

UNITED STATES DISTRICT COURT
DISTRICT OF RHODE ISLAND

_____)	
SECURITIES AND EXCHANGE COMMISSION,)	
)	
Plaintiff,)	
)	
v.)	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.)	
_____)	

[Proposed]

ORDER CONCERNING HCR VALUE FUND, L.P.

WHEREAS on June 2, 2015, this Court entered an Order Imposing Preliminary Injunction, Freezing Assets, and For Other Equitable Relief (Docket No. 13) after finding that the relief set forth in the June 2 Order is necessary and appropriate for the benefit of investors who may have been injured as a result of the conduct alleged in this lawsuit; and,

WHEREAS, at the request of the Commission and the Defendants, Patrick Churchville and ClearPath Wealth Management, LLC (“ClearPath”), this Court did not include relief defendant HCR Value Fund, L.P. (“HCR Value”) in the injunctive provisions of the June 2 Order, so that the value of certain assets and prospective assets would not be diminished; and,

WHEREAS, the relief set forth in this Order is necessary and appropriate for the benefit of investors who may have been injured as a result of the conduct alleged in this lawsuit; and

WHEREAS the Court is authorized to grant the relief set forth in this Order pursuant to the Federal Rules of Civil Procedure, its general equitable authority and also pursuant to Section 21(d)(5) of the Securities Exchange Act of 1934 [15 U.S.C. § 78u(d)(5)].

I.

IT IS HEREBY ORDERED that, notwithstanding any provision of this Court's June 2, 2015 Order, any money due to HCR Value by any person or entity (including CP Medical, LLC and/or its related entities) may be paid to HCR Value at the time it comes due. Neither this Order nor the Court's June 2 Order alters or altered the obligation of any person or entity to pay or distribute to HCR Value (and/or its partners, officers, agents, servants, employees and attorneys) monies due under previous agreements with HCR Value or the Defendants or the amounts or timing of any such payments.

II.

IT IS HEREBY FURTHER ORDERED that all monies received by HCR Value from any party which would if distributed be distributable to, or which would be payable to, the Defendants, or any of Defendants' officers, agents, servants, employees and attorneys, then it shall be deposited in the escrow account established pursuant to Section VII of this Court's June 2, 2015 Order and shall be subject to the asset freeze provisions of Section VI.A of the June 2 Order. All monies received by HCR Value for the benefit of any investor(s) in HCR Value Series B (not including the Defendants and/or their partners, officers, agents, servants, employees and attorneys) may be distributed to such investor(s), pursuant to any prior contract or agreement. All monies received by HCR Value (regardless of for whom that money benefits) shall be reported within 7 days to counsel for the Commission and any receiver appointed in this matter.

III.

IT IS HEREBY FURTHER ORDERED that HCR Value Series B may continue to operate, pursuant to the terms of the “Agreement Regarding Continuing HCRVF Operations” executed May 21, 2015 by and among various HCR Value investor entities, HCR Value, HCR Value Fund GP, LLC, and Defendants, and that such HCR Value investor entities may replace HCR Value Fund GP, LLC as general partner with an entity controlled by the same entity which controls such HCR Value investor entities, and in so doing may convert any interest of a Defendant in HCR Value to a special limited partner interest, provided that:

- a) No financial interest of the Defendants (including but not limited to rights to distributions or payments in respect of any capital contribution, carried interest, or management fees due to or accrued for the benefit of the Defendants) be dissipated or diminished;
- b) To the extent any of these financial interests are realized and/or received by Defendants, that the money be escrowed and frozen pursuant to the provisions of Section II, above; and,
- c) Defendant Patrick Churchville play no investment advisory role in the on-going operations of HCR Value.

IV.


IT IS HEREBY FURTHER ORDERED that the HCR Value general partner shall notify the Receiver appointed for the receivership estates of Churchville and ClearPath whenever any material change in any agreement or contract or any new agreement or contract is contemplated by or proposed to HCR Value or the HCR Value general partner. If such

agreement, contract, or material change would harm the interests of the receivership estate, the Receiver may apply to this Court for relief.

V.

IT IS HEREBY FURTHER ORDERED that this Order is entered without prejudice to any party's right to present any evidence or argument to the Court and to seek any modification of or relief from any part of this Order. Unless otherwise ordered by the Court, this Order shall remain in effect until entry of an Order or other final disposition of this action.

It is SO ORDERED.



Hon. William E. Smith
UNITED STATES DISTRICT JUDGE

Dated: 7/30, 2015