

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 6916 / September 4, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-22525

In the Matter of

MERIDIAN FINANCIAL, LLC

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE AND CEASE-AND-
DESIST PROCEEDINGS, PURSUANT TO
SECTIONS 203(e) AND 203(k) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS AND A CEASE-
AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”) against Meridian Financial, LLC (“Meridian” 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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

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

Summary

These proceedings arise out of failures by Meridian, a registered investment adviser, to comply with provisions of the Advisers Act concerning marketing, recordkeeping, the implementation of compliance policies and procedures, and the conducting of an annual compliance review. Specifically, Meridian disseminated an advertisement in which it claimed it “refuse[d] all conflicts of interest,” without providing any context for this claim. Meridian separately recognizes various conflicts of interest inherent in the role as an investment adviser, including conflicts of interest disclosed in its Form ADV Part 2A brochure. As a result, Meridian lacked a reasonable basis to believe that it would be able to substantiate the claim that it refused all conflicts of interest upon demand by the Commission in violation of Advisers Act Rule 206(4)-1 (the “Marketing Rule”). Meridian also failed to maintain copies of advertisements that appeared on its website. Meridian also failed to implement its policies and procedures concerning the reliance on third parties for recordkeeping and the conducting of annual compliance reviews. Further, Meridian also failed to conduct an annual review of the adequacy of its compliance policies and procedures and the effectiveness of their implementation as required under Rule 206(4)-7.

Respondent

1. **Meridian Financial, LLC** is a Massachusetts limited liability company with its principal place of business in Holliston, Massachusetts. Meridian has been registered with the Commission as an investment adviser since October 7, 2019. In its Form ADV dated February 26, 2025, Meridian reported that it had approximately \$258 million in regulatory assets under management. Its client base is constituted solely of individuals.

Facts

Marketing Rule Failures

2. On December 22, 2020, the Commission adopted significant amendments to Advisers Act Rule 206(4)-1, which governs marketing by Commission-registered investment advisers. *See Investment Adviser Marketing*, Release No. IA-5653 (Dec. 22, 2020) (effective May 4, 2021). The Commission set a deadline of November 4, 2022, eighteen months after the amendments’ effective date of May 4, 2021, for registered investment advisers to come into compliance with the Marketing Rule. *See id.* at 252.

3. Under the Marketing Rule, registered investment advisers are prohibited from including in advertisements any material statement of fact that the adviser does not have a reasonable basis for believing it will be able to substantiate upon demand by the Commission. *See* Advisers Act Rule 206(4)-1(a)(2).

4. The Marketing Rule defines an “advertisement,” in pertinent part, to include “[a]ny direct or indirect communication an investment adviser makes to more than one person . . . that offers the investment adviser’s investment advisory services with regard to securities to prospective clients . . . or offers new investment advisory services with regard to securities to current clients.” Advisers Act Rule 206(4)-1(e)(1).

5. After the November 4, 2022 compliance deadline for the Marketing Rule, Meridian published a communication on its public website that constituted an “advertisement” because it offered investment advisory services with regard to securities to prospective clients and offered new investment advisory services with regard to securities to current clients. As the communication was published on a public website, it was made to more than one person.

6. This advertisement contained the material statement of fact that Meridian “refuse[d] all conflicts of interest” without providing any context for this claim. However, Meridian has recognized conflicts of interest inherent in providing investment advisory services, including conflicts of interest disclosed in its Form ADV Part 2A brochure. The brochure also indicated that Meridian would disclose certain conflicts of interest to clients or take some steps to mitigate conflicts of interest. As a result, Meridian lacked a reasonable basis for believing it would be able to substantiate upon demand by the Commission the material statement of fact appearing in its advertisement that it “refuse[d] all conflicts of interest.”

Books and Records Failures

7. Section 204(a) of the Advisers Act and Rule 204-2 thereunder require registered investment advisers to keep certain “true, accurate, and current” books and records. Rule 204-2(a)(11) requires such advisers to keep a “copy of each” advertisement that the investment adviser disseminates, directly or indirectly. Meridian failed to keep true, accurate, and current copies of advertisements published on its public website. Meridian retained a third-party service provider to construct and maintain its website, but neither Meridian nor this third-party service provider kept copies of all of the advertisements on the website that were published and available to the public. Meridian was unable to provide all of the website advertisements requested by the staff during the Commission’s investigation from time periods prior to December 2023.

Other Compliance Failures

8. Meridian failed to implement certain of its compliance policies and procedures designed to prevent violations of the Advisers Act. Specifically, Meridian’s compliance manual required that, should Meridian rely upon a third party to maintain required records, Meridian was required to obtain a contractual undertaking from the third party to provide those records promptly upon request. Although Meridian relied on a third party to maintain copies of the advertisements that were on Meridian’s website, Meridian did not obtain a contractual undertaking requiring the third party to provide a copy of the documents promptly upon request, as required by Meridian’s compliance manual.

9. In addition, Meridian failed to conduct an annual review of the adequacy of its compliance policies and procedures and the effectiveness of their implementation, nor did it comply with the annual review requirements set forth in its compliance manual. In 2023, Meridian’s annual review was incomplete and limited to a cursory review of Meridian’s Form ADV. Although Meridian knew its annual review had not yet been completed, Meridian made no effort to complete the process. Meridian’s compliance manual specifies that the annual review must review the firm’s policies and procedures to assess their effectiveness in light of the business Meridian conducts, any

changes in the Advisers Act or other applicable rules, and any compliance matters that arose during the previous year. In addition, Meridian’s compliance manual requires the evaluation and testing of both the efficacy and implementation of Meridian’s written policies and procedures. Meridian failed to implement these policies and procedures for its 2023 annual review, which involved only a review of Meridian’s Form ADV. In 2024, Meridian conducted an annual review with the assistance of a compliance consultant. However, the 2024 annual review did not assess the adequacy of Meridian’s policies and procedures, as the review assessed a stale version of the compliance manual that was no longer operative and did not capture the requirements of the Marketing Rule.

Violations

10. As a result of the conduct above, Respondent willfully¹ violated Section 206(4) of the Advisers Act and Rule 206(4)-1(a) thereunder.

11. As a result of the conduct described above, Respondent willfully violated Section 204(a) of the Advisers Act and Rule 204-2(a)(11) thereunder.

12. As a result of the conduct described above, Respondent willfully violated Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder, which require a registered investment adviser to adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder and to review, no less frequently than annually, the adequacy of its compliance policies and procedures established pursuant to Rule 206(4)-7 and the effectiveness of their implementation.

Remedial Steps

13. In determining to accept the Offer, the Commission considered remedial acts undertaken by Meridian and the cooperation afforded the Commission staff, including Meridian’s prompt removal of the advertisement that violated the Marketing Rule and its retention of a third party firm to aid with the preservation of books and records, a compliance consultant to advise on compliance matters and conduct compliance training, and a separate compliance consultant to serve as Chief Compliance Officer of Meridian.

Undertakings

¹ “Willfully,” for purposes of imposing relief under Section 203(e) of the Advisers Act, “means no more than that the person charged with the duty knows what he is doing.” *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor “also be aware that he is violating one of the Rules or Acts.” *Tager v. SEC*, 344 F.2d 5, 8 (2d Cir. 1965). The decision in *The Robare Group, Ltd. v. SEC*, which construed the term “willfully” for purposes of a differently structured statutory provision, does not alter that standard. 922 F.3d 468, 478-79 (D.C. Cir. 2019) (setting forth the showing required to establish that a person has “willfully omit[ted]” material information from a required disclosure in violation of Section 207 of the Advisers Act).

14. Respondent has undertaken to:
- a. Within 30 days of the entry of this Order, conduct an annual compliance review.
 - b. Within 40 days of the entry of this Order, certify, in writing, compliance with the undertakings ordered pursuant to Section IV.C below. This certification shall identify the undertaking(s), provide written evidence of compliance in the form of a narrative, and, if necessary, be supported by exhibits sufficient to demonstrate compliance. The Commission staff may make reasonable requests for further evidence of compliance, and Respondent agrees to provide such evidence. The certification and supporting material shall be submitted to Colin D. Forbes, Assistant Director, Asset Management Unit, Securities and Exchange Commission, 33 Arch Street, Boston, MA 02110, with a copy sent via email to the mailbox the Office of Chief Counsel of the Enforcement Division maintains for compliance certifications, SECSettlementCertifications@sec.gov.
 - c. For good cause shown, the Commission staff may extend any of the procedural dates relating to these undertakings. Deadlines for procedural dates shall be counted in calendar days, except that if the last day falls on a weekend or federal holiday, the next business day shall be considered the last day.

IV.

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

Accordingly, pursuant to Sections 203(e) and 203(k) of the Advisers Act, it is hereby ORDERED that:

A. Respondent cease and desist from committing or causing any violations and any future violations of Sections 204(a) and 206(4) of the Advisers Act and Rules 204-2, 206(4)-1, and 206(4)-7 thereunder.

B. Respondent is censured.

C. Respondent shall comply with the undertakings enumerated in Section III, paragraphs 14.a through 14.c above.

D. Respondent shall pay a civil money penalty in the amount of \$75,000 to the Commission for transfer to the general fund of the United States Treasury, subject to the Securities Exchange Act of 1934 Section 21F(g)(3). Payment shall be made in the following installments: within 10 days of the entry of this Order, Respondent shall pay \$18,750 of the civil penalty amount;

thereafter, Respondent shall pay three additional installments of \$18,750 each with the first additional installment to be paid within 120 days of the entry of this Order, the second additional installment to be paid within 240 days of the entry of this Order, and the third additional installment to be paid within 360 days of the entry of this Order, plus all accrued interest. Payments shall be applied first to post order interest, which accrues pursuant to 31 U.S.C. § 3717. Prior to making the final payment set forth herein, Respondent shall contact the staff of the Commission for the amount due. If Respondent fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission. Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Meridian Financial, LLC as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Colin Forbes, Assistant Director, Asset Management Unit, Securities and Exchange Commission, 33 Arch Street, Boston, MA 02110, or such other address as the Commission staff may provide.

E. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, it shall not argue that it is entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that it shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a

private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Vanessa A. Countryman
Secretary