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 Lydia Capital, LLC ("Respondent" or "Lydia Capital").

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 Section 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 the Respondent’s Offer, the Commission finds that:

1. Lydia Capital, a Delaware limited liability company located in Boston, Massachusetts, was organized in or about February 2006. It has been registered with the
Commission as an investment adviser pursuant to Section 203(c) of the Advisers Act since February 24, 2006. Evan K. Andersen and Glenn Manterfield were the two members and principals of Lydia Capital. At all times relevant to this matter, Lydia Capital was the investment adviser to Lydia Capital Alternative Investment Fund LP (the “Fund”), a hedge fund located in Boston, Massachusetts and a Delaware limited partnership.

2. On May 18, 2010, a final judgment was entered by consent against Lydia Capital, 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) and 206(2) of the Advisers Act, in a civil action entitled Securities and Exchange Commission v. Lydia Capital, LLC, et al., Civil Action No. 07-CV-10712-RGS, in the United States District Court for the District of Massachusetts.

3. The Commission’s amended complaint alleged, among other things, that Lydia Capital, through its principals, sold limited partnership interests and retained investors in the Fund through a series of material misrepresentations and omissions, including but not limited to: (1) materially overstating, and in some instances completely fabricating the Fund’s performance; (2) inventing business partners, offices, and investors in an attempt to legitimatize the firm and concealing the truth as to why key vendors and banks ceased relationships with the Respondent; (3) making material misstatements and omissions about the significant criminal history of one of Lydia Capital’s partners and principals, and failing to disclose a February 2007 criminal asset freeze in England; (4) making material misstatements and omissions about how the Fund planned to address certain material risks and failing to disclose others; and (5) misstating the nature of the Fund’s assets and its investment process. In addition, the Commission’s amended complaint alleged that Lydia Capital, through its principals, took approximately $4.7 million of Fund assets to which they were not entitled.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Lydia Capital’s Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(e) of the Advisers Act, that the registration of Respondent Lydia Capital, LLC be, and hereby is, revoked.

By the Commission.

Elizabeth M. Murphy
Secretary
Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Section 203(e) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), on the Respondent and its legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray  
Chief Administrative Law Judge  
United States Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-2557

Deena R. Bernstein, Esq.  
Louis A. Randazzo, Esq.  
Boston Regional Office  
United States Securities and Exchange Commission  
33 Arch Street, 23rd Floor  
Boston, MA 02110-1424

Lydia Capital LLC  
Mr. H. Thomas Moran, II  
c/o: Melvin R. McVay, Jr., Esq.  
Phillips Murrah P.C.  
Corporate Tower, Thirteenth Floor  
101 N. Robinson Street  
Oklahoma City, OK 73102

Melvin R. McVay, Jr., Esq.  
Phillips Murrah P.C.  
Corporate Tower, Thirteenth Floor  
101 N. Robinson Street  
Oklahoma City, OK 73102  
(Counsel for Lydia Capital LLC)