

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 5846 / September 3, 2021**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20525**

**In the Matter of**

**DIRECT LENDING**  
**INVESTMENTS, LLC,**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 203(e) OF**  
**THE INVESTMENT ADVISERS ACT OF**  
**1940, MAKING FINDINGS, AND**  
**IMPOSING REMEDIAL SANCTIONS**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(e) of the Investment Advisers Act of 1940 (“Advisers Act”) against Direct Lending Investments, LLC (“DLI” or “Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over it and the subject matter of these proceedings and the findings contained in paragraph III.2. below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant To Section

203(e) of the Investment Advisers Act of 1940 , Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

### III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Respondent DLI was organized as a California limited liability company in 2012, and its principal place of business was in Glendale, California. Since 2016, DLI has been registered with the Commission as an investment adviser under Section 203 of the Advisers Act, 15 U.S.C. § 80b-3. On April 1, 2019, after the Commission filed a complaint against Respondent alleging violations of the federal securities laws, the United States District Court for the Central District of California entered an order appointing Bradley D. Sharp as permanent receiver over DLI and its affiliated entities.

2. On June 18, 2019, a final judgment was entered by consent against Respondent DLI, permanently enjoining it from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 thereunder, and Sections 206(1), 206(2), and 207 of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Direct Lending Investments, LLC, Civil Action Number 2:19-cv-02188, in the United States District Court for the Central District of California.

3. The Commission’s complaint alleged that DLI, through its owner and former chief executive officer, Brendan M. Ross, engaged in a multi-year fraud that resulted in substantial overcharges of management and performance fees to its private funds, as well as the inflation of the private funds’ returns. More specifically, the complaint alleged that Ross, acting on behalf of DLI, directed one of DLI’s investment counterparties, a small business lender, to falsify borrower payment information for the small business lender’s underlying loans and to falsely report to DLI that borrowers made hundreds of monthly payments when, in fact, they had not. This allegedly inflated the valuation of the investment position held by DLI’s private funds.

**IV.**

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 203(e) of the Advisers Act that the registration of DLI as an investment adviser is hereby revoked.

By the Commission.

Vanessa A. Countryman  
Secretary