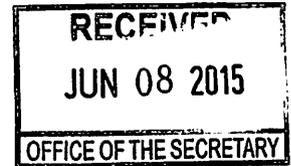


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**UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION**



In the Matter of

LYNN TILTON,  
PATRIARCH PARTNERS, LLC,  
PATRIARCH PARTNERS VIII, LLC,  
PATRIARCH PARTNERS XIV, LLC, and  
PATRIARCH PARTNERS XV, LLC,

Respondents.

Administrative Proceeding  
File No. 3-16462

Hon. Judge Carol Fox Foelak

**RESPONDENTS' MOTION FOR SUMMARY DISPOSITION**

Respondents Lynn Tilton and Patriarch Partners, LLC, Patriarch Partners VIII, LLC, Patriarch Partners XIV, LLC and Patriarch Partners XV (collectively, "Patriarch"), by and through their undersigned counsel, respectfully move this Court, under Rule 250 of the Rules of Practice, for an Order granting Patriarch summary disposition with respect to all claims under the "categorization theory" described in paragraphs 29 to 56 of the Order Instituting Administrative and Cease-And-Desist Proceedings (the "OIP"), and with respect to all claims under Advisers Act § 206(1) and (2).

1. On March 30, 2015, the Securities and Exchange Commission issued the OIP against Respondents alleging violations of Sections 206(1), 206(2) and 206(4) of the Investment Advisers Act of 1940, and Rule 206(4)-8 promulgated thereunder. The OIP contains two overarching theories: one relates to how Patriarch categorized loans under certain indenture contracts (the "categorization theory"), and the other relates to certain financial statement entries.

2. The categorization theory is ripe for summary disposition. The Division contends that investors did not know that Patriarch, under its interpretation of the governing CLO indentures, has exercised discretion in categorizing as performing loans that do not pay the full stated interest, rather than automatically defaulting them. (OIP ¶¶ 49-51.) The investigative record shows that the information supposedly concealed was readily available in monthly reports and other information distributed to investors.

3. Even if there were no disclosure, the Division's theory would still fail, because there is no legal duty for a contracting party to disclose its interpretation of a contract. Errors in interpretation give rise to claims for breach of contract, not fraud.

4. The claims against Patriarch under Advisers Act §§ 206(1) and (2) must be dismissed for the separate reason that Patriarch's alleged conduct could not have "defraud[ed] any client or prospective client," 15 U.S.C. § 80b-6(1), or "operat[ed] as a fraud or deceit upon any client or prospective client," 15 U.S.C. § 80b-6(2), as required by the statute. The "clients" in this case are the investment funds managed by Patriarch and ultimately owned by its principal, Lynn Tilton. She could not have defrauded herself or breached any duties owed to herself.

WHEREFORE, Patriarch, pursuant to Rule 250, requests an Order granting it summary disposition, dismissing all claims relating to the categorization theory set forth in paragraphs 29 to 56 of the OIP, and dismissing all claims under Advisers Act § 206(1) and (2).

Dated: June 5, 2015  
New York, New York

Respectfully Submitted,

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