UNITED STATES OF AMERICA Before the SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934 Release No. 102184 / January 14, 2025

ADMINISTRATIVE PROCEEDING File No. 3-19764

In the Matter of :

: ORDER TERMINATING THE FAIR Monomoy Capital Management, L.P., : FUND

Respondent.

On April 22, 2020, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the "Order") against Monomoy Capital Management, L.P. ("Monomoy"). In the Order, the Commission found that, from April 2012 through December 2016 (the "Relevant Period"), Monomoy, a private equity fund adviser, charged the portfolio companies of a private fund, Fund II ("Fund II"), it managed for the services of Monomoy's in-house Operations Group without fully disclosing this practice and the related conflicts in Fund II's operating documents or otherwise. In particular, Monomoy charged the portfolio companies an hourly rate for providing the Operations Group services in order to recoup most of its costs for the services, rather than covering the costs out of its management fee. In Fund II's private placement memorandum, Monomoy described to potential Fund II investors the benefits of its Operations Group, and, in a due diligence questionnaire, it disclosed that it had "built an extensive in-house operational and financial restructuring team that drives business improvement throughout the Monomoy portfolio." However, Monomoy did not fully and fairly disclose this separate charge to Fund II's portfolio companies or Monomoy's associated conflicts of interest or provide sufficiently specific full and fair disclosure for Fund II's limited partners to understand these conflicts of interest and to have a basis to consent to or reject this practice. As a result, Monomoy violated Section 206(2) of the Investment Advisers Act of 1940.

The Commission ordered Monomoy to pay disgorgement of \$1,521,972, prejudgment interest of \$204,606, and a civil monetary penalty of \$200,000, totaling \$1,926,579. In the Order, the Commission created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the civil penalty, along with the disgorgement and prejudgment interest, collected could be distributed to harmed investors (the "Fair Fund").

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¹ Advisers Act Rel. No. 5485 (Apr. 22, 2020).

Pursuant to the Order, Monomoy was responsible for administering the Fair Fund at its own expense in accordance with a distribution calculation approved by the Commission's staff. No *de minimis* threshold was applied. Monomoy issued 48 credits and/or checks, totaling \$1,926,578.97, all of which was successfully disbursed to recipients. No distributions were declined, undistributed due to liquidation, withheld, or returned.

The Order further requires Monomoy to provide a final accounting to the Commission staff for submission to the Commission for approval. The final accounting has been submitted to the Commission for approval, as required by the Order, and has been approved.

Accordingly, it is ORDERED that the Fair Fund is terminated.

By the Commission.

Vanessa A. Countryman Secretary