

UNITED STATES DISTRICT COURT  
DISTRICT OF RHODE ISLAND

SECURITIES AND EXCHANGE COMMISSION,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	Case No. 15-CV-00191-S-LDA
	)	
PATRICK CHURCHVILLE,	)	
CLEARPATH WEALTH MANAGEMENT, LLC,	)	
	)	
Defendants,	)	
	)	
and	)	
	)	
CLEARPATH MULTI-STRATEGY FUND I, L.P.,	)	
CLEARPATH MULTI-STRATEGY FUND II, L.P.,	)	
CLEARPATH MULTI-STRATEGY FUND III, L.P.,	)	
HCR VALUE FUND, L.P.,	)	
	)	
Relief Defendants.	)	
	)	

**ORDER**

This matter came before this honorable Court upon Stephen F. Del Sesto, Esq.’s, solely in his capacity as the Court-appointed Receiver (the “Receiver”) for Defendants Patrick Churchville and ClearPath Wealth Management, LLC and Relief Defendants ClearPath Multi-Strategy Fund I, L.P., ClearPath Multi-Strategy Fund II, L.P., and ClearPath Multi-Strategy Fund III, L.P. (collectively “Receivership Entities”) Report and Request for Entry of Orders (the “Report”). Through the Report, the Receiver sought an Order or Orders from this Court: (i) authorizing the Receiver to accept IRS Form W-9s submitted by investors in connection with the initial or revised (second) Claim Analyses and utilize that IRS Form W-9 in connection with the 3<sup>rd</sup> and Final Claim Analysis provided in May 2019; (ii) approving the Receiver’s recommended process and procedure to locate investors entitled to a first interim distribution based on the 3<sup>rd</sup> and Final Claim Analysis and the related “rising tide” calculation who have not ever responded to the Receiver; (iii) approving the final designation of certain claimants as “insiders”; (iv) establishing a formal objection process for those “insider” parties to appear and show cause as to why they should not be designated as “insiders”; and, (v) any further relief, general or special, at law or in equity that this honorable Court deems reasonable, necessary and appropriate.

After reviewing and considering the Report, considering the Receiver's oral presentation of the Report and considering the comments made by the Plaintiff, the Court hereby GRANTS the relief requested in the Report in all respects.

**IT IS HEREBY FOUND, DETERMINED, ORDERED, ADJUDGED,  
AND DECREED, AS FOLLOWS:**

1. The notice of the Report was sent to all interested persons and entities, including, without limitation, those persons or entities that submitted claims to the Receiver, (a) via first class mail, postage prepaid, (b) via electronic mail to all electronic mail addresses on file with the Receiver; and, (c) via published notice of the Report on the dedicated website established by the Receiver for this matter, and this Court finds that such notice constitutes good and sufficient notice of the Report and all the relief sought therein.

2. The objection period for Class 3 Claimants to formally dispute the REVISED (3<sup>rd</sup>) Class 3 Claim Analysis and "rising tide" calculation has expired and the REVISED (3<sup>rd</sup>) Class 3 Claim Analysis and "rising tide" calculation is approved, confirmed and ratified.


3. The Receiver is authorized to accept IRS Form W-9s submitted by investors in connection with the initial or revised (second) Claim Analyses and utilize those IRS Form W-9s in connection with the 3<sup>rd</sup> and Final Claim Analysis provided in May 2019. If appropriate under the "rising tide" calculation, the Receiver shall issue partial distributions to the affected parties in the same manner as he has to date.

4. The Receiver's recommended process and procedure to locate investors entitled to a first interim distribution based on the 3<sup>rd</sup> and Final Claim Analysis and the related "rising tide" calculation who have not ever responded to the Receiver as set forth in the Report is approved, confirmed and ratified. The Receiver shall use reasonable efforts to implement the approved process and procedure for a period of ninety (90) days from the date of the hearing on the Report. Upon the expiration of that ninety (90) day period, the Receiver shall designate any Class 3 Claim for which no IRS Form W-9 has been received as denied and such Class 3 Claim and Claimant shall be deemed to have waived their right to any distribution for the Receivership Estate.

5. The Receiver's final designation of certain claimants as "insiders", specifically, Linda Rosenberg, Michael Rosenberg and Andrew "Drew" Carlin, is approved, confirmed and ratified.

6. The Receiver's recommended formal objection process for those "insider" parties, identified in Paragraph 4, above, to appear and show cause as to why they should not be designated as "insiders" as set forth in the Report is approved, confirmed and ratified.

IT IS SO ORDERED, this 31<sup>st</sup> day of January, 2020.

  
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Honorable William E. Smith  
United States District Judge