



**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

June 5, 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 an order entered on June 2, 2017, in one of the pending actions listed on Exhibit A to the Receiver Order—*U.S. Bank N.A., as Trustee v. Opelika ALF, LLC, et al.*, Civ. Action. No. 3:16-CV-650-WKW (M.D. Ala.) (the “Vacated Receivership”). As described further below, the Group 2 Receivership Entities related to the Opelika, Alabama 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.) With the entry of the attached order from the Vacated Receivership, all five of the listed receiver orders have now been vacated. (ECF Nos. 99, 101, 107, 113.) 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.” (Receiver Order ¶ 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.

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)  
Sharon Nunamaker (by email)

IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF ALABAMA  
EASTERN DIVISION

U.S. BANK NATIONAL	)	
ASSOCIATION, as Trustee,	)	
	)	
Plaintiff,	)	
	)	
v.	)	CASE NO. 3:16-CV-650-WKW
	)	
DWAYNE A. EDWARDS, <i>et al.</i> ,	)	
	)	
Defendants.	)	

**ORDER**

On October 20, 2016, this court entered an order (Doc. # 17) appointing a receiver to take control of an assisted living facility formerly operated by Defendants. Six months later, Plaintiff filed a Motion to Vacate Receivership (Doc. # 43), which asks the court to vacate its previous receivership order in deference to an order entered by the United States District Court for the District of New Jersey. That order—which, in contrast to this court’s receivership order, applies to *all* the facilities formerly operated by Defendants—is attached to Plaintiff’s motion as an exhibit. (Doc. # 43-1.) Defendants were ordered to file a response setting forth any objections to the motion to vacate receivership (Doc. # 45), but no response or objection has been filed.

Accordingly, it is ORDERED that Plaintiff's Motion to Vacate Receivership (Doc. # 43) is GRANTED, and the court's Consent Order Appointing Receiver (Doc. # 17) is VACATED.

DONE this 2nd day of June, 2017.

/s/ W. Keith Watkins  
CHIEF UNITED STATES DISTRICT JUDGE