SEC's

motion for summary judgment filed in June 2025.⁸⁵ In addition, the DOJ filed a criminal action against the same individual, who pled guilty in November 2022.⁸⁶ The district court's decision, in April 2023, to deny the defendant's motion to withdraw the guilty plea was appealed to the Second Circuit, which affirmed the lower court's ruling in October 2024.⁸⁷ In March 2026, the district court granted in part and denied in part the plaintiff's motion for summary judgment in the SEC's civil action; the litigation remains unresolved.⁸⁸

In December 2022, the SEC filed a complaint against an asset management firm employee and another individual, alleging that they had fraudulently placed trades in certain securities ahead of trades made by the registered investment companies (and other clients).⁸⁹ The lawsuit was stayed pending the outcome of a parallel criminal proceeding in 2023.⁹⁰ In April 2025, the criminal proceeding came to a close and the district court lifted the stay on the lawsuit.⁹¹

In May 2023, the SEC initiated litigation against a registered fund's adviser, its principals, and its trustees (including independent trustees), alleging that the fund failed to monitor the liquidity of the fund's investments and assigned inappropriate liquidity levels to certain securities.⁹² In March 2025, the district court denied the defendants' motions to dismiss (filed in July 2023).⁹³ In July 2025, the court approved the parties' joint stipulation to dismiss the action with prejudice, thereby ending the litigation.⁹⁴

In November 2024, the SEC filed a lawsuit against a portfolio manager for alleged fraudulent allocations known as "cherry-picking," or providing better stock allocations to favored clients.⁹⁵ This lawsuit was stayed in January 2025, pending resolution of a parallel criminal proceeding against the same defendant.⁹⁶ A criminal trial is scheduled to begin in April 2026.⁹⁷

In March 2025, the SEC filed a lawsuit alleging that an adviser invested a registered fund's assets in violation of the fund's stated concentration as set forth in its registration statements.⁹⁸ The lawsuit alleges violations of the '33 Act, '34 Act, IAA, and ICA. In January 2026, a district court denied the defendants' August 2025 motion to dismiss.⁹⁹ The lawsuit remains pending.

SEC Examination Priorities

The SEC communicates its examination priorities (which may indicate areas of future enforcement activity) in a variety of publications, speeches, and public statements from the chair, commissioners, and staff.

The SEC annually publishes the examination priorities of the SEC's Division of Examinations, or EXAMS.¹⁰⁰ For the SEC's 2026 fiscal year, EXAMS has indicated that, with respect to registered investment funds and advisers, it will focus on funds' compliance programs, disclosures (with respect to fund fees and expenses), portfolio management practices, marketing materials and compliance with the "names rule", portfolio management practices, less liquid or complex products, and investment companies that have merged into other investment companies.¹⁰¹

From time to time, EXAMS issues risk alerts to provide insight into its examination priorities and findings, with a recent alert providing observations regarding advisers' compliance with the Advisers Act marketing rule.¹⁰²

Other Regulators

The SEC is generally viewed as the primary regulator of the investment management industry. However, other regulators (including FINRA, the CFTC, the DOL, state securities regulators and attorneys general, and foreign regulators) may also institute enforcement

actions that may involve and/or impact registered funds and/or their affiliated service providers.

Federal Regulators

In December 2025, FINRA, a self-regulatory organization for the broker-dealer industry, published its annual regulatory oversight report, which reports on findings from recent examinations and indicates where FINRA might focus its resources over the coming year. The report also discusses FINRA's priorities for the coming year, including cybersecurity/cyber-enabled fraud, third-party vendors, anti-money laundering, and generative AI.¹⁰³ Similar to the SEC's recent initiative, FINRA recently announced updates to its enforcement program, citing increased transparency, improved efficiency, and more communication with members throughout the enforcement process.¹⁰⁴

The CFTC, which regulates the trading of commodities (including many futures and derivatives), often discusses its annual priorities through speeches and other public statements. The CFTC's chair and other commissioners have recently discussed, among other priorities, AI,¹⁰⁵ digital assets,¹⁰⁶ and innovative products.¹⁰⁷ In January 2026, the CFTC and SEC announced their joint intention to provide market participants with clear boundaries in crypto markets.¹⁰⁸ New CFTC leadership, akin to the SEC, has declared "...regulation by enforcement is dead," indicating its intention to allow markets to function with less interference than the previous administration.¹⁰⁹

In recent years, the CFTC and the SEC have frequently cooperated in their respective enforcement efforts, including through the initiation of parallel proceedings. In March 2026, the two agencies entered into a Memorandum of Understanding, setting forth a framework by which the agencies intend to cooperate and pursue common goals.¹¹⁰ As discussed in "Regulatory Developments – SEC Enforcement

Actions” above, for example, the two agencies in 2021 filed parallel complaints against investment advisers and portfolio managers for material misrepresentations and breaches of fiduciary duty relating to the risks of options trading strategy for a mutual fund.¹¹¹ In July 2025, the CFTC entered a settlement with the defendants, bringing the lawsuit to a conclusion.¹¹²

State Attorneys General

In December 2023, the Tennessee state attorney general sued an investment adviser alleging that the adviser’s ESG activities violated the state’s consumer protection laws.¹¹³ In January 2025, the attorney general announced that the parties had reached a non-monetary settlement and the lawsuit was dismissed without prejudice.¹¹⁴

In November 2024, various state attorneys general filed a civil lawsuit alleging that three investment advisers collectively used their investments in publicly traded coal companies to reduce coal production, in violation of federal and state antitrust laws and of state deceptive

trade practices and consumer protection laws.¹¹⁵

Plaintiffs filed a second amended complaint in January 2026.¹¹⁶ In February 2026, one defendant settled with plaintiffs and was dismissed from the lawsuit; the other two defendants continue to litigate the matter.¹¹⁷ In March 2026, the remaining defendants filed a joint motion for partial judgment on the pleadings.¹¹⁸

In January 2025, a group of state attorneys general sent a letter to an asset manager and a group of banks alleging that they had misrepresented or omitted essential disclosures with respect to diversity, equity and inclusion policies.¹¹⁹ To date, no further public information appears to be available.

In February 2025, a group of state attorneys general, led by the Montana attorney general, sent a letter to a group of asset managers alleging that they had misrepresented or omitted essential disclosures with respect to Chinese investments made by funds.¹²⁰ To date, no further public information appears to be available.

Portfolio Management Errors

A significant portion of all claim amounts paid by ICI Mutual has been for “costs of correction” claims—i.e., insurance claims by advisers or their affiliates for payments made by them, outside the litigation context, to remedy operational errors that have resulted in losses to funds or private accounts. Generally, costs of correction insurance coverage permits an insured entity to seek insurance reimbursement for certain costs incurred to correct an operational error, provided that the insured entity has actual legal liability for the resulting loss.¹²¹ “Costs of correction” insurance coverage, long a feature of ICI Mutual’s D&O/E&O policies, is highly valued by insured advisers for its role in facilitating timely and efficient remediations of operational errors and other operational mishaps.

Over its history, ICI Mutual has received and paid scores of insurance claims under this coverage. The frequency of costs of correction insurance claims received by ICI Mutual has remained relatively stable over time. Until fairly recently, the severity of such claims had likewise remained relatively stable, with dollar amounts at issue in individual claims rarely exceeding the mid-seven figures. Since the mid-2010s, however, in a marked break from past experience, ICI Mutual has received multiple high severity costs of correction insurance claims—i.e., claims that have involved (or that have had the clear potential to involve) dollar amounts of eight figures or more.¹²²

A number of factors—including the size of fund groups, the scale of their operations, the magnitude of trades being executed on behalf of funds and other clients, the volatility of the securities markets, and operational

challenges—may create the potential for operational errors resulting in costs of correction claims.

ICI Mutual has received claims associated with operational errors in a number of areas over the years. Recent examples include the following:

- *Trade Error*: As a result of errors by an investment adviser to a private advisory client, the adviser over-reduced the leverage in the client’s account.
- *Violation of Investment Restriction*: As a result of errors by an investment adviser to a closed-end fund, the adviser purchased contingent convertible securities in contravention of the fund’s restriction against such securities.
- *Cross Trades*: As a result of errors by an investment adviser to certain client accounts, a number of trades did not comply with the adviser’s cross trade policies and procedures.
- *Compliance with Investment Restrictions*: As a result of errors by an investment adviser to a private advisory client, the adviser mischaracterized a security as being prohibited by the client’s investment restrictions and, as a result, failed to purchase the security for the client.

When business operations are outsourced to affiliated or unaffiliated service providers, determining the extent to which costs of correction insurance coverage is available may be particularly challenging, especially in the context of certain types of events (e.g., cyberattacks),¹²³ where the actual legal liability of an insured fund service provider (as well as any measure of “damages” incurred) may be far from clear-cut.

ICI Mutual’s costs of correction claims history illustrates the continued importance to fund groups of close attention to policies, procedures, and the use of technology designed to prevent and detect operational mistakes and oversights.

Other Litigation Developments

In addition to the disclosure and state law-based lawsuits already discussed, 2025 and early 2026 also saw other noteworthy litigation developments.

ERISA

As reported in past *Claims Trends*, the plaintiffs’ bar has used ERISA as a legal avenue to attack the fund industry.¹²⁴ Two new lawsuits were filed in 2025 and there were developments in existing lawsuits involving asset managers and/or affiliates.

“PROPRIETARY FUNDS” LAWSUITS

Past *Claims Trends* have tracked ERISA-based lawsuits challenging the inclusion of “proprietary” mutual funds within the offerings of in-house 401(k) or similar employee benefit plans sponsored by asset managers and/or their affiliates.

Typically structured as class actions, these lawsuits frequently allege that the named defendants (which may include one or more entities, committees, and/or individuals) have breached their fiduciary duties under ERISA and/or engaged in “prohibited transactions,” by including in their in-house plans proprietary mutual

funds that allegedly have charged excessive fees and/or underperformed relative to purportedly similar *non*-proprietary funds (i.e., funds offered by other asset managers). Such lawsuits may also include other allegations (e.g., that the defendants engaged in self-dealing, failed to include in their in-house plans the lowest-cost share classes of the proprietary funds at issue, and/or failed to adequately investigate providing non-mutual fund alternatives such as collective trusts).

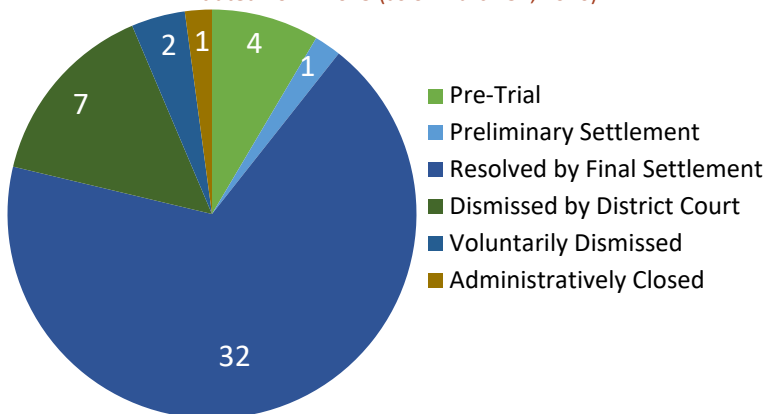
Since 2011, the plaintiffs’ bar initiated at least forty-seven such lawsuits (on a consolidated basis) involving forty-four fund groups. As discussed below, four lawsuits remain in the pre-trial stage of the litigation process, a preliminary settlement was filed in one, and forty-two are fully resolved. Of the fully resolved lawsuits, thirty-two lawsuits were resolved through final monetary settlements, seven were dismissed by the courts, two were voluntarily dismissed by the parties, and one was administratively closed by the court.

The preliminary and final monetary settlements reached to date in these “proprietary funds” lawsuits collectively total over \$530 million.¹²⁵

- *Lawsuits in the Pre-Trial Stage:* Four lawsuits remain in the pre-trial stage of the litigation process. In one lawsuit, filed in July 2025, the defendants’ motions to dismiss the amended complaint, filed in January 2026, are pending.¹²⁶ A motion to dismiss filed in November 2023 is pending in a second lawsuit,¹²⁷ and plaintiffs filed an amended complaint in December 2025 in a third lawsuit.¹²⁸ In August 2024, a district court denied defendants’ motion to compel arbitration and a motion to dismiss in a fourth lawsuit; the defendants’ appeal of the decision to the Ninth Circuit remains pending.¹²⁹
- *Lawsuit with a Preliminary Settlement:* In one lawsuit, filed in September 2022, the plaintiffs filed a notice of settlement in February 2026.¹³⁰

Procedural Status of Proprietary Funds Lawsuits

Initiated 2011–2025 (as of March 31, 2026)



- *Lawsuits Resolved by Final Settlements:* Thirty-two of the lawsuits reached final monetary settlements. No final monetary settlements were reached in 2025 or early 2026.
- *Lawsuits Dismissed by the Courts:* Seven lawsuits were dismissed by the courts in favor of the defendants—three on motions to dismiss (with one decision affirmed on appeal), two on motions for summary judgment (with one decision affirmed on appeal), and two by judgments following a bench trial.¹³¹
- *Lawsuits Voluntarily Dismissed by the Parties:* Two lawsuits closed in 2018 pursuant to voluntary dismissals.¹³²
- *Lawsuit Administratively Closed by the Court:* In one lawsuit, the district court stayed the action, noting that the plaintiff's individual claims were subject to an enforceable arbitration provision, and administratively closed the case.¹³³

In addition to the lawsuits described above challenging the inclusion of proprietary *registered* funds as investment options in in-house retirement plans, at least four lawsuits have challenged asset managers' inclusion of proprietary *non-registered* funds (typically, index funds and/or target date funds structured as collective investment trusts or separate accounts) as investment options in their in-house retirement plans. In one such lawsuit, in July 2025, the district court approved the parties' motion for final approval of settlement.¹³⁴ In two other lawsuits, final approvals of settlements were granted in August 2024 and January 2025, respectively.¹³⁵ Another such lawsuit challenging

the inclusion of proprietary *non-registered* funds was filed in May 2025; a motion to dismiss was filed in October 2025 and remains pending.¹³⁶

MISMANAGEMENT LAWSUITS

The federal securities laws do not, in general, permit direct lawsuits against advisers for alleged mismanagement of assets. ERISA, however, provides an express right of action against plan “fiduciaries” for mismanagement of plan assets under their control—i.e., for failure to adhere to their duty of “prudent management.”

In a “proprietary funds”-like class action lawsuit filed in June 2021, a plaintiff participating in her employer's retirement plan alleged that certain plan fiduciaries mismanaged participants' assets (and breached their fiduciary duties) through the selection and retention of mutual funds affiliated with the plan's investment adviser as underlying investments for plan assets.¹³⁷ These affiliated mutual funds, according to the plaintiff, had higher fees and lower performance than the fees and performance of similar funds. The defendants' motions for summary judgment (filed in October 2024) were granted in January 2025. A notice of appeal to the Eleventh Circuit was filed in March 2025, and, in August 2025, the appeal as to the defendant investment adviser was dismissed and remanded to the district court.¹³⁸ In December 2025, the district court approved a preliminary settlement in the lawsuit.¹³⁹

Insurance Considerations for ERISA Litigation Involving In-House Plans

Broadly stated, “fiduciary liability” insurance insures against liabilities arising out of third-party claims brought against company-sponsored employee benefit plans, the sponsoring companies themselves, and/or certain other persons or entities associated with such plans, by reason of their breach of fiduciary duties under ERISA (and/or common and other statutory law) in providing services to “in-house” retirement plans. Historically, fiduciary liability coverage has been viewed by insurance markets as separate and distinct from other types of liability coverages, including both “directors and officers” (D&O) coverage and “errors and omissions” (E&O) coverage. Indeed, fiduciary liability coverage is generally offered as a separate, standalone insurance product.

Litigation Involving Portfolio Holdings

As reported in previous *Claims Trends*, mutual funds have sometimes been ensnared in proceedings arising from bankruptcies, for no reason other than the funds' status as passive holders or former holders of securities of the bankrupt issuers. In these "clawback" proceedings, bankrupt issuers and/or their creditors sought a return of pre-bankruptcy payments made to security holders or other creditors, including funds.¹⁴⁰

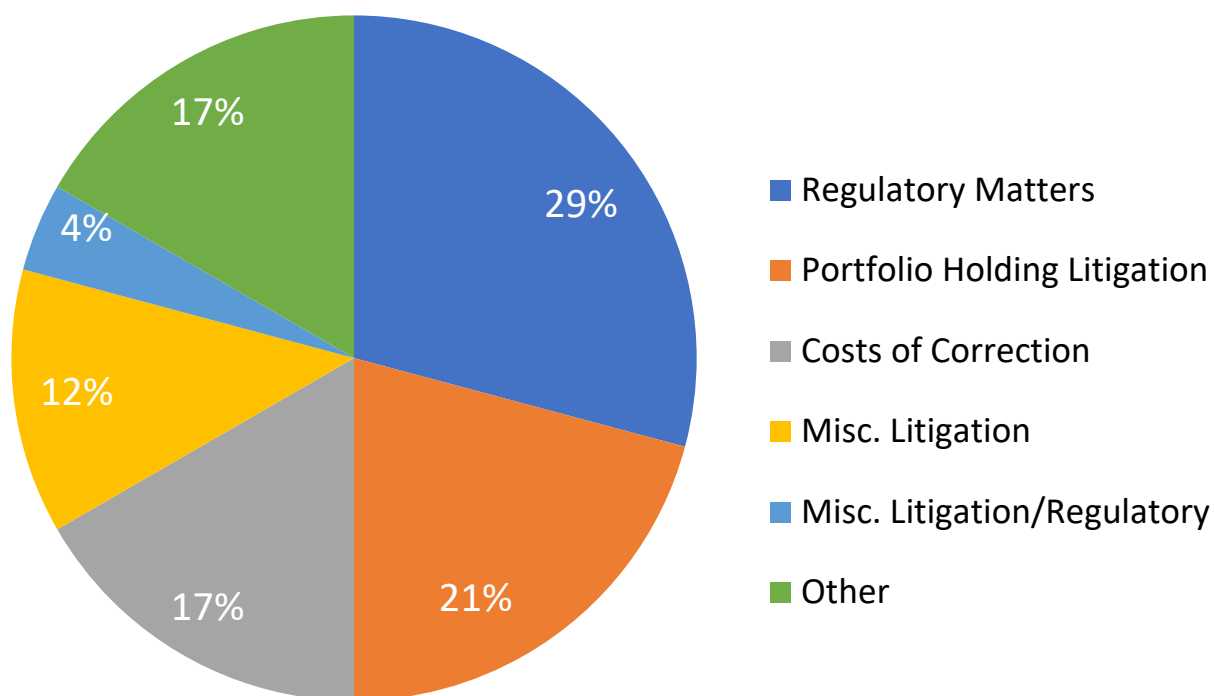
In recent years, mutual funds and/or their investment advisers have also been in named litigation involving

other portfolio holdings. Two recent proceedings allege various violations of federal, state, and common law in connection with debt restructurings (including the so-called "up-tiering transactions"). The first proceeding, an adversary proceeding in a bankruptcy proceeding, was filed in June 2023 and challenges the validity of a debt restructuring.¹⁴¹ The second lawsuit, filed in November 2025, alleges antitrust violations by various creditors (which appear to include a number of mutual funds) that had entered into a cooperation agreement with respect to a proposed debt restructuring.¹⁴² Both proceedings remain pending.

D&O/E&O Claims Data

D&O/E&O Notices by Subject (2025)

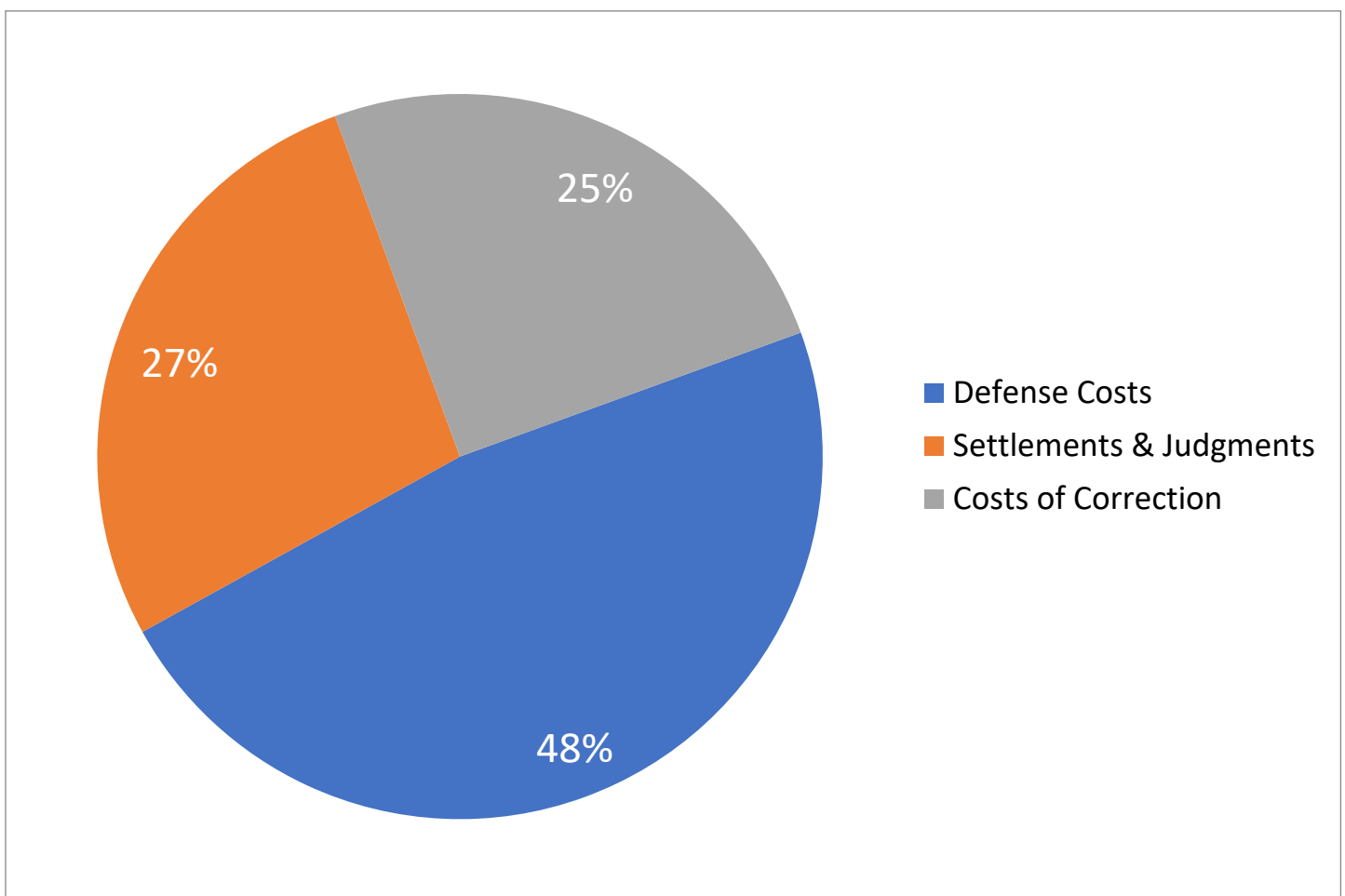
Regulatory matters and portfolio holding litigation constituted the most common subjects of claims notices submitted under ICI Mutual D&O/E&O policies in 2025.



D&O/E&O Claims Data

D&O/E&O Insurance Payments by Category (2000–2025)

The chart below shows the breakdown of payments (i.e., defense costs, settlements and judgments, and costs of correction) made by ICI Mutual on claims submitted under ICI Mutual D&O/E&O policies over the period January 1, 2000 through December 31, 2025.



Appendix

This appendix serves as a primer and general overview of (1) the common underlying legal theories used in litigation against fund groups (e.g., '33 Act, '34 Act, ICA, state law, ERISA), (2) the structural forms of such litigation (e.g., class actions, derivative actions, quasi-derivative actions), and (3) the key procedural stages in litigation (e.g., motion to dismiss, discovery, motion for summary judgment, trial).

Underlying Legal Theories

Relevant Law	Description	Typical Defendants
1933 Act	<p>"Prospectus liability" lawsuits allege inadequate or inaccurate disclosure in mutual fund prospectuses, statements of additional information, or certain other documents filed with the SEC. Liability reaches only materially inaccurate or incomplete <i>disclosure</i>, but the plaintiffs' bar nevertheless often seeks to use this avenue to attack fund performance and/or various industry practices.</p> <p>Typically structured as class actions</p>	<p>Funds Fund Directors & Officers Distributors Advisers/Other Affiliates (as "control persons")</p>
1934 Act	<p>"Rule 10b-5" or "securities fraud" lawsuits may allege inadequate or inaccurate disclosure in mutual fund prospectuses, statements of additional information, annual and semi-annual reports, or certain other publicly available documents. For various reasons, including a requirement that the "class" of shareholders must have relied on the allegedly misleading disclosure and potential difficulties faced by plaintiffs in demonstrating "scienter" (i.e., an intent to deceive), it is relatively uncommon for the plaintiffs' bar to pursue disclosure-based litigation against fund groups under the '34 Act.</p> <p>Typically structured as class actions</p>	<p>Funds Fund Directors & Officers Advisers/Other Affiliates (as "control persons" or otherwise)</p>
1940 Act	<p>"Section 36(b)" or "excessive fee" lawsuits allege breach of a fiduciary duty imposed on fund advisers by section 36(b) of the ICA. Violation requires that an adviser "charge a fee that is so disproportionately large that it bears no reasonable relationship to the services rendered and could not have been the product of arm's-length bargaining."</p> <p>Structured as quasi-derivative actions</p>	<p>Advisers Other Affiliates</p> <p>(Fund Directors are not typically named as defendants, but are often key non-party witnesses.)</p>
State Law	<p>"State law" lawsuits allege breach of fiduciary duty or other violations of state law. Procedural requirements applicable to derivative actions, and developments in the jurisprudence applicable to state law-based class actions, can present challenges for the plaintiffs' bar in pursuing litigation under this legal avenue.</p> <p>Typically structured as derivative actions (or sometimes as class actions)</p>	<p>Fund Directors & Officers Advisers Other Affiliates</p> <p>(Funds are often named as "nominal defendants" in derivative actions, and may be named as defendants in state law-based class actions.)</p>
ERISA	<p>ERISA-based lawsuits allege failure to meet various of the obligations and duties that ERISA imposes on "plan fiduciaries" and other "parties in interest." One significant category of ERISA-based lawsuits—i.e., "proprietary funds" lawsuits—alleges liability on the part of advisers or their affiliates, as sponsors of "in-house" retirement plans, for including "proprietary" mutual funds in the menus of their in-house plans.</p> <p>Often structured as class actions</p>	<p>Advisers Other Affiliates</p>

Structural Forms

Class Actions

A class action lawsuit is a “lawsuit in which the court authorizes a single person or a small group of people to represent the interests of a larger group.” The individual plaintiff (or small group of plaintiffs) is thus proceeding **directly** in seeking recovery for the larger group (or “class”) for which he or she is a representative.

Derivative Actions

A derivative lawsuit “permits an individual shareholder to bring suit to enforce a corporate cause of action against officers, directors, and third parties,” and thereby “to protect the interests of the corporation from the misfeasance and malfeasance of ‘faithless directors and managers’ [including, in the fund industry context, fund advisers].” The individual is thus proceeding **derivatively** in seeking recovery for the company (e.g., fund) of which he or she is a shareholder.

Quasi-Derivative Actions

Section 36(b) lawsuits are sometimes described as “quasi-derivative” in nature, in that the individual serving as the plaintiff is proceeding **directly** in his or her capacity as a fund shareholder in bringing suit against the fund’s adviser, but is acting **derivatively** in that any recovery in the lawsuit accrues to the fund itself (rather than to a class of shareholders of which the named fund shareholder is the representative). Under relevant federal court rules, such lawsuits are neither class actions nor traditional derivative lawsuits.

Key Procedural Stages



Settlement

Settlement: At any stage of the process, a plaintiff may withdraw his or her lawsuit, or the lawsuit may be resolved through a settlement (or otherwise through mutual agreement of the parties).

Other Key Stages in Certain Litigation

Class certification: At this stage in class action litigation, the lower court determines (typically following an opportunity for related factual investigation by the parties) whether a lawsuit can properly be brought as a class action under applicable rules of court procedure. If it can, then the class action is said to be “certified.” In certain circumstances, the court order granting or denying class action certification may be appealed prior to the conclusion of the underlying lawsuit.

Shareholder derivative demands: For derivative lawsuits to proceed, applicable state law typically requires that shareholder derivative demands be made. In response, funds themselves—through appropriate fund representatives (e.g., an appropriate committee of directors or an outside law firm retained by such committee)—usually conduct shareholder derivative demand investigations (SDDIs) to determine whether pursuing litigation would be in the best interests of the funds. Determinations not to pursue litigation that are “made in good faith by independent decision makers after reasonable inquiry” generally result in termination of the litigation by the courts.

Endnotes

- ¹ See generally ICI Mutual's 2010 Risk Management Study, MUTUAL FUND PROSPECTUS LIABILITY: UNDERSTANDING AND MANAGING THE RISK, <https://www.icimutual.com>.
- ² Investment vehicles not registered as investment companies under the ICA may also be involved in disclosure-based litigation that is substantially similar to disclosure-based litigation involving registered investment companies. For example, in June 2020, plaintiffs filed a class action lawsuit (subsequently consolidated with additional lawsuits) in federal court against the sponsor of an ETF that tracks crude oil prices, a commodity pool operator, certain officers, and various underwriters of the ETF's securities, challenging disclosures in the ETF's offering documents and alleging violations of the '33 Act and '34 Act. *In re U.S. Oil Fund, LP Secs. Litig.*, No. 20-cv-4740 (S.D.N.Y. filed June 19, 2020). A motion to dismiss, filed in April 2021, was granted in September 2025. *In re U.S. Oil Fund, LP Secs. Litig.*, No. 20-cv-4740 (S.D.N.Y. Sept. 29, 2025) (order granting motion to dismiss and granting leave to plaintiff to move to file an amended complaint).

Fund groups may also be implicated in disclosure-based lawsuits under the '34 Act that do not involve fund disclosure. For example, in July 2024, plaintiffs alleged that an investment adviser and a payroll company misrepresented the qualifications of the distributor in sales of mutual funds to retirement plans. The lawsuit was dismissed without prejudice in March 2026. See, e.g., *Ylitalo v. ADP, Inc.*, No. 24-cv-7635 (D.N.J. July 9, 2024) (filing of complaint); *Ylitalo v. ADP, Inc.*, 2026 U.S. Dist. LEXIS 49413 (D.N.J. Mar. 10, 2026) (order granting motion to dismiss).
- ³ *Dandini v. First Eagle Funds*, No. 154204-2025 (N.Y. Sup. Ct. filed Mar. 28, 2025); *Morad v. JPMorgan Tr. I*, No. 154203-2025 (N.Y. Sup. Ct. filed Mar. 28, 2025).
- ⁴ *Dandini v. First Eagle Funds*, No. N25C-05-224 (Del. Super Ct. New Castle Cty. Nov. 20, 2025) (filing of motion to dismiss).
- ⁵ *Morad v. JPMorgan Tr. I*, No. 154203-2025 (N.Y. Sup. Ct. Nov. 6, 2025) (filing of stipulation of discontinuance as to certain defendants (individual officer and trustee defendants)); *Morad v. JPMorgan Tr. I*, No. 154203-2025 (N.Y. Sup. Ct. Feb. 26, 2026) (stipulation of discontinuance as to individual defendants).
- ⁶ *Morad v. JPMorgan Tr. I*, No. 154203-2025 (N.Y. Sup. Ct. Sept. 26, 2025) (filing of motion to dismiss).
- ⁷ *Ward v. Vanguard Wellington Fund*, No. 2025-2804 (Pa. Ct. Com. Pl. Chester Cty. filed Apr. 2, 2025). On June 6, 2025, the plaintiffs filed a "praecipe to discontinue without prejudice," which is roughly equivalent to a voluntary dismissal without prejudice.
- ⁸ *Koza v. Mut. Fund Series Tr.*, No. 655297-2020 (N.Y. Sup. Ct. filed Oct. 14, 2020) (filing of complaint).
- ⁹ *Koza v. Mut. Fund Series Tr.*, No. 655297-2020, 2023 N.Y. Misc. LEXIS 672 (N.Y. Sup. Ct. Feb. 16, 2023) (order granting in part and denying in part motion to dismiss).
- ¹⁰ *Koza v. Mut. Fund Series Tr.*, No. 655297-2020 (N.Y. Sup. Ct. Jan. 21, 2026) (filing of stipulation of settlement); *Koza v. Mut. Fund Series Tr.*, No. 655297-2020 (N.Y. Sup. Ct. Feb. 11, 2026) (order granting preliminary approval of settlement of \$20 million).
- ¹¹ Under section 10(b) of the '34 Act and rule 10b-5 thereunder, one such requirement is that a plaintiff demonstrate that defendants engaged in intentional or reckless misconduct (i.e., "scienter"). See generally ICI Mutual's 2010 Risk Management Study, MUTUAL FUND PROSPECTUS LIABILITY: UNDERSTANDING AND MANAGING THE RISK, <https://www.icimutual.com> (at pp. 6–7, discussing legal requirements applicable to "securities fraud" class action lawsuits brought under section 10(b) of the '34 Act and rule 10b-5 thereunder).

As reported in prior *Claims Trends*, a noteworthy development in the rule 10b-5 area came in 2011 with the U.S. Supreme Court's decision in *Janus Cap. Grp. v. First Derivative Traders*, 131 S. Ct. 2296 (2011). In considering whether an investment adviser to mutual funds (and the adviser's parent company) could be held liable for allegedly deceptive statements included in mutual fund prospectuses, the Court held that the adviser did not itself "make" any of the alleged prospectus misstatements at issue and therefore could not be liable as a "primary" violator in shareholder litigation brought under rule 10b-5.
- ¹² *Cramer v. WithumSmith+Brown*, No. 25-cv-17032 (D.N.J. filed Oct. 29, 2025) (filing of complaint).
- ¹³ *Abilene Firemen's Relief and Ret. Fund v. WAMCO*, No. 26-cv-246 (C.D. Cal. filed July 3, 2025) (filing of complaint).
- ¹⁴ *Abilene Firemen's Relief and Ret. Fund v. WAMCO*, No. 26-cv-246 (C.D. Cal. Mar. 16, 2026) (filing of amended complaint).
- ¹⁵ Such matters often involve a so-called "demand" made on a fund's board of directors. In the demand, the shareholder typically requests that the fund board itself authorize and pursue litigation on behalf of the fund. The fund board, in order to make an informed decision as to how to respond to the demand—i.e., whether (1) to take over and assert the claims at issue (thereby displacing the shareholder), (2) to pursue an alternative remedy, or (3) to reject the shareholder's demand—will often

appoint a special committee to conduct a shareholder derivative demand investigation (which is often conducted by an outside law firm retained by the special committee).

- ¹⁶ In re Vanguard Chester Funds Litig., No. 22-cv-955 (E.D. Pa. filed Mar. 14, 2022) (filing of complaint).
- ¹⁷ In re Vanguard Chester Funds Litig., 783 F. Supp. 3d 815 (E.D. Pa. May 19, 2025) (order denying motion for final approval of proposed class settlement); *see also* Ropes & Gray, *District Court Strikes Down \$40 Million Settlement Agreement in Target Date Funds Case Based on Parallel SEC Settlement*, INSIGHTS (July 14, 2025), <https://www.ropesgray.com/en/insights/alerts/2025/07/district-court-strikes-down-40-million-settlement-agreement-in-target-date-funds-case-based>.
- ¹⁸ In re Vanguard Chester Funds Litig., No. 22-cv-955 (E.D. Pa. Jan. 8, 2026) (filing of order and final judgment). As discussed in Regulatory Developments below, the adviser also entered into settlement agreements with the SEC, the New York State Attorney General, and the NASAA, and, as noted in the SEC settlement release, settled FINRA arbitration proceedings with certain affected individual investors. *See* In re Vanguard Gr. Inc., No. 3-22435 (SEC Jan. 17, 2025), <https://www.sec.gov/files/litigation/admin/2025/33-11359.pdf> (noting that the settlement amount was offset by, among other things, settlements of FINRA arbitration proceedings); Office of the New York State Attorney General, Press Rel., Attorney General James Secures \$106 Million from Vanguard for Failing to Notify Investors of Changes to Retirement Funds (Jan. 17, 2025), <https://ag.ny.gov/press-release/2025/attorney-general-james-secures-106-million-vanguard-failing-notify-investors>; Press Rel., NASAA, NASAA Announces \$106 Million Multi-State Settlement with Vanguard (Jan. 17, 2025), <https://www.nasaa.org/74734/nasaa-announces-106-million-multi-state-settlement-with-vanguard>.
- ¹⁹ Davis v. Fidelity Mgmt. & Research Co., LLC, No. 24-cv-8142 (S.D.N.Y. filed Oct. 25, 2024) (filing of complaint).
- ²⁰ Davis v. Fidelity Mgmt. & Research Co., LLC, 2026 U.S. Dist. LEXIS 63085 (S.D.N.Y. Mar. 25, 2026) (order granting motion to dismiss).
- ²¹ Quinn v. The Vanguard Group Inc., No. 25-cv-1153 (E.D. Pa. filed Mar. 4, 2025) (filing of complaint); Quinn v. Vanguard Marketing Corp., No. 25-cv-1153 (E.D. Pa. filed May 27, 2025) (filing of amended complaint removing the adviser).
- ²² Quinn v. Vanguard Marketing Corp., 2026 U.S. Dist. LEXIS 22754 (E.D. Pa. Feb. 4, 2026) (order granting motion to dismiss).
- ²³ Quinn v. Vanguard Marketing Corp., No. 26-1485 (3d Cir. Mar. 5, 2026) (filing of appeal).
- ²⁴ Under laws of certain states, a company may be permitted to prevent or restrict changes in control of the company by restricting the voting power of certain voting shares, unless a majority of the company's disinterested shareholders vote to permit the person to vote the shares. An SEC staff statement indicated that the staff would not recommend enforcement action against a closed-end fund that availed itself of an applicable control share statute, subject to certain conditions. *See* SEC Staff Statement, Div. of Inv. Mgmt., *Control Share Acquisition Statutes* (May 27, 2020), <https://www.sec.gov/investment/control-share-acquisition-statutes> (withdrawing Boulder Total Return Fund, SEC No-Act. Ltr. (Nov. 15, 2010), <https://www.sec.gov/divisions/investment/noaction/2010/bouldertotalreturn111510.htm>, in which the staff articulated its view that it would be inconsistent with section 18(i) of the ICA if a closed-end fund availed itself of Maryland's control share statute).
In litigation involving that activist shareholder, the Second Circuit, in November 2023, affirmed a lower court's ruling that the "control share acquisition" bylaw amendments of several closed-end funds violated the ICA. *Saba Cap. CEF Opportunities 1, Ltd. v. Nuveen Floating Rate Income Fund*, 88 F.4th 103 (2d Cir. Nov. 20, 2023), *aff'g*, No. 21-cv-327, 2022 U.S. Dist. LEXIS 29252 (S.D.N.Y. Feb. 17, 2022) (order granting summary judgment). This lawsuit was brought by an activist shareholder in New York federal court against several closed-end funds and their trustees (including independent trustees), seeking rescission of the "control share acquisition" bylaw amendments adopted by the funds.
- ²⁵ *Saba Cap. Master Fund, Ltd. v. ClearBridge Energy Midstream Opportunity Fund Inc.*, No. 23-cv-5568 (S.D.N.Y. filed June 29, 2023).
- ²⁶ *Saba Cap. Master Fund, Ltd. v. ClearBridge Energy Midstream Opportunity Fund Inc.*, No. 23-cv-5568 (S.D.N.Y. Aug. 15, 2023) (filing of motion to dismiss) & *Saba Cap. Master Fund, Ltd. v. ClearBridge Energy Midstream Opportunity Fund Inc.*, 694 F. Supp. 3d 394 (S.D.N.Y. Sept. 26, 2023) (order granting in part and denying in part fund defendants' motion to dismiss) (the defendants that were released from the lawsuit each had forum selection clauses that applied to the plaintiffs' claim, meaning the action had to be brought in state or federal court in the state of Maryland).
- ²⁷ *Saba Cap. Master Fund, Ltd. v. ClearBridge Energy Midstream Opportunity Fund Inc.*, No. 23-cv-5568 (S.D.N.Y. Oct. 30, 2023) (filings of various defendants' motions to dismiss) & (S.D.N.Y. Dec. 5, 2023) (order denying motions to dismiss and granting summary judgment to Saba) & (S.D.N.Y. Jan. 4, 2024) (opinion).
- ²⁸ *Saba Cap. Master Fund, Ltd. v. ClearBridge Energy Midstream Opportunity Fund Inc.*, No. 23-8104 (2d Cir. filed Dec. 28, 2023) (filing of lead appeal).

- ²⁹ Saba Cap. Master Fund, Ltd. v. ClearBridge Energy Midstream Opportunity Fund Inc., No. 23-8104 (2d Cir. June 25, 2024) (opinion affirming district court’s ruling that granted summary judgment to plaintiffs, citing *Oxford Univ. Bk. v. Lansuppe Feeder, Inc.*, 933 F.3d 99 (2d Cir. Aug. 5, 2019)).
- ³⁰ FS Credit Opportunities Corp. v. Saba Cap. Master Fund, Ltd., No. 24-345 (S. Ct. June 30, 2025) (grant of petition for writ of certiorari).
- ³¹ Saba Cap. Master Fund, Ltd. v. ClearBridge Energy Midstream Opportunity Fund Inc., No. 23-8104 (2d Cir. June 25, 2024) (opinion affirming district court’s ruling that granted summary judgment to plaintiffs). In upholding the lower court’s ruling, the Second Circuit cited an earlier decision holding that section 47(b) of the ICA permits private lawsuits seeking rescission of contracts that allegedly violate the ICA. *See Oxford Univ. Bk. v. Lansuppe Feeder, Inc.*, 933 F.3d 99 (2d Cir. Aug. 5, 2019).
- ³² *See, e.g.*, Skadden, *Skadden Argues Before Supreme Court Against Private Right of Action in ICA Disputes*, SKADDEN PUBLICATION (Dec. 16, 2025), <https://www.skadden.com/insights/publications/2025/12/skadden-argues-before-supreme-court-against-private-right-of-action-in-ica-disputes#page=1>.
- ³³ *See, e.g.*, Freshfields, *Supreme Court to Decide Key Case on Private Shareholder Lawsuits Against Registered Investment Funds*, CLIENT ALERT (Jul. 2, 2025), <https://blog.freshfields.us/post/102kqw6/supreme-court-to-decide-key-case-on-private-shareholder-lawsuits-against-register>. While such a ruling might close off certain CEF litigation avenues, activist CEF shareholders would likely continue to contest anti-takeover measures and other governance provisions.
- ³⁴ *See, e.g.*, Ropes & Gray, *Supreme Court to Consider Closing a Back Door to Fund Litigation Claims Under the Investment Company Act*, ALERT (July 2, 2025), <https://www.ropesgray.com/en/insights/alerts/2025/07/supreme-court-to-consider-closing-a-back-door-to-fund-litigation-claims>.
- ³⁵ *Id.*
- ³⁶ *Id.*
- ³⁷ Douglas Hallward-Driemeier, Robert Skinner, and Amy Roy, *Supreme Court to Weigh Limits on Fund Litigation Under ICA*, HARVARD L. SCH. FORUM ON CORP. GOVERNANCE (Jul. 21, 2025), <https://corpgov.law.harvard.edu/2025/07/21/supreme-court-to-weigh-limits-on-fund-litigation-under-ica/>.
- ³⁸ Saba Cap. Master Fund, Ltd. v. ASA Gold & Precious Metals, No. 24-cv-690 (S.D.N.Y. filed Jan. 31, 2024) (filing of complaint).
- ³⁹ Saba Cap. Master Fund, Ltd. v. ASA Gold & Precious Metals, No. 24-cv-690 (S.D.N.Y. Mar. 28, 2025) (granting of plaintiff’s motion for summary judgment).
- ⁴⁰ Saba Cap. Master Fund, Ltd. v. ASA Gold and Precious Metals, No. 25-754 (2d Cir. filed Apr. 1, 2025) (filing of appeal).
- ⁴¹ Saba Cap. Master Fund, Ltd. v. ASA Gold and Precious Metals, No. 25-754 (2d Cir. Aug. 8, 2025) (mandate). Following the district court’s decision in this lawsuit, the fund re-adopted the poison pill plan. The same plaintiffs then filed a second lawsuit against the fund and two of the fund’s directors in S.D.N.Y. in April 2025. Shortly before the Second Circuit issued its mandate in the appeal of the first lawsuit, the plaintiffs in this lawsuit filed a motion for voluntary dismissal in August 2025. Saba Capital Master Fund, Ltd. v. ASA Gold and Precious Metals, Ltd., No. 25-cv-3265 (S.D.N.Y. filed Apr. 18, 2025) (filing of complaint); Saba Capital Master Fund, Ltd. v. ASA Gold and Precious Metals, Ltd., No. 25-cv-3265 (S.D.N.Y. Aug. 6, 2025) (filing of voluntary dismissal).
- ⁴² Saba Cap. Master Fund, Ltd. v. BlackRock ESG Cap. Allocation Tr., No. 24-cv-1701 (S.D.N.Y. filed Mar. 6, 2024). *See also* Joe Morris, *Saba Bombards BlackRock in New Closed-End Campaign*, IGNITES (Mar. 7, 2024), <https://www.ignites.com/c/4445454/578014>.
- ⁴³ Saba Cap. Master Fund, Ltd. v. BlackRock ESG Cap. Allocation Tr., No. 24-cv-1701 (S.D.N.Y. Aug. 30, 2024) (filing of motion for summary judgment); Saba Cap. Master Fund, Ltd. v. BlackRock ESG Cap. Allocation Tr., No. 24-cv-1701 (S.D.N.Y. Nov. 27, 2024) (filing of a motion for judgment on the pleadings).
- ⁴⁴ Saba Cap. Master Fund, Ltd. v. BlackRock ESG Cap. Allocation Tr., No. 24-cv-1701 (S.D.N.Y. Jul. 28, 2025) (order staying the proceedings pending the Supreme Court’s decision in *FS Credit Opportunities Corp. v. Saba Capital Master Fund Ltd.*, No. 24-345 (S. Ct. June 30, 2025)).
- ⁴⁵ These lawsuits were brought in the wake of a U.S. Supreme Court decision that affirmed the use of the so-called “*Gartenberg* standard” (as articulated in *Gartenberg v. Merrill Lynch Asset Mgmt., Inc.*, 694 F.2d 923 (2d Cir. 1982)) for assessing the liability of fund advisers in excessive fee cases brought under section 36(b). *Jones v. Harris Assocs. L.P.*, 559 U.S. 335 (2010). The count of post-*Jones* lawsuits does not include cases that were consolidated into other cases.
- ⁴⁶ Statement, Commissioners Mark T. Uyeda, Hester M. Peirce, and Caroline A. Crenshaw, Statement on Senate Confirmation of Paul Atkins (Apr. 9, 2025), <https://www.sec.gov/newsroom/speeches-statements/commissioners-welcome-atkins-040925>.

- See also Leo Almazora, *Trump SEC pick Atkins gets senate confirmation*, INVESTMENT NEWS (Apr. 10, 2025), <https://www.investmentnews.com/regulation-legal-compliance/trump-sec-pick-atkins-gets-senate-confirmation/260072>.
- 47 The three Republican commissioners are Chair Atkins, Hester M. Peirce (whose term ended in June 2025, but who is continuing under a holdover provision that permits her to serve up to 18 months beyond the expiration of her term), and Mark T. Uyeda (whose term ends in June 2028). Two seats remain vacant pending nominations, following the departure of Caroline A. Crenshaw in early January 2026. See SEC Commissioners, <https://www.sec.gov/about/sec-commissioners> (last visited Mar. 26, 2026).
- 48 Gibson Dunn, *SEC Announces New Leadership Changes*, SECS. REG. AND CORP. GOVERNANCE MONITOR (June 13, 2025), <https://themonitor.gibsondunn.com/sec-announces-new-leadership-changes/>; Press Rel., Keith E. Cassidy Named Director of the Division of Examinations (Jan. 20, 2026), <https://www.sec.gov/newsroom/press-releases/2026-6-keith-e-cassidy-named-director-division-examinations>. Although Margaret Ryan was named as the Director of Enforcement, she was at that post for only six months before leaving. See Dawn Kopecki and Chris Prentice, *Exclusive: US SEC's top cop resigns after just six months on the job*, REUTERS (Mar. 16, 2026), <https://www.reuters.com/business/finance/us-sec-enforcement-director-leave-agency-after-months-job-sources-say-2026-03-16/>.
- 49 Chris Prentice, *Exclusive-US Securities and Exchange Commission shakes up enforcement, exams units*, REUTERS (Apr. 2, 2025), <https://www.reuters.com/world/us/us-securities-exchange-commission-restructures-enforcement-division-memo-says-2025-04-02/>.
- 50 U.S. Gov't Accountability Off., Securities and Exchange Commission: Recent Workforce Reductions and Other Personnel Management Changes, Reports and Testimonies (Mar. 27, 2026), <https://www.gao.gov/products/gao-26-107813> (indicating that, agency-wide, 18% of the total SEC workforce departed, with the highest percentage of reductions in Investment Management at 24%); Joe Morris, *DOGE Finally Done at SEC: Report*, IGNITES (Oct. 31, 2025), <https://www.ignites.com/c/5015444/698314>.
- 51 See, e.g., Paul S. Atkins, Chairman, SEC, Statement on the Spring 2025 Regulatory Agenda (Sept. 4, 2025), <https://www.sec.gov/newsroom/speeches-statements/atkins-2025-regulatory-agenda-090425>; Speech, Chair Paul S. Atkins, Keynote Address at the 25th Annual A.A. Sommer, Jr. Lecture on Corporate, Securities, and Financial Law (Oct. 7, 2025), <https://www.sec.gov/newsroom/speeches-statements/atkins-100925-keynote-address-25th-annual-aa-sommer-jr-lecture-corporate-securities-financial-law>; Speech, Chair Paul S. Atkins, Opening Remarks at the SEC Town Hall (May 6, 2025), <https://www.sec.gov/newsroom/speeches-statements/atkins-townhall-05062025>.
- 52 Speech, Chair Paul S. Atkins, Prepared Remarks Before SEC Speaks (Mar. 19, 2026), <https://www.sec.gov/newsroom/speeches-statements/atkins-remarks-sec-speaks-031926-prepared-remarks-sec-speaks> (Chairman Atkins described the so-called ACT strategy as having three pillars—Advance, Clarify and Transform—that the SEC would use to guide its integrated policy agenda); Vedder, *SEC Speaks 2026: Key Takeaways on Developments in the Commission's Approach to Examinations, Regulation, Enforcement and Litigation*, INSIGHTS AND EVENTS (Mar. 24, 2026), <https://www.vedder.com/insights-events/sec-speaks-2026-key-takeaways-on-developments-in-the-commissions-approach-to-examinations-regulation-enforcement-and-litigation/>.
- 53 Speech, Brian Daly, Director of the Division of Investment Management, Remarks to the American Bar Association's Federal Regulation of Securities Committee's Private Funds Subcommittee and Investment Advisers and Investment Companies Subcommittee (Dec. 2, 2025), <https://www.sec.gov/newsroom/speeches-statements/daly-remarks-aba-fed-reg-ia-ic-subcommittees-120225>.
- 54 The White House, Regulatory Freeze Pending Review (Jan. 20, 2025), <https://www.whitehouse.gov/presidential-actions/2025/01/regulatory-freeze-pending-review/>. See, e.g., Beth Sasfai, *The Changing Tides of the SEC Under the Second Trump Administration*, HARVARD L. SCH. FORUM ON CORP. GOVERNANCE (Mar. 3, 2025), <https://corpgov.law.harvard.edu/2025/03/03/the-changing-tides-of-the-sec-under-the-second-trump-administration/>.
- 55 Withdrawal of Proposed Regulatory Actions, 90 Fed. Reg. 25,531 (June 17, 2025). See also Dechert, SEC Withdraws Significant Number of Rule Proposals, News & Insights (June 16, 2025), <https://www.dechert.com/knowledge/onpoint/2025/6/sec-withdraws-significant-number-of-rule-proposals.html>; Ropes & Gray, SEC Clears Unfinished Rulemakings from Regulatory Agenda (June 18, 2025), <https://www.ropesgray.com/en/insights/alerts/2025/06/sec-clears-unfinished-rulemakings-from-regulatory-agenda>.
- 56 See, e.g., SEC Press Rel., SEC Extends Compliance Dates for Amendments to Investment Company Names Rule (Mar. 14, 2025), <https://www.sec.gov/newsroom/press-releases/2025-54>.
- 57 See Madison Hall, *Scorecard: Gensler Reforms Undone by Atkins, Courts*, IGNITES (Jan. 9, 2026), <https://www.ignites.com/c/5061234/711264> (noting that, of the 59 rules finalized under the Gensler administration, courts have delayed, vacated, returned to lower courts for revision, and/or and paused nearly a dozen of them).

- ⁵⁸ To that end, Mr. Atkins expressed his view that the SEC must “...root its disclosure requirements in the concept of financial materiality. Second, these requirements must scale with a company’s size and maturity.” Speech, Chair Paul S. Atkins, Revitalizing America’s Markets at 250 (Dec. 2, 2025), <https://www.sec.gov/newsroom/speeches-statements/atkins-120225-revitalizing-americas-markets-250>. SEC Commissioner Hester Peirce devoted her opening remarks at the 2026 SEC Speaks discussion to the SEC’s disclosure regime. *See* Speech, Commissioner Hester M. Peirce, The Art and Science of Materiality (Mar. 19, 2026), <https://www.sec.gov/newsroom/speeches-statements/peirce-remarks-sec-speaks-031926>.
- ⁵⁹ *See* Crypto Task Force, <https://www.sec.gov/featured-topics/crypto-task-force> (last visited Mar. 26, 2026). *See also* Press Rel., SEC Clarifies the Application of Federal Securities Laws to Crypto Assets (Mar. 17, 2026) <https://www.sec.gov/newsroom/press-releases/2026-30-sec-clarifies-application-federal-securities-laws-crypto-assets>; Harris Fischman, Lorin Reisner, and Jessica Carey, *SEC Enforcement: 2025 Year in Review*, HARVARD L. SCH. FORUM ON CORP. GOVERNANCE (Jan. 21, 2026), <https://corpgov.law.harvard.edu/2026/01/21/sec-enforcement-2025-year-in-review/>.
- ⁶⁰ Statement, Chair Paul Atkins, Statement on the Spring 2025 Regulatory Agenda (Sept. 4, 2025), <https://www.sec.gov/newsroom/speeches-statements/atkins-2025-regulatory-agenda-090425>. The regulatory agenda included proposed amendments to form N-PORT, rule 17a-7 under the 1940 Act, and custody rules and finalizing a rule for customer identification programs for registered investment advisers. *See also* Ropes & Gray, SEC Announces Spring 2025 Regulatory Agenda (Sept. 8, 2025), <https://www.ropesgray.com/en/insights/alerts/2025/09/sec-announces-spring-2025-regulatory-agenda>.
- ⁶¹ Speech, Paul S. Atkins, Chairman, Prepared Remarks Before SEC Speaks (May 19, 2025), <https://www.sec.gov/newsroom/speeches-statements/atkins-prepared-remarks-sec-speaks-051925>.
- ⁶² *See, e.g.*, SEC Press Rel., SEC Announces Dismissal of Civil Enforcement Action Against Coinbase (Feb. 27, 2025), <https://www.sec.gov/newsroom/press-releases/2025-47>; SEC Litig. Rel., SEC Announces Dismissal of Civil Enforcement Action Against Binance Entities and Founder Changpeng Zhao (May 29, 2025), <https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26316>; Robinhood, SEC Closes Investigation Into Robinhood Crypto with No Action (Feb. 24, 2025), <https://newsroom.aboutrobinhood.com/sec-closes-investigation-into-robinhood-crypto-with-no-action/>.
- ⁶³ *See, e.g.*, Speech, Chair Paul S. Atkins, Keynote Address at the 25th Annual A.A. Sommer, Jr. Lecture on Corporate, Securities, and Financial Law (Oct. 7, 2025), <https://www.sec.gov/newsroom/speeches-statements/atkins-100925-keynote-address-25th-annual-aa-sommer-jr-lecture-corporate-securities-financial-law> (the Wells process, through which SEC staff notifies potential respondents of the SEC’s intent to bring charges against them, provides prospective respondents an opportunity to respond to the potential claims before they are formally charged); Press Release, SEC’s Division of Enforcement Announces Updates to Enforcement Manual (Feb. 24, 2026), <https://www.sec.gov/newsroom/press-releases/2026-20-secs-division-enforcement-announces-updates-enforcement-manual>; Sullivan & Cromwell, *SEC Division of Enforcement Issues Comprehensive Update to Its Enforcement Manual*, S&C MEMOS (Mar. 2, 2026), <https://www.sullcrom.com/insights/memo/2026/March/SEC-Revises-Enforcement-Manual-Strengthen-Controls>.
- ⁶⁴ Speech, Margaret Ryan, Director, Division of Enforcement, Remarks to the Los Angeles County Bar Association (Feb. 11, 2026), <https://www.sec.gov/newsroom/speeches-statements/margaret-ryan-02-11-26-remarks-los-angeles-county-bar-association> (Director Ryan emphasized that the Division of Enforcement was “...far more concerned with the quality and impact of [its] enforcement actions ... than with chasing numbers.”).
- ⁶⁵ *See, e.g., id.*; Kevin Lacroix, *SEC Enforcement Division Director Assures of Continued Vigilance*, D&O DIARY (Feb. 12, 2026), <https://www.dandodiary.com/2026/02/articles/securities-enforcement/sec-enforcement-division-director-assures-of-continued-vigilance/>; Alyson Velati, *Rumors of SEC Enforcement’s Death are ‘Greatly Exaggerated’*, IGNITES (Feb. 13, 2026), <https://www.ignites.com/c/5092934/717754>; Sidley, *2025 Fiscal Year in Review: SEC Enforcement Against Investment Advisers to Private Funds, Registered Funds, and Retail Clients*, INSIGHTS (Oct. 16, 2025), <https://www.sidley.com/en/insights/newsupdates/2025/10/2025-fiscal-year-in-review-sec-enforcement-against-investment-advisers> (noting that approximately 90 actions were brought against investment advisers in fiscal year 2025).
- ⁶⁶ Press Rel., SEC’s Division of Enforcement Announces Updates to Enforcement Manual (Feb. 24, 2026), <https://www.sec.gov/newsroom/press-releases/2026-20-secs-division-enforcement-announces-updates-enforcement-manual>.
- ⁶⁷ *See* Mayer Brown, *SEC’s Division of Enforcement Announces Key Updates to Its Enforcement Manual*, INSIGHTS (Mar. 5, 2026), <https://www.mayerbrown.com/en/insights/publications/2026/03/secs-division-of-enforcement-announces-key-updates-to-its-enforcement-manual>.
- ⁶⁸ *See* Sidley, *SEC Updates Enforcement Manual: Process, Fairness and Efficiency in Focus*, INSIGHTS (Feb. 27, 2026), <https://www.sidley.com/en/insights/newsupdates/2026/02/sec-updates-enforcement-manual-process-fairness-and-efficiency-in-focus>.
- ⁶⁹ *See id.*
- ⁷⁰ *See id.*

- ⁷¹ See, e.g., U.S. Gov't Accountability Off., Securities and Exchange Commission: Recent Workforce Reductions and Other Personnel Management Changes, GAO-26-107813 (Mar. 27, 2026), <https://www.gao.gov/products/gao-26-107813>; Joe Morris, *SEC's Investment Management Staff Down 24%*, IGNITES (Mar. 30, 2026), <https://www.ignites.com/c/5126194/724974>; Paul, Weiss, *SEC Enforcement: 2025 Year in Review*, CLIENT MEMO (Jan. 5, 2026), <https://www.paulweiss.com/insights/client-memos/sec-enforcement-2025-year-in-review> (over 90% of these actions were under way before the departure of Gary Gensler, the previous SEC chair).
- ⁷² In re Advance Cap. Mgmt., File No. 3-22470 (SEC Apr. 7, 2025), <https://www.sec.gov/files/litigation/admin/2025/ic-35522.pdf> (finding that a registered investment adviser filed with the SEC materially false and misleading information on a form to deregister a registered investment company).
- ⁷³ In re MH Inv. Mgmt., Inc., File No. 3-22559 (SEC Nov. 21, 2025), <https://www.sec.gov/files/litigation/admin/2025/ic-35810.pdf> (finding that a registered investment company failed to have its financial statements contained in annual reports certified by an independent public accountant).
- ⁷⁴ In re The Vanguard Gr. Inc., File No. 3-22435 (SEC Jan. 17, 2025), <https://www.sec.gov/files/litigation/admin/2025/33-11359.pdf> (finding that a registered investment adviser misrepresented tax implications to shareholders for lowering initial minimum investments on certain target date funds). The adviser also entered into settlement agreements with the New York State Attorney General, and the NASAA, and, as noted in the SEC settlement release, settled FINRA arbitration proceedings with certain affected individual investors. See Office of the New York State Attorney General, Press Rel., Attorney General James Secures \$106 Million from Vanguard for Failing to Notify Investors of Changes to Retirement Funds (Jan. 17, 2025), <https://ag.ny.gov/press-release/2025/attorney-general-james-secures-106-million-vanguard-failing-notify-investors>; Press Rel., NASAA, NASAA Announces \$106 Million Multi-State Settlement with Vanguard (Jan. 17, 2025), <https://www.nasaa.org/74734/nasaa-announces-106-million-multi-state-settlement-with-vanguard>.
- ⁷⁵ In re Vanguard Advisers, Inc., File No. 3-22518 (SEC Aug. 29, 2025), <https://www.sec.gov/files/litigation/admin/2025/ia-6912.pdf> (finding that an investment adviser failed to disclose conflicts of interest in connection with its recommendation to clients to enroll in the adviser's managed account program).
- ⁷⁶ In re Transam. Ret. Adv. LLC, File No. 3-22426 (SEC Jan. 17, 2025), <https://www.sec.gov/files/litigation/admin/2025/ia-6826.pdf> (finding that an investment adviser failed to fully disclose conflicts of interests with respect to paying incentive compensation to its investment adviser representatives in connection with the rollover of retirement assets).
- ⁷⁷ SEC v. LJM Funds Mgmt., Ltd., No. 21-cv-2859 (N.D. Ill. filed May 27, 2021) (filing of complaint).
- ⁷⁸ SEC v. LJM Funds Mgmt., Ltd., No. 21-cv-2859 (N.D. Ill. Jan. 31, 2024) (filing of plaintiff's and defendants' motions for summary judgment).
- ⁷⁹ SEC v. LJM Funds Mgmt., Ltd., No. 21-cv-2859 (N.D. Ill. Oct. 3, 2024) (ruling on parties' motions for summary judgment).
- ⁸⁰ SEC v. LJM Funds Mgmt., Ltd., No. 21-cv-2859 (N.D. Ill. June 30, 2025) (final judgment).
- ⁸¹ CFTC v. LJM Funds Mgmt., Ltd., No. 21-cv-2863 (N.D. Ill. filed May 27, 2021) (filing of complaint).
- ⁸² CFTC v. LJM Funds Mgmt., Ltd., No. 21-cv-2863 (N.D. Ill. June 30, 2025) (final judgment).
- ⁸³ CFTC v. Velissaris, No. 22-cv-1347 (S.D.N.Y. filed Feb. 17, 2022) (filing of complaint).
- ⁸⁴ CFTC v. Velissaris, No. 22-cv-1347 (S.D.N.Y. Mar. 27, 2022) (filing of motion for summary judgment).
- ⁸⁵ SEC v. Velissaris, No. 22-cv-1346 (S.D.N.Y. June 20, 2025) (filing of motion for summary judgment).
- ⁸⁶ USA v. Velissaris, No. 22-cr-105 (S.D.N.Y. filed Feb. 16, 2022) (filing of indictment); No. 22-cr-105 (S.D.N.Y. Nov. 21, 2022) (filing of guilty plea).
- ⁸⁷ USA v. Velissaris, No. 22-cr-105 (S.D.N.Y. Apr. 10, 2023) (order denying motion for withdrawal of guilty plea); No. 23-cr-6379 (2d Cir. Oct. 16, 2024) (summary order and judgment dismissing the case).
- ⁸⁸ SEC v. Velissaris, No. 22-cv-1346 (S.D.N.Y. Mar. 18, 2026) (order granting in part and denying in part motion for summary judgment).
- ⁸⁹ SEC v. Billimek, No. 22-cv-10542 (S.D.N.Y. filed Dec. 14, 2022) (filing of complaint).
- ⁹⁰ SEC v. Billimek, No. 22-cv-10542 (S.D.N.Y. Apr. 24, 2023) (order staying the lawsuit).
- ⁹¹ SEC v. Billimek, No. 22-cv-10542 (S.D.N.Y. May 30, 2025) (order lifting the stay on the lawsuit).
- ⁹² SEC v. Pinnacle Advisors, LLC, No. 23-cv-547 (N.D.N.Y. filed May 5, 2023) (filing of complaint).
- ⁹³ SEC v. Pinnacle Advisors, LLC, No. 23-cv-547 (N.D.N.Y. Mar. 27, 2025) (order denying, without prejudice, motions to dismiss filed on July 11, 2023 and permitting the defendants to re-file their motions with additional briefing on the assertion that the SEC lacked authority to promulgate the liquidity rule in question based on the U.S. Supreme Court's decision in *Loper*

- Bright Enters. v. Raimondo*, 603 U.S. 369 (2024)). In April 2025, the defendants refiled their motions to dismiss in accordance with the court’s March 2025 order. SEC v. Pinnacle Advisors, LLC, No. 23-cv-547 (N.D.N.Y. Apr. 28, 2025) (refiling of motions to dismiss in accordance with the court’s March 27, 2025 orders, in which the defendants argued that *Loper Bright* supported their arguments that the SEC lacked congressional authority to issue the liquidity rule).
- ⁹⁴ SEC v. Pinnacle Advisors, LLC, No. 23-cv-547 (N.D.N.Y. July 14, 2025) (joint stipulation to dismiss with prejudice) (The court granted the dismissal, with the SEC noting that its decision to seek dismissal “does not necessarily reflect the Commission’s position on any other case”). See also Simpson Thacher, *SEC Drops First Ever Liquidity Rule Suit Against Mutual Fund Adviser and Officers and Trustees*, MEMOS (July 15, 2025), <https://www.stblaw.com/about-us/publications/view/2025/07/15/sec-drops-first-ever-liquidity-rule-suit-against-mutual-fund-adviser-and-officers-and-trustees>.
- ⁹⁵ SEC v. Leech, No. 24-cv-9017 (S.D.N.Y. filed Nov. 25, 2024) (filing of complaint).
- ⁹⁶ SEC v. Leech, No. 24-cv-9017 (S.D.N.Y. Jan. 21, 2025) (order staying the lawsuit pending the resolution of *U.S. v. Leech*, No. 24-cr-658 (S.D.N.Y. filed Nov. 25, 2024)).
- ⁹⁷ United States v. Leech, No. 24-cr-658 (S.D.N.Y. filed Nov. 25, 2024) (filing of indictment).
- ⁹⁸ SEC v. Chiueh, No. 25-cv-1920 (D.N.J. filed Mar. 17, 2025) (filing of complaint).
- ⁹⁹ SEC v. Chiueh, No. 25-cv-1920 (D.N.J. Jan. 21, 2026) (order denying defendants’ motion to dismiss).
- ¹⁰⁰ SEC, EXAMS, 2026 Nat’l Exam Program Examination Priorities, 4-6 (Nov. 17, 2025), <https://www.sec.gov/files/2026-exam-priorities.pdf>.
- ¹⁰¹ *Id.*
- ¹⁰² SEC, EXAMS, Risk Alert: Additional Observations Regarding Advisers’ Compliance with the Advisers Act Marketing Rule (Dec. 16, 2025), <https://www.sec.gov/newsroom/whats-new/additional-observations-regarding-advisers-compliance-advisers-act-marketing-rule>.
- ¹⁰³ FINRA, 2026 Annual Regulatory Oversight Report (Dec. 9, 2025), <https://www.finra.org/rules-guidance/guidance/reports/2026-finra-annual-regulatory-oversight-report>. See also Sean Teehan, *Regulator Fires Warning Shot on Cybersecurity, Third-Party Vendor Risks*, IGNITES (Jan. 29, 2025), <https://www.ignites.com/c/4750784/635994>.
- ¹⁰⁴ Bill St. Louis, Executive Vice President, FINRA Enforcement, Enhancing Our Enforcement Program (Mar. 2, 2026), <https://www.finra.org/media-center/blog/enhancing-our-enforcement-program>.
- ¹⁰⁵ See, e.g., Janaka Perera, Chief AI Officer, CFTC, Commodity Futures Trading Commission Compliance Plan for OMB Memorandum M-25-21 (Sept. 2025), <https://www.whitehouse.gov/wp-content/uploads/2025/02/M-25-21-Accelerating-Federal-Use-of-AI-through-Innovation-Governance-and-Public-Trust.pdf>.
- ¹⁰⁶ See CFTC, Public Statements and Remarks, Chairman Selig: America’s Financial Markets are ready for a Golden Age (Jan. 20, 2026), <https://www.cftc.gov/PressRoom/SpeechesTestimony/seligstatement012026>.
- ¹⁰⁷ See, e.g., Public Statements & Remarks, CFTC Chairman Michael S. Selig, The Next Phase of Project Crypto: Unleashing Innovation for the New Frontier of Finance (Jan. 29, 2026), <https://www.cftc.gov/PressRoom/SpeechesTestimony/opaselig1>.
- ¹⁰⁸ Speech, Chairman Paul S. Atkins, The SEC’s Approach to Digital Assets: Inside “Project Crypto” (Nov. 12, 2025), <https://www.sec.gov/newsroom/speeches-statements/atkins-111225-secs-approach-digital-assets-inside-project-crypto>; Public Statements & Remarks, CFTC Chairman Michael S. Selig, The Next Phase of Project Crypto: Unleashing Innovation for the New Frontier of Finance (Jan. 29, 2026), <https://www.cftc.gov/PressRoom/SpeechesTestimony/opaselig1>.
- ¹⁰⁹ See Public Statements & Remarks, CFTC Chairman Michael S. Selig, The Next Phase of Project Crypto: Unleashing Innovation for the New Frontier of Finance (Jan. 29, 2026), <https://www.cftc.gov/PressRoom/SpeechesTestimony/opaselig1>.
- ¹¹⁰ Press Rel., SEC and CFTC Announce Historic Memorandum of Understanding Between Agencies (Mar. 11, 2026), <https://www.sec.gov/newsroom/press-releases/2026-26-sec-cftc-announce-historic-memorandum-understanding-between-agencies> (announcing a Joint Harmonization Initiative to help the agencies coordinate policy making and resolve jurisdictional disputes).
- ¹¹¹ SEC v. LJM Funds Mgmt., Ltd., No. 21-cv-2859 (N.D. Ill. filed May 27, 2021) (filing of complaint); CFTC v. LJM Funds Mgmt., Ltd., No. 21-cv-2863 (N.D. Ill. filed May 27, 2021) (filing of complaint).
- ¹¹² CFTC v. LJM Funds Mgmt., Ltd., No. 21-cv-2863 (N.D. Ill. July 2, 2025) (final judgment).
- ¹¹³ State of Tenn. ex rel. Skremetti v. BlackRock, Inc., No. 23-cv-618 (Cir. Ct. Tenn. filed Dec. 18, 2023).
- ¹¹⁴ Press Rel., *Attorney General Jonathan Skremetti Announces Landmark Settlement with BlackRock, Inc. Regarding ESG Practices* (Jan. 17, 2025), <https://www.tn.gov/attorneygeneral/news/2025/1/17/pr25-3.html>.

- ¹¹⁵ States v. BlackRock Inc., No. 24-cv-437 (E.D. Tex. filed Nov. 27, 2024) (filing of complaint).
- ¹¹⁶ States v. BlackRock Inc., No. 24-cv-437 (E.D. Tex. Jan. 5, 2026) (filing of second amended complaint). In addition, in February 2026, private plaintiffs filed a derivative lawsuit against the directors and officers of one of the three advisers named in the lawsuit above, alleging that the adviser used its holdings in coal stocks to manipulate the coal industry. The litigation remains in its early stages. Crognale v. Fink, No. 26-cv-85 (E.D. Tx. filed Feb. 9, 2026) (filing of complaint).
- ¹¹⁷ States v. BlackRock Inc., No. 24-cv-437 (E.D. Tex. Feb. 26, 2026) (order dismissing Vanguard as a defendant). *See also Vanguard Will Pay \$29.5 To Settle Red States' ESG Suit*, LAW360 (Feb. 26, 2026), <https://www.law360.com/articles/2446545/vanguard-will-pay-29-5m-to-settle-red-states-esg-suit>; Joe Morris, *Vanguard Settles Coal Collusion Suit*, IGNITES (Feb. 27, 2026), <https://www.ignites.com/c/5103534/719894> (Feb. 26, 2026).
- ¹¹⁸ States v. BlackRock Inc., No. 24-cv-437 (E.D. Tex. Mar. 16, 2026) (filing of defendants' motion for partial judgment on the pleadings).
- ¹¹⁹ *See, e.g.*, Joe Morris, *Republicans Go After DEI at BlackRock, Big Banks*, IGNITES (Jan. 27, 2025), <https://www.ignites.com/c/4747814/635544>; Michael R. Hatcher, *Ten State Attorneys General Launch Inquiry into Major Financial Institutions' DEI & ESG Programs*, THE NAT'L L. REV. (Jan. 29, 2025), <https://natlawreview.com/article/ten-state-attorneys-general-launch-inquiry-major-financial-institutions-dei-esg>.
- ¹²⁰ *See* Press Rel., Attorney General Knudsen leads coalition probing asset managers' activity regarding Chinese investments (Feb. 6, 2025), <https://dojmt.gov/attorney-general-knudsen-leads-coalition-probing-asset-managers-activity-regarding-chinese-investments/>; Letter to Asset Manager from Austin Knudsen, Montana Att'y Gen. (Feb. 6, 2025), https://content.govdelivery.com/attachments/MTAG/2025/02/06/file_attachments/3156320/2025-02-06%20AG%20Ltr%20to%20Asset%20Managers%20re%20China%20-%20FINAL.pdf.
- ¹²¹ The coverage also typically requires the insured to obtain the insurer's advance consent before incurring any costs for which the insured may seek reimbursement. *See generally* ICI Mutual's 2009 Risk Management Study, MUTUAL FUND D&O/E&O INSURANCE: A GUIDE FOR INSURED, at 35–36, <https://www.icimutual.com> (discussing costs of correction coverage).
- ¹²² In light of this claims experience, ICI Mutual published a risk management study in 2021 entitled OPERATIONAL ERRORS AND INSURANCE: A GUIDE FOR INVESTMENT ADVISERS, <https://www.icimutual.com>. The study (1) provides general information on the frequency, severity, and characteristics of larger operational errors in the fund industry, (2) outlines the various considerations that may come into play in assessing and resolving the issue of advisers' legal and financial responsibility for such errors, and (3) describes the role of costs of correction insurance in facilitating timely and efficient remediations by advisers of larger operational errors for which they bear legal responsibility.
- ¹²³ *See, e.g.*, ICI MUTUAL, *D&O/E&O Insurance Coverage For Network Security Events: Frequently Asked Questions*, Question 8 (Jan. 2017), <https://www.icimutual.com>.
- ¹²⁴ *See generally* ICI Mutual's 2010 Risk Management Study, ERISA LIABILITY: A GUIDE FOR INVESTMENT ADVISERS AND THEIR AFFILIATES, <https://www.icimutual.com> & ICI Mutual's 2014 Expert Roundtable Report, TRENDS IN FEE LITIGATION: ACTIONS BROUGHT UNDER SECTION 36(B) AND ERISA, <https://www.icimutual.com>.
- ¹²⁵ There were no final settlements in 2025.

The pre-2025 final settlements were as follows: *Rocke v. Allianz Asset Mgmt. of Am., L.P.*, No. 23-cv-98 (C.D. Cal. Mar. 18, 2024) (\$7.5 million); *In re G.E. ERISA Litig.*, No. 17-cv-12123 (D. Mass. Mar. 8, 2024) (\$61 million); *Pecou v. Bessemer Tr. Co.*, No. 22-cv-377 (D.N.J. Feb. 4, 2024) (\$5 million); *Gomes v. State St. Corp.*, No. 21-cv-10863 (D. Mass. Aug. 12, 2024) (\$4.3 million); *Feinberg v. T. Rowe Price Grp., Inc.*, No. 17-cv-427 (D. Md. Jul. 6, 2022) (\$7 million); *Karg v. Transam. Corp.*, No. 18-cv-134, 2019 U.S. Dist. LEXIS 140567 (N.D. Iowa Nov. 22, 2021) (\$5.4 million); *Baker v. John Hancock Life Ins. Co.*, No. 20-cv-10397 (D. Mass. Sept. 30, 2021) (\$14 million); *Baird v. BlackRock Inst'l Tr. Co., N.A.*, No. 17-cv-1892 (N.D. Cal. Mar. 23, 2021) (\$9.65 million); *Karpik v. Huntington Bancshares Inc.*, No. 17-cv-1153 (S.D. Ohio Feb. 18, 2021) (\$10.5 million); *Moitoso v. Fidelity*, No. 18-cv-12122 (D. Mass. Jan. 21, 2021) (\$28.5 million); *Bekker v. Neuberger Berman Grp., LLC*, No. 16-cv-6123 (S.D.N.Y. Dec. 1, 2020) (\$17 million); *Beach v. JPMorgan Chase Bank, N.A.*, No. 17-cv-563 (S.D.N.Y. Oct. 7, 2020) (\$9 million); *Brotherston v. Putnam Invs., LLC*, No. 15-cv-13825 (D. Mass. Sept. 9, 2020) (\$12.5 million); *In re M&T Bank Corp. ERISA Litig.*, No. 16-cv-375 (W.D.N.Y. Sept. 3, 2020) (\$20.85 million); *Cervantes v. Invesco Holding Co. (U.S.), Inc.*, No. 18-cv-2551 (N.D. Ga. Aug. 13, 2020) (\$3.47 million); *In re SunTrust Banks, Inc. 401(k) Plan Affiliated Funds ERISA Litig.*, No. 11-cv-784 (N.D. Ga. filed Mar. 24, 2020) (\$29 million); *Stevens v. SEI Invs. Co.*, No. 18-cv-4205 (E.D. Pa. Feb. 28, 2020) (\$6.8 million); *Velazquez v. Mass. Fin. Servs. Co.*, No. 17-cv-1124 (D. Mass. Dec. 5, 2019) (\$6.875 million); *Cryer v. Franklin Res., Inc.*, No. 16-cv-4265 (N.D. Cal. Oct. 4, 2019) (\$26.75 million); *Price v. Eaton Vance Corp.*, No. 18-cv-12098 (D. Mass. Sept. 24, 2019) (\$3.45 million); *Bowers v. BB&T Corp.*, No. 15-cv-732 (M.D.N.C. May 10, 2019) (\$24 million); *Pease v. Jackson Nat'l Life Ins. Co.*, No. 17-cv-284 (W.D. Mich. Apr. 23, 2019) (\$4.5 million); *Schapker v. Waddell & Reed Fin., Inc.*, No. 17-cv-2365 (D. Kan. Apr. 8, 2019) (\$4.875 million); *Moreno v. Deutsche Bank Am. Holding Corp.*, No. 15-cv-9936 (S.D.N.Y. Mar. 1, 2019) (\$21.9 million); *Urakhchin v. Allianz Asset Mgmt. of Am., L.P.*, 2018 U.S.

- Dist. LEXIS 54681 (C.D. Cal. July 30, 2018) (\$12 million); *Main v. Am. Airlines Inc.*, No. 16-cv-473 (N.D. Tex. Feb. 21, 2018) (\$22 million); *Richards-Donald v. TIAA-CREF*, No. 15-cv-8040 (S.D.N.Y. Oct. 20, 2017) (\$5 million); *Andrus v. N.Y. Life Ins. Co.*, No. 16-cv-5698 (S.D.N.Y. June 15, 2017) (\$3 million); *Gordan v. Mass. Mut. Life Ins. Co.*, No. 13-cv-30184 (D. Mass. Nov. 3, 2016) (\$30.9 million); *Dennard v. Aegon USA LLC*, No. 15-cv-30 (N.D. Iowa Oct. 28, 2016) (\$3.8 million); *Anderson v. Principal Life Ins. Co.*, No. 15-cv-119 (S.D. Iowa Nov. 13, 2015) (\$3 million); *Krueger v. Ameriprise Fin., Inc.*, 2015 U.S. Dist. LEXIS 91385 (D. Minn. July 13, 2015) (\$27.5 million); *Bilewicz v. FMR LLC*, 2014 U.S. Dist. LEXIS 183213 (D. Mass. Oct. 15, 2014) (\$12 million).
- ¹²⁶ *Ang v. Franklin Res., Inc.*, No. 25-cv-6130 (N.D. Cal. filed July 22, 2025) (filing of complaint); *Ang v. Franklin Res., Inc.*, No. 25-cv-6130 (N.D. Cal. Jan. 14, 2026) (filing of motions to dismiss).
- ¹²⁷ *Koroly v. Federated Hermes Inc.*, No. 23-cv-1563 (W.D. Pa. Nov. 20, 2023) (filing of motion to dismiss).
- ¹²⁸ *Ravarino v. Voya Fin., Inc.*, No. 21-cv-1658, 2023 U.S. Dist. LEXIS 102404 (D. Conn. June 13, 2023) (order granting in part and denying in part motion to dismiss); *Ravarino v. Voya Fin., Inc.*, No. 21-cv-1658 (D. Conn. Dec. 10, 2025) (filing of amended complaint).
- ¹²⁹ *Pover v. The Cap. Grp. Cos., Inc.*, No. 23-cv-9657 (C.D. Cal. Aug. 12, 2024) (order denying motion to compel arbitration and motion to dismiss), *appeal docketed*, No. 24-5298 (9th Cir. Aug. 23, 2024) (filing of appeal).
- ¹³⁰ *Schissler v. Janus Henderson US (Holdings) Inc.*, No. 22-cv-2326, 2024 U.S. Dist. LEXIS 11060 (D. Colo. July 11, 2025) (filing of plaintiffs' partial motion for summary judgment and filing of defendants' motion for summary judgment); *Schissler v. Janus Henderson US (Holdings) Inc.*, No. 22-cv-2326 (D. Colo. Feb. 24, 2026) (filing of notice of settlement).
- ¹³¹ *Falberg v. The Goldman Sachs Grp., Inc.*, No. 19-cv-9910 (S.D.N.Y. Sept. 14, 2022) (order granting defendants' motion for summary judgment), *aff'd*, 2024 U.S. App. LEXIS 3418 (2d Cir. Feb. 14, 2024); *Patterson v. Morgan Stanley*, No. 16-cv-6568, 2019 U.S. Dist. LEXIS 174832 (S.D.N.Y. Oct. 7, 2019) (order granting motion to dismiss); *Wildman v. Am. Cent. Servs., LLC*, No. 16-cv-737 (W.D. Mo. Nov. 8, 2017) (filing of motion for summary judgment) & 237 F. Supp. 3d 902 & 237 F. Supp. 3d 918 (W.D. Mo. Feb. 27, 2017) (orders denying motion to dismiss and granting in part and denying in part the defendants' motion for summary judgment); *Wildman v. Am. Cent. Servs., LLC*, 2019 U.S. Dist. LEXIS 10672 (W.D. Mo. Jan. 23, 2019) (order dismissing lawsuit); *Meiners v. Wells Fargo & Co.*, 2017 U.S. Dist. LEXIS 80606 (D. Minn. May 26, 2017) (order granting motion to dismiss), *aff'd*, 898 F.3d 820 (8th Cir. Aug. 3, 2018); *Bloom v. AllianceBernstein L.P.*, No. 22-cv-10576, 2024 U.S. Dist. LEXIS 54196 (S.D.N.Y. Mar. 25, 2024) (order granting motion to dismiss); *Cho v. Prudential Ins. Co. of Am.*, 2024 U.S. Dist. LEXIS 229524 (D.N.J. Dec. 19, 2024) (order granting defendants' motion for summary judgment); *Waldner v. Natixis Inv. Mgrs., L.P.*, 2023 U.S. Dist. LEXIS 86177 (D. Mass. Sept. 10, 2024) (order granting in part and denying in part motion for summary judgment).
- ¹³² *Wayman v. Wells Fargo & Co.*, No. 17-cv-5153 (D. Minn. Feb. 13, 2018) (notice of voluntary dismissal); *Patterson v. Cap. Grp. Cos., Inc.*, No. 17-cv-4399 (C.D. Cal. Feb. 14, 2018) (notice of voluntary dismissal, following court's granting of motion to dismiss).
- ¹³³ *Severson v. Charles Schwab Corp.*, No. 17-cv-285 (N.D. Cal. Nov. 20, 2019) (order staying lawsuit pending arbitration and administratively closing lawsuit).
- ¹³⁴ *Conlon v. Northern Tr. Co.*, No. 21-cv-2940 (N.D. Ill. July. 29, 2025) (order finally approving \$6.9 million settlement).
- ¹³⁵ *Gomes v. State St. Corp.*, No. 21-cv-10863 (D. Mass. Aug. 12, 2024) (order approving final \$4.3 million settlement); *Kohari v. MetLife Grp., Inc.*, No. 21-cv-6146 (S.D.N.Y. Jan. 14, 2025) (order approving final \$4.5 million settlement).
- ¹³⁶ *Byrne v. TIAA*, No. 25-cv-4228 (S.D.N.Y. filed May 20, 2025) (filing of complaint); *Byrne v. TIAA*, No. 25-cv-4228 (S.D.N.Y. Oct. 14, 2025) (filing of motion to dismiss).
- ¹³⁷ *Johnson v. Russell Inv. Mgmt.*, No. 21-cv-743 (W.D. Wash. filed June 7, 2021) (transferred to No. 22-cv-21735 (S.D. Fla. filed June 7, 2022)).
- ¹³⁸ *Johnson v. Russell Inv. Mgmt.*, No. 25-10692 (11th Cir. Aug. 7, 2025) (order granting joint motion for voluntary dismissal and partial remand).
- ¹³⁹ *Johnson v. Russell Inv. Mgmt.*, No. 22-cv-21735 (S.D. Fla. Dec. 4, 2025) (order preliminarily approving class action settlement).
- ¹⁴⁰ Previous *Claims Trends* reported on the now-concluded bankruptcy proceedings of the Tribune Company, Sears Holdings, and Nine West Holdings, among others, as well as Puerto Rico's bankruptcy-like proceeding.
- ¹⁴¹ *Wesco Aircraft Holdings, Inc. v. SSD Invs., Ltd.*, No. 23-ap-3091 (S.D. Tex. Bankr. filed June 1, 2023) (an adversary proceeding in *In re Wesco Aircraft Holdings, Inc.*, No. 23-bk-90611 (S.D. Tex. Bankr. filed June 1, 2023)).
- ¹⁴² *Optimum Communications, Inc. v. Apollo Cap. Mgmt., L.P.*, No. 25-cv-9785 (S.D.N.Y. filed Nov. 25, 2025).

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