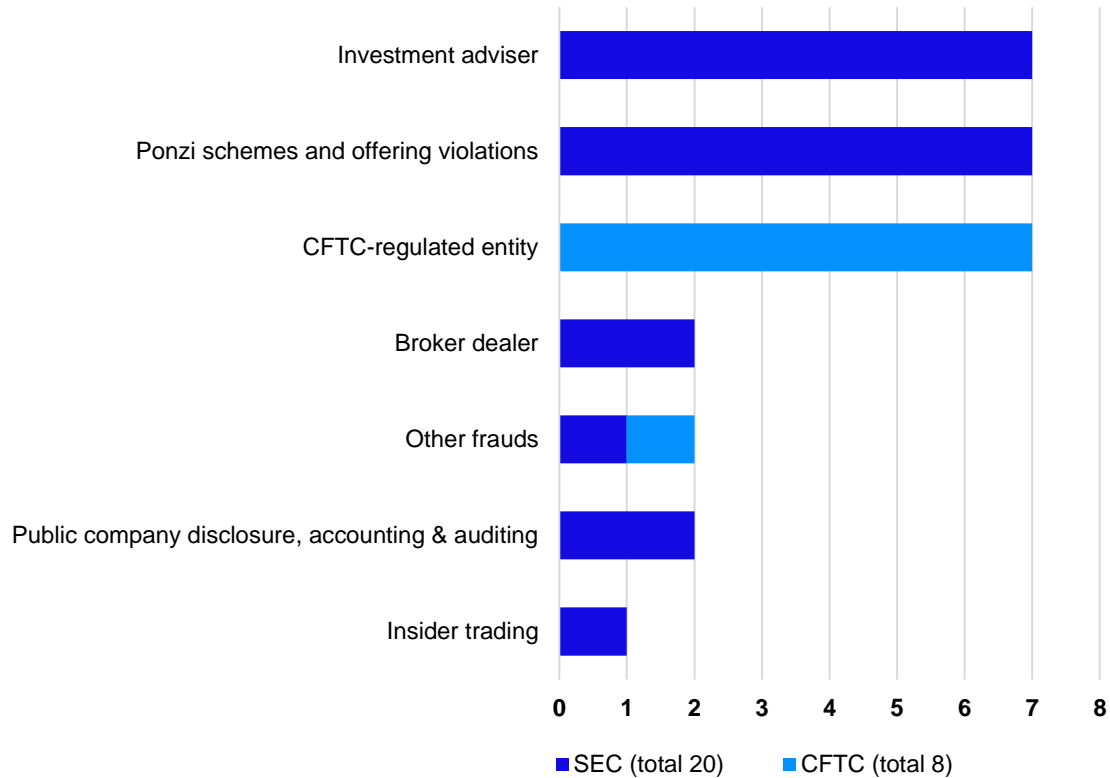


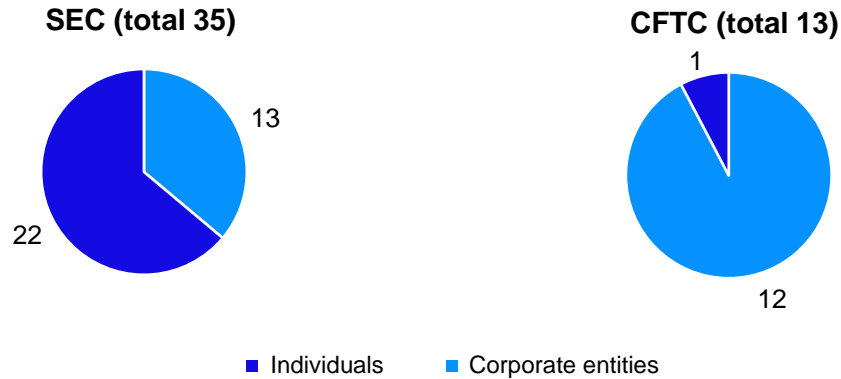
September 2025

In September 2025, the SEC filed 20 actions against a combined total of 35 defendants and respondents, and the CFTC filed eight actions against a combined total of 13 defendants and respondents. (These figures exclude follow-on actions, bars and suspensions.)

## Actions initiated by the SEC and CFTC in September 2025

Number of actions, by matter type





## Public company disclosures and accounting

### SEC brings actions against pharmaceutical company and former chief medical officer for misstatements related to drug candidate

**SEC v. Kin-Hung Peony Yu (N.D. Cal., Sept. 5, 2025, contested)**  
**In the Matter of Fibrogen, Inc. (A.P., Sept. 5, 2025, settled)**

The SEC brought claims against the former Chief Medical Officer (CMO) of a pharmaceutical company for alleged misstatements about the effectiveness of the company’s primary drug candidate. The SEC also brought and settled claims against the pharmaceutical company for similar statements.

According to the SEC, between November 2019 to April 2021, the company and its CMO made multiple misstatements about the test results for its primary drug candidate. The defendants allegedly claimed that the drug provided more effective treatment than its competitors, but failed to disclose that the results were based on post-hoc changes to the analyses. The SEC also alleged that defendants falsely claimed that the FDA had approved of its earlier methodology for analyzing test results. After the CMO’s departure, the company acknowledged the post-testing modifications in an April 2021 press release and provided more accurate results related to the drug’s effectiveness.

The company agreed to pay a civil penalty of \$1,250,000. In litigation against the CMO, the SEC is seeking injunctive relief, an officer-and-director bar, disgorgement, prejudgment interest and a civil penalty.

[Litigation release](#) | [SEC complaint](#) | [SEC order](#)

## Investment adviser

### SEC settles claims against investment adviser for marketing, recordkeeping and compliance violations

**In the Matter of Meridian Financial, LLC (A.P., Sept. 4, 2025, settled)**

The SEC brought and settled claims against an investment adviser for alleged violations of the Marketing Rule as well as recordkeeping and compliance requirements.

The firm allegedly advertised on its public website that it had “refuse[d] all conflicts of interest” without providing any context for this claim, but had recognized various conflicts of interest in its filings with the Commission during that same period. According to the SEC, the firm lacked a reasonable basis to believe it would be able to substantiate the claim that it refused all conflicts of interest, in violation of the Marketing Rule.

The SEC also alleged that the firm failed to keep copies of its website advertisements for the required periods. The firm also allegedly failed to implement its own compliance policies when it did not obtain a

contractual undertaking from a third-party vendor to promptly provide records upon request or conduct an annual review.

The investment adviser agreed to pay a civil money penalty of \$75,000.

[AP summary](#) | [SEC order](#)

## **SEC settles action against CEO and his two advisory firms for breach of fiduciary duties**

### **SEC v. Vukota Capital Management, LLC, VCM Global Asset Management LTD and Tomislav Vukota (D. Colo., Sept. 9, 2025, settled)**

The SEC settled an action against a CEO and two investment advisers for allegedly breaching fiduciary duties and making material misrepresentations to investors in certain private funds.

According to the SEC, defendants operated a short-term lending program and advised private funds to make short-term loans at below market rates to finance one of the adviser's operations. These loans were prohibited by fund partnership agreements, and the defendants failed to disclose both the loans and resulting conflict of interest.

Second, defendants allegedly sent investors misleading letters to acquire their limited partnership interests in certain properties. The letters contained terms for selling the partnership interests and included information on the performance, operations and value of properties owned by the funds. According to the SEC, these letters omitted material facts, including the CEO's role as the buyer as well as information related to the funds' operations.

Third, the SEC alleged that the advisers distributed marketing and offering materials to investors that contained material misstatements regarding whether the firm was regularly audited, its investment strategy and the amount of assets under management.

To settle the claims, the defendants agreed to pay \$6,943,212 in disgorgement, \$1,766,582 in prejudgment interest and \$1,000,000 in penalties.

[Litigation release](#) | [SEC complaint](#)

## **Broker-dealer**

### **SEC settles action against broker-dealer for misstatements regarding the display of market data**

#### **In the Matter of Bloomberg Tradebook LLC (A.P., Sept. 18, 2025, settled)**

The SEC settled claims against a broker-dealer for alleged misleading statements about the speed with which it displayed market data from U.S. options exchanges.

According to the SEC, the broker-dealer distributed marketing materials that stated market data was provided to customers in "fractions of seconds" even though it knew that the U.S. options market data it displayed was subject to regular delays lasting as long as several minutes during periods of high data volumes. The SEC claimed certain customers may have placed orders to purchase or sell options based on untimely market information.

To settle the claims, the firm agreed to pay a civil penalty of \$5,000,000.

[AP summary](#) | [SEC order](#)

**CFTC settles action against financial services company for manipulative trading****In the Matter of Shinhan Securities Co. Ltd. (A.P., Sept. 17, 2025, settled)**

The CFTC settled an action against a foreign financial services company for wash sales and noncompetitive transactions.

According to the CFTC, a trader at the firm engaged in 127 wash trades. The firm entered near-simultaneous bids and offers for the same quantities of the same futures contract for trading accounts that had the same beneficial owner to enhance the likelihood that its buy and sell orders would be filled at the same or similar price. The CFTC further alleged that the trader entered the offsetting orders with the intent that some or all of those orders would offset, and the timing and structure of those orders minimized market competition.

To settle the claims, the firm agreed to pay a civil penalty of \$212,500.

[CFTC press release](#) | [CFTC order](#)

**Other announcements****SEC forms cross-border task force to address fraud**

On September 5, 2025, the SEC announced the creation of the Cross-Border Task Force, which will focus on securities violations related to foreign-based companies. In the announcing release, the SEC highlighted that the Task Force will likely investigate potential market manipulation schemes as well as conduct by gatekeepers, such as auditors and underwriters, which facilitate access to U.S. capital markets by foreign firms. The SEC further noted that it will scrutinize companies in foreign jurisdictions where foreign governmental influence poses unique investor risks.

[SEC press release](#)

**SEC announces new Director of Division of Corporate Finance**

On September 10, 2025, the SEC announced that James Moloney will serve as the new Director of Division of Corporate Finance. For the last 25 years, Moloney worked in private practice. Between 1994 to 2000, he also worked at the SEC as special counsel in the Office of Mergers and Acquisitions in the Division of Corporation Finance.

[SEC press release](#)

**SEC announces dismissal of pending action against former executive concerning false and misleading statements**

On September 11, 2025, the SEC announced the dismissal of a previously filed enforcement action against the founder and former CEO of a commercial manufacturer that allegedly disseminated false and misleading information about the company's products, technological advancements, in-house production capabilities and commercial achievements. The SEC had alleged the individual used his social media to repeatedly mislead investors and obtained millions of dollars in personal benefits through his misconduct.

[Litigation release](#) | [Joint stipulation to dismiss and releases](#) | [SEC complaint](#)

## Chairman Atkins delivers speech on Wells process

On October 7, 2025, SEC Chairman Atkins provided the keynote address at Fordham Law's A.A. Sommer, Jr. Lecture on Corporate, Securities, and Financial Law where he discussed updates to the Commission's approach to the Wells process. He emphasized the importance of the Wells process, saying that it helps guard against government mistakes. He urged enforcement staff to provide "sufficient information for potential respondents or defendants to understand the potential charges and the evidentiary basis for those charges." He directed that staff must provide respondents with at least four weeks to make a Wells submission. Chairman Atkins characterized his speech as a continuation of the Commission's goals for increased transparency and accuracy in its enforcement actions.

[SEC transcript of the speech](#)

## White House nominates new CFTC chairman

On October 25, 2025, Michael Selig confirmed his nomination by President Trump for chairman of the CFTC. Selig is current chief counsel of the SEC's Crypto Task Force and an adviser to SEC Chairman Paul Atkins. Caroline Pham is currently serving in an Acting role.

[News article](#)

If you have any questions regarding the matters covered in this publication, please contact any of the lawyers listed below or your usual Davis Polk contact.

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