

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

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 4004/July 20, 2016

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. The OIP alleges that Respondents violated the antifraud provisions of the Investment Advisers Act of 1940 (Advisers Act) 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. The proceeding was stayed by order of the U.S. Court of Appeals for the Second Circuit between September 17, 2015, and June 2016. *See Tilton v. SEC*, No. 15-2103, 2016 U.S. App. LEXIS 9970, at *37 (2d Cir. June 1, 2016); *Tilton v. SEC*, No. 15-2103, ECF Nos. 76, 125. Upon the court's vacating the stay, the undersigned ordered the parties to propose a hearing date in September 2016. *Lynn Tilton*, Admin. Proc. Rulings Release No. 3990 (A.L.J. July 15, 2016) (July 15 Order). Under consideration are various letters and motions following the July 15 Order.

On consideration of the letters and motions and given schedule conflicts of counsel and/or certain witnesses for a hearing starting in September 2016, the hearing will be set to commence October 24, 2016, with the following prehearing schedule:

August 15, 2016: Amended Witness and Exhibit Lists
September 12, 2016: Motions in Limine
September 19, 2016: Oppositions to Motions in Limine
October 17, 2016: Prehearing Briefs and Final Stipulations
October 19, 2016: Final Prehearing Conference

Delaying the hearing until December 2016, as the parties request, is inconsistent with 17 C.F.R. §§ 201.161, .360. The reasons advanced by Respondents are unpersuasive. This case involves a single individual respondent and four related entities, charged with violations of Advisers Act Sections 206(1), 206(2), and 206(4) and Rule 206(4)-8. More than five months elapsed from the institution of this proceeding until the time this proceeding was stayed in September 2015, with

the hearing originally scheduled to commence on October 13, 2015. Most of the prehearing steps had already been completed, as noted in the July 15 Order. The Second Circuit vacated its stay order on June 1, 2016, thus making the parties aware that this proceeding would soon continue.

Respondents' hiring new counsel and intent to file a large number of prehearing motions are not an adequate basis for substantial delay. It is also unnecessary for Respondents to file numerous motions simply to preserve issues, such as constitutional issues, for appeal; they may simply note such objections for the record. As to Respondents' concerns about the schedules of hearing participants, the parties can use available means, including use of subpoenas, to compel attendance of witnesses, or can make arrangements for expert witnesses to appear by video conference if necessary.

Finally, Respondents' request for certification of the July 15 Order for interlocutory review patently fails to meet the standards of 17 C.F.R. § 201.400(c) and must be denied. Respondents are warned that filing further frivolous motions may subject counsel to sanctions or limits on the number of permissible filings. *See* 17 C.F.R. § 201.111(d), .180.

IT IS SO ORDERED.

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