

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 85232 / March 1, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-18909

In the Matter of

Fifth Street Management, LLC

Respondent.

EXTENSION ORDER

The Division of Enforcement (“Division”) has requested an extension of time until November 29, 2019 to submit a Proposed Plan of Distribution under Rule 1101(a) of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 CFR § 201.1101(a).

On December 3, 2018, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Section 8A of the Securities Act of 1933, Section 21C of the Securities Exchange Act of 1934, Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 and Section 9(f) of the Investment Company Act of 1940 Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Order”)¹ against Fifth Street Management, LLC (the “Respondent”). In the Order, the Commission found that in 2013 and 2014, the Respondent made improper allocations to its former business development company (“BDC”) clients and failed in the valuation of two portfolio company investment held by one of the BDCs. Further, the Respondent did not implement written policies and procedures reasonably designed to prevent violations of the Advisers Act concerning expense allocation until July 2016, did not implement them for the quality control

¹ Securities Act Rel. No. 10581 (Dec. 3, 2018).

review of its BDC clients' quarterly valuation models, and did not have adequate policies and procedures concerning the prevention of the use of material, nonpublic information. The Commission ordered the Respondent to pay disgorgement of \$1,999,115.86, prejudgment interest of \$334,545.65, and a civil money penalty of \$1,650,000.00 to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty, along with the disgorgement and prejudgment interest, collected can be distributed to those harmed by the Respondent's conduct described in the Order (the "Fair Fund").

The Division now requests additional time to solicit and obtain the appointment of a fund administrator and to draft and obtain approval of a distribution plan.

Accordingly, for good cause shown, IT IS HEREBY ORDERED that the Division's request for an extension of time until November 29, 2019 to submit a Proposed Plan of Distribution is granted.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary