

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19696**

**In the Matter of**

**Joseph A. Meyer, Jr.,**

**Respondent.**

**MOTION BY DIVISION OF ENFORCEMENT FOR DEFAULT  
DISPOSITION AND FOR IMPOSITION OF REMEDIAL SANCTIONS**

The Division of Enforcement (“Division”), pursuant to Rules 155(a) and 220(f) of the Securities and Exchange Commission’s Rules of Practice and for the reasons set forth below and the Declaration of Kristin W. Murnahan, respectfully moves for default disposition against Respondent Joseph A. Meyer, Jr. containing the following relief:

barring Respondent from association with any investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization (NRSRO).

**I. INTRODUCTION**

On December 26, 2018, the Commission filed a civil enforcement action against Meyer alleging that he and the investment adviser he controlled, Statim

Holdings, Inc. (“Statim”), defrauded the private fund they managed as well as the investors in that fund. *See SEC v. Joseph A. Meyer, Jr., et al.*, 1:18-cv-05868-LMM [Dkt. No. 1.]. On January 29, 2020, Meyer, without admitting or denying the allegations of the complaint, consented to the entry of a judgment against him enjoining him from violating the securities laws. *Id.* [Dkt. No. 98-1.] On January 31, 2020, the Court entered an order against Meyer enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 thereunder, and Section 206 of the Investment Advisers Act of 1940 (“Advisers Act”) and Rule 206(4)-8 thereunder. *Id.* [Dkt. No. 103]; *see also* November 30, 2021 Declaration of Kristin W. Murnahan [hereinafter “Murnahan Dec.”] ¶ 3 and Ex. A. Based on the entry of the injunction against Meyer, the Commission issued an Order Instituting Administrative Proceedings pursuant to Section 15(b) of the Exchange Act and Section 203(f) of the Advisers Act (the “OIP”). Meyer was provided service of the OIP on February 19, 2020 and again on July 19, 2021, but he has not filed an answer. Murnahan Dec. ¶¶ 5, 7 & 8. Accordingly, pursuant to Rule 155(a) and 220(f) of the Commission’s Rules of Practice, the Division submits that default disposition is appropriate and sanctions should be imposed.

## **II. PROCEDURAL HISTORY OF ADMINISTRATIVE PROCEEDINGS**

The Commission issued the OIP in this matter on February 7, 2020. On February 19, 2020, the Division received confirmation from the United States Postal Service (“USPS”) that the package containing the OIP was delivered to Meyer. *See* Murnahan Dec. ¶ 5 and Ex. B. Unfortunately, during the Division shutdown due to the Covid-19 pandemic, the original documentation of service was misplaced and cannot be located. *Id.* ¶ 6. In order to obtain proper documentation of service, the Division served the OIP on Meyer again. On July, 19, 2021, the Division received confirmation from the USPS that the package containing the OIP was delivered to Meyer. *Id.* ¶ 7 & Exs. C & D. Pursuant to Rule 220(b) of the Commission’s Rules of Practice, Meyer’s answer was due no later than August 9, 2021. As of the date of this motion, Meyer has not filed an answer, nor has he otherwise defended this proceeding. *Id.* ¶ 8.

## **III. FACTUAL BACKGROUND**

Because Meyer has not timely answered, the Commission may deem true the allegations of the OIP. *See* 17 C.F.R. §§ 201.155(a). Moreover, pursuant to his consent in the district court action, Meyer cannot dispute the allegation of the Commission’s complaint in that matter.

From August 2009 through at least June 2018, Respondent was the sole owner and control person of Statim Inc. (“Statim”), an investment adviser registered with

the state of Georgia. Statim was the adviser to a private investment fund named Arjun, L.P. (“Arjun”), which sold securities to investors in several states. Meyer, 53 years old, is a resident of College Park, Georgia. *See* OIP at II.A.1

On January 31, 2019, a bifurcated judgment was entered by consent against Meyer, permanently enjoining him from future violations of Sections 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Meyer, et al., Civil Action Number 1:18-CV-5868, in the United States District Court for the Northern District of Georgia. *Id.* at II.A.2

The Commission’s complaint alleged that, from at least 2009 until 2018, in connection with the sale of limited partnership interests in Arjun, Meyer falsely stated to investors that their funds were guaranteed against losses, misappropriated fund assets, sent out false account statements indicating that investors funds were fully invested and earning positive returns without disclosing that such returns were backed in significant part by unsecured promissory notes issued by Statim, and otherwise engaged in a variety of conduct that operated as a fraud and deceit on Arjun investors. *Id.* at II.A.3.

#### IV. ARGUMENT

Meyer has not filed an answer to the Commission's OIP despite the passage of more than four months since he was last served with the OIP.<sup>1</sup> Murnahan Dec. ¶¶ 7-8. The Commission should find Meyer in default and enter judgment accordingly. Further, because Meyer's conduct was egregious, the Division submits that an industry-wide association bar is appropriate.

##### A. Entry of Default Judgment is Appropriate.

Meyer received service of the OIP in this matter on February 19, 2020 and again on July 19, 2021. *Id.* ¶¶ 5 & 7. His answer was due no later than August 9, 2021, twenty days after service. *See* OIP at IV. As of the date of this motion, Meyer has not filed an answer or otherwise defended this action. Murnahan Dec. ¶ 8.

Commission Rule of Practice 155(a) provides that “[a] party to a proceeding may be deemed to be in default and the Commission or the hearing officer may determine the proceeding against that party upon consideration of the record, including the order instituting proceedings, the allegations of which may be deemed to be true, if that party fails . . . [t]o answer, to respond to a dispositive

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<sup>1</sup> It has been more than twenty-one months since Meyer was first served with the OIP. *See* Murnahan Dec. ¶¶ 5 & 8.

motion within the time provided, or to otherwise defend the proceeding.” 17 C.F.R. §§ 201.155(a). Here, because Meyer has failed to “answer . . . or otherwise defend the proceeding,” a default judgment should be entered against him, as is specifically contemplated by the Commission’ Rules of Practice. *See* 17 C.F.R. §§ 201.220(f) (stating that a failure to file an answer within the required time may deemed in default pursuant to 17 C.F.R. §§ 201.155(a)).

**B. An Industry-Wide Collateral Bar against Meyer is in the Public Interest.**

Pursuant to Section 203(f) of the Advisers Act, Meyer should be barred from association with any investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization (NRSRO). Before imposing such a bar, the Commission or the administrative law judge must “review each case on its own facts to make findings regarding the respondent’s fitness to participate in the industry in the barred capacities,” and the decision “should be grounded in specific findings regarding the protective interests to be served by barring the respondent and the risk of future misconduct.” *Ross Mandell*, Exchange Act Release No. 71668, 2014 WL 907416 at \*2 (Mar. 7, 2014) (internal quotation marks omitted).

There are several well-recognized factors that are to be considered in determining the appropriate remedy in the public interest. Those factors are: (1) the egregiousness of the Respondent’s actions; (2) the isolated or recurrent nature

of the infractions; (3) the degree of scienter involved; (4) the sincerity of the Respondent's assurances against future violations; (5) the Respondent's recognition of the wrongful nature of their conduct; and (6) the likelihood that the Respondent's occupation will present opportunities for future violations.

*Steadman v. SEC*, 603 F.2d 1126, 1140 (5th Cir. 1979); *In the Matter of Bernath*, Initial Decision Release No. 993 at 4, 2016 WL 1319539, at \*4 (April 4, 2016) (applying *Steadman* factors to determine whether a bar was in the public interest, in a case where sanctions were imposed by summary disposition).

Here, there can be little question that the conduct at issue was egregious, repeated and involved a high degree of scienter. As set forth in the OIP and the complaint in the district court action, Meyer's conduct continued from at least 2009 until 2018 and involved the misappropriation of assets. Furthermore, Meyer made numerous false statements to investors including falsely telling investors that their funds were guaranteed against losses and sending out false account statements indicating that investors' funds were fully invested and earning positive returns without disclosing that such returns were backed in significant part by unsecured promissory notes issued by Statim. *See* OIP at II.B.3. Finally, as Meyer has not answered the OIP, he has not provided any recognition of the wrongfulness of his conduct or made any assurances against future violations.

## V. CONCLUSION

For the reasons set forth herein, the Division requests that Commission find Meyer in default and impose an industry-wide associational bar as authorized by Section 15(b) of the Exchange Act and Section 203(f) of the Advisers Act.

Respectfully submitted,

*Kristin W. Murnahan*

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Certificate of Compliance with Rule 154(c)

I hereby certify that the foregoing brief is fewer than fifteen (15) pages and that the Division has, therefore, complied with Rule 154(c) of the Commission's Rules of Practice.

*Kristin W. Murnahan*  
Counsel for the Division of Enforcement

Certificate of Service

I, Kristin W. Murnahan, hereby certify that on November 30, 2021, I caused a true copy of the foregoing document to be served by UPS upon Joseph A. Meyer, Jr. c/o Steve Sadow, Esq., at 260 Peachtree Street, N.W., Suite 2502, Atlanta, Georgia 30303.

*Kristin W. Murnahan*  
Counsel for the Division of Enforcement

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

**SECURITIES AND EXCHANGE  
COMMISSION,**

**Plaintiff,**

**v.**

**JOSEPH A. MEYER, JR. and  
STATIM HOLDINGS, INC.,**

**Defendants.**

**Civil Action File No.  
1:18-cv-05868-LMM**

**BIFURCATED JUDGMENT AS TO JOSEPH A. MEYER**

The Securities and Exchange Commission having filed a Complaint and Defendant Joseph A. Meyer, Jr. having entered a general appearance; consented to the Court's jurisdiction over him and the subject matter of this action; consented to entry of this Bifurcated Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein in paragraph VI); waived findings of fact and conclusions of law; and waived any right to appeal from this Bifurcated Judgment:

**I.**

**IT IS HEREBY ORDERED** that Defendant Meyer, and his agents, servants, employees, attorneys, and all persons in active concert or participation with them are permanently enjoined from violating, directly or indirectly:

A. Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5(a), (b) and (c) promulgated thereunder [17 C.F.R. § 240.10b-5(a), (b) and (c)], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

(1) to employ any device, scheme, or artifice to defraud, to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or

(3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person,

by providing false or misleading information or omitting to provide material information to actual or prospective investors concerning the performance, return, existence, use or disposition of investor funds.

B. Section 17(a)(1), (2) and (3) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser;

by providing false or misleading information or omitting to provide material information to actual or prospective investors concerning the performance, return, existence, use or disposition of investor funds.

## II.

**IT IS FURTHER ORDERED** that Defendant Meyer is permanently restrained and enjoined from violating, directly or indirectly, Sections 206(1), (2), and (4) of the Investment Advisers Act of 1940 (the “Advisers Act”) [15 U.S.C. §§ 80b-6(1), (2), (4)] and Rule 206(4)-8 promulgated thereunder [17 C.F.R. §206(4)-

8] by using any means or instrumentality of interstate commerce, or the mails, directly or indirectly,

(a) to employ any device, scheme, or artifice to defraud any client or prospective client;

(b) to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client;

(c) or to engage in any act, practice, or course of business which is fraudulent, deceptive, or manipulative, including, while acting as an investment adviser to a pooled investment vehicle by:

(1) making any untrue statement of a material fact or omitting to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, to any investor or prospective investor in the pooled investment vehicle; or

(2) otherwise engaging in any act, practice, or course of business that is fraudulent, deceptive, or manipulative with respect to any investor or prospective investor in the pooled investment vehicle; by directly or indirectly:

(i) creating a false appearance or otherwise deceiving any client, prospective client, or investor or prospective investor in a pooled investment vehicle; or

(ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any client, prospective client or investor or prospective investor in a pooled investment vehicle, about any investment strategy or investment in securities, or compensation to any person.

**III.**

**IT IS FURTHER ORDERED** that the action between the Commission and Defendant Meyer shall be administratively stayed until 30 days after the Court-appointed receiver in this action has obtained approval of a final plan for distributing the assets of the receivership to investors. The administrative stay shall not apply to the court-appointed receiver, who shall be empowered to take all of the actions set forth in the order appointing him, notwithstanding the administrative stay.

**IV.**

**IT IS FURTHER ORDERED** that upon motion of the Commission, the Court shall determine whether it is appropriate to order disgorgement of ill-gotten gains and/or a civil penalty and, if so, the amount of the disgorgement and/or civil penalty. In connection with the Commission's motion for disgorgement and/or civil penalties, and at any hearing held on such a motion: (a) Defendant will be precluded from arguing that he did not violate the federal securities laws as alleged

in the Complaint; (b) Defendant may not challenge the validity of the Consent or this Bifurcated Judgment; (c) solely for the purposes of such motion, the allegations of the Complaint shall be accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence, without regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure or Federal Rule of Evidence 802. In connection with the Commission's motion for disgorgement and/or civil penalties, the parties may take discovery limited to the issues relevant to the issues of proper amount of disgorgement and penalties, including discovery from appropriate non-parties, for a period of sixty days after the stay in Paragraph III above is lifted.

**V.**

**IT IS FURTHER ORDERED** that the Consent is incorporated herein with the same force and effect as if fully set forth herein and that Defendant Meyer shall comply with all of the undertakings and agreements set forth therein.

**VI.**

**IT IS FURTHER ORDERED** that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the allegations in the complaint are true and admitted by Defendant, and further, any



debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant under this Final Judgment or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Defendant Meyer of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

**VII.**

**IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Order.

Dated: January 31, 2020

  
UNITED STATES DISTRICT JUDGE

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