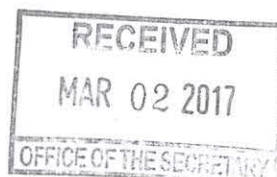


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**UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION**

COPY

**ADMINISTRATIVE PROCEEDING
File No. 3-16462**



In the Matter of

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

Respondents.

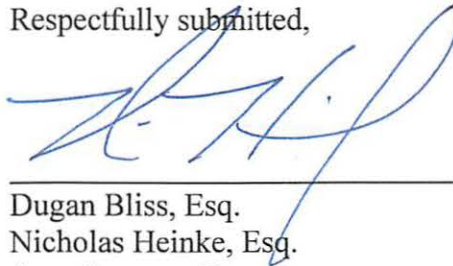
**DIVISION OF ENFORCEMENT'S OPPOSITION
TO RESPONDENTS' MOTION TO STAY THESE PROCEEDINGS PENDING
RESOLUTION OF THEIR CONSTITUTIONALITY, OR, IN THE ALTERNATIVE,
FOR PERMISSION TO SEEK A STAY FROM THE COMMISSION**

Respondents' motion should be denied for the straightforward reason that the Commission has not changed its position that the Appointments Clause's requirements, *see* U.S. Const. art. II, § 2, cl. 2, apply only to officers of the United States, not employees, and that Administrative Law Judges are employees. *See, e.g., Harding Advisory LLC & Wing F. Chau*, Securities Act Release No. 10277, 2017 WL 66592, at *19 & n.90 (Jan. 6, 2017). There is no "substantial ground for difference of opinion" on that point. *See* 17 C.F.R. § 201.400(c)(2)(i). Respondents also state (at 9) that the Supreme Court's decision to grant certiorari in *SEC v. Kokesh*, 834 F. 3d 1158 (10th Cir. 2016), warrants a stay. But even if the Supreme Court decides in *Kokesh* that the five-year statute of limitations applicable to civil penalties sought by the

Commission applies to claims for disgorgement, this case would still proceed because conduct giving rise to disgorgement occurred within five years before the Commission issued an Order Instituting Proceedings. Because the Commission has adhered to its view that its Administrative Law Judges are not constitutional officers and respondents offer no other arguments justifying a stay, their motion should be denied in all respects.

March 1, 2017

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the **Division's Opposition to Respondents' Motion to Stay Proceedings** was served on the following on this 1st day of March, 2017, in the manner indicated below:

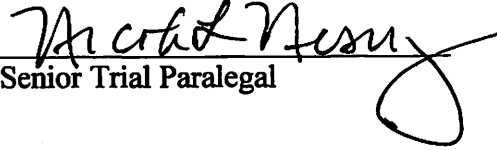
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Washington, D.C. 20549
(By Facsimile and original and three copies by UPS)

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