

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 4827 / December 13, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-18309

In the Matter of

JUSTIN D. MEADLIN,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Justin D. Meadlin (“Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in paragraph III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Meadlin, age 40, at all relevant times was the co-founder, managing member, Chief Operating Officer and Chief Financial Officer of Hyaline Capital Management, LLC ("Hyaline"), an investment advisory firm that was formed in April 2012, and which was registered with the Commission from May 2014 until August 2015, when Meadlin withdrew its registration. Hyaline at all times was owned by Meadlin and another member.

2. On November 22, 2017, a final judgment was entered by consent against Meadlin, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, and Sections 206(1), 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, and from aiding and abetting any violation of Section 206(4) of the Advisers Act and Rule 206(4)-1(a)(5) thereunder, in the civil action entitled *Securities and Exchange Commission v. Justin D. Meadlin, et al.*, Civil Action Number, 17 Civ. 02752 (WHP) (the "Civil Action") in the United States District Court for the Southern District of New York.

3. The Commission's complaint alleged, among other things, that Meadlin engaged in a scheme to induce clients, and prospective investors and clients, to invest funds through fraudulent misrepresentations and omissions of material fact. For example, the complaint alleged that Meadlin disseminated dozens of emails to prospective investors and clients, in which he materially inflated Hyaline's assets under management. The complaint also alleged that Meadlin touted a fictitious quantitative fund in email solicitations to more than two dozen prospective investors and in subscription hedge fund databases. Meadlin claimed the fund had as much as \$25 million in assets, and he published consistently positive historical performance returns for it dating back to 2009 that were purportedly from a "proprietary" algorithm that he acquired. According to the complaint, none of this was true: the fund did not exist, and never had, and Meadlin never acquired or created any "proprietary" algorithm. Nor had Meadlin and Hyaline achieved the touted historical returns. Based on his fraudulent misrepresentations and omissions, certain investors invested money with Meadlin and Hyaline.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Meadlin's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act, that Respondent Meadlin be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, with the right to apply for reentry after five years to the appropriate self-regulatory organization, or if there is none, to the Commission.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Brent J. Fields
Secretary