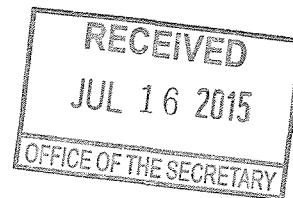


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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING
File No. 3-16649

In the Matter of:

Ironridge Global Partners, LLC,
Ironridge Global IV, Ltd.

Respondents.

**RESPONDENT IRONRIDGE GLOBAL
IV, LTD.'S, ANSWER AND
AFFIRMATIVE DEFENSES TO ORDER
INSTITUTING ADMINISTRATIVE
CEASE-AND-DESIST PROCEEDINGS
PURSUANT TO SECTIONS 15(b) and
21C OF THE SECURITIES AND
EXCHANGE ACT OF 1934**

**ANSWER AND AFFIRMATIVE DEFENSES
OF RESPONDENT IRONRIDGE GLOBAL IV, LTD.**

Respondent Ironridge Global IV, Ltd., by and through counsel, hereby answers the Order Instituting Administrative Cease-and-Desist Proceedings ("OIP") of the U.S. Securities and Exchange Commission ("SEC"), as follows:

INTRODUCTORY STATEMENT

In the paragraphs that follow, unless otherwise indicated, Respondent states that it is without sufficient knowledge or information to admit and, therefore, denies any allegation relating to any other person or entity. Any allegation not expressly admitted is denied. The OIP contains numerous purported allegations that constitute legal conclusions. Because Respondent is not required to respond to legal conclusions in this Answer, Respondent neither admits nor denies such purported allegations. To the extent a response is required, Respondent denies such allegations.

I.

Part I of the OIP contains legal conclusions to which no answer is required. To the extent an answer is deemed necessary, Respondent denies that it is appropriate that cease-and-desist

proceedings be instituted against it. Respondent further denies that the Commission is entitled to institute proceedings pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) and reserves the right to file a federal court action to enjoin these proceedings and declare them unconstitutional. By filing and serving this answer, Respondent does not intend to waive, and is not waiving, its rights to pursue a federal court action, and raises all constitutional objections here to preserve them. This Answer is filed without prejudice to and expressly preserves all claims and contentions that may be asserted in any federal court action.

II.

The preface to Part II of the OIP does not contain allegations for which a response is required.

1. To the extent the allegations in Paragraph 1 constitute a legal conclusion, no response is required. To the extent a response is required, Respondent admits that it has engaged in court-approved exchanges in reliance upon the registration exemption contained in Section 3(a)(10) of the Securities Act of 1933, as amended (“Securities Act”), which exempts from registration securities issued in court-approved exchanges for, among other things, bona fide outstanding claims. Respondent also admits that, pursuant to court orders in exchanges exempt under Section 3(a)(10), registered broker-dealers received shares from certain issuers for the benefit of Respondent pursuant to formulas contained in the court orders and publicly disclosed by Respondent in Schedules 13G timely filed with regard to each issuer, and that the registered broker-dealers subsequently sold some of those shares in the open market. Respondent also admits that between April 2011 and March 26, 2014, it engaged in 33 separate court-approved Section 3(a)(10) exchanges with 28 issuers that had market capitalizations below \$300 million; that during this period registered broker-dealers received an aggregate of approximately 5.5 billion shares of the various issuers’ common stock for the benefit of Respondent, and from time

to time the registered broker-dealers have sold some of the shares thereby generating approximately \$56 million in gross proceeds; and that since March 2014, registered broker-dealers have continued to receive shares pursuant to extant court orders issued in the Section 3(a)(10) exchanges, and from time to time sell some of the shares. Respondent otherwise denies the allegations in Paragraph 1.

2. Respondent admits that prior to July 2014, Ironridge Global Partners, LLC, (“Partners LLC”) was a Delaware limited liability company with a place of business in San Francisco, California, which had four directors, all of whom are natural persons who reside in the United States and are United States citizens. Respondent further admits that until January 2015, Partners, LLC, was the sole shareholder of Respondent, and that Partners, LLC, is not registered with the Commission in any capacity. Respondent otherwise denies the allegations in Paragraph 2.

3. Respondent admits the allegations in Paragraph 3.

4. Respondent admits that prior to November 30, 2012, three of the five directors of Respondent were directors of Partners LLC. Respondent otherwise denies the allegations in Paragraph 4.

5. Respondent denies the allegations in Paragraph 5.

6. Respondent denies the allegations in Paragraph 6.

7. Paragraph 7 states a legal conclusion to which no answer is necessary. To the extent an answer is necessary, Respondent admits the allegations in Paragraphs 7.

8. Respondent denies the allegations in Paragraph 8.

9. Respondent denies the allegations in Paragraph 9.

10. Respondent denies the allegations in Paragraph 10.

11. Respondent denies the allegations in Paragraph 11.
12. Respondent admits that in some instances it paid registered broker-dealers and other persons commissions. Respondent otherwise denies the allegations in Paragraph 12.
13. Respondent denies the allegations in Paragraph 13.
14. Respondent denies the allegations in Paragraph 14.
15. Respondent denies the allegations in Paragraph 15.
16. Respondent denies the allegations in Paragraph 16.
17. Respondent admits the allegations in Paragraph 17.
18. Respondent admits the allegations in Paragraph 18.
19. Respondent denies the allegations in Paragraph 19.
20. Respondent admits the allegations in Paragraph 20.
21. Respondent admits the allegations in Paragraph 21.
22. Respondent admits the allegations in Paragraph 22.
23. Respondent admits the allegations in Paragraph 23.
24. Respondent admits that during the relevant period it engaged in 33 separate court-approved Section 3(a)(10) exchanges with 28 issuers and that in connection with underlying claims totaling approximately \$35 million registered broker-dealers sold an aggregate of approximately 5.5 billion shares of issuers' stock for gross proceeds of approximately \$56 million. Respondent otherwise denies the allegations in Paragraph 24.
25. Respondent admits that as a result of the issuance of shares pursuant to the court orders in Section 3(a)(10) exchanges during the relevant period the number of shares outstanding for many of the issuers increased. Respondent otherwise denies the allegations in Paragraph 25.
26. Respondent denies the allegations in Paragraph 26.

27. Respondent denies the allegations in Paragraph 27.

28. Respondent denies the allegations in Paragraph 28.

29. Respondent denies the allegations in Paragraph 29.

30. Respondent denies the allegations in Paragraph 30.

31. Respondent admits the allegations in Paragraph 31.

32. Respondent denies the allegations in Paragraph 32.

33. Respondent admits that registered broker-dealers sold some of the shares of stock obtained for the benefit of Respondent through Section 3(a)(10) exchanges in the open market after court approval and the filing of public disclosures of the terms of the exchanges.

Respondent otherwise denies the allegations in Paragraph 33.

34. Respondent admits that two individual members of Partners LLC were also members of a registered investment advisor (RIA). In their capacity as members of the RIA, they were authorized to advise registered broker-dealers that sold some shares for the benefit of Respondent as Respondent's RIA. Respondent otherwise denies the allegations in Paragraph 34.

35. Respondent denies the allegations in Paragraph 35.

36. Respondent denies the allegations in Paragraph 36.

37. Respondent denies the allegations in Paragraph 37.

38. Respondent denies the allegations in Paragraph 38.

39. Respondent admits that registered broker-dealers received the proceeds from the sale of some of the shares obtained through court-approved Section 3(a)(10) exchanges into the brokerage accounts from which the shares were sold, and that they deposited some of the proceeds into bank accounts held in the name of Respondent. Respondent otherwise denies the allegations in Paragraph 39.

40. Respondent denies the allegations in Paragraph 40.

41. Respondent admits that pursuant to the terms of applicable court orders from time to time licensed broker-dealers receive shares issued pursuant to Section 3(a)(10) exchanges, and from time to time licensed broker-dealers sell some of the shares received for the benefit of Respondent pursuant to court order. Respondent otherwise denies the allegations in Paragraph 41.

42. No answer is required to Paragraph 42 to the extent it states a legal conclusion. To the extent an answer is necessary, Respondent denies the allegations in Paragraph 42.

43. No answer is required to Paragraph 43 to the extent it states a legal conclusion. To the extent an answer is necessary, Respondent denies the allegations in paragraph 43.

III.

Part III of the OIP is a statement that the Commission deems it appropriate that cease-and-desist proceedings be instituted, to which no response is required. In response to Part III of the OIP, Respondent re-alleges and incorporates its answers to Part I and Part II of the OIP as if fully set forth herein. Respondent denies that it is appropriate that cease-and-desist proceedings be instituted against it. Respondent further denies that the Commission is entitled to seek or obtain the relief sought in subsections A-C of this Part, or under the statutory provisions referred to, as a matter of fact or law.

IV.

Part IV of the OIP states Orders of the Commission and sets forth legal conclusions, to which no response is required.

AFFIRMATIVE DEFENSES

Without admitting any wrongful conduct on the part of Respondent and without conceding that it carries the burden of proof on any of the following affirmative defenses, Respondent alleges the following affirmative defenses to the claims alleged in the OIP:

First Affirmative Defense

The claims alleged in the OIP are barred, in whole or in part, because the Commission lacks jurisdiction over this proceeding and over Respondent. In particular, there is no subject matter or personal jurisdiction over Respondent, which is a British Virgin Islands entity.

Second Affirmative Defense

The claims alleged in the OIP are barred, in whole or in part, because this administrative proceeding is the product of an impermissible delegation of legislative authority in contravention of Article I of the United States Constitution.

Third Affirmative Defense

The claims alleged in the OIP are barred, in whole or in part, because SEC ALJs are inferior officers who are impermissibly shielded from the President's removal powers, and this proceeding therefore violates the Constitution's Article II.

Fourth Affirmative Defense

The claims alleged in the OIP are barred, in whole or in part, because the presiding Administrative Law Judge is an "inferior officer" for Article II's purposes but was not appointed by the Commissioners, the President, or the courts—all in violation of Article II of the United States Constitution.

Fifth Affirmative Defense

The claims alleged in the OIP are barred, in whole or in part, because this administrative proceeding violates the doctrine of separation of powers.

Sixth Affirmative Defense

The claims alleged in the OIP are barred, in whole or in part, because this administrative proceeding violates Respondent's right to due process under the United States Constitution, because, for example, the administrative procedures (including Respondent's discovery rights) are unconstitutionally inadequate; because decision-makers in Respondent's case (including the Commissioners and the ALJ) have conflicts of interest, such as that they have prejudged the merits of the case, that all are SEC insiders, and that ALJs are pressured to find against respondents; and because the claims against Respondent rely on novel theories about which Respondent had no advanced notice.

Seventh Affirmative Defense

The claims alleged in the OIP are barred, in whole or in part, because this administrative proceeding violates Respondent's right to equal protection of the laws under the United States Constitution.

Eighth Affirmative Defense

The claims alleged in the OIP are barred, in whole or in part, because this administrative proceeding violates Respondent's right to a jury trial under the Seventh Amendment of the United States Constitution.

Ninth Affirmative Defense

The claims alleged in the OIP are barred, in whole or in part, because the OIP fails to state a cause of action against Respondent.

Tenth Affirmative Defense

The claims alleged in the OIP are barred, in whole or in part, by the applicable statutes of limitation, statutes of repose and/or the doctrine of laches.

Eleventh Affirmative Defense

The claims alleged in the OIP are barred, in whole or in part, because they fail to allege, and in any event are not supported by, admissible evidence to prove that Respondent acted with the requisite scienter.

Twelfth Affirmative Defense

The claims alleged in the OIP are barred, in whole or in part, because Respondent is not a dealer for purposes of Section 15(a) and has no obligation to register under that provision.

Thirteenth Affirmative Defense

The claims alleged in the OIP are barred, in whole or in part because Respondent committed no primary violation, and there is no act or thing which would be unlawful in this case.

Fourteenth Affirmative Defense

The claims alleged in the OIP are barred, in whole or in part, because the civil penalties sought constitute an excessive fine prohibited by the Eighth Amendment to the United States Constitution.

Fifteenth Affirmative Defense

The claims alleged in the OIP are barred, in whole or in part, because the Commission is not entitled to the relief it seeks.

Sixteenth Affirmative Defense

The claims alleged in the OIP are barred, in whole or in part, because Respondent is exempt from registration pursuant to Rule 15a-6's foreign broker-dealer exemption because, for example, Respondent is a British Virgin Islands Company with its sole place of business in the British Virgin Islands and does not have any offices, employees, or bank accounts in the United States; Respondent is not an office or branch of a registered broker or dealer; Respondent and

Partners LLC are separate entities and Partner LLC's activities are not attributable to Respondent; Respondent did not solicit the issuers with whom it entered the court-approved Section 3(a)(10) exchanges; and the court-approved exchanges were effected with a registered broker-dealer.

Seventeenth Affirmative Defense

The claims alleged in the OIP are barred, in whole or in part, because all of the exchanges and issuances of securities were approved by a court in accordance with the securities laws and are expressly exempt by statute from registration with the SEC, and the registration requirements of the Exchange Act do not apply to court-approved Section 3(a)(10) exchanges.

Eighteenth Affirmative Defense

The claims alleged in the OIP are barred, in whole or in part, because in the extensive guidance the SEC publishes for parties that participate in exempt transactions, and in all prior enforcement actions, the SEC never suggested that the recipients of shares issued in court-approved Section 3(a)(10) exchanges were required to register as dealers.

Nineteenth Affirmative Defense

The claims alleged in the OIP are barred, in whole or in part, because the SEC has issued a "no action" letter in *Acqua Wellington North American Equities Fund, Ltd.*, SEC No Action Letter, 2001 WL 1230266 (Oct. 11, 2001) in which the SEC concluded that an acknowledged underwriter of newly issued securities did not require registration as a dealer.

Twentieth Affirmative Defense

The claims alleged in the OIP are barred, in whole or in part, because the market participants have a right to rely on what the SEC says about the way the law is to be applied, and the SEC violates due process and sound policy when it attempts to regulate by surprise and

announce a new view of the law through an enforcement action that could not have been anticipated from, and is instead contrary to, its past statements about what the law means.

Twenty-First Affirmative Defense

The claims in the OIP are barred, in whole or in part, because in connection with each Section 3(a)(10) exchange at least one legal opinion was issued stating that the shares issued in the exchange could be resold without registration.

Twenty-Second Affirmative Defense

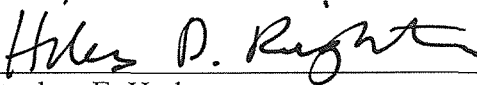
Respondent asserts all other affirmative defenses as may be discovered during the course of this action and expressly reserves the right to plead additional affirmative defenses as this case proceeds into discovery. Respondent hereby incorporates herein all affirmative defenses asserted by the other Respondent.

WHEREFORE, Respondent prays for judgment as follows:

1. Dismissing the OIP in its entirety with prejudice on the merits;
2. Awarding judgment in Respondent's favor against the Commission;
3. Granting Respondent's costs and fees, including reasonable attorneys' fees; and
4. Granting such further and other relief as the Court deems just and proper.

Respectfully submitted, July 15, 2015.

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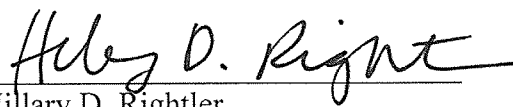
CERTIFICATE OF SERVICE

I hereby certify that on July 15, 2015, I filed the foregoing ANSWER AND AFFIRMATIVE DEFENSES OF RESPONDENT IRONRIDGE GLOBAL IV, LTD. by Federal Express Overnight Mail with the Office of the Secretary, Securities and Exchange Commission, Attn: Secretary of Commission Brent J. Fields, 100 F Street NE, Mail Stop 1090, Washington, DC 20549, and filed a copy by facsimile transmission to (202) 772-9324, and served a true and correct copy upon counsel of record and the hearing officer by first class U.S. mail and electronic mail, as follows:

Mr. Robert Gordon
Securities and Exchange Commission
Atlanta Regional Office
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Atlanta, GA 30326

The Honorable James E. Grimes
Administrative Law Judge
Securities and Exchange Commission
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Washington, DC 20549-2557

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