

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

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 4274/October 18, 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 in their operation of three collateral loan obligation funds (known as the Zohar 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. The hearing is currently scheduled to commence on October 24, 2016.

Two subpoenas directed to the Commission were issued on September 1, 2016, at Respondents' request. *See Lynn Tilton*, Admin. Proc. Rulings Release No. 4116, 2016 SEC LEXIS 4116 (A.L.J. Sept. 1, 2016). Under consideration are Respondents' October 17, 2016, Motions: (1) to Compel the Office of Litigation and Administrative Practice to Produce Documents Responsive to Respondents' Subpoenas; and (2) for Leave to File the Motion to Compel. The Motion for Leave to File will be granted. The Motion to Compel states that Respondents and the Commission's Office of Litigation and Administrative Practice (OLAP) held numerous meet and confers to resolve any privilege assertions, but that OLAP continues to withhold inter-agency communications that the undersigned had ordered to be released. Ex. 2 of the Declaration of Mary Beth Maloney attached to the Motion to Compel is a privilege log sent to Respondents on October 14, 2016. Next to each withheld document is a privilege claim of work product doctrine, law enforcement privilege, and/or deliberative process privilege. But no particularized showing as to the law enforcement, or any other, privilege's applicability has been made. *See In re City of N.Y.*, 607 F.3d 923, 944 (2d Cir. 2010) ("[T]he party asserting the law enforcement privilege bears the burden of showing that the privilege applies to the documents in question."). Accordingly, the Division and/or OLAP must submit the withheld items to the undersigned for *in camera* review by noon EDT on October 21, 2016, and include an explanation as to how the claimed privilege[s] apply to each withheld document. Individual items that are part of an email chain may be lumped together for the purpose of the explanation.

IT IS SO ORDERED.

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