

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3127/ December 23, 2010**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-14172**

**In the Matter of**

**AARON RIDDLE,**

**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 Aaron Riddle (“Riddle” 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 him and the subject matter of these proceedings, and the findings contained in Section III.3 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. Riddle, 36 years old, was a founding member and the Chief Financial Officer of Jadis Capital, Inc. ("Jadis Capital"), a New York corporation. Jadis Capital was the sole owner of Jadis Investments, LLC ("Jadis Investments"), a Delaware limited liability company and Uniondale, Long Island-based investment adviser registered with the Commission. Riddle was a controlling member, Chief Financial Officer and First Vice President of Jadis Investments prior to his resignation on October 21, 2005. Riddle is a graduate of Hofstra University and, in the past, has been registered with the Commission as an investment adviser affiliate.

2. The Commission's complaint, in the civil action entitled Securities and Exchange Commission vs. Isaac I. Ovid, et al., 09 Civ. 1521 (E.D.N.Y.) (LDW), alleges that Riddle, along with six other individual defendants, participated in a fraudulent investment scheme, resulting in an overall investor loss of more than \$12 million, by making numerous misrepresentations to encourage them to invest in two purported hedge funds - the Logos Multi-Strategy Hedge Fund I, LP ("Logos Fund") and the Donum Fund, LP ("Donum Fund"). Instead of investing the money as promised, according to the complaint, the defendants misappropriated millions of dollars to furnish their own lavish lifestyles with purchases of luxury cars, jewelry, clothing, meals, and expensive foreign travel. The Commission's complaint also alleges that Riddle, along with the other individual defendants and two defendant entities, improperly offered and sold securities when no registration statement was in effect as to such securities.

3. On February 25, 2010, Riddle pled guilty to conspiracy to commit securities fraud, in violation of Title 18 United States Code, Section 371 before the United States District Court for the Eastern District of New York, in United States v. Aaron Riddle, 09 Cr. 216-02 (E.D.N.Y.) (JG). On August 5, 2010, a judgment in the criminal case was entered against Riddle. He was sentenced to a prison term of 36 months followed by three years of supervised release and ordered to make restitution in the amount of \$12,334,614.41.

4. The criminal indictment to which Riddle pled guilty, United States v. Isaac Ovid, et al., 09 Cr. 0216 (E.D.N.Y.) (JG), alleged, inter alia, that Riddle made materially false and fraudulent representations and omitted material facts in soliciting investors for the Logos Fund, used his Jadis Capital corporate credit card to make unauthorized personal purchases, and, unbeknownst to the Logos Fund investors, used Logos Fund investor money to pay Jadis Capital's and Jadis Investments' operating and payroll expenses, as well as debts that another defendant owed to other advisory clients. The indictment also alleged that Riddle made materially false and fraudulent representations and omitted material facts in soliciting investors for the Donum Fund.

### IV.

In view of the aforementioned criminal conviction, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Riddle's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, that Respondent Riddle be, and hereby is barred from association with any investment adviser.

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.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy  
Secretary

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”) on the Respondent and his legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray  
Chief Administrative Law Judge  
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