

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

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 2892/July 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 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 Halt the Division's Substitute Case for Trial and responsive pleadings. Respondents state that the Division of Enforcement (Division) has been interviewing potential witnesses whom the Division had not contacted during the investigation that led up to this proceeding and that this is an improper and unfair attempt to build a different case for trial apart from the factual record it had developed before the OIP. Respondents' motion will be denied. The Division's actions are in accord with rulings at the May 7, 2015, prehearing conference: that the Division would disclose the identity of investor witnesses on a rolling basis that would cut off on July 10, 2015. Tr. 11-31. Respondents cite to the thoughtful ruling of Administrative Law Judge James T. Kelly in *Morgan Asset Management, Inc.*, Admin. Proc. Rulings Release No. 656, 2010 SEC LEXIS 2256 (A.L.J. July 12, 2010), in which, citing 17 C.F.R. § 201.230(g) and other authority, he found to be improper the Division's institution of a new investigation after an OIP to collect additional evidence for the previously initiated proceeding. In the instant case, however, there is no new investigation, and proof of fraud in an enforcement case does not require reliance on alleged fraudulent disclosures by anyone.

IT IS SO ORDERED.

/s/ Carol Fox Foelak _____
Carol Fox Foelak
Administrative Law Judge