



**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

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DIVISION OF ENFORCEMENT

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April 7, 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 Order Vacating Receivership entered on April 6, 2017, in one of the pending actions listed on Exhibit A to the Receiver Order—*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.) (the “Vacated Receivership”). As described further below, the Group 2 Receivership Entities related to the Waterford Place 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.) Some 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 subsequently 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.

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
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Attachment

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



AlaFile E-Notice

03-CV-2016-901323.00

Judge: JAMES H ANDERSON

To: MALCOM BRIAN JAMES
brian.malcom@wallerlaw.com

NOTICE OF ELECTRONIC FILING

IN THE CIRCUIT COURT OF MONTGOMERY COUNTY, ALABAMA

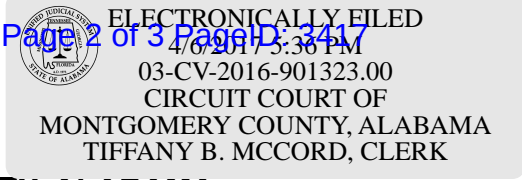
BOKF, N.A. V. MEDICAL CLINIC BOARD OF THE CITY OF ET AL
03-CV-2016-901323.00

The following matter was FILED on 4/6/2017 5:36:05 PM

Notice Date: 4/6/2017 5:36:05 PM

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MONTGOMERY COUNTY, ALABAMA
251 S. LAWRENCE STREET
MONTGOMERY, AL, 36104

334-832-1260



IN THE CIRCUIT COURT OF MONTGOMERY COUNTY, ALABAMA

BOKF, N.A.,)	
Plaintiff,)	
)	
V.)	Case No.: CV-2016-901323.00
)	
MEDICAL CLINIC BOARD OF THE)	
CITY OF,)	
WATERFORD PLACE ALF, LLC,)	
OXTON PLACE OF MONTGOMERY,)	
LLC,)	
MANOR HOUSE OF MONTGOMERY,)	
LLC ET AL,)	
Defendants.)	

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.

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

DONE this 6th day of April, 2017.

/s/ JAMES H ANDERSON
CIRCUIT JUDGE