

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

DWAYNE EDWARDS, et al.,

Defendants,

-and-

OXTON SENIOR LIVING, LLC, et al.,

Relief Defendants.

17. Civ. 393 (ES)

~~[PROPOSED]~~ ORDER APPOINTING RECEIVER

WHEREAS this matter has come before this Court upon motion of the Plaintiff Securities and Exchange Commission (“SEC”, “Commission” or “Plaintiff”) to appoint a receiver in the above-captioned action;

WHEREAS the Court finds that, based on the record in these proceedings, the appointment of a receiver in this action is necessary and appropriate for the purposes of marshaling and preserving all assets of the facilities, borrowers, and management companies listed on Exhibit A to this Order (collectively, the “Receivership Entities”) as follows: (i) for each facility, borrower, and management company in Group 1, immediately; (ii) for each facility, borrower, and management company in Group 2, once their respective state or federal court receiver orders are vacated; and (iii) for each facility, borrower, and management company in Group 3, once each of the respective Chapter 11 bankruptcy actions are dismissed;

WHEREAS this Court has subject matter jurisdiction over this action and personal jurisdiction over both the individual defendants, Dwayne Edwards (“Edwards”) and Todd Barker (“Barker”), and the entity defendants, Senior Solutions of Social Circle, LLC, Oxton Place of Douglas, LLC, Oxton Real Estate of Douglas, LLC, Rome ALF, LLC, Savannah ALF, LLC, Gainesville ALF, LLC, Waterford Place ALF, LLC, Montgomery ALF, LLC, Columbus ALF, LLC, and Opelika ALF, LLC (collectively, “Defendants”), and venue properly lies in this District.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. This Court hereby takes exclusive jurisdiction and possession of the assets, of whatever kind and wherever situated, of the Group 1 Receivership Entities immediately.

2. This Court shall take exclusive jurisdiction and possession of the assets, of whatever kind and wherever situated, of the Group 2 Receivership Entities immediately and automatically upon the entry of orders vacating the receiver orders previously entered in the pending litigation listed in Exhibit A. Within two (2) business days of the entry of such vacatur orders, Plaintiff shall notify the Court of the vacatur.

3. This Court shall take exclusive jurisdiction and possession of the assets, of whatever kind and wherever situated, of the Group 3 Receivership Entities immediately and automatically upon the dismissal of the Chapter 11 bankruptcy cases listed in Exhibit A. Within two (2) business days of the dismissal of these actions, Plaintiff shall notify the Court of the dismissal.

4. Until further Order of this Court, Derek Pierce is hereby appointed to serve without bond as receiver (the “Receiver”) for the receivership estate of the Receivership Entities (the “Receivership Estate”).

I. General Powers and Duties of Receiver

5. The Receiver shall have all powers, authorities, rights and privileges heretofore possessed by the officers, directors, managers, managing members, and general and limited partners of the Receivership Entities under applicable state and federal law, by the governing charters, by-laws, articles and/or agreements in addition to all powers and authority of a receiver at equity, and all powers conferred upon a receiver by the provisions of 28 U.S.C. §§ 754, 959 and 1692, and Fed. R. Civ. P. 66.

6. Edwards and Barker are hereby dismissed from any and all positions of management of the Receivership Entities, and the powers of any officers, directors, managing members, general and limited partners of the Receivership Entities are hereby subject to the authority and discretion of the Receiver. The Receiver shall assume and control the operation of the Receivership Entities and shall pursue and preserve all of the Receivership Entities' claims.

7. No person holding or claiming any position of any sort with any of the Receivership Entities shall possess any authority to act by or on behalf of any of the Receivership Entities except as may be authorized or delegated by the Receiver.

8. Subject to the specific provisions in this Order, the Receiver shall have the following general powers and duties:

a. To use reasonable efforts to determine the nature, location and value of all property interests of the Receivership Entities, including, but not limited to, monies, funds, securities, credits, effects, goods, chattels, lands, premises, leases, claims, rights and other assets, together with all rents, profits, dividends, interest or other income attributable thereto, of whatever kind, which the Receivership Entities own, possess, have a beneficial interest in, or control directly or indirectly ("Receivership Property");

b. To take custody, control and possession of all Receivership Property and records relevant thereto from the Receivership Entities; to sue for and collect, recover, receive and take into possession from third parties all Receivership Property and records relevant thereto;

c. To manage, control, operate and maintain the Receivership Entities and hold in his possession, custody and control all Receivership Property, pending further Order of this Court;

d. To use Receivership Property for the benefit of the Receivership Estate, making payments and disbursements and incurring expenses as may be necessary or advisable in the ordinary course of business in discharging his duties as Receiver;

e. To take any action which, prior to the entry of this Order, could have been taken by the officers, directors, managers, managing members, and general and limited partners, and agents of the Receivership Entities;

f. To engage and employ persons in his discretion to assist him in carrying out his duties and responsibilities hereunder, including, but not limited to, accountants, attorneys, securities traders, registered representatives, financial or business advisers, liquidating agents, real estate agents, forensic experts, brokers, traders or auctioneers, subject to Court approval;

g. To take such action as necessary and appropriate for the preservation of Receivership Property or to prevent the dissipation or concealment of Receivership Property;

h. To issue subpoenas for documents and testimony consistent with the Federal Rules of Civil Procedure;

i. To bring such legal actions based on law or equity in any state, federal, or foreign court as the Receiver deems necessary or appropriate in discharging his duties as Receiver;

j. To pursue, resist and defend all suits, actions, claims and demands which may now be pending or which may be brought by or asserted against the Receivership Estate; and

k. To take such other action as may be approved by this Court.

9. The Receivership Property shall include all funds held by the indenture trustees (the "Trustees") which the Receivership Entities are entitled to receive pursuant to the respective trust indentures (the "Indentures") from the Trustees in each of the nine bond offerings (the "Offerings") that are the subject of this action (the "Trustee Funds"); *provided that* Receivership Property shall not in any event include any property, assets or funds in the possession of any Trustee in which said Trustee has a lien or security interest. All such Trustee Funds shall remain a part of each fund's respective trust estate (the "Trust Estates") and shall remain subject to and governed by the Indentures pursuant to which the Trustee Funds were established. The Trustees are authorized to continue to exercise all rights, obligations and fiduciary duties of a trustee as set forth in the Indenture for each Offering, and all Receivership Property included in the various Trust Estates shall remain subject to and secured by such liens, if any, made a part of the applicable Trust Estate. Any Trustee Funds shall be disbursed in accordance with the written directive of the Receiver for purposes, and in a manner consistent with, the other provisions of this Order.

II. Access to Information

10. Defendants and the Receivership Entities and the past and/or present officers,

directors, managers, managing members, general and limited partners, agents, attorneys, accountants and employees of the Receivership Entities, as well as those acting in their place, are hereby ordered and directed to preserve and turn over to the Receiver forthwith all paper and electronic information of, and/or relating to, the Receivership Entities and/or all Receivership Property; such information shall include but not be limited to books, records, documents, accounts and all other instruments and papers.

11. Within five (5) days of the entry of this Order, Defendants and the Receivership Entities shall file with the Court and serve upon the Receiver and the Commission a sworn statement, listing: (a) all employees (and job titles thereof), other personnel, attorneys, accountants and any other agents or contractors of the Receivership Entities; and (b) the names, addresses and amounts of claims of all known creditors of the Receivership Entities.

12. Within five (5) days of the entry of this Order, Defendants and the Receivership Entities shall provide to the Receiver and the Commission copies of Defendant's and the Receivership Entities' federal income tax returns with all relevant and necessary underlying documentation.

13. The Receivership Entities and the Receivership Entities' past and/or present officers, directors, agents, managers, managing members, general and limited partners, attorneys, employees, and accountants, shall answer under oath to the Receiver all questions which the Receiver may put to them and produce all documents as required by the Receiver regarding the business of the Receivership Entities, or any other matter relevant to the operation or administration of the receivership or the collection of funds due to the Receivership Entities. In the event that the Receiver deems it necessary to require the appearance of the aforementioned persons or entities, the Receiver shall make its discovery requests in accordance with the Federal

Rules of Civil Procedure.

14. The Receiver shall have the power to issue subpoenas to compel testimony of persons or production of records, consistent with the Federal Rules of Civil Procedure and applicable Local Rules, except for the provisions of Fed. R. Civ. P. 26(d)(1), concerning any subject matter within the powers and duties granted by this Order.

15. The Receivership Entities are required to assist the Receiver in fulfilling his duties and obligations. As such, they must respond promptly and truthfully to all requests for information and documents from the Receiver.

III. Access to Books, Records and Accounts

16. The Receiver is authorized to take immediate possession of all assets, bank accounts or other financial accounts, books and records and all other documents or instruments relating to the Receivership Entities. All persons and entities having control, custody or possession of any Receivership Property are hereby directed to turn such property over to the Receiver.

17. The Receivership Entities, as well as their past and/or present officers, directors, agents, managers, managing members, general and limited partners, attorneys, employees, and accountants, any persons acting for or on behalf of the Receivership Entities, and any persons receiving notice of this Order by personal service, facsimile transmission or otherwise, having possession of the property, business, books, records, accounts or assets of the Receivership Entities are hereby directed to deliver the same to the Receiver, his agents and/or employees.

18. All banks, brokerage firms, financial institutions, and other persons or entities which have possession, custody or control of any assets or funds held by, in the name of, or for the benefit of, directly or indirectly, of the Receivership Entities that receive actual notice of this

Order by personal service, facsimile transmission or otherwise shall:

- a. Not liquidate, transfer, sell, convey or otherwise transfer any assets, securities, funds, or accounts in the name of or for the benefit of the Receivership Entities except upon instructions from the Receiver;
- b. Not exercise any form of set-off, alleged set-off, lien, or any form of self-help whatsoever, or refuse to transfer any funds or assets to the Receiver's control without the permission of this Court;
- c. Within five (5) business days of receipt of that notice, file with the Court and serve on the Receiver and counsel for the Commission a certified statement setting forth, with respect to each such account or other asset, the balance in the account or description of the assets as of the close of business on the date of receipt of the notice; and
- d. Cooperate expeditiously in providing information and transferring funds, assets and accounts to the Receiver or at the direction of the Receiver.

IV. Access to Real and Personal Property

19. The Receiver is authorized to take immediate possession of all personal property of the Receivership Entities, wherever located, including but not limited to electronically stored information, computers, laptops, hard drives, external storage drives, and any other such memory, media or electronic storage devices, books, papers, data processing records, evidence of indebtedness, bank records and accounts, savings records and accounts, brokerage records and accounts, certificates of deposit, stocks, bonds, debentures, and other securities and investments, contracts, mortgages, furniture, office supplies and equipment.

20. The Receiver is authorized to take immediate possession of all real property of the

Receivership Entities, wherever located, including but not limited to all ownership and leasehold interests and fixtures. Upon receiving actual notice of this Order by personal service, facsimile transmission or otherwise, Defendants and all other persons other than law enforcement officials acting within the course and scope of their official duties, are (without the express written permission of the Receiver) prohibited from: (a) entering such premises; (b) removing anything from such premises; or, (c) destroying, concealing or erasing anything on such premises. This paragraph shall not apply to: (a) any and all employees and contractors, other than Defendants, who provide the day-to-day operation, management, and servicing of any facilities owned or leased by any of the Receivership Entities, or (b) any residents and guests of any such facilities.

21. In order to execute the express and implied terms of this Order, the Receiver is authorized to change door locks to the premises described above. The Receiver shall have exclusive control of the keys. The Receivership Entities, or any other person acting or purporting to act on their behalf, are ordered not to change the locks in any manner, nor to have duplicate keys made, nor shall they have keys in their possession during the term of the receivership.

22. The Receiver is authorized to open all mail directed to or received by or at the offices or post office boxes of the Receivership Entities, and to inspect all mail opened prior to the entry of this Order, to determine whether items or information therein fall within the mandates of this Order.

V. Notice to Third Parties

23. The Receiver shall promptly give notice of his appointment to all known persons and entities including past and present officers, directors, managers, managing members, general and limited partners, agents, attorneys, accountants, and employees of the Receivership Entities,

as the Receiver deems necessary or advisable to effectuate the operation of the receivership.

24. All persons and entities owing any obligation, debt, or distribution with respect to an ownership interest to any Receivership Entity shall, until further ordered by this Court, pay all such obligations in accordance with the terms thereof to the Receiver and its receipt for such payments shall have the same force and effect as if the Receivership Entity had received such payment.

25. In furtherance of his or her responsibilities in this matter, the Receiver is authorized to communicate with, and/or serve this Order upon, any person, entity or government office that he deems appropriate to inform them of the status of this matter and/or the financial condition of the Receivership Estate. All government offices which maintain public files of security interests in real and personal property shall, consistent with such office's applicable procedures, record this Order upon the request of the Receiver or the SEC.

26. The Receiver is authorized to instruct the United States Postmaster to hold and/or reroute mail which is related, directly or indirectly, to the business, operations or activities of any of the Receivership Entities (the "Receiver's Mail"), including all mail addressed to, or for the benefit of, the Receivership Entities. The Postmaster shall not comply with, and shall immediately report to the Receiver, any change of address or other instruction given by anyone other than the Receiver concerning the Receiver's Mail. The Receivership Entities shall not open any of the Receiver's Mail and shall immediately turn over such mail, regardless of when received, to the Receiver. All personal mail of any individual Receivership Entities, and/or any mail appearing to contain privileged information, and/or any mail not falling within the mandate of the Receiver, shall be released to the named addressee by the Receiver. The foregoing instructions shall apply to any proprietor, whether individual or entity, of any private mail box,

depository, business or service, or mail courier or delivery service, hired, rented or used by the Receivership Entities. The Receivership Entities shall not open a new mailbox, or take any steps or make any arrangements to receive mail in contravention of this Order, whether through the U.S. mail, a private mail depository or courier service.

27. Subject to payment for services provided, any entity furnishing water, electric, telephone, sewage, garbage, trash removal, food, cleaning, and any other services to the Receivership Entities shall maintain such service and transfer any such accounts to the Receiver unless instructed to the contrary by the Receiver.

VI. Injunction Against Interference with Receiver

28. The Receivership Entities and all persons receiving notice of this Order by personal service, facsimile or otherwise, are hereby restrained and enjoined from directly or indirectly taking any action or causing any action to be taken, without the express written agreement of the Receiver, which would:

a. Interfere with the Receiver's efforts to take control, possession, or management of any Receivership Property; such prohibited actions include but are not limited to, using self-help or executing or issuing or causing the execution or issuance of any court attachment, subpoena, replevin, execution, or other process for the purpose of impounding or taking possession of or interfering with or creating or enforcing a lien upon any Receivership Property;

b. Hinder, obstruct or otherwise interfere with the Receiver in the performance of his duties; such prohibited actions include but are not limited to, concealing, destroying or altering records or information;

c. Dissipate or otherwise diminish the value of any Receivership Property;

such prohibited actions include but are not limited to, releasing claims or disposing, transferring, exchanging, assigning or in any way conveying any Receivership Property, enforcing judgments, assessments or claims against any Receivership Property or any Receivership Entity, attempting to modify, cancel, terminate, call, extinguish, revoke or accelerate (the due date), of any lease, loan, mortgage, indebtedness, security agreement or other agreement executed by any Receivership or which otherwise affects any Receivership Property; or

d. Interfere with or harass the Receiver, or interfere in any manner with the exclusive jurisdiction of this Court over the Receivership Estate.

29. Defendants and the Receivership Entities shall cooperate with and assist the Receiver in the performance of his duties.

30. The Receiver shall promptly notify the Court and SEC counsel of any failure or apparent failure of any person or entity to comply in any way with the terms of this Order.

VII. Stay of Litigation

31. As set forth in detail below, and subject to the limitations set forth in Paragraphs 1-3 of this Order, which supersede the litigation stay set forth herein, the following proceedings, excluding the instant proceeding and all police or regulatory actions and actions of the Commission related to the above-captioned enforcement action, are stayed until further Order of this Court:

All civil legal proceedings of any nature, including, but not limited to, bankruptcy proceedings, arbitration proceedings, foreclosure actions, default proceedings, or other actions of any nature against: (a) the Receiver, in his capacity as Receiver; (b) any Receivership Property, wherever located; or (c) any of the Receivership Entities,

including subsidiaries and partnerships (such proceedings are hereinafter referred to as “Ancillary Proceedings”).

32. The parties to any and all Ancillary Proceedings are enjoined from commencing or continuing any such legal proceeding, or from taking any action, in connection with any such proceeding, including, but not limited to, the issuance or employment of process.

33. All Ancillary Proceedings are stayed in their entirety, and all courts having any jurisdiction thereof are enjoined from taking or permitting any action until further Order of this Court. Further, as to a cause of action accrued or accruing in favor of one or more of the Receivership Entities against a third person or party, any applicable statute of limitation is tolled during the period in which this injunction against commencement of legal proceedings is in effect as to that cause of action.

VIII. Managing Assets

34. The Receiver may, without further Order of this Court, transfer, compromise, or otherwise dispose of any Receivership Property, other than real estate and the Facilities (defined below), in the ordinary course of business, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such Receivership Property.

35. Notwithstanding the prior Paragraph, the Receiver shall silo, and not commingle, either Trustee Funds or the revenues generated by the assisted living or memory care facilities (“Facilities”) serving as collateral for the Offerings with any other Receivership Property.

36. Subject to the specific provisions of this order, the Receiver is authorized to locate, list for sale or lease, engage a broker for sale or lease, cause the sale or lease, and take all necessary and reasonable actions to cause the sale or lease of all real property in the Receivership

Estate, either at public or private sale, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such real property.

37. Upon further Order of this Court, pursuant to such procedures as may be required by this Court and additional authority such as 28 U.S.C. §§ 2001 and 2004, the Receiver will be authorized to sell, and transfer clear title to, all real property and the Facilities in the Receivership Estate.

38. The Receiver is authorized to take all actions to manage, maintain, and/or wind-down business operations of the Receivership Estate, including making legally required payments to creditors, employees, and agents of the Receivership Estate and communicating with vendors, investors, governmental and regulatory authorities, and others, as appropriate.

39. The Receiver shall take all necessary steps to enable the Receivership Funds to obtain and maintain the status of a taxable "Settlement Fund," within the meaning of Section 468B of the Internal Revenue Code and of the regulations.

40. The Receiver shall use the proceeds of a sale, refinancing or other disposition only in the order and in the manner provided by applicable law, including giving first priority to the repayment of secured indebtedness of the Receivership Entities, and the remainder to be disbursed according to further order of this Court. No Facility subject to bond financing will be sold without the consent of the Trustee holding a lien or security interest in the Facility.

41. The Receiver shall take no action which will be inconsistent with provisions of law governing the operation and administration of the facilities owned by the Receivership Entities and will take all such actions as shall be necessary or appropriate to maintain in full force and effect all public health and other licenses necessary for the operation of the businesses

of the Receivership Entities.

42. No provision of this Order shall be deemed to deprive any Trustee of its lien or secured position in the assets and properties of any of the Receivership Entities, and each said Trustee shall retain the right to apply to this Court from time to time for relief from this Order for any disposition of assets of the Receivership Entities in connection with a sale of one or more Facilities which the Trustees deem in the best interests of the bondholders.

IX. Investigate and Prosecute Claims

43. The Receiver is authorized, empowered and directed to investigate, prosecute, defend, intervene in or otherwise participate in, compromise, and/or adjust actions in any state, federal or foreign court or proceeding of any kind as may in his discretion, and in consultation with SEC counsel, be advisable or proper to recover and/or conserve Receivership Property.

44. Subject to his obligation to expend receivership funds in a reasonable and cost-effective manner, the Receiver is authorized, empowered and directed to investigate the manner in which the financial and business affairs of the Receivership Entities were conducted and (after obtaining leave of this Court) to institute such actions and legal proceedings, for the benefit and on behalf of the Receivership Estate, as the Receiver deems necessary and appropriate; the Receiver may seek, among other legal and equitable relief, the imposition of constructive trusts, disgorgement of profits, asset turnover, avoidance of fraudulent transfers, rescission and restitution, collection of debts, and such other relief from this Court as may be necessary to enforce this Order.

45. The Receiver shall conduct an investigation into the commingling of funds by and between the Receivership Entities with respect to the Facilities. The purpose of the investigation will be to determine the net gain or loss to each Facility as a result of such commingling. The

SEC shall provide the Receiver with any documents and information, including but not limited to bank account records and related analysis, that it has which may aid the Receiver in this investigation. The Receiver shall provide the results of its investigation to the Court, the SEC, and the indenture trustees for the nine bond offerings that are the subject of this action.

46. Before the Receiver disburses any funds to bondholders, from any source, the Receiver shall seek and obtain Court approval as to the Receiver's proposal to resolve the commingling-related claims between and among the Facilities and the Offerings.

47. The Receiver hereby holds, and is therefore empowered to waive, all privileges, including the attorney-client privilege, held by all Receivership Entities.

48. The Receiver has a continuing duty to ensure that there are no conflicts of interest between the Receiver, his Retained Personnel (as that term is defined below), and the Receivership Estate.

X. Bankruptcy Filing

49. The Receiver may seek authorization of this Court to file voluntary petitions for relief under Title 11 of the United States Code (the "Bankruptcy Code") for any or all of the Receivership Entities. If a Receivership Entity is placed in bankruptcy proceedings, the Receiver may become, and may be empowered to operate any portion of the Receivership Estate as, a debtor in possession. In such a situation, the Receiver shall have all of the powers and duties as provided a debtor in possession under the Bankruptcy Code to the exclusion of any other person or entity. Pursuant to Paragraph 5 above, the Receiver is vested with management authority for all Receivership Entities and may therefore file and manage a Chapter 11 petition. *See In re Bayou Group, LLC*, 564 F.3d 541, 548-49 (2d Cir. 2009).

50. The provisions of Section VII above bar any person or entity, other than the

Receiver, from placing any of the Receivership Entities in bankruptcy proceedings.

XI. Liability of Receiver

51. Until further Order of this Court, the Receiver shall not be required to post bond or give an undertaking of any type in connection with his fiduciary obligations in this matter.

52. The Receiver and his agents, acting within scope of such agency (“Retained Personnel”) are entitled to rely on all outstanding rules of law and Orders of this Court and shall not be liable to anyone for their own good faith compliance with any order, rule, law, judgment, or decree. In no event shall the Receiver or Retained Personnel be liable to anyone for their good faith compliance with their duties and responsibilities as Receiver or Retained Personnel.

53. This Court shall retain jurisdiction over any action filed against the Receiver or Retained Personnel based upon acts or omissions committed in their representative capacities.

54. In the event the Receiver decides to resign, the Receiver shall first give written notice to the Commission’s counsel of record and the Court of its intention, and the resignation shall not be effective until the Court appoints a successor. The Receiver shall then follow such instructions as the Court may provide.

XII. Recommendations and Reports

55. The Receiver is authorized, empowered and directed to develop a plan for the fair, reasonable, and efficient recovery and liquidation of all remaining, recovered, and recoverable Receivership Property (the “Liquidation Plan”).

56. Within thirty (30) days after the end of each calendar quarter, the Receiver shall file and serve a full report and accounting of each Receivership Estate (the “Quarterly Status Report”), reflecting (to the best of the Receiver’s knowledge as of the period covered by the report) the existence, value, and location of all Receivership Property, and of the extent of

liabilities, both those claimed to exist by others and those the Receiver believes to be legal obligations of the Receivership Estate.

57. The Quarterly Status Report shall contain the following:
- a. A summary of the operations of the Receiver;
 - b. The amount of cash on hand, the amount and nature of accrued administrative expenses, and the amount of unencumbered funds in the estate;
 - c. A schedule of all the Receiver's receipts and disbursements (attached as an exhibit to the Quarterly Status Report), with one column for the quarterly period covered and a second column for the entire duration of the receivership;
 - d. A description of all known Receivership Property, including approximate or actual valuations, anticipated or proposed dispositions, and reasons for retaining assets where no disposition is intended;
 - e. A description of liquidated and unliquidated claims held by the Receivership Estate, including the need for forensic and/or investigatory resources; approximate valuations of claims; and anticipated or proposed methods of enforcing such claims (including likelihood of success in: (i) reducing the claims to judgment; and, (ii) collecting such judgments);
 - f. A list of all known creditors with their addresses and the amounts of their claims;
 - g. The status of creditor claims proceedings, after such proceedings have been commenced; and
 - h. The Receiver's recommendations for contraction, expansion, continuation or discontinuation of the receivership and the reasons for the recommendations.

58. On the request of the Commission, the Receiver shall provide the Commission with any documentation that the Commission deems necessary to meet its reporting requirements, that is mandated by statute or Congress, or that is otherwise necessary to further the Commission's mission.

XIII. Fees, Expenses and Accountings

59. Subject to the specific provisions of this Order, the Receiver need not obtain Court approval prior to the disbursement of Receivership Funds for expenses in the ordinary course of the administration and operation of the receivership. Further, prior Court approval is not required for payments of applicable federal, state or local taxes.

60. Subject to the specific provisions of this Order, the Receiver is authorized to solicit persons and entities (Retained Personnel) to assist him in carrying out the duties and responsibilities described in this Order. The Receiver shall not engage any Retained Personnel without first obtaining an Order of the Court authorizing such engagement, except that the Receiver may retain both Healthcare Management Partners, LLC ("HMP") and the law firm of Waller Lansden Dortch & Davis, LLP ("Waller") to assist the Receiver in his duties on an interim basis prior to the Court's consideration of HMP's and Waller's retention pursuant to a retention application to be filed with the Court. HMP's and Waller's fees and expenses shall be subject to Court approval.

61. The Receiver and Retained Personnel are entitled to reasonable compensation and expense reimbursement from the Receivership Estate as described in the "Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission" (the "Billing Instructions") agreed to by the Receiver. Such compensation shall require the prior approval of the Court.

62. Within forty-five (45) days after the end of each calendar quarter, the Receiver and Retained Personnel shall apply to the Court for compensation and expense reimbursement from the Receivership Estate (the “Quarterly Fee Applications”). At least thirty (30) days prior to filing each Quarterly Fee Application with the Court, the Receiver will serve upon counsel for the SEC a complete copy of the proposed Application, together with all exhibits and relevant billing information in a format to be provided by SEC staff.

63. All Quarterly Fee Applications will be interim and will be subject to cost benefit and final reviews at the close of the receivership. At the close of the receivership, the Receiver will file a final fee application, describing in detail the costs and benefits associated with all litigation and other actions pursued by the Receiver during the course of the receivership.

64. Quarterly Fee Applications may be subject to a holdback in the amount of 20% of the amount of fees and expenses for each application filed with the Court. The total amounts held back during the course of the receivership will be paid out at the discretion of the Court as part of the final fee application submitted at the close of the receivership.

65. Each Quarterly Fee Application shall:

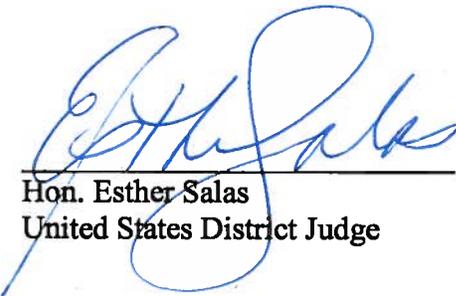
- i. Comply with the terms of the Billing Instructions agreed to by the Receiver; and
- j. Contain representations (in addition to the Certification required by the Billing Instructions) that: (i) the fees and expenses included therein were incurred in the best interests of the Receivership Estate; and, (ii) with the exception of the Billing Instructions, the Receiver has not entered into any agreement, written or oral, express or implied, with any person or entity concerning the amount of compensation paid or to be paid from the Receivership Estate, or any sharing thereof.

66. At the close of the Receivership, the Receiver shall submit a Final Accounting, in a format to be provided by SEC staff, as well as the Receiver's final application for compensation and expense reimbursement.

SO ORDERED.

Dated: Newark, New Jersey

January 20, 2017



Hon. Esther Salas
United States District Judge

Exhibit A

Group	Facility	Borrower Defendant	Management Companies	Pending Litigation
1	Oxton Village of Social Circle d/b/a Manor House of Social Circle 621 N. Cherokee Street Social Circle, Georgia	Senior Solutions of Social Circle, LLC	Oxton Senior Living, LLC Oxton Village of Social Circle, LLC Oxton Village Villas, LLC Manor House Senior Living, LLC Manor House of Social Circle LLC	None
1	Oxton Place of Montgomery d/b/a Manor House of Montgomery 3300 Lynchburg Drive, Montgomery, Alabama	Montgomery ALF, LLC	Oxton Place of Montgomery, LLC Manor House of Montgomery, LLC	None
2	Oxton Place of Rome d/b/a Manor House of Rome 1168 Chulio Road SE, Rome, Georgia	Rome ALF, LLC	Oxton Place of Rome, LLC Manor House of Rome, LLC	<i>BOKF, N.A., as Indenture Trustee v. Rome ALF, LLC et al., Civ. Action. No. 16CV01749JFL002 (Ga. Sup. Ct., Floyd Cnty.) (filed Sept. 28, 2016)</i>
2	Oxton Court of Savannah d/b/a Manor House of Savannah 249 Holland Drive, Savannah, Georgia	Savannah ALF, LLC	Oxton Court of Savannah, LLC Manor House of Savannah, LLC	<i>BOKF, N.A., as Indenture Trustee v. Savannah ALF, LLC et al., Civ. Action. No. CV16-0862-KA (Ga. Sup. Ct., Chatham Cnty.) (filed Sept. 28, 2016)</i>
2	Oxton Court at Waterford Place d/b/a Manor House of Waterford Place 3920 Antoinette Drive, Montgomery, Alabama	Waterford Place ALF, LLC	Oxton Court at Waterford Place, LLC Manor House at Waterford Place, LLC	<i>BOKF, N.A., as Indenture Trustee v. Waterford Place ALF, LLC et al., Civ. Action. No. 03-CV-2016-901323 (Ala Cir. Ct., Montgomery Cnty.) (filed Sept. 30, 2016)</i>

Group	Facility	Borrower Defendant	Management Companies	Pending Litigation
2	Oxton Place of Columbus d/b/a Manor House of Columbus 6830 River Road, Columbus, Georgia	Columbus ALF, LLC	Oxton Place of Green Island, LLC Manor House of Columbus, LLC	<i>BOKF, N.A., as Indenture Trustee v. Columbus ALF, LLC et al.</i> , Civ. Action No. SU16CV279208 (Ga. Supt. Ct., Muscogee Cnty.) (filed Sept. 28, 2016)
2	Oxton Court of Opelika d/b/a Manor House of Opelika 1001 Fox Run Parkway, Opelika, Alabama	Opelika ALF, LLC	Oxton Court of Opelika, LLC Manor House of Opelika, LLC	<i>U.S. Bank N.A., as Trustee v. Opelika ALF, LLC et al.</i> , Civ. Action No. 3:16-cv-00650-WKW (M.D. Ala.) (filed Aug. 9, 2016)
3	Oxton Place of Douglas d/b/a Manor House of Douglas 1360 West Gordon Street, Douglas, Georgia	Oxton Place of Douglas, LLC d/b/a Oxton Real Estate of Douglas, LLC	Oxton Place of Douglas Operations, LLC Manor House of Douglas, LLC	<i>In re Oxton Place of Douglas, LLC</i> , Case No. 16-67316-jrs (Bankr. N.D. Ga.) (filed Sept. 30, 2016)
3	Oxton Place of Gainesville d/b/a Manor House of Gainesville 2030 Windward Lane, Gainesville, Georgia	Gainesville ALF, LLC	Oxton Place of Gainesville, LLC Manor House of Gainesville, LLC	<i>In re Gainesville ALF, LLC</i> , Case No. 16-21959-jrs (Bankr. N.D. Ga.) (filed Sept. 30, 2016)