

October 16, 2025

SEWARD & KISSEL RIA ENFORCEMENT STUDY FY 2025

Seward & Kissel studies all enforcement actions¹ brought by the SEC against investment advisers² to identify enforcement trends and risks.

In FY 2025,³ the SEC initiated 45 enforcement actions against advisers after initiating 98 in FY 2024. The headline is that 35 of the 45 actions came in a flurry of enforcement activity in the first four months of FY 2025, that is, Oct. 1, 2024–Jan. 20, 2025, leading to the departure of Chair Gary Gensler. There have been only ten enforcement actions against advisers since.

RIA ENFORCEMENT ACTIONS		
	FY 2024	FY 2025
Total Enforcement Actions ⁴	98	45
MONETARY SANCTIONS		
Penalties	\$474,354,842	\$322,465,000
Disgorgement ⁵	\$21,606,803	\$25,207,252
Total	\$495,961,645	\$347,672,252

The chart below identifies the number of actions involving each violation type:⁶

ACTIONS BY TYPE		
Category	FY 2024	FY 2025
204A, MNPI Policies and Procedures	3	1
Beneficial Ownership Reporting	3	
Books and Records	29	8
Compliance Rule	24	19
Custody Rule	10	2
Failure to Supervise	1	4

¹ The study includes all administrative proceedings and civil actions.

² The study includes all enforcement actions involving a registered investment adviser (RIA) or an exempt reporting adviser (ERA), including actions against individuals where the adviser was not charged. It does not include Ponzi schemes or frauds in which a person otherwise held themselves out to be an investment adviser.

³ The SEC fiscal year is Oct. 1–Sept. 30.

⁴ Each proceeding or action is counted once even if more than one entity/individual is charged.

⁵ The disgorgement total includes prejudgment interest paid by the adviser.

⁶ The column totals in this chart exceed total actions for each year because most actions involve more than one violation type.

Form 13F, Institutional Investment Manager	7	
Form 13H, Large Trader Reporting	1	
Form ADV	2	1
Form D		1
Form PF		7
Fraud, Negligent	22	15
Fraud, Scienter	6	5
Marketing Rule	18	3
Pay-to-Play Rule	2	
Registration	1	
Rule 105	2	1
Unregistered BD Activity		2
Whistleblower, Impeding	2	1

Highlights

The five cases charging intentional or knowing (scienter) fraud in FY 2025 involved misappropriation; failing to honor redemption requests while misrepresenting the reasons why and overcharging management fees; and making false and misleading statements to raise capital from clients for the development of an advisory platform that purportedly would use artificial intelligence (AI) to trade a range of assets. There were no insider trading cases in FY 2025.

There is little point in trying to identify trends, this year, given the change in administration. However, in addition to two of the fraud actions noted in the preceding paragraph, the ten enforcement actions initiated by the SEC since the turnover have included:

- Three actions for failure to adequately disclose conflicts of interest in connection with incentive compensation arrangements for investment adviser representatives;
- One action involving management fee calculation practices for private equity fund clients and compensation the adviser received from portfolio companies;
- One for failure to disclose fees to clients converting accounts at an unaffiliated broker-dealer to accounts with the adviser;
- One involving a marketing rule violation for an advertisement that claimed the adviser “refuse[d] all conflicts of interest,” and related recordkeeping and compliance failures.
- An action for a single Rule 105 violation; and
- An action for repeated failures to comply with Custody Rule across eleven client accounts over a six-year period.

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For more insight on Seward & Kissel’s RIA Enforcement Study, please contact the author below or your primary Seward & Kissel attorney.



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