



**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

New York Regional Office
200 Vesey Street, Suite 400
New York, New York 10281-1022

DIVISION OF ENFORCEMENT

Lee A. Greenwood
Counsel
(212) 336-1060

May 1, 2017

By ECF

Hon. Esther Salas
United States District Judge
United States District Court for the
District of New Jersey
Martin Luther King, Jr. Building
50 Walnut Street
Newark, New Jersey 07101

Re: SEC v. Dwayne Edwards, et al. (17 Civ. 393) (ES) (SCM)

Dear Judge Salas:

We represent plaintiff Securities and Exchange Commission (the “Commission”) in the above-referenced action. We write pursuant to Paragraph 2 of the Court’s Order Appointing Receiver dated January 20, 2017 (ECF No. 7) (the “Receiver Order”), and attach a copy of the Consent Order Vacating Receivership entered on April 26, 2017, in one of the pending actions listed on Exhibit A to the Receiver Order—*BOKF, N.A., as Indenture Trustee v. Rome ALF, LLC, et al.*, Civ. Action. No. 16CV01749JFL002 (Ga. Sup. Ct., Floyd Cnty.) (the “Vacated Receivership”). As described further below, the Group 2 Receivership Entities related to the Rome facility, which were formerly subject to the Vacated Receivership, are now subject to the Receiver Order.

The Receiver Order appoints Derek Pierce as the receiver over a series of assisted living and memory care facilities, the borrowers in the associated bond offerings, and the associated management companies (the “Receivership Entities”) listed in Exhibit A to the Receiver Order and in the manner described in the Receiver Order. (*See* Receiver Order ¶¶ 1-4.) Specifically, the Receiver Order separates the Receivership Entities into three groups. For those Receivership Entities in Group 1, the Receiver Order states that the Court took exclusive jurisdiction and possession of their assets immediately upon entry of the Receiver Order. (*Id.* ¶ 1.) For those Receivership Entities in Group 2, the Receiver Order states that the Court shall take exclusive jurisdiction and possession of those assets “immediately and automatically upon the entry of orders vacating the receiver orders

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previously entered in the pending litigation listed in Exhibit A.” (*Id.* ¶ 2.) Two of those receiver orders have not yet been vacated. For those Receivership Entities in Group 3, the Receiver Order states that the Court shall take exclusive jurisdiction and possession of those assets “immediately and automatically upon the dismissal of the Chapter 11 bankruptcy cases listed in Exhibit A.” (*Id.* ¶ 3.) These bankruptcy cases were dismissed on January 25, 2017. (ECF No. 13.) The Receiver Order requires the Commission to notify the Court of the vacatur of any of the listed receiver orders within two business days, which is the purpose of this letter.¹

We are available to discuss these matters at the Court’s convenience.

Respectfully submitted,

/s/ Lee A. Greenwood

Attorney for the Plaintiff

SECURITIES AND EXCHANGE

COMMISSION

New York Regional Office

Brookfield Place

200 Vesey Street, Suite 400

New York, New York 10281-1022

(212) 336-1060

Attachment

Copies to: All counsel (by ECF and email)
Susan Edwards (by email)
Sharon Nunamaker (by email)

¹ The Commission received a copy of the attached order from counsel to the Receiver this morning.

FILED IN OFFICE

APR 26 2017

IN THE SUPERIOR COURT OF FLOYD COUNTY
STATE OF GEORGIA

CLERK

BOKF, N.A., as indenture trustee,

Plaintiff,

vs.

Rome ALF, LLC; Oxtan Place of Rome
LLC; Manor House of Rome, LLC;
Affinity Living Group, LLC; Dwayne
Edwards; and Todd Barker,

Civil Action
File Number: 16CV01749JFL002

CONSENT ORDER VACATING RECEIVERSHIP

This matter is before the Court on the motion of BOKF, N.A., d/b/a Bank of Oklahoma (“BOKF”) and Derek Pierce of Healthcare Management Partners, LLC, as court-appointed receiver (the “Receiver,” and together with BOKF, the “Movants”), to vacate the *Order Granting Consent Motion for the Entry of an Order: (I) Appointing an Interim Receiver, (II) Granting Injunctive Relief, and (III) Approving Receiver Financing* (the “Receivership Order”). Movants are seeking vacatur in light of a receivership recently established by the United States District Court for the District of New Jersey in Case No. 2:17-cv-00393-ES-SCM (the “Federal Lawsuit”), which includes the assets that are subject to the receivership in this case. The district court has entered an order establishing the receivership, but delaying its effect pending the vacatur of the Receivership Order by this Court.

NOW, THEREFORE, IT IS HEREBY ORDERED that the Receivership Order is vacated for the purpose of allowing the federal receivership to come into effect over the assets at issue in this case.

IT IS HEREBY FURTHER ORDERED that the Receiver is released and discharged from any and all liability for acts taken pursuant to and in furtherance of the Receivership Order.

IT IS HEREBY FURTHER ORDERED that any issues regarding the Receivership Estate,¹ including the Receiver's right to compensation for services performed to date and the liquidated and unliquidated claims of creditors of the Facility, should be directed to the United States District Court for the District of New Jersey in the Federal Lawsuit.

SO ORDERED this 26th day of April, 2017.



Hon. William F. Sparks
Floyd County Superior Court

¹ Capitalized terms not otherwise defined herein have the meaning assigned to them in the Receivership Order.

Consented to by:

W. Jones

T. Joshua R. Archer
Georgia Bar Number 021208
Walter E. Jones
Georgia Bar Number 163287
Matthew B. Ames
Georgia Bar Number 015898

BALCH & BINGHAM LLP
30 Ivan Allen Jr. Boulevard, NW, Suite 700
Atlanta, GA 30309
Telephone: (404) 261-6020
Facsimile: (404) 261-3756
jarcher@balch.com
wjones@balch.com
mames@balch.com

FREDERIC DORWART, LAWYERS
Frederic Dorwart, OBA No. 2436
James A. Higgins, OBA No. 18570
Nora R. O'Neill, OBA No. 19901
Sarah W. Poston, OBA No. 22925
124 East Fourth Street
Tulsa, OK 74103
Telephone: (918) 583-9922
Facsimile: (918) 583-8251
fdorwart@fdlaw.com
jhiggins@fdlaw.com
noneill@fdlaw.com
sposton@fdlaw.com

Attorneys for Plaintiff BOKF, N.A

Edward D. Tolley (w/ express permission by W. Jones)

Edward D. Tolley
Georgia Bar Number
Cook & Tolley, LLP
304 East Washington Street
Athens, GA 30601
Telephone: (706) 549-6111
etolley@cooktolley.com

*Attorney for Defendants Columbus ALF, LLC,
Oxton Place of Green Island, LLC, Manor
House of Columbus, LLC, and Dwayne
Edwards*

Francisco T. Morales (w/ express permission by W. Jones)

Francisco T. Morales
North Carolina Bar Number 43079
Thomas W. Waldrep, Jr.
North Carolina Bar Number 11135
Waldrep, LLP
101 S. Stratford Road, Suite 210
Winston-Salem, NC 27104
Telephone: (336) 717-1289
Facsimile: (336) 717-1340
fmorales@waldrepllp.com
waldrep@waldrepllp.com

*Attorneys for Defendant
Affinity Living Group, LLC*

Edgar M. Smith (w/ express permission by W. Jones)

Edgar M. Smith
Georgia Bar Number 683836
FisherBroyles, LLP
35 Barnard Street, Suite 300
Savannah, GA 31401
Telephone: (912) 544-5772
Facsimile: (912) 651-8290

Attorney for Defendant Todd Barker

Brian J. Malcom (w/ *signature*
in witness)
Brian J. Malcom
Georgia Bar Number 512076
Waller Lansden Dortch & Davis, LLP
1901 6th Avenue North, Suite 1400
Birmingham, AL 35203
Telephone: (205) 226-5706
Facsimile: (205) 214-7342
Brian.malcom@wallerlaw.com

Attorneys for Derek Pierce, Receiver