Investment Management Litigation

Combining Stradley Ronon's wealth of experience in the investment management industry with the firm's practical, results-driven approach to litigation, our investment management litigators represent fund industry clients in a wide range of litigation matters and assist our clients in navigating litigation issues related to fiduciary duties, statutory and regulatory requirements, contractual and business disputes, conflicts of interest, and indemnification and insurance matters.

Backed by Decades of Experience

With decades of experience representing investment management clients, Stradley Ronon is keenly aware of their unique legal and business needs. With that always in mind, our investment management litigation team focuses not only on achieving successful results in litigation matters, but also on minimizing the risk, cost and inconvenience of litigation so our clients can focus on achieving their business objectives.

Our Services

Stradley Ronon's investment management litigators represent and advise investment companies, institutional investors, investment advisers and independent directors in connection with a broad spectrum of matters:

- Defending mutual funds, exchange-traded funds (ETFs), unregistered investment vehicles, institutional investors, registered advisers, independent directors and fund industry service providers in civil litigation matters, including activist investor litigation, fraudulent transfer litigation, excessive fee litigation, commercial disputes and consumer claims.
- Advising and representing mutual funds, ETFs, unregistered investment vehicles and institutional investors in connection with investor recovery litigation, including prosecuting securities fraud class action opt-out claims and advising clients with respect to U.S. and non-U.S. investor recovery litigation and arbitration matters.
- Representing fund industry clients in connection with responding to subpoenas and records requests in private litigation matters and government investigations and conducting related internal investigations.
- Advising fund industry clients regarding risk transfer issues, including indemnification claims and insurance coverage matters.

Publications

At a Crossroads: How the U.S. Supreme Court's Decision in an Activist Investor Case Could Reshape Closed-End Funds

May 18, 2026

[Key Takeaways from the PACDL White Collar Practice Seminar: Understanding the New SEC Enforcement Landscape]
November 25, 2025

Experience

Secures SEC Dismissal in First-Ever Liquidity Rule Enforcement Action
The U.S. Securities and Exchange Commission (SEC) voluntarily dismissed charges with prejudice against two mutual fund independent trustees in the agency's first enforcement action brought pursuant to the Liquidity Rule (Rule 22e-4) promulgated under the Investment Company Act of 1940 (the Act). The case was filed in the U.S. District Court for the Northern District of New York against registered investment adviser Pinnacle Advisors, two of its officers and two independent trustees of a mutual fund that Pinnacle advised. The SEC alleged that the independent trustees aided and abetted the mutual fund's purported misclassification of illiquid securities in violation of the Liquidity Rule.

Stradley Ronon argued on behalf of the independent trustees that the SEC had no legal basis for its aiding and abetting charges as the independent trustees did not write, review, or even see the liquidity classifications that formed the basis for those charges, did not substantially assist the alleged violation, and otherwise complied with all of their obligations pursuant to the Liquidity Rule. Stradley Ronon further argued that the agency lacked the necessary congressional authority pursuant to the Act to promulgate the Liquidity Rule.

The challenge to the agency's authority to promulgate the Liquidity Rule led the Court to order additional briefing to address the framework for interpreting federal statutes established by the U.S. Supreme Court's decision in *Loper Bright Enterprises v. Raimondo.* Stradley Ronon re-filed its motion to dismiss all charges on April 28 arguing that the plain text of the statute did not grant rulemaking authority related to fund liquidity and resubmitted its arguments challenging the SEC's failure to state a claim for aiding and abetting liability against the independent trustees. Following the briefing, the SEC agreed to dismiss all charges against the independent trustees with prejudice, meaning that the SEC cannot refile the charges.

"We are very pleased that the court took the merits of our arguments seriously and that the SEC responded by dismissing the complaint," said the NYSA Fund independent trustees. "We always believed in the strength of our case and are grateful for our lead attorney Jan Folena and Stradley Ronon's guidance, knowledge, and litigation capabilities that made this outcome possible."

Lead trial counsel Jan Folena was assisted by Eric Porter, Samantha Kats, Sara Crovitz, Dave Grim, and Eric Purple.

News

Fund Boards Chase Education Amid an Asset Management 'Inflection Point'
Fund Directions
January 2, 2026

Former Oppenheimer In-House Counsel and Financial Services Litigator Joins Stradley Ronon in New York
August 7, 2025

How Stradley Ronon Defended Against a Novel SEC Suit
Law360

July 22, 2025

Legal Lions of the Week
Law360
July 18, 2025

Pinnacle Case Collapse Puts Liquidity Rule in Spotlight
Fund Board Views
July 17, 2025

SEC Drops First-Ever Liquidity Rule Case
Investment Company Institute Daily News
July 14, 2025

SEC Backs Away from Lawsuit Enforcing Obama-Era Mutual Fund Restrictions
New York Law Journal
July 14, 2025

SEC Drops Liquidity Rule Defense
Ignites
July 14, 2025

Stradley Ronon Secures SEC Dismissal in First-Ever Liquidity Rule Enforcement Action
July 11, 2025

SEC Quietly Drops First-Ever Liquidity Rule Suit
Law360
July 11, 2025

SEC Drops Liquidity Rule Case, Including Charges Against Directors
BoardIQ
July 11, 2025

SEC Drops Landmark Mutual Fund Case Against Pinnacle Advisors
Bloomberg Law
July 11, 2025

Senior Brain Drain Hit SEC at Height of New Agenda, Records Show
BoardIQ
July 23, 2024

Stradley Ronon Partners Present at Burford Capital Securities Litigation Symposium
November 1, 2022

Events

2026 Closed-End Fund Roundtable - An Update on Closed-End Fund Shareholder Activism
KPMG New York
July 29, 2026

2026 FIA Law & Compliance Conference: Regulation by Enforcement is Over - Now What?
Gaylord National Harbor Resort

Dimensional Fund Advisors Legal Retreat Litigation and Enforcement Updates
April 3, 2025