

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 3090/September 1, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16462

In the Matter of	:	
	:	
LYNN TILTON,	:	
PATRIARCH PARTNERS, LLC,	:	
PATRIARCH PARTNERS VIII, LLC,	:	ORDER
PATRIARCH PARTNERS XIV, LLC, and	:	
PATRIARCH PARTNERS XV, LLC	:	

The Securities and Exchange Commission (Commission) instituted this proceeding with an Order Instituting Proceedings (OIP) on March 30, 2015, and the hearing, which is expected to last about two weeks, is scheduled to commence on October 13, 2015, in New York City. The OIP alleges that Respondents violated the antifraud provisions of the Investment Advisers Act of 1940 in their operation of three collateral loan obligation funds by reporting misleading values for the assets held by the funds and failing to disclose a conflict of interest arising from Lynn Tilton's undisclosed approach to categorization of assets.

Under consideration is Respondents' Motion to Adjourn the Trial to December 1, 2015, and responsive pleadings. Respondents refer to *Tilton v. SEC*, No. 1:15-cv-2472 (S.D.N.Y), in which they requested the court to enjoin this administrative proceeding as unconstitutional. The court denied their request for an injunction. *Id.*, 2015 U.S. Dist. LEXIS 85015 (June 30, 2015), ECF No. 24, *appeal docketed*, No. 15-2103 (2d Cir. July 1, 2015). Respondents represent that the appeal has been fully briefed and that oral argument is scheduled for September 16, 2015. Respondents suggest that their requested seven-week adjournment will provide sufficient time for the Court of Appeals to issue its ruling and will also enable them to deal with some logistical issues that have arisen regarding their document subpoena efforts.

The Motion will be denied. In essence, it is a motion for stay pending the ruling of the Court of Appeals. Respondents cannot predict when the Court of Appeals will rule, but, if their current request for adjournment is granted, it is predictable that they will continue to move for adjournments as long as their appeal is pending. There is no authority requiring a stay, and the Commission's Rules of Practice, 17 C.F.R. §§ 201.100 *et seq.*, do not contemplate a stay in this circumstance, leaving the undersigned without authority to order a stay.

Further, the pendency of an appeal does not preclude the Commission from action. *See James E. Franklin*, Securities Exchange Act of 1934 Release No. 56649, 2007 SEC LEXIS 2420, at *12 n.15 (Oct. 12, 2007) (and cases cited therein, holding that the pendency of an appeal does not preclude the Commission from action based on an injunction or conviction), *pet. denied*, 285 F. App'x 761 (D.C. Cir. 2008). As the court in *Tilton v. SEC* stated, there is a congressionally created scheme by which Respondents can bring their arguments to the Court of Appeals, by appealing an adverse result in this administrative proceeding to the Court of Appeals. Finally, the logistical issues regarding Respondents' document subpoena efforts do not warrant adjournment.

IT IS SO ORDERED.

/S/ Carol Fox Foelak
Carol Fox Foelak
Administrative Law Judge