UNITED STATES DISTRICT COURT
DISTRICT OF RHODE ISLAND

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, vs. 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.	)	Case No. 15-CV-00191-S-LDA

RECEIVER'S PETITION FOR INSTRUCTIONS REGARDING THE PROPOSED "HCR VALUE FUND, L.P. AMENDMENT NO. 1 TO THE LIMITED PARTNERSHIP AGREEMENT"

Now comes Stephen F. Del Sesto, Esq. solely in his capacity as the Court-appointed 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") and hereby submits this Petition for Instructions Regarding the Proposed HCR Value Fund, L.P. Amendment No. 1 to the Limited Partnership Agreement. To the Honorable Judge William E. Smith of the federal District Court for the District of Rhode Island, your Receiver represents the following:

1. In August of 2012, HCR Value Fund, L.P. was formed for the purposes of investing in healthcare receivables. HCR Value Fund, L.P. is one of the Relief Defendants in the Security & Exchange Commission's ("SEC") action pending before this Court (the "SEC

Action"). There are currently two series of limited partnership interests within HCR Value Fund, L.P.: Series A and Series B. HCR Value Fund GP LLC was the general partner of HCR Value Fund, L.P. and was owned and operated by ClearPath Wealth Management, LLC and/or Patrick Churchville.

2. Paragraph 4.3 of the "Limited Partnership Agreement of HCR Value Fund, LP" (the document establishing the HCR Value Fund, L.P.) provided for the payment of a management fee to ClearPath Wealth Management LLC. The Limited Partnership Agreement of HCR Value Fund, LP, by reference to a management agreement entered into between ClearPath Wealth Management LLC and HCR Value Fund, L.P., entitled ClearPath Wealth Management LLC to a management fee at the annual rate of 2% of the aggregate subscriptions of limited partners. Calculation and payment of the management fee was to be made on a monthly basis. Before the SEC Action was initiated, the management fee for Series A ended in accordance with its terms, and the management fee for Series B was changed to $25,000 per month.

3. Acrewood 2013, L.P. owns 51.667% of the outstanding partnership interests in Series A of the HCR Value Fund, L.P. Acrewood 2013, L.P. and Acrewood 2014, L.P. (together the "Acrewood Investors") collectively own 98.75% of the outstanding partnership interests in Series B. HCR Value Fund GP, LLC owns the remaining 1.25% of the outstanding partnership interests in Series B. By virtue of its partnership interest, HCR Value Fund GP LLC is entitled to receive distributions on account of its capital contributions and is also entitled to a carried interest equal to 20% of the profits earned on the Acrewood Investors' invested capital.

4. Acrewood Investment Management, LP is the general partner of Acrewood 2013, L.P. and Acrewood 2014, L.P.

5. Acrewood Holdings, LLC is the manager of Acrewood 2013, L.P. and Acrewood 2014, L.P.

6. On May 7, 2015, the SEC filed its Complaint against the Receivership Entities.

7. On May 21, 2015, Acrewood 2013, L.P., Acrewood 2014, L.P., Acrewood Holdings, LLC, Patrick Churchville, the HCR Value Fund, L.P. (and Series B, thereof), HCR

Value Fund GP, LLC and ClearPath Wealth Management, LLC entered into the "Agreement Regarding Continuing HCRVF Operations."

8. Without restating the entirety of the Agreement Regarding Continuing HCRVF Operations, the parties thereto, in order to preserve the ability to operate HCRVF in the event the SEC Action prevented ClearPath Wealth Management LLC or Patrick Churchville from doing so, entered into the Agreement Regarding Continuing HCRVF Operations to "take certain steps with respect to [the Acrewood Investors'] unfunded commitments to HCRVF-Series B, without altering the economic interests of Churchville or ClearPath, to protect the interests of the [Acrewood Investors] and to ensure that the commitments made by CP Medical to acquire new pools of health care receivables can be fulfilled and the business of CP Medical, funded to the same extent as it would be in the absence of this Agreement, may continue."

9. The Agreement Regarding Continuing HCRVF Operations provided for Acrewood Management, L.P., to step into the manager role with respect to Series B of HCRVF upon notice to ClearPath Wealth Management LLC and Patrick Churchville if ClearPath Wealth Management LLC and Patrick Churchville became unable to manage the investment assets of HCRVF. Acrewood Investment Management, L.P. provided that notice on July 6, 2015 and the Receiver recognizes that Acrewood Investment Management, L.P. is currently the entity responsible for management of the investment assets of Series B.

10. Notwithstanding that Acrewood Investment Management, L.P. is the Series B manager, the $25,000 per month Series B management fee remains due to ClearPath Wealth Management LLC. However, the management fee has accrued and has not been paid since May since the cash has been locked up in the Series B account at Fox Chase Bank for which Patrick Churchville is currently the sole signer. If Acrewood becomes the general partner of Series B, it expects it would become a signer on that account and monies could be distributed from it in accordance with the Limited Partnership Agreement for HCR Value Fund, LP and the Agreement Regarding Continuing HCRVF Operations.

11. As another part of the Agreement Regarding Continuing HCRVF Operations, Section 2.1 provided for the following:

> Cost Reimbursement. Churchville and ClearPath hereby agree to indemnify the Acrewood LPs, CP Investor and Acrewood Holdings for any reasonable out-of-pocket costs incurred by them in connection with the SEC Action, this Agreement and any actions reasonably undertaken in connection therewith. Any such expenses may be offset against the Management Fee or other payments or distributions due to ClearPath or [HCR Value Fund GP, LLC] in respect of HCRVF-Series B or the CP Medical business.

12. Stephen F. Del Sesto was appointed as Receiver of the Receivership Entities by the Honorable Judge William E. Smith on July 30, 2015 (Document #16).

13. Prior to that appointment, distributions and payments owed to HCRVF by CP Medical, LLC, which is the sole entity through which HCRVF invested in health care receivables, and which is managed by Capio Acquisition VII, LLC (with its affiliates the "Capio Entities"), were being held back by the Capio Entities on belief (erroneous in the view of the Receiver) that the Court's June 2, 2015 Order Imposing Preliminary Injunction, Freezing Assets, and for Other Equitable Relief (Document #13) (the "Freeze Order") directed them to do so. On July 14, 2015, the SEC filed a Motion for Order Concerning HCR Value Fund, L.P. (Document #15). The purpose of the requested Order was to "ensure that money that is due to HCR Value Fund by third parties may be paid to HCR Value and, once paid, will be either frozen or distributed to investors." The Order was intended to supplement and clarify the Freeze Order.

14. On July 30, 2015, this Court entered the Order Concerning HCR Value Fund, L.P. (Document #17) permitting the continuing operation of HCR Value Series B pursuant to the terms of the Agreement Regarding Continuing HCRVF Operations (the document discussed in Paragraphs 8 and 9 of this Petition) (the "July 30 Order"). The Capio Entities subsequently distributed funds to the Fox Chase Bank account but calculated the amounts due based on default sharing percentages (which are more favorable to the Capio Entities) which Acrewood Investment Management, LP, the general partner of the Acrewood Investors (together, the "Acrewood Entities") contend was incorrect and the Acrewood Entities are currently negotiating with the Capio Entities to resolve that issue.

15. In the July 30 Order, the Court further ruled that HCR Value Fund GP, LLC may be replaced as general partner "with an entity controlled by the same entity which controls . . .

HCR Value investor entities, and in so doing may convert any interest of a Defendant in HCR Value to a special limited interest . . . ." This allowed (subject to compliance with the conditions stated in the July 30 Order) the Acrewood Entities to install an affiliate of those entities as the general partner of HCR Value Fund, L.P. in lieu of HCR Value Fund GP, LLC and convert the interest of HCR Value Fund GP, LLC to a special limited partner interest in HCR Value Fund, L.P.

16. The July 30 Order was expressly predicated on a number of conditions including, but not limited to, the following condition: "No financial condition (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 . . . ."

17. Since the entry of the July 30 Order, counsel for the Acrewood Entities has prepared an amendment to the Limited Partnership Agreement of HCR Value Fund, LP and provided it to the Receiver for comment (the "Proposed Amendment"). The Proposed Amendment provides for admission of a new general partner in HCR Value Fund, L.P. with respect to Series B (which will be Acrewood HCR GP, LLC, an entity to be formed by Acrewood Investment Management L.P. for this purpose) and conversion of HCR Value Fund GP, LLC's general partnership interest to a special limited partnership interest in the fund which will entitle it to continue to receive the distributions and other payments that would have gone to HCR Value Fund GP, LLC when it was general partner. The Receiver has provided comments on the Proposed Amendment which are acceptable to counsel for the Acrewood Entities, but for one item which is the subject of this Petition and is described in Paragraphs 20 through 24 below. The current status of the Proposed Amendment, inclusive of the Receiver's comments, is attached hereto as **Exhibit A**.

18. Under the Proposed Amendment, HCR Value Fund GP, LLC will continue to hold "all financial interests, distributions and other payments in respect to capital contribution, carried interest, management fees hereinbefore or hereinafter due, and indemnification to the extent provided in the Partnership Agreement and the Agreement Regarding Continuing HCRVF Operations dated May 21, 2015, which would have been provided to [HCR Value Fund GP,

LLC] in respect of Series B if the assignment and transfer contemplated by Section 1 were not undertaken." Exhibit A, ¶ 2.

19. Under the terms of the Proposed Amendment, the rights and interests of the parties thereto in Series A of HCR Value Fund L.P. are not affected. Exhibit A, ¶ 4.

20. Paragraph 6 of the Proposed Amendment, as initially prepared by Acrewood Investment Management, LP, amends Section 4.3 of the August 2012 "Limited Partnership Agreement of HCR Value Fund, LP" and adds the following language:

> Notwithstanding anything to the contrary in this Section 4.3, Acrewood Holdings, LLC ("**Holdings**") shall be the Management Company with respect to Series B. The Management Fee in respect of Series B, which is $25,000 per calendar month, shall continue to be paid to ClearPath Wealth Management, LLC, ***subject to offsets resulting from indemnification claims to the extent provided in that certain Agreement Regarding Continuing Operations dated May 21, 2015 by and among Holdings***, the General Partner and the Partnership (among others) for so long as Management Fee is payable under this Agreement in respect of Series B.

(Second emphasis supplied). Counsel for the Acrewood Entities has represented that the emphasized language is only to capture what is referenced in the "Cost Reimbursement" language of the Agreement Regarding Continuing HCRVF Operations which is set forth in Paragraph 11 of this Petition.

21. While your Receiver believes that the Proposed Amendment effectuates the intent of the Court's July 30 Order (Document # 17) to ensure that funds due to HCR Value Fund, L.P. by third parties may be paid to HCR Value Fund, L.P. and, once so paid, will be either frozen (in the case of amounts distributable to HCR Value Fund GP, LLC) or distributed to the Acrewood Investors, your Receiver is concerned that the language found in Paragraph 6 of the Proposed Amendment, highlighted in Paragraph 20 of this Petition, may conflict with the Court's directive in its Order Concerning HCR Value Fund, L.P. stating that "[n]o financial interest of the Defendants (including but not limited to rights to distributions or payments in respect of any capital contributions, carried interest, or management fees due to or accrued for the benefit of the Defendants) be dissipated or diminished . . . ."

22. More specifically, your Receiver is concerned that, if the Receiver permits, based on the identified language in Paragraph 6 of the Proposed Amendment, Acrewood Investment Management, LP to offset future amounts payable or distributable to ClearPath Wealth Management, LLC or HCR Value Fund GP, LLC with certain specified indemnification claims, it could be viewed as violating the July 30 Order (Document # 17). The Receiver is also concerned that, while allowing such offset is within the literal terms of the pre-receivership contracts between the parties, such a result could be viewed as violating the doctrine of mutuality of offsets which, to the extent applicable, states that a preliquidation debt cannot be offset against a postliquidation debt. *See e.g., O'Connor v. Insurance Co. of North America*, 622 F. Supp. 611, 618 (N.D. Ill. 1985); *Manchester Ins. & Indem. Co. v. Manchester Premium Budget Corp.*, 469 F. Supp. 126, 129 (E.D. Mo. 1979), aff'd, 612 F.2d 389 (8th Cir. 1980); Stephen W. Schwab, et al., *Onset of An Offset Revolution: The Application of Set-Offs in Insurance Insolvencies*, 95(3) Dickinson L. Rev. 449, 494-95 & n. 257 (Spring 1991) (collecting cases). "[C]laims owed by or to the bankrupt prior to bankruptcy cannot be set off against claims owed by or to the bankrupt's estate (as represented by the receiver or trustee) and arising after bankruptcy." *O'Connor*, 622 F. Supp. at 618 (*quoting* 4 Collier on Bankruptcy ¶ 68.10[a] (14th ed. 1978)).

23. In view of the foregoing concern, your Receiver proposed to Acrewood Investment Management, LP that the following highlighted language be added to Paragraph 6 of the Proposed Amendment in addition to the language proposed by Acrewood Investment Management, L.P.:

> Notwithstanding anything to the contrary in this Section 4.3, Acrewood Holdings, LLC ("**Holdings**") shall be the Management Company with respect to Series B. The Management Fee in respect of Series B, which is $25,000 per calendar month, shall continue to be paid to ClearPath Wealth Management, LLC, subject to offsets resulting from indemnification claims to the extent provided in that certain Agreement Regarding Continuing Operations dated May 21, 2015 by and among Holdings, the General Partner and the Partnership (among others), ***to the extent such offsets are determined and allowed by a final, non-appealable order of the Court,*** for so long as Management Fee is payable under this Agreement in respect of Series B.

In response, Acrewood Investment Management, LP has indicated its belief that the July 30 Order (Document #17) permitting continued operation of Series B of the HCR Value Fund,

L.P. pursuant to the terms of the May 21, 2015 Agreement Regarding Continuing HCRVF Operations, permits offsets since the Agreement Regarding Continuing HCRVF Operations so provides. Acrewood Entities contend that the Agreement Regarding Continuing HCRVF Operations was intended to protect the Acrewood Entities from incurring costs in order to manage the assets of which they are the 98.75% beneficial owner.

24. Your Receiver is advised by Acrewood Investment Management, LP, that the magnitude of the proposed offset is currently approximately $120,000 and is comprised of legal fees incurred and other fees and costs imposed by reason of the SEC Action. They have also advised that the investment program with the Capio Entities has been shut down by reason of the SEC Action to the financial detriment of Series B and Acrewood Investment Management, LP and that the cost reimbursement offset does not make them whole for this additional reduction in value.

WHEREFORE, your Receiver respectfully requests instruction from this Court as to whether the Receiver is authorized to execute the Proposed Amendment on behalf of HCR Value Fund GP, LLC with such language in Paragraph 6 of the Proposed Amendment as the Court may direct, either with or without a reservation by the Court to determine the propriety and amount of the allowable offset.

Respectfully submitted,

/s/ Stephen F. Del Sesto, Receiver

Stephen F. Del Sesto, Esq. (Bar #6336)
Receiver for Patrick Churchville, ClearPath Wealth Management, LLC, ClearPath Multi-Strategy Fund I, L.P., ClearPath Multi-Strategy Fund II, L.P., and ClearPath Multi-Strategy Fund III, L.P. and not individually
Donoghue Barrett & Singal, P.C.
One Cedar St., Suite 300
Providence, RI 02903
401-454-0400
401-454-0404

Dated: September 28, 2015

EXHIBIT A

HCR VALUE FUND, L.P.

***Proposed* Amendment No. 1 TO THE LIMITED PARTNERSHIP AGREEMENT**

THIS AMENDMENT No. 1 to the Limited Partnership Agreement ("***Amendment No. 1***") of HCR Value Fund, L.P., a Delaware limited partnership (the "***Partnership***") is executed this ____ day of September 2015 (the "***Effective Date***") by HCR Value Fund GP, LLC, a Delaware limited liability company, as general partner of the Partnership (the "***General Partner***"), by and through Stephen F. Del Sesto in his sole capacity as Court appointed Receiver for the receivership estate of Patrick Churchville ("Churchville"), Acrewood HCR GP, LLC (the "***New General Partner***"), Acrewood Holdings, LLC, a Delaware limited liability company, ("***Holdings***") Acrewood 2013, L.P. ("***Acrewood 2013***") and Acrewood 2014, L.P. ("***Acrewood 2014***"). Capitalized terms used in this Amendment No. 1 and not otherwise defined shall have the meanings ascribed to them in the Agreement of Limited Partnership of the Partnership dated August 7, 2012 (as further amended, restated or revised from time to time, the "***Partnership Agreement***" or "***HCRVF LPA***").

BACKGROUND

WHEREAS, the Partnership is a series limited partnership formed in August 2012 for the purposes of investing in health care receivables. There are currently two series of limited partnership interests contemplated by the Partnership Agreement: Series A, which is not authorized to make new investments ("***Series A***") and Series B which is authorized to make new investments ("***Series B***");

WHEREAS, Acrewood Investment Management, LP ("***Acrewood GP***") is the general partner and Holdings is the manager of Acrewood 2013 and of Acrewood 2014. Acrewood 2013 owns 51.667% of the outstanding partnership interests of Series A and Acrewood 2013 and Acrewood 2014 collectively own 98.75% of the outstanding partnership interests of Series B. Acrewood GP is the sole member of New General Partner;

WHEREAS, on June 2, 2015, the United Stated District Court for the District of Rhode Island (the "***Court***") issued an Order (the "***June 2 Order***") freezing the assets of Patrick Churchville ("***Churchville***") and ClearPath Wealth Management, LLC ("***ClearPath***"), among others, in connection with a complaint filed in May 2015 by the Securities Exchange Commission alleging mismanagement of funds. Prior to the June 2 Order, on May 21, 2015, the Partnership, Churchville, ClearPath, Holdings, Acrewood 2013 and Acrewood 2014 entered into an Agreement Regarding Continuing HCRVF Operations (the "***Continuing Operations Agreement***");

WHEREAS, on or about July 30, 2015 the Court entered an Order Appointing Receiver, appointing Stephen F. Del Sesto, Esq. as Receiver of Churchville, ClearPath and their respective receivership estates (the "Receiver");

WHEREAS, pursuant to Section 1.1 of the Continuing Operations Agreement, Holdings gave notice to ClearPath and Churchville on July 6, 2015, that, by reason of the June 2 Order, Churchville and ClearPath (or any entity owned by them) was prevented from acting as Management Company as contemplated by Section 4.3 of the HCRVF LPA, and Holdings therefore became authorized to exercise all management discretion afforded by Section 4.3 of the HCRVF LPA;

WHEREAS, on July 30, 2015, the Court entered an Order (the "***July 30 Order***") which provided that Series B may continue to operate pursuant to the terms of the Continuing Operations Agreement. In addition, the July 30 Order provided that the Partnership's investor entities who were party to the Continuing Operations Agreement, i.e. Acrewood 2013 and Acrewood 2014, could replace the General

Partner with an entity controlled by the same entity which controls such investor entities, i.e. with an entity controlled by Acrewood GP, and in so doing could convert any interest of a Defendant (as defined in the July 30 Order) in the Partnership to a special limited partner interest, *provided that*, by reason thereof: (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 of the July 30 Order; and (c) Churchville play no investment advisory role in the on-going operations of the Partnership;

WHEREAS, the General Partner and New General Partner, with the approval, if required, of Holdings, Acrewood 2013 and Acrewood 2014, desire to amend the Partnership Agreement so that (i) with respect to Series B, New General Partner shall be the sole general partner of the HCRVF, while the General Partner remains as the sole general partner of the Partnership with respect to Series A, (ii) the economic rights of the General Partner in the Partnership with respect to Series B are converted, without diminution in economic value, to a non-voting interest of a special limited partner in the Partnership, and (iii) the New General Partner and the Partnership clarify that the Partnership is a series partnership and that the Series A and Series B interests in the Partnership have no claims or obligations with respect to one another. Acrewood 2013 and Acrewood 2014, as the sole limited partners in the Partnership with respect to Series B wish to consent to such restructuring of Series B;

WHEREAS, pursuant to Section 10.1 of the Partnership Agreement, the General Partner is permitted to transfer its general partnership interest in the Partnership to certain other entities. A transfer to the New General Partner requires the consent of a majority in interest of the Limited Partners. Acrewood 2013 and Acrewood 2014 represent a majority in interest (or more) of both Series A and Series B; and

WHEREAS, pursuant to 12.1 of the Partnership Agreement, the Partnership Agreement may be amended by the General Partner and a majority in interest of the Limited Partners, and pursuant to Section 12.1.4 of the Partnership Agreement, it may be amended by the General Partner without the consent of any Limited Partners if the amendment is to surrender any right granted to the General Partner under the Partnership Agreement provided that such amendment does not subject any Limited Partner to any material adverse economic consequences or alter or waive in any material respect the duties or obligations of the General Partner to the Partnership or the Limited Partners.

NOW, THEREFORE, the parties hereto hereby amend the Partnership Agreement as follows:

1. Transfer to New General Partner. Except as provided herein and in paragraph 2 hereof, the General Partner hereby assigns and transfers all of its interest as a general partner with respect to Series B in the Partnership to the New General Partner other than the right to receive distributions and other payments which would be made to the General Partner if the assignment and transfer contemplated by this Section 1 were not undertaken (such rights to distributions and payments being herein referred to as the "***GP Distribution Rights***"). As such the New General Partner shall have all of the rights, privileges and obligations as a general partner of a limited partnership under the Delaware Revised Uniform Limited Partnership Act, but shall not be entitled to any distributions from the Partnership. The New General Partner shall be entitled to the indemnification protections set forth in Article 11 of the Partnership Agreement.

2. Conversion of Residual Interest to Special Limited Partner Interest. The General Partner's GP Distribution Rights are hereby converted into a special limited partner interest in the

Partnership ("***Special LP Interest***" and the General Partner as the holder thereof, the "***Special Limited Partner***"). The Special LP Interest shall entitle the holder thereof to all financial interests, distributions and other payments in respect of any capital contribution, carried interest, management fees hereinbefore or hereinafter due, and indemnification to the extent provided in the Partnership Agreement and the Agreement Regarding Continuing HCRVF Operations dated May 21, 2015, which would have been provided to the General Partner in respect of Series B if the assignment and transfer contemplated by Section 1 were not undertaken. From time to time as may reasonably be requested by the holder of the Special L.P. Interest, the New General Partner shall account to the holder of the Special L.P. Interest as to the existence and value of its financial interests, distributions and other payments that may be due from the Partnership. The Special LP Interest shall be non-voting and transferable in accordance with Section 10.2 of the Partnership Agreement in the same manner as the interests of Limited Partners are thereunder transferable. The Special LP Interest shall not entitle the holder thereof to participate in the governance or control of any aspect of Series B. The Special Limited Partner is hereby admitted to the Partnership.

3. General Partner. Section 3.4.1 of the Partnership Agreement is hereby amended to read as follows:

> The management, policies and control of Series A of the Partnership shall be vested exclusively in HCR Value Fund GP, LLC (the "**Series A General Partner**"). The management policies and control of Series B of the Partnership shall be vested exclusively in Acrewood HCR GP, LLC (the "**Series B General Partner**"). All references in this Agreement to the General Partner shall mean the Series A General Partner will respect to all matters pertaining to Series A and to the Series B General Partner with respect to all matters pertaining to Series B.
>
> The Series A General Partner and the Series B General Partner shall undertake all steps deemed necessary or appropriate by the Series B General Partner to effect and preserve the series nature of the Partnership so that (i) the liabilities of the Partnership which are attributable solely to Series A are satisfied only from assets of Series A, (ii) the liabilities of the Partnership which are attributable solely to Series B are satisfied only from assets of Series B, and (iii) any liabilities attributable to both Series A and Series B shall be paid from the assets of each series in proportion to their contribution to such liability, and if such contribution is not determinable, then in proportion to the aggregate asset values at the time the liability first became known and quantified.
>
> In the event that an action to be undertaken by the Partnership is not divisible by Series, such as may be the case with tax elections allowed under Section 3.4.2, such actions shall be undertaken by the Partnership only if authorized by the both the Series B General Partner and the Series A General Partner. In the event that any action to be undertaken by the Series A General Partner (including any action described in the preceding sentence) is not permitted to be undertaken by reason of a government action or court order (or similar restriction), then, if such action affects the ability of any Series B Limited Partner (or affiliate thereof) which is also a Series A Limited Partner to receive distributions in respect of Series A investments, then the Series B General Partner shall be authorized to act in the stead of the Series A General Partner for

purposes of such action (unless the Series B General Partner acting in such capacity is prohibited by law, rule, regulation or court order). Without limiting the foregoing, any decision or action which is required by order of the Court to be submitted for approval to the Receiver, shall be so submitted and any such decision required by order of the Court to be approved by the Court, shall be so submitted by the Receiver or by the Series B General Partner (or its designee).

Notwithstanding any of the foregoing, for purpose of Article 6 (Distributions), all references to "General Partner" in Article 6 shall only mean the Series A General Partner as the Series B General Partner shall not be entitled to any distributions under the Partnership Agreement.

4. Series A General Partner Unaffected. For clarity, the parties hereto hereby confirm that, except as expressly provided in Section 3 above, the General Partner shall remain the general partner of the Partnership for all purposes with respect to Series A and that the New General Partner shall have no responsibility or liability for any actions undertaken, nor have any obligations, with respect to Series A.

5. Schedule A. Schedule A with respect to Series B is hereby amended to be in the form attached hereto as *Appendix I.*

6. Management Company. Section 4.3 of the Partnership Agreement is hereby amended to add the following sentence at the end thereof:

Notwithstanding anything to the contrary in this Section 4.3, Acrewood Holdings, LLC ("**Holdings**") shall be the Management Company with respect to Series B. The Management Fee in respect of Series B, which is $25,000 per calendar month, shall continue to be paid to ClearPath Wealth Management, LLC, subject to offsets resulting from indemnification claims to the extent provided in that certain Agreement Regarding Continuing Operations dated May 21, 2015 by and among Holdings, the General Partner and the Partnership (among others), to the extent such offsets are determined and allowed by a final, non-appealable order of the Court, for so long as Management Fee is payable under this Agreement in respect of Series B.

7. Transfers General Partner Interest. Section 10.1 of the Partnership Agreement is hereby amended to add the following at the end thereof:

Except as required by law, rule, regulation or court order, in no event shall the Series A General Partner transfer its interest to any person without the consent of the Series B General Partner, which consent may be withheld, delayed or conditioned as the Series B General Partner may determine to be in the best interests of the Series B General Partner and the investors in Series B.

8. Effective Date. The General Partner hereby confirms that Acrewood 2013 and Acrewood 2014 have the requisite ownership interests to approve an amendment to the Partnership Agreement if such consent is required. Therefore, the parties agree that this Amendment No.1 shall be effective from and after the Effective Date.

9. Other Provisions. All other provisions of the Partnership Agreement shall remain in full force and effect and shall be unaffected by the provisions set forth in this Amendment No. 1.

10. Governing Law; Severability of Provisions. It is the intention of the parties that the internal laws of the State of Delaware and, in particular, the provisions of the Act, shall govern the validity of the Agreement, as amended by this Amendment No. 1, the construction of its terms and interpretation of the rights and duties of the parties.

11. Entire Agreement. The Partnership Agreement as amended hereby constitutes the entire agreement with respect to the subject matters of the Partnership Agreement and supersedes any prior agreement or understandings among the Partners thereto, oral or written with respect to the subject matter hereof, all of which are hereby canceled. Nothing herein shall supersede, restrict or otherwise limit the rights and obligations of the parties under the Continuing Operations Agreement.

12. Instruments to be Read Together. This Amendment No. 1 shall form a part of the Partnership Agreement for all purposes, and the Partnership Agreement and this Amendment No. 1 shall be read together. Each reference to "Agreement", "hereunder," "hereof," "herein" or words of like import in the Partnership Agreement shall mean and be a reference to the Partnership Agreement as amended by this Amendment No. 1.

IN WITNESS WHEREOF, the General Partner, intending to be legally bound hereby, has executed this Amendment No. 1 to the Limited Partnership Agreement of HCR Value Fund, L.P. on the day and year first above written.

Acrewood 2014, L.P.
By: Acrewood Investment Management, LP, its general partner

By: Acrewood GP, LLC, its general partner

By:_____
Stephen Chang, Managing Member

HCR Value Fund GP, LLC

By:_____
Stephen F. Del Sesto solely in his capacity as Receiver for the Receivership Estate of Patrick Churchville

Acrewood 2013, L.P.
By: Acrewood Investment Management, LP, its general partner

By: Acrewood GP, LLC, its general partner

By:_____
Stephen Chang, Managing Member

Acrewood Holdings, LLC

By: Acrewood GP, LLC, its managing member

By:_____
Stephen Chang, Managing Member

Acrewood HCR GP, LLC
By: Acrewood Holdings, LLC, managing member

By: Acrewood GP, LLC, its managing member

By:_____
Stephen Chang, Managing Member

APPENDIX I

HCRVF Series B
Schedule A
as of August __, 2015

Partner	**Commitment**	**Unfunded Commitment**	**Percentage Interest**
General Partner:			
Acrewood HCR GP, LLC	$0	$0	0%
Limited Partners:			
Acrewood 2013, L.P.	$13,750,000	$5,646,254	68.75%
Acrewood 2014, L.P.	$6,000,000	$2,463,820	30.00%
Special Limited Partner:			
HCR Value GP, LLC	$250,000	$102,659	1.25%
TOTAL:	$20,000,000	$8,212,733	100%