

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 5580 / September 14, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-19999

In the Matter of

JOHN GERACI,

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 John Geraci (“Geraci” or “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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraphs III.2 and III.4 below, and 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. Geraci, age 63, is a resident of Florida and was the founder and Chief Executive Officer of Meridian Asset Management (“Meridian”), a Cayman Islands-based asset manager during the time of the alleged misconduct, from approximately the summer of 2015 to the fall of 2016 (the “Relevant Period”). Geraci was also the founder and director of the Meridian Matrix Long Short Equity Fund (the “Meridian Matrix Fund”), which was registered with the Cayman Islands Monetary Authority as a regulated fund and was managed by Meridian. Geraci passed the Series 7 Exam in 1999, the Series 22 Exam in 1988, and the Series 63 Exam in 1988.

2. On September 10, 2020, a final judgment was entered by consent against Geraci, permanently enjoining him from future violations of Sections 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1), 206(2), 206(4) of the Advisers Act and 206(4)-8 thereunder, in the civil action entitled Securities and Exchange Commission v. John Geraci, Civil Action Number 18-cv-6432, in the United States District Court for the Southern District of New York.

3. The Commission’s complaint alleged, among other things, that during the Relevant Period, Geraci made false and misleading statements to investors that all of their funds were fully invested in the Meridian Matrix Fund and earning returns, when Geraci knew that the portfolio manager had misappropriated approximately \$800,000 of their money. The Complaint also alleged that Geraci misappropriated approximately \$1 million himself from the Meridian Matrix Fund.

4. On October 9, 2019, Geraci pled guilty to one count of conspiracy to commit securities fraud and wire fraud [15 U.S.C. § 78j(b), 15 U.S.C. § 78ff and 18 U.S.C. § 1343] in violation of 18 U.S.C. § 371, before the United States District Court for the Southern District of New York, in United States v. John Geraci, 18-cr-715 (S.D.N.Y.). On January 24, 2020, the District Court entered a judgment and conviction based on these offenses. Geraci was sentenced to a prison term of 24 months followed by 3 years of supervised release and ordered to make restitution in the amount of \$1,098,971.38.

5. The count of the criminal information to which Geraci pled guilty alleged that Geraci, and others, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit securities fraud and wire fraud.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act, that Respondent Geraci 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.

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, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) 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 (e) 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.

Vanessa A. Countryman
Secretary