UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 75272 / June 23, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16649

In the Matter of **Ironridge Global Partners, LLC, Ironridge Global IV, Ltd.** **Respondents.**	**ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTIONS 15(b) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934 ("Exchange Act") against Ironridge Global Partners, LLC ("Ironridge") and Ironridge Global IV, Ltd. ("Global IV") (collectively referred to as "Respondents").

II.

After an investigation, the Division of Enforcement alleges that:

Summary

1. This matter involves violations of the broker-dealer registration provisions by Ironridge Global IV, Ltd. ("Global IV"), a British Virgin Islands business company, and its formerly San Francisco, California-based parent company, Ironridge Global Partners, LLC ("Ironridge"). Between April 2011 through March 2014, Ironridge willfully violated Sections 15(a) and 20(b) of the Securities Exchange Act of 1934 ("Exchange Act"), and Global IV willfully violated Section 15(a) of the Exchange Act through Global IV's operation as an unregistered dealer by engaging in serial underwriting activity, providing related investment advice, and receiving and selling

billions of shares in connection with self-described financing services for domestic microcap stock companies ("microcap issuers") explicitly designed to utilize the registration exemption contained in Section 3(a)(10) of the Securities Act of 1933 ("Securities Act"). In relevant part, Section 3(a)(10) of the Securities Act exempts from registration securities issued in court-approved exchanges for "bona fide outstanding claims." As part of its business model, Ironridge designed and openly promoted a "liabilities for equity" or "LIFE" financing program, through which Ironridge arranged to have Global IV purchase outstanding claims from microcap issuers' creditors and then settle those claims through Section 3(a)(10) exchanges. Under the resulting settlements, Global IV received steeply discounted shares, which Global IV subsequently sold at the direction of Ironridge's principals. Between April 2011 and March 26, 2014, at the direction of Ironridge, Global IV engaged in 33 separate Section 3(a)(10) exchanges with 28 microcap issuers. During this period, Global IV received and sold approximately 5.5 billion shares of the issuers' common stock, thereby realizing proceeds of approximately $56 million and net profits of approximately $22 million. Since March 2014, Ironridge has continued to promote its LIFE program, and Global IV has continued to receive and sell shares pursuant to Section 3(a)(10) exchanges.

Respondents

2. Ironridge Global Partners, LLC ("Ironridge") is a Delaware limited liability company. Prior to July 2014, Ironridge's principal place of business was in San Francisco, California. Ironridge has four principals ("Ironridge principals" or "Ironridge's principals"), all of whom are natural persons who reside in the United States and are United States citizens. Until January 2015, Ironridge was the sole shareholder in Ironridge Global IV, Ltd. Ironridge is not registered with the Commission in any capacity.

3. Ironridge Global IV, Ltd. ("Global IV") is a British Virgin Islands business company with its principal place of business in the British Virgin Islands. Global IV was a wholly owned subsidiary of Ironridge prior to January 2015, and is not registered with the Commission in any capacity.

4. Prior to November 30, 2012, three of the five directors of Global IV were Ironridge principals.

5. Although the three Ironridge principals resigned as Global IV directors in November 2012, under Global IV's "Amended & Restated Articles of Association," Ironridge, as the former sole shareholder of Global IV, had the power to remove the directors of Global IV with or without cause, and without notice.

6. On behalf of Ironridge, Ironridge's principals thus exercised control of Global IV.

Ironridge Develops a Finance Model Based on the Registration Exemption Contained in Section 3(a)(10) of the Securities Act

7. In relevant part, Section 3(a)(10) of the Securities Act provides an exemption from registration for securities issued in exchange for bona fide outstanding claims approved by any court or other authorized body after a fairness hearing is conducted.

8. Since its formation, Ironridge has marketed itself as a source of innovative financing solutions for microcap issuers.

9. In particular, one of Ironridge's principals designed a finance model whereby Global IV would purchase outstanding claims against microcap issuers and then settle those claims through Section 3(a)(10) exchanges.

10. Ironridge named this finance model the "Liability for Equity (LIFE) program,"(the "LIFE program") and touted it as an "innovative financing structure" on its website and in certain business and finance publications.

Ironridge's Solicitation of, and Negotiations with Microcap Issuers and Their Creditors

11. From approximately April 2011 through March 2014 ("the relevant period"), Ironridge identified and contacted certain microcap issuers as potential candidates for financing through Section 3(a)(10) exchanges on behalf of Global IV.

12. In some instances, with Ironridge's authorization, Global IV paid registered broker-dealers and other persons commissions for related referral services.

13. Ironridge's principals advised the microcap issuers as to the structure and purported benefits of the contemplated Section 3(a)(10) exchanges on behalf of Global IV.

14. Ironridge negotiated the terms of the transaction with the microcap issuers and drafted the term sheet executed by the microcap issuers on behalf of Global IV.

15. Additionally, certain of Ironridge's principals advised and assisted microcap issuers in identifying various creditor claims (e.g., inventory suppliers and law firm bills) for a possible purchase by Global IV.

16. After identifying creditor claims to be included in a contemplated Section 3(a)(10) exchange, and with the consent of the microcap issuers, certain of Ironridge's principals then negotiated directly with the creditors for the purchase of the claims by Global IV.

17. Global IV purchased the claims of certain creditors of microcap issuers participating in its LIFE program through a Receivable Purchase Agreement ("RPA") executed separately with each such creditor.

18. Pursuant to the terms of the RPA, Global IV typically agreed to pay each creditor for the entire amount of the debt owed by the microcap issuer, typically on a payment schedule that calls for several monthly payments in exchange for an immediate assignment of the rights, title, and interest in the underlying claim.

19. Certain of Ironridge's principals contacted the issuer's creditors, directly negotiated the terms of the associated RPAs on behalf of Global IV with these creditors , and directed Global IV to execute the RPAs.

Issuance of Unrestricted Stock to Global IV Through Section 3(a)(10) Exchanges

20. During the relevant period, after Global IV was assigned claims against a particular microcap issuer, it filed suit (styled as a collection action for breach of contract) against the microcap issuer in California state court.

21. Through related "fairness hearings," the court approved the terms of related settlement agreements through which Global IV would be issued unrestricted stock in exchange for extinguishing its claims against the microcap stock companies participating in the LIFE program.

22. The court-approved settlement agreements provided Global IV with an initial issuance of shares subject to adjustment based on the operation of a price protection formula.

23. Pursuant to the price protection formulas contained in the settlement agreements, Global IV was entitled to receive additional shares at a discount if the microcap issuers' share prices declined during specified periods following court approval of the exchanges.

Global IV's Sale of Shares Issued in Section 3(a)(10) Exchanges

24. During the relevant period, Global IV engaged in 33 separate Section 3(a)(10) exchanges with 28 microcap issuers. In connection with underlying claims totaling approximately $35 million, Global IV sold approximately 5.5 billion shares of the issuers' stock for total proceeds of approximately $56 million, thereby realizing a profit of approximately $22 million.

25. As a result of Global IV's Section 3(a)(10) transactions during the relevant period, the public float of shares for many of the issuers increased significantly. For 14 of the issuers, the Section 3(a)(10) transactions increased the shares outstanding

by 25% or more. For nine of these issuers, the transactions increased the shares outstanding by at least 50%.

26. On average, Global IV began selling the initial shares that it received from the 33 Section 3(a)(10) exchanges at issue within four trading days of the shares being cleared for trading.

27. Global IV continued to sell the microcap issuers' shares through the applicable Calculation Period.

28. Global IV's sales frequently represented a significant percentage of the total daily trading volume for the issuer's shares.

29. In six of the 33 Section 3(a)(10) transactions at issue, Global IV's sale of shares on certain days represented 100% of the total daily trading volume for that security.

30. For 15 of the 33 Section 3(a)(10) transactions at issue, Global IV's sales represented 90% or more of the total daily trading volume for that security on certain days.

Mechanics of Global IV's Stock Sales

31. Global IV deposited the stock issued through the Section 3(a)(10) exchanges in various domestic and foreign brokerage accounts held by Global IV.

32. Certain of Ironridge's principals had trading authority over Global IV's brokerage accounts and thus controlled or directed the deposit of stock into those accounts.

33. Thereafter, Global IV sold stock obtained through Section 3(a)(10) exchanges in the open market.

34. Certain of Ironridge's principals had trading authority over Global IV's brokerage accounts and thus controlled or directed Global IV's sale of shares from those accounts.

35. Global IV's sale of the shares that it received from the microcap issuers through Section 3(a)(10) exchanges typically drove down the share price and increased the number of shares that Global IV received under the applicable price protection formulas.

36. At times, Ironridge directed microcap issuers participating in the LIFE program to issue additional shares to Global IV pursuant to the price protection formulas contained in their respective settlement agreements.

37. Certain of Ironridge's principals sent the requests for additional shares directly to the issuers or to the issuers' transfer agents.

38. In sending the requests referred to in Paragraph 37, above, the Ironridge principals controlled or directed the issuer's issuance of new shares to Global IV.

Global IV's Use of Sale Proceeds

39. Global IV deposited the proceeds from the sale of these shares into brokerage accounts and/or bank accounts held in the name of Global IV. Using funds in these accounts, Global IV then made payments to the creditors whose claims were purchased by Global IV and settled through the Section 3(a)(10) exchanges

40. Because certain of Ironridge's principals had trading authority and/or control over the Global IV brokerage and bank accounts, those principals controlled or directed transfers from these accounts to the creditors.

Ongoing Conduct

41. Ironridge continues to promote its LIFE program, and Global IV continues to receive and sell shares pursuant to Section 3(a)(10) exchanges.

Violations

42. As a result of the conduct described above, Global IV has willfully violated Section 15(a) of the Exchange Act, which prohibits a broker or dealer to effect transactions in any security without registering with the Commission.

43. As a result of the conduct described above, Ironridge willfully violated Sections 15(a) and 20(b) of the Exchange Act.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondents pursuant to Section 15(b) of the Exchange Act including, but not limited to, disgorgement and civil penalties pursuant to Section 21B of the Exchange Act; and

C. Whether, pursuant to Section 21C of the Exchange Act, Respondents should be ordered to cease and desist from committing or causing violations of and any future violations of Sections 15(a) and 20(b) of the Exchange Act, whether Respondents should be ordered to pay a civil penalty pursuant to Section 21B(a) of the Exchange Act, and whether Respondents should be ordered to pay disgorgement pursuant to Sections 21B(e) and 21C(e) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondents fail to file the directed answer, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Ironridge as provided for in the Commission's Rules of Practice.

This Order shall be served upon Global IV as provided for in Rule 141(a)(2)(iv) of the Commission's Rules of Practice, 17 C.F.R § 201.141(a)(2)(iv), by any method specified in paragraph (a)(2) of that rule, or by any other method reasonably calculated to give notice, provided that the method of service used is not prohibited by the law of the foreign country where Global IV may be found including, in the case of the British Virgin Islands, in accordance with the Hague Service Convention for Service Abroad of Judicial or Extrajudicial Documents in Civil or Commercial Matters.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually

related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Brent J. Fields
Secretary