

SEC Enforcement Case Summary SEC Charges Private Fund & BDC Manager with Fraud

On April 29, 2025, the Securities and Exchange Commission (**SEC**) charged Derek R. Taller with fraud. According to the SEC's complaint, between March 2018 and January 2024, Taller served as the principal officer, director, and investment adviser to two investment funds, StHealth Capital Investment Corporation (**StHealth Capital**), at the time a business development company (**BDC**) registered with the SEC under the Investment Company Act of 1940, and Vision BioBanc Holdings, LLC (**Vision Holdings**), an unregistered private fund. The SEC charged Taller with disseminating Vision Holdings offering documents to prospective investors that contained multiple material misrepresentations, including that (1) Vision Holdings' investment objectives and portfolio valuations would be subject to supervision by Vision Holdings' Board of Directors; (2) Vision Holdings' financial statements would be audited by one of the "Big Four" accounting firms, which it named; and (3) the auditor's work would be reviewed by Vision Holdings' Audit Committee. However, the SEC alleged that Vision Holdings operated without a functioning Board of Directors for more than a year and a half after it started raising money from investors, never engaged an independent auditor, and did not have an audit committee.

In addition, Taller allegedly acquired an interest in a third-party startup and, days later, directed StHealth Capital and Vision Holdings to loan the startup a combined \$2 million without disclosing to the funds or their investors his interest in the borrower. According to the complaint, these loans constituted a joint arrangement, which—because StHealth Capital was a BDC at the time—required StHealth Capital to obtain an SEC order prior to entering in such transaction, which Taller never sought. Taller allegedly directed Vision Holdings to loan more than \$21 million to the startup and its affiliates, without disclosing to the fund or its investors that he had separate business dealings with the startup and its affiliates which created a conflict.

Moreover, the SEC alleged that while serving as both CEO of StHealth Capital and Chairman of its Board of Directors, Taller misappropriated at least \$280,000 from StHealth Capital by charging it improper expenses incurred by companies he solely controlled. In order to repay that money to StHealth Capital, Taller in turn misappropriated at least \$300,000 (the aforementioned sum plus interest) from Vision Holdings. Separately, he allegedly misappropriated another \$200,000 from Vision Holdings, bringing his total misappropriations from StHealth Capital and Vision Holdings to at least \$500,000.

The SEC's complaint, filed in the U.S. District Court for the Southern District of New York, demanded a jury trial. The SEC seeks permanent injunctions, conduct-based injunctions, disgorgement with prejudgment interest, civil penalties, and an officer-and-director bar.

See SEC Summary - <https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26300>