

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.)
)

**RECEIVER’S ASSENTED TO PETITION FOR INSTRUCTIONS REGARDING THE
RECOVERY OF MONIES HELD IN ESCROW BY CAPIO PARTNERS, LLC, THE
ESTABLISHMENT OF AN ESCROW ACCOUNT BY THE RECEIVER AND THE
RECEIVER’S REQUEST FOR AN ACCOUNTING FROM CAPIO PARTNERS, LLC**

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 Assented to Petition for Instructions Regarding the Recovery of Monies Held in Escrow by Capiro Partners, LLC, the Establishment of an Escrow Account by the Receiver and the Receiver’s Request for an Accounting from Capiro Partners, LLC. To the Honorable Judge William E. Smith of the Federal District Court for the District of Rhode Island, your Receiver represents the following:

1. Between February of 2011 and December of 2011, Mr. Churchville caused MSF II and III to enter into seven (7) separate lending transactions with Receivable Partners, LLC (“Receivable Partners”) in which MSF II and III loaned Receivable Partners an aggregate of \$20,092,454.00 on a secured basis (collectively, the “MSF Loans”).

2. All seven loan agreements stated that the purpose of the loan was for Receivable Partners to obtain financing for the purpose of purchasing healthcare receivable portfolios. (Attached hereto as Exhibit A is one of the seven loan agreements executed by Receivable Partners and MSF II or MSF III).

3. In January of 2012, Receivable Partners purchased a large portfolio of healthcare receivables with the funds loaned to Receivable Partners by MSF II and/or MSF III. On January 10, 2012, Receivable Partners entered into a Joint Investment Agreement (attached hereto as Exhibit B) with Capiro Acquisitions V, LLC (“Capiro Acquisitions”) and CF Medical V, LLC (“CF Medical”). The purpose of the Joint Investment Agreement was for Receivable Partners and Capiro Acquisitions to contribute funds to CF Medical to allow CF Medical to purchase a charged-off consumer debt receivables portfolio. More specifically, the portfolio contained healthcare receivables that Capiro Funding, LLC had purchased from Lifepoint Hospitals, Inc. on December 31, 2011 and subsequently assigned to CF Medical on January 10, 2012.

4. The aggregate purchase price for the portfolio was \$1,701,384.35 with an acquisition cost of \$94,500.92. Of that total amount, Receivable Partners contributed \$1,616,296.74 (90%) and Capiro Acquisitions contributed \$179,588.53 (10%). For their capital contributions, Receivable Partners and Capiro Acquisitions each received a 50% interest in CF Medical. Pursuant to Section 4.1 of the Joint Investment Agreement, proceeds collected by CF Medical would be distributed to Receivable Partners and Capiro Acquisitions (following payment of service fees and investment expenses) as follows: 90% of the proceeds were to be paid to Receivable Partners and 10% of the proceeds were to be paid to Capiro Acquisitions until the two parties recouped their initial capital contributions. Thereafter, Receivable Partners and Capiro Acquisitions would receive 50% each.

5. In or around December of 2012, Receivable Partners, Patrick Churchville (on behalf of MSF II and III) and Capiro Partners, LLC (the entity that holds and disburses the portfolio proceeds) agreed that Capiro Partners, LLC would alternate between Receivable

Partners and either MSF II or MSF III bi-monthly payments of proceeds in connection with the healthcare portfolio collections.

6. In late 2013, MSF II and MSF III provided notice to Receivable Partners that the MSF Loans were in default and that Receivable Partners would have thirty (30) days to cure the existing events of defaults. Essentially, Receivable Partners had failed to provide the requisite status reports for the collateral securing the MSF Loans. Receivable Partners failed to cure and, on December 12, 2013, MSF II and MSF III formally accelerated all of the MSF Loans and made demand upon Receivable Partners for the immediate payment of \$34,624,000.

7. On February 21, 2014, Capiro Partners, LLC, through counsel, transmitted a correspondence to counsel for MSF II, MSF III and Receivable Partners indicating that Capiro Partners, LLC had received conflicting directions from MSF II, MSF III and Receivable Partners as to how monthly payments should be made. Counsel for Capiro Partners, LLC suggested holding funds in a mutually agreed escrow account while MSF II, MSF III and Receivable Partners attempted to resolve its outstanding disputes. Capiro Partners, LLC's correspondence is attached hereto as Exhibit C.

8. On April 27, 2016, the Receiver participated in a phone call with Attorney Mitchell Bluhm, counsel to Capiro Partners, LLC regarding the funds being held in escrow. Attorney Bluhm advised the Receiver that, at present, Capiro Partners, LLC currently held over \$700,000 in escrow for the benefit of Receivable Partners, MSF II, or MSF III. Attorney Bluhm stated that Capiro Partners, LLC wished to relinquish its continuing obligation to hold the funds in escrow. The Receiver told Attorney Bluhm that he intended to petition the Court to allow the Receiver to take control of the funds and establish an escrow for the portion of the funds for which entitlement may be disputed.

9. The Securities & Exchange Commission fully assents to the relief and authority requested herein by your Receiver.

WHEREFORE, the Receiver respectfully requests an Order directing Capiro Partners, LLC to transfer the escrowed funds described above in Paragraph 8 to an account to be identified by the Receiver. Additionally, the Receiver requests authority from this Court to collect half of those transferred funds for the benefit of the Receivership Estate and to hold the other half of those transferred funds in escrow pending further disposition of the ownership rights to those

monies. Finally, the Receiver requests that the Court enter an Order directing Capio Partners, LLC to issue an accounting of the escrow account to the Receiver reflecting all credits and debits to the account since either the establishment of the account or over the last three (3) years, whichever period of time is shortest.

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 Street, Suite 300
Providence, RI 02903
401-454-0400
401-454-0404 Fax
sdelsesto@dbslawfirm.com
Dated: June 8, 2016

CERTIFICATE OF SERVICE

I, Stephen F. Del Sesto, hereby certify that I filed the within document on the 8th day of June, 2016, and that notice will be sent electronically to all counsel who are registered participants identified on the Mailing Information for Case No. 15-cv-00191-S-LDA.

/s/ Stephen F. Del Sesto

EXHIBIT A

LOAN AGREEMENT

THIS LOAN AGREEMENT ("Agreement"), dated October 14, 2011, by and between ClearPath Multi-Strategy Fund II, L.P., a Delaware limited partnership ("Lender"), and Receivable Partners LLC, a New Jersey limited liability company ("Borrower"). Lender and Borrower are sometimes individually referred to herein as a "Party," and are sometimes collectively referred to herein as the "Parties".

WHEREAS:

Borrower is seeking a loan (the "Loan") from Lender in order to obtain financing for the purchase of certain healthcare receivables. Borrower will utilize proceeds from the Loan to purchase the Accounts (as defined in Section 2.1 below).

Lender has agreed to make the Loan for the purpose set forth above, and on the terms and conditions set forth below.

NOW, THEREFORE, the Parties agree as follows:

ARTICLE I
LOAN

Section 1.1 Loan Amount.

Lender shall lend Borrower the sum of ninety-eight thousand dollars and zero cents (\$98,000.00) (the "Loan Amount") by wiring funds representing such Loan Amount into Borrower's account listed on Annex I within two (2) business days after the Effective Date (as defined below).

Section 1.2 Repayment; Interest; Maturity.

Borrower shall pay interest of 7.50% per quarter to Lender in consecutive quarterly installments of \$7,350.00, each, commencing on January 14, 2012, and continuing on the 1st day of every 3 months thereafter, through and including October 14, 2014 (the "Initial Term"), plus a final payment due and payable on October 14, 2014 (the "Original Maturity Date") in an amount equal to the then remaining principal balance of the Loan Amount and all interest accrued but unpaid thereon. A schedule of payments due is as follows:

Interest Payments

January 14, 2012	\$ 7,350.00
April 14, 2012	\$ 7,350.00
July 14, 2012	\$ 7,350.00
October 14, 2012	\$ 7,350.00
January 14, 2013	\$ 7,350.00
April 14, 2013	\$ 7,350.00

July 14, 2013	\$ 7,350.00
October 14, 2013	\$ 7,350.00
January 14, 2014	\$ 7,350.00
April 14, 2014	\$ 7,350.00
July 14, 2014	\$ 7,350.00
October 14, 2014	\$ 7,350.00

Principal Repayment

October 14, 2014	\$ 98,000.00
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Borrower may elect to defer - in full or in part - the first quarterly interest payment (the "First Quarterly Payment") due on January 14, 2012. If Borrower shall elect to defer such First Quarterly Payment in full or in part as provided for in the immediately preceding sentence, Borrower shall:

(a) Notify Lender in writing of such election (the "Deferral Notice") no less than fifteen (15) business days before such First Quarterly Payment is due, except that, in the absence of such Deferral Notice, and if such First Quarterly Payment is not made when due, the provisions of Section 1.2(b) hereof shall automatically apply; and

(b) Pay on the date on which the 2nd quarterly interest payment (the "Second Quarterly Payment") is due hereunder (i.e., April 14, 2012) any balance then remaining unpaid on account of such First Quarterly Payment (the "Remaining Balance"). Borrower shall not incur any penalty for deferring the First Quarterly Payment that would otherwise be due on January 14, 2012. However, if Borrower fails to pay such Remaining Balance, together with the Second Quarterly Payment, on April 14, 2012, such failure shall be considered an Event of Default (as defined in Section 5.1 hereof), and the provisions of Article V hereof shall apply.

The Initial Term and the Original Maturity Date may each be extended for a period not to exceed Ninety (90) days upon written agreement of the Parties entered into prior to the Original Maturity Date (any such extension is hereinafter referred to as an "Extension Term").

After the occurrence and during the continuance of any Event of Default (as defined below), the interest rate will, at the option of Lender, accrue and be payable hereunder at a rate which at all times shall be equal to 48% per annum (but in no event in excess of the maximum rate permitted by then applicable law), compounded monthly and payable on demand. All interest payable under this Agreement will be calculated on the basis of a 360-day year for the actual number of days elapsed.

Borrower may prepay, at any time or from time to time, without premium or penalty, the whole or any portion of the Loan; provided that (i) each such principal prepayment shall be accompanied by payment of all interest on the Loan Amount accrued but unpaid to the date of payment, (ii) Borrower gives Lender at least five (5) days' prior written notice of its intent to so prepay, and (iii) Lender shall consent in writing to any such prepayment, which consent shall not be unreasonably withheld or delayed. Any partial prepayment of principal of the Loan will be applied in inverse order of normal maturity. Amounts repaid or prepaid with respect to the Loan are not available for reborrowing.

Section 1.3 Payments Generally.

Whenever any payment to be made to the Lender hereunder shall be stated to be due on a day which is not a business day, such payment may be made on the next succeeding business

day, and interest payable on each such date shall include the amount thereof which shall accrue during the period of such extension of time. All payments by Borrower hereunder shall be made net of any impositions or taxes and without deduction, set-off or counterclaim, notwithstanding any claim which Borrower may now or at any time hereafter have against Lender. All payments of interest, principal and any other sum payable hereunder shall be made to Lender, in immediately available funds, at its office at 170 Westminster Street – 9th Floor, Providence, RI 02903 or to such other address or account as the Lender may from time to time direct upon reasonable advanced written notice to Borrower. All payments received by Lender after 2:00 p.m. (Providence time) on any day shall be deemed received as of the next succeeding business day. All monies received by Lender shall be applied first to fees, charges, costs and expenses payable to Lender under this Agreement or any of the other documents delivered in connection herewith, next to interest then accrued on account of the Loan and only thereafter to principal of the Loan; provided that after the occurrence and during the continuance of an Event of Default, all monies received by Lender shall be applied in such order as the Lender may determine in its sole discretion. All interest and fees payable hereunder shall be calculated on the basis of a 360-day year for the actual number of days elapsed.

ARTICLE II **SECURITY INTEREST**

Section 2.1 Security Agreement.

This Agreement constitutes a security agreement under the Uniform Commercial Code and Borrower hereby grants and pledges to Lender a continuing perfected first priority security interest in and against all of the Borrower's present and future right, title and interest in or to any and all of the following property (collectively, the "Collateral"): the accounts described and listed on Exhibit A hereto (the "Accounts") and all accounts receivable in connection therewith, all contract rights, chattel paper, general intangibles, documents and instruments related to or arising out of the Accounts and such accounts receivable, any funds received constituting Lender's share of the Accounts, and all products and proceeds of any and all of foregoing.

Section 2.2 UCC Filing.

Borrower will cause a financing statement relating to the Collateral to be recorded within five (5) business days after the date of the closing of the transaction by which Borrower purchases the Accounts, so as to reflect the Parties' intent as reflected by Section 2.1 hereof. Further, Borrower hereby authorizes the execution and/or recordation by Lender of any financing statements, amendments, and supplements thereof or any other instrument that may be necessary under the provisions of the Uniform Commercial Code in order to preserve Lender's security interest as reflected by Section 2.1 hereof. Borrower shall pay, out of the Loan Amount, the costs for any financing statements prepared and recorded pursuant to this Section 2.2.

ARTICLE III
FINANCIAL STATEMENTS

Section 3.1 Providing Monthly Financial Statements.

Borrower shall provide Lender monthly copies via e-mail of all financial statements relating to collections of the Accounts including without limitation, number of Accounts, current balance, purchase price percentage, and purchase price.

ARTICLE IV
BORROWER'S ASSURANCES

Section 4.1 Collateral Value.

Borrower represents, warrants and covenants as follows:

- (i) Subject to the provisions of Section 4.2 hereof, Borrower shall, within ninety (90) days of the Effective Date (the "90-Day Period"), purchase and/or lease Accounts having an aggregate face value of not less than \$1,500,000 (one million five hundred thousand dollars).
- (ii) Borrower shall use its discretion in determining the nature of the Accounts to be purchased or leased, as the case may be, and in determining whether to acquire such Accounts by means of purchase or lease or some combination thereof.

Section 4.2 Extension.

The 90-Day Period shall be extended for such additional number of days as the Parties may agree in writing.

ARTICLE V
EVENTS OF DEFAULT AND REMEDIES

Section 5.1 Events of Default.

The occurrence and continuance of any of the following events shall constitute an "Event of Default" hereunder:

- (i) The failure of Borrower to pay when due, whether by acceleration or otherwise, any obligation or liability of Borrower to Lender, provided Borrower is unable to cure such failure within fifteen (15) days after the occurrence of such failure;
- (ii) The failure of Borrower to perform, keep or observe any other material term, provision, condition or covenant, contained in this Loan Agreement, provided that Borrower is unable to cure such failure within thirty (30) days after receiving written notice thereof from Lender;

- (iii) Any warranty, representation or statement made or furnished by or on behalf of Borrower proves at anytime to be not true and correct in any material respect;
- (iv) The issuance or making of any levy, seizure, attachment, execution or similar process on, any Collateral;
- (v) Borrower or any of its subsidiaries shall (A) apply for or consent to the appointment of a receiver, conservator, trustee or liquidator of all or a substantial part of any of its assets; (B) be unable, or admit in writing its inability, to pay its debts as they mature; (C) file or permit the filing of any petition, case, arrangement, reorganization, or the like under any insolvency or bankruptcy law, or the adjudication of it as a bankrupt, or the making of an assignment for the benefit of creditors or the consenting to any form of arrangement for the satisfaction, settlement or delay of debt or the appointment of a receiver for all or any part of its properties; or (D) take any action for the purpose of effecting any of the foregoing;
- (vi) An order, judgment or decree shall be entered, or a case shall be commenced, against Borrower or any of its subsidiaries, without the application, approval or consent of Borrower or such subsidiary by or in any court of competent jurisdiction, approving a petition or permitting the commencement of a case seeking reorganization or liquidation of Borrower or such subsidiary or appointing a receiver, trustee, conservator or liquidator of Borrower or such subsidiary, or of all or a substantial part of its assets and Borrower or such subsidiary, by any act, indicates its approval thereof, consent thereto, or acquiescence therein, or such order, judgment, decree or case shall continue unstayed and in effect for any period of thirty (30) consecutive days; or
- (vii) This Agreement ceases to be in full force and effect (other than in accordance with its terms) or Borrower notifies Lender that it has no continuing obligation to pay or perform in accordance with the terms thereof.

Section 5.2 Remedies.

If an Event of Default shall occur, all of the obligations and liabilities of Borrower to Lender may, at the option of the Lender (and automatically with respect to an Event of Default described in Section 5.1(v) or (vi) above), and without demand, notice or legal process of any kind, be declared, and shall immediately become, due and payable. Lender is hereby authorized, at its election, at any time or times after the occurrence of any Event of Default, and without any further demand or notice except to such extent as notice may be required by applicable law or this Agreement, as the case may be, to sell or otherwise dispose of all or any of the Collateral at public or private sale; and Lender may also exercise any and all other rights and remedies of a secured party under the Uniform Commercial Code or which are otherwise accorded to it by applicable law, all as Lender may determine. If notice of a sale or other action by Lender is

required by applicable law, Borrower agrees that ten (10) days' written notice to Borrower, or the shortest period of written notice permitted by such law, whichever is longer, shall be sufficient; and that to the extent permitted by such law, Lender, its partners, officers, attorneys and agents may bid and become purchasers at any such sale, if public, and may purchase at any private sale any of the Collateral that is of a type customarily sold on a recognized market or which is the subject of widely distributed standard price quotations, and any sale (public or private) shall be free from any right of redemption, which Borrower hereby waives and releases. No purchaser at any sale (public or private) shall be responsible for the application of the purchase money. Any balance of the net proceeds of sale remaining after paying all direct obligations and liabilities of Borrower to Lender, and all costs and expenses of collection, including, without limitation, reasonable attorneys' fees and costs, and after retaining as collateral security or applying as the Lender may elect (in whole or in part at any time and from time to time) amounts equal to the aggregate of all other obligations and liabilities, shall be returned to Borrower, or to such other person as may be legally entitled thereto; and if there is a deficiency, Borrower shall be responsible for the same, with interest. Except as expressly provided in this Agreement, Borrower waives notice of nonpayment, demand, presentment, protest or notice of protest of the Collateral, and all other notices, consents to any renewals or extensions of time of payment thereof, and generally waives any and all suretyship defenses and defenses in the nature thereof.

Section 5.3 Power of Attorney.

Borrower hereby irrevocably constitutes and appoints Lender as Borrower's true and lawful attorney, with full power of substitution, at the sole cost and expense of the Borrower but for the sole benefit of the Lender, to take any and all appropriate action and to execute any and all documents and instruments, in each case, after the occurrence and during the continuance of an Event of Default, which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, the Borrower hereby gives the Lender the power and right, on behalf of the Borrower, without notice to or assent by the Borrower, to do any or all of the following (i) to convert the Collateral into cash; (ii) to enforce collection of the Collateral, either in its own name, in the name of the Borrower or through a collection agent selected by the Lender, including, without limitation, executing releases, compromising or settling with any account debtors and prosecuting, defending, compromising or releasing any action relating to the Collateral, (iii) to receive, open and dispose of all mail addressed to Borrower and to take therefrom any remittances on or proceeds of Collateral in which Lender has a security interest, (iv) to notify Post Office authorities to change the address for delivery of mail addressed to Borrower to such address as Lender shall designate, (v) to endorse the name of Borrower in favor of the Lender upon any and all checks, drafts, money orders, notes, acceptances or other instruments of the same or different nature, (vi) to sign the name of Borrower on any notice to the debtors or on verification of the Collateral, (vii) to seek and obtain, either in its own name or in the name of Borrower, any necessary consents required in connection with the exercise of its remedies hereunder, and (viii) to file or record on behalf of Borrower any financing or other statement in order to perfect or protect Lender's security interest. Lender shall not be obliged to do any of the acts or exercise any of the powers hereinabove authorized but if Lender elects to do any such act or exercise any such power, it shall not be accountable for more than it actually receives as a result of such exercise of power, and it shall not be responsible to Borrower except for willful misconduct in bad faith. All

powers conferred upon Lender by this Agreement, being coupled with an interest, shall be irrevocable so long as any obligation or liability of the Borrower to the Lender shall remain unpaid.

Section 5.4 Set-off.

In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence of any Event of Default, Lender is hereby authorized at any time or from time to time, without presentment, demand, protest or other notice of any kind to Borrower or to any other person or entity, all of which are hereby expressly waived, to set off and to appropriate and apply any and all indebtedness at any time held or owing by Lender or any affiliate thereof to or for the credit or the account of Borrower against and on account of the obligations and liabilities of Borrower to Lender under this Agreement or otherwise, irrespective of whether or not Lender shall have made any demand hereunder and although said obligations, liabilities or claims, or any of them, may then be contingent or unmatured and without regard for the availability or adequacy of other collateral. As security for the obligations and liabilities of Borrower to Lender, Borrower grants to Lender a security interest with respect to all its monies, securities or other property in the possession of Lender or any affiliate of Lender from time to time, and, upon the occurrence of any Event of Default, the Lender may exercise all rights and remedies of a secured party under the Uniform Commercial Code. ANY AND ALL RIGHTS TO REQUIRE LENDER TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES ANY OF THE OBLIGATIONS PRIOR TO THE EXERCISE BY LENDER OF ITS RIGHT OF SET-OFF UNDER THIS SECTION ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

ARTICLE VI
NOTICES

Section 6.1 Notices and Communications.

Any notices or other communications hereunder shall be in writing and may be delivered by air mail, certified mail, e-mail, facsimile, or established courier service and may be sent by any Party to another Party at its address specified below (or by SWIFT or by any other means in common usage, if agreed by the Parties) or to any address as any Party by notice has designated. Any such notice or other communication shall be effective upon receipt.

For Borrower:

Receivable Partners, LLC
425 Eagle Rock Avenue
Suite 201
Roseland, NJ 07068
Telephone: 973-618-2130

For Lender:

ClearPath Multi-Strategy Fund, II, L.P.
170 Westminster Street -- 9th Floor
Providence, RI 02903
Telephone: 401-455-3794
Facsimile: 866-422-3245

ARTICLE VII
APPLICABLE LAW

Section 7.1 Applicable Law.

This Agreement shall be governed by and construed under the laws of the State of New Jersey, United States of America.

ARTICLE VIII
DISPUTE RESOLUTION

Section 8.1 Arbitration.

Any controversy or claim arising out of this Agreement shall be settled by a sole arbitrator in Newark, New Jersey through arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules; and judgment on any award by the arbitrator may be entered in any court having jurisdiction thereof.

ARTICLE IX
COUNTERPARTS

Section 9.1 Several Counterparts.

This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. Delivery of an executed signature page of this Agreement by facsimile or electronic transmission shall be effective as an in hand delivery of an original executed counterpart hereof.

ARTICLE X
EFFECTIVENESS

Section 10.1 Effective Date.

This Agreement shall become effective on the first date (the "Effective Date") on which Borrower shall have executed and delivered to Lender (or shall have caused to be executed and delivered to Lender by the appropriate persons) the following, each to be in form and substance reasonably satisfactory to Lender:

1. This Agreement;

2. A fully-executed copy of the purchase and sale agreement referenced by Exhibit B hereto (the "Purchase Agreement"), together with full and complete sets of all schedules and exhibits thereto;
3. An appraisal of the Accounts from an appraiser selected by Borrower and reasonably acceptable to Lender (and the cost of which appraiser shall be paid by Borrower out of the Loan Amount) showing the face value of the Accounts to be not less than the amount set forth in Section 4.1 above, and otherwise in form and substance reasonably satisfactory to Lender;
4. A secretary's certificate of Borrower, certifying to and attaching true and complete copies of (i) the Borrower's organizational documents, (ii) resolutions authorizing the execution and delivery of this Agreement and any other documents required hereunder and the grant of the security interest in the Collateral to be recorded as contemplated hereby, and (iii) the incumbency of officers of Borrower;
5. A certificate of legal existence and good standing for Borrower issued as of a recent date by the Secretary of State of the jurisdiction of Borrower's organization;
6. Borrower's Certificate of Formation certified by the Secretary of State of the jurisdiction of Borrower's organization;
7. Lien searches with respect to Borrower and seller named in the Purchase Agreement, the results of which are reasonably satisfactory to Lender, and the cost of which lien searches shall be paid by Borrower out of the Loan Amount; and
8. Such other supporting documents and certificates as the Lender or its counsel may reasonably request.

ARTICLE XI
MISCELLANEOUS

Section 11.1 Costs and Expenses.

Except as otherwise expressly set forth in this Agreement, each Party shall bear its own respective costs and expenses (including, without limitation, reasonable legal fees) in connection with the preparation, execution and delivery of this Agreement and all other instruments and documents delivered or to be delivered in connection with the Loan and any amendments, waivers or modifications of any of the foregoing, as well as the costs and expenses (including, without limitation, the reasonable fees and expenses of legal counsel) incurred by Lender in connection with preserving, enforcing or exercising, upon default, any rights or remedies under this Agreement and all other instruments and documents delivered or to be delivered hereunder

or in connection herewith, all whether or not legal action is instituted. In addition, Borrower shall be obligated to pay any and all stamp and other taxes payable or determined to be payable in connection with the execution and delivery of this Agreement and all other instruments and documents to be delivered in connection herewith. Borrower will indemnify and hold Lender harmless from any loss, liability, damages, judgments, and costs of any kind caused by any act or omission of Borrower and arising directly or indirectly out of (a) this Agreement and any of the other documents required hereunder, (b) any credit extended or committed by Lender to the Borrower hereunder, and (c) any litigation or proceeding related to or arising out of this Agreement and any loan document delivered in connection herewith or any such credit, other than arising from the gross negligence or willful misconduct of Lender. This indemnity includes but is not limited to attorneys' fees. This indemnity extends to Lender, its subsidiaries and affiliates and all of their directors, officers, employees, agents, successors, attorneys, and assigns. This indemnity will terminate upon repayment of the Loan. All sums due to the Lender hereunder shall be obligations of Borrower, due and payable immediately without demand. Any fees, expenses or other charges which Lender is entitled to receive from Borrower under this Section shall bear interest from the date of any demand therefor until the date when paid at a rate per annum equal to the per annum rate otherwise payable under Section 1.2 hereof (but in no event in excess of the maximum rate permitted by then applicable law).

Section 11.2 Binding Effect; Assignment.

This Agreement shall be binding upon Borrower, its successors and assigns and shall inure to the benefit of Borrower and Lender and their respective permitted successors and assigns. Borrower may not assign this Agreement or any rights hereunder without the express written consent of the Lender, which consent shall not be unreasonably withheld or delayed. Lender may, in accordance with applicable law and without notice to or consent of the Borrower, from time to time assign or grant participations in this Agreement and the Loan.

Section 11.3 Consent to Jurisdiction.

Borrower irrevocably submits to the non-exclusive jurisdiction of any New Jersey court or any federal court sitting within Essex County, New Jersey over any suit, action or proceeding arising out of or relating to this Agreement and/or any of the other loan documents executed in connection herewith. Borrower irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding brought in such a court and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. Borrower agrees that final judgment in any such suit, action or proceeding brought in such a court shall be enforced in any court of proper jurisdiction by a suit upon such judgment, provided that service of process in such action, suit or proceeding shall have been effected upon Borrower in one of the manners specified in the following paragraph of this Section 11.3 or as otherwise permitted by law.

Borrower hereby consents to process being served in any suit, action or proceeding of the nature referred to in the preceding paragraph of this Section 11.3 either (i) by mailing a copy thereof by registered or certified mail, postage prepaid, return receipt requested, to it at its address set forth in Section 6.1 (as such address may be changed from time to time pursuant to

said Section 6.1) or (ii) by serving a copy thereof upon it at its address set forth in Section 6.1 (as such address may be changed from time to time pursuant to said Section 6.1).

Section 11.4 Severability.

In the event that any provision of this Agreement or the application thereof to any person or entity, property or circumstances shall be held to any extent to be invalid or unenforceable, the remainder of this Agreement, and the application of such provision to such person or entity, properties or circumstances other than those as to which it has been held invalid and unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

Section 11.5 Usury.

All agreements between the Parties are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of maturity of the Loan or otherwise, shall the amount paid or agreed to be paid to Lender for the use or the forbearance of the indebtedness constituting the Loan exceed the maximum permissible under applicable law. In this regard, it is expressly agreed that it is the intent of the Parties, in the execution, delivery and acceptance of this Agreement, to contract in strict compliance with the laws of the State of New Jersey. If, under any circumstances whatsoever, performance or fulfillment of any provision of this Agreement or the other loan documents at the time such provision is to be performed or fulfilled shall involve exceeding the limit of validity prescribed by applicable law, then the obligation so to be performed or fulfilled shall be reduced automatically to the limits of such validity, and if under any circumstances whatsoever Lender should ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the principal balance of the Loan and not to the payment of interest. The provisions of this Section 11.5 shall control every other provision of this Agreement.

Section 11.6 WAIVER OF JURY TRIAL.

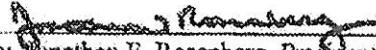
WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO ARBITRATE ANY CONTROVERSY OR CLAIM AS SET FORTH IN SECTION 8.1 OF THIS AGREEMENT, TO THE EXTENT ANY SUCH CONTROVERSY OR CLAIM IS NOT SUBMITTED TO ARBITRATION OR IS DEEMED BY THE ARBITRATOR OR BY ANY COURT WITH JURISDICTION TO BE NOT ARBITRABLE OR NOT REQUIRED TO BE ARBITRATED, BORROWER AND LENDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY MUTUALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENTS EXECUTED IN CONNECTION HERewith OR OUT OF ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR LENDER TO ENTER INTO THIS AGREEMENT AND TO MAKE THE LOAN AS CONTEMPLATED HEREIN.

Section 11.7 Integration; Amendments.


This Agreement and such other loan documents as are delivered herewith are intended by the Parties as the final, complete and exclusive statement of the transactions evidenced by the loan documents. All prior or contemporaneous promises, agreements and understandings as to the facility evidenced by this Agreement, whether oral or written, are deemed to be superseded by this Agreement and the other loan documents. This Agreement may not be amended or modified or any provision waived except by a written instrument setting forth such amendment, waiver or modification executed by the Parties.

IN WITNESS WHEREOF, the Parties, acting through their respective duly authorized representatives, have caused this Agreement to be signed in their respective names, as of the date and year first above written.

RECEIVABLE PARTNERS, LLC

By: 
Name: Jonathan E. Rosenberg, President

CLEARPATH MULTI-STRATEGY FUND II, L.P.

By: 
Name: Patrick Churchville, President

Borrower's Account

Wire Instructions for Receivable Partners, LLC

Bank Name: TD Bank
Routing #: 031201360
Account #: 4249202972
Account Name: Receivable Partners, LLC
184 South Livingston Avenue
Suite 9-305
Livingston, NJ 07039

ACH Instructions

DM3116881263
DM3116969662
DM3116978872
DM233966562

Exhibit A

Collateral Details

To be provided within 5 business days of collateral purchase.

DM31688126.3
DM31696906.2
DM31697887.2
DM23096656.2

EXHIBIT B

JOINT INVESTMENT AGREEMENT

THIS JOINT INVESTMENT AGREEMENT (this "Agreement") is made as of January 10, 2012, between Receivables Partners LLC, a New Jersey limited liability company (the "RP Member"), Capiro Acquisitions V, LLC, a Nevada limited liability company (the "Capiro Member"), and CF Medical V, LLC, a Nevada limited liability company (the "Debt Buyer"). The RP Member, the Capiro Member and the Debt Buyer are each sometimes referred to herein as a "Party" and collectively constitute the "Parties" to this Agreement. The RP Member and the Capiro Member are each referred to as a "Member" and collectively constitute all of the "Members" of the Debt Buyer.

RECITALS

WHEREAS, the Members desire to contribute funds to the Debt Buyer to allow the Debt Buyer to purchase the portfolio of charged-off consumer debt receivables described on Exhibit A to this Agreement on the terms and conditions set forth herein (the "Investment");

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

SECTION 1 DEFINITIONS

1.1. Defined Terms. The following capitalized words and phrases used in this Agreement have the meanings indicated below, and any capitalized terms not defined in this Agreement shall have the meanings ascribed to them in the Purchase Agreement:

"Acquisition Costs" means (i) reasonable due diligence fees and expenses and transaction closing costs of the Debt Buyer or the Capiro Member and its Affiliates who incurred such fees, expenses, and costs in connection with the Investment, and (ii) sales commission due to third parties that are not Affiliates of the Capiro Member or to an employee of a Capiro Member Affiliate in connection with the Investment.

"Affiliate" means, with respect to any Person, (i) any Person directly or indirectly controlling, controlled by or under common control with such Person, (ii) any officer, director, or employee of such Person, or (iii) any Person who is an officer, director, or employee of any Person described in clause (i) of this definition.

"Agreement" means this Joint Investment Agreement, as amended from time to time. Words such as "herein," "hereinafter," "hereof," "hereto" and "hereunder," refer to this Joint Investment Agreement as a whole, unless the context otherwise requires.

"Business Day" means any day other than a Saturday, Sunday, or a day on which banking institutions in New York, New York, are authorized or obligated by law or executive order to be closed.

“Capio Member” means Capio Acquisitions V, LLC, a Nevada limited liability company.

“Capio Member Funds” has the meaning given it in Section 2.1 hereof.

“Capio Partners” means Capio Partners, LLC, a Texas limited liability company.

“Debt Buyer” means CF Medical V, LLC, a Nevada limited liability company.

“Entity” means any corporation, partnership, limited liability company, trust or other legal entity.

“Investment” has the meaning given it in the Recitals to this Agreement.

“Investment Expenses” means out-of-pocket fees and expenses incurred by the Debt Buyer in fulfillment of its obligations set forth in Section 3 with respect to the Investment (excluding the payment of Service Fees to Service Providers) and the fees and expenses incurred in connection with the compliance of the Debt Buyer with regulatory licensure requirements under applicable law relating to the acquisition and servicing of the Investment.

“Investment Funds” means the RP Member Funds and the Capio Member Funds, collectively.

“Investment Proceeds” means all proceeds received by the Debt Buyer in respect of the Investment.

“Person” means any individual or Entity.

“Purchase Agreement” means the Purchase Agreement pursuant to which the Debt Buyer is obligated to acquire the Investment, a copy of which is attached hereto as Exhibit B.

“Purchase Price” has the meaning given it in Section 2.1 hereof.

“RP Member” means Receivables Partners LLC, a New Jersey limited liability company.

“RP Member Funds” has the meaning given it in Section 2.1 hereof.

“Seller” means the seller of the Investment under the terms and conditions of the Purchase Agreement.

“Single Purpose Entity” means a Person (other than an individual, a government, or any agency or political subdivision thereof) that exists solely for the purpose of owning the Investments, conducts business only in its own name, does not engage in any business or have any assets unrelated to the Investment, does not have any indebtedness, has its own separate books, records, and accounts (with no commingling of assets), holds itself out as being a Person separate and apart from any other Person, and observes corporate and partnership formalities independent of any other entity, and which otherwise constitutes a single purpose, bankruptcy remote entity.

SECTION 2
THE INVESTMENT

2.1 The Investment Purchase Price. The aggregate purchase price with respect to the Investment is \$1,701,384.35 (the "Purchase Price"). Acquisition Costs with respect to the Investment total \$94,500.92, and that is in addition to the Purchase Price. Each Party's respective portion of the Purchase Price and Acquisition Costs is as follows:

<u>Party</u>	<u>Portion of Purchase Price & Acquisition Costs</u>
The RP Member	90% (i.e., \$1,616,296.74)
The Capio Member	10% (i.e., \$179,588.53)

Pursuant to Section 2.1(b) of the Purchase Agreement, the Capio Member funded an amount equal to ten percent (10%) of the Purchase Price to the Seller via wire transfer of immediately available funds in accordance with the wire transfer instructions contemplated by the Purchase Agreement (the "Capio Member Funds"). The Capio Member Funds shall be deemed to have been delivered to the Seller on behalf, and at the direction, of the Debt Buyer. Upon execution of this Agreement, the RP Member shall cause an amount equal to ninety percent (90%) of the Purchase Price to be delivered to the Seller via wire transfer of immediately available funds in accordance with the wire transfer instructions contemplated by the Purchase Agreement (the "RP Member Funds"), and an amount equal to ninety percent (90%) of the Acquisition Costs to be delivered to Capio in accordance with the wire transfer instructions set forth on Exhibit C. The RP Member Funds shall be deemed to have been delivered to the Seller on behalf, and at the direction, of the Debt Buyer. The Capio Member Funds and RP Member Funds will be treated for all purposes as the initial capital contributions to the Debt Buyer on behalf of the Capio Member and the RP Member, respectively, and in consideration for which the Capio Member and the RP Member will each receive a fifty percent (50%) membership interest in the Debt Buyer.

2.2 Acquisition of the Investment. Upon execution of this Agreement, the Debt Buyer shall consummate the acquisition of the Investment for an amount equal to the Purchase Price in accordance with the terms and conditions of the Purchase Agreement. Upon acquisition thereof by the Debt Buyer, the Debt Buyer shall hold good and valid title to the Investment free and clear of all liens or other encumbrances, except that the RP Member may file such financing statement or statements relating to the Investment without Debt Buyer's signature thereon as the RP Member, at its option and in its discretion, may deem appropriate, but only to the extent of the RP Member's interest in the Investment based upon the percentage of the Purchase Price and the Acquisition Costs paid by the RP Member.

SECTION 3
SERVICING OF THE INVESTMENT

3.1 Servicing of the Investment. The Debt Buyer shall collect, administer and service the Investment and shall have full power and authority, to the extent not limited hereunder, to do or cause to be done any and all things permissible under applicable law in connection with such servicing, administration and collection as may be necessary or desirable to optimize the recoverable value of the Investment. In the performance of its duties under this Agreement, the Debt Buyer may engage third-party attorneys, collection agents and other service providers to commence collection actions, foreclosure proceedings, collection services and/or other similar actions (“Service Providers”). The Debt Buyer will pay such Service Providers compensation from Investment Proceeds equal to fifty percent (50%) of the Investment Proceeds (the “Service Fees”). To the extent such engagement is in compliance with the Debt Buyer’s duties set forth in Section 3.3 below, the Debt Buyer may engage one or more of its Affiliates as a Service Provider.

3.2 Servicing, Administration and Collection Duties. Without limiting the generality of Section 3.1, the Debt Buyer’s servicing, administration and collection duties under this Agreement shall be subject to the duties set forth below.

(a) The Debt Buyer shall undertake all commercially reasonable efforts to collect or otherwise realize upon the Investment being serviced hereunder as it shall deem necessary or desirable. In that connection, the Debt Buyer shall be solely responsible for the collection and posting of all payments, responding to inquiries of obligors associated with the Investment, investigating delinquencies, sending statements to obligors associated with the Investment, reporting any required tax information to such obligors, reporting any required credit information on obligors to the credit bureaus, accounting for proceeds collected on account of any portion of the Investment, commencing and pursuing collection actions, entering into agreements for the settlement, compromise or satisfaction of any claims relating to the Investment with one or more obligors associated therewith and such other practices and procedures as are generally employed in servicing, administering and collecting similar accounts, loan portfolios and other receivables. To the extent that the Debt Buyer, in the performance of its duties and responsibilities under this Agreement, engages Service Providers, the Debt Buyer shall also have sole responsibility for compensating, monitoring and managing the activities and actions of such Service Providers and ensuring that such activities and actions are in compliance with provisions of this Agreement.

(b) The Debt Buyer shall maintain records with respect to each account forming a portion of the Investment, the amount and application of any funds received with respect thereto, or other realization upon such account and complete notes and documentation of all servicing, administration and collection efforts and activities with respect to such account.

(c) The Debt Buyer shall provide a monthly accounting of the calculation of Investment Proceeds to the Members, together with supporting documentation evidencing the sources and uses of all proceeds from the Investment for such monthly period.

3.3 Guaranty of Capiro Partners. By its execution below, Capiro Partners hereby agrees to guaranty to the Members the performance of all of the Debt Buyer's obligations under this Section 3. The Members, on behalf of themselves and their respective Affiliates (the "Member Groups") acknowledge and agree that (a) the Member Groups may not hold the Debt Buyer, Capiro Partners or any of Capiro Partners' Affiliates responsible for any or all due diligence, forecasts, projections, risk analysis, due diligence information, data, analyses or any other material or information provided to the Member Groups by the Debt Buyer, Capiro Partners or any of Capiro Partner's Affiliates, including, without limitation, estimates of values of the Investment, any synopses of the qualitative and topographical features of the Investment, any summary of the terms and conditions of the acquisition documentation associated with the Investment (including the Purchase Price) and the intended strategy with respect to the Debt Buyer's recovery program regarding the Investment ("Due Diligence"), and Due Diligence do not create any representations, warranties, guaranties, or obligation upon or by the Debt Buyer, Capiro Partners or any of Capiro Partners' Affiliates, and (b) there are no representations of warranties made by Capiro Partners or any of Capiro Partner's Affiliates, including, without limitation, with respect to Capiro Partners' or any of Capiro Partners' Affiliates' performance or the performance of the Investment.

3.4 Indemnification. From and after the date of this Agreement, Capiro Partners and the Capiro Member, jointly and severally, shall indemnify, defend and hold harmless the RP Member (for purposes of this indemnification, the RP Member shall also include any Affiliate of the RP Member) from and against any liability for, and from and against any losses or damages the RP Member may suffer as a result of any claim, demand, cost, expense or judgment of any type, kind, character or nature (including reasonable attorneys' fees) that the RP Member shall incur or suffer as a result of: (a) any act or omission of Purchaser or Purchaser's agents in connection with the Accounts and Purchaser's purchase of the Accounts pursuant to the Purchase Agreement; (b) the inaccuracy of any representation or warranty herein of the Debt Buyer or of the Capiro Member, as the case may be; (c) the breach of any of the Debt Buyer's covenants herein; (d) any claim by any Account Obligor regarding assignment, enforcement, servicing or administration of the Accounts by Debt Buyer; or (e) any other act or omission of Debt Buyer relating to the Accounts and any Account Obligor after the date of this Agreement including, but not limited to, (i) any HIPAA-related obligations or HITECH Act-related obligations, as the case may be, under applicable federal or state laws and regulations, or (ii) compliance with the Fair Credit Reporting Act and the Fair and Accurate Credit Transactions Act.

SECTION 4 DISTRIBUTIONS OF INVESTMENT PROCEEDS

4.1 Distributions of Investment Proceeds. Investment Proceeds from the Investment will be distributed by the Debt Buyer in accordance with the following provisions of this Section 4.1 within fifteen (15) Business Days of the final day of each calendar month.

(a) Investment Proceeds will be distributed in the following priority:

(i) first, to the Service Providers in payment of the Service Fees as such Service Fees shall become due;

(ii) second, to the Debt Buyer in payment of the Investment Expenses as such Investment Expenses shall become due;

(iii) third, 90% to the RP Member on account of the RP Member's portion of the Purchase Price and the Acquisition Costs, as referenced by Section 2.1 hereof, until such time as the RP Member Receives Investment Proceeds equal to \$1,616,296.74, and 10% to the Capiro Member on account of the Capiro Member's portion of the Purchase Price and the Acquisition Costs, as referenced by Section 2.1 hereof, until such time as the Capiro Member receives Investment Proceeds equal to \$179,588.53; and

(iv) thereafter, 50% to the RP Member and 50% to the Capiro Member.

SECTION 5 REPRESENTATIONS AND WARRANTIES; COVENANTS

5.1 Representations and Warranties of the Debt Buyer. The Debt Buyer hereby represents and warrants as follows:

(a) the Debt Buyer is duly organized, validly existing and in good standing under the laws of the State of Nevada, and is duly qualified, duly licensed, and in good standing in each jurisdiction in which such qualification or licensing is necessary as a condition to conducting collection activities with respect to the Investment and where failure to obtain such licensing or qualification would have a material adverse effect on the Debt Buyer. The Debt Buyer shall provide proof of such licensing and qualification to the RP Member upon request. The Debt Buyer has all requisite power and authority to own and operate its properties, carry out its business as presently conducted and as proposed to be conducted and to enter into and discharge its obligations under this Agreement;

(b) the execution and delivery by the Debt Buyer of this Agreement and performance and compliance by the Capiro Member with the terms of this Agreement have been duly authorized by all necessary action on the part of the Capiro Member and will not violate the Debt Buyer's organizational documents or constitute a default under any indenture or loan or credit agreement or any other material agreement, lease or instrument to which the Debt Buyer is a party or by which it or its properties may be bound or affected;

(c) this Agreement constitutes the valid, legal and binding obligations of the Debt Buyer, enforceable against it in accordance with their respective terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general principles of equity (whether considered in a proceeding or action in equity or at law);

(d) as of the date hereof, no litigation is pending or, to the Debt Buyer's knowledge, threatened against the Debt Buyer, the consequences of which would prohibit its entering into this Agreement or that would materially and adversely affect the condition

(financial or otherwise) or operations of the Debt Buyer or its properties or the consequences of which would materially and adversely affect its performance hereunder:

(e) all actions, approvals, consents, waivers, exemptions, variances, franchises, orders, permits, authorizations, rights and licenses required to be taken, given or obtained, as the case may be, by or from any federal, state or other governmental authority or agency, that are necessary or advisable in connection with the execution and delivery by the Debt Buyer of this Agreement have been duly taken, given or obtained, as the case may be, are in full force and effect on the date hereof, are not subject to any pending proceedings or appeals (administrative, judicial or otherwise) and either the time within which any appeal therefrom may be taken or review thereof may be obtained has expired or no review thereof may be obtained or appeal therefrom taken, and are adequate to authorize this Agreement and the performance by the Debt Buyer in all material respects of its obligations under this Agreement;

(f) the Debt Buyer has paid or caused to be paid to the proper authorities when due all federal, state and local taxes required to be withheld by it, other than any taxes the payment of which is being contested in good faith and by proper proceedings and for which adequate reserves have been set aside on the Debt Buyer's books. The Debt Buyer has filed all federal, and all state and local tax returns that would require payment of any material tax that, to the knowledge of the officers of the Debt Buyer, are required to be filed, and the Debt Buyer has paid or caused to be paid to the respective taxing authorities all taxes as shown on said returns or on any assessment received by it to the extent such taxes have become due except to the extent the Debt Buyer is contesting the same in good faith and through appropriate and timely proceedings and has set aside adequate reserves for the payment thereof;

(g) the Debt Buyer has delivered to the RP Member and the Capio Member a copy of the executed Purchase Agreement together with all applicable amendments or modifications thereto; and

(h) the Debt Buyer is and has at all times since its formation been a Single Purpose Entity.

5.2 Covenants of the Debt Buyer. The Debt Buyer will comply with the following covenants unless the Members shall otherwise consent in writing:

(a) the Debt Buyer will preserve and maintain its legal existence and all of its rights, privileges and franchises necessary or desirable in the normal conduct of its business and shall conduct its business in an orderly, efficient and regular manner;

(b) the Debt Buyer shall preserve and maintain, or obtain prior to the date required, all licenses and authorizations necessary to service, administer and collect consumer debt and other obligations from time to time constituting the Investment and all of its other obligations hereunder in each state in which such licensing is required;

(c) the Debt Buyer will conduct all collection activities and all sales, transfers and dispositions relating to the Investment on an arms-length basis;

(d) except as otherwise provided in Section 2.2 hereof, the Debt Buyer will not create, or attempt to create, any pledge, lien, security interest, assignment or transfer upon or in any portion of the Investment, or assign or otherwise convey, or attempt to assign or otherwise convey, any right to receive collections or other income with respect thereto;

(e) the Debt Buyer will not sell, lease, assign, transfer or otherwise dispose of all or a substantial part of its assets (whether in one transaction or in a series of transactions) to any other Person, and will not liquidate, dissolve or suspend its business operations;

(f) unless approved by the Members, the Debt Buyer will not consolidate with or merge into any Person, or permit any other Person to merge into it, or acquire (in a transaction analogous in purpose or effect to a consolidation or merger) all or substantially all the assets of any other Person, unless the Debt Buyer is the resulting and surviving entity;

(g) the Debt Buyer shall preserve and keep in full force and effect its existence as, and at all times operate as, a Single Purpose Entity; and

(h) the Debt Buyer will not terminate, amend or modify the Purchase Agreement without the prior written consent of the RP Member and the Capio Member.

5.3 Representations and Warranties of the Members. Each of the Members hereby represents and warrants as follows:

(a) the Member is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and is duly qualified and in good standing in each jurisdiction where failure to obtain such qualification would have a material adverse effect on the Member. The Member has all requisite power and authority to enter into and discharge its obligations under this Agreement. The Member has all requisite power and authority to own and operate its properties, carry out its business as presently conducted and as proposed to be conducted and to enter into and discharge its obligations under this Agreement;

(b) the execution and delivery by the Member of this Agreement and performance and compliance by the Member with the terms of this Agreement have been duly authorized by all necessary action on the part of the Member and will not violate the Member's organizational documents or constitute a default under any indenture or loan or credit agreement or any other material agreement, lease or instrument to which the Member is a party or by which it or its properties may be bound or affected;

(c) this Agreement constitutes the valid, legal and binding obligations of the Member, enforceable against it in accordance with their respective terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general principles of equity (whether considered in a proceeding or action in equity or at law);

(d) as of the date hereof, no litigation is pending or, to the Member's knowledge, threatened against the Member, the consequences of which would prohibit its entering into this Agreement or that would materially and adversely affect the condition (financial or otherwise) or

operations of the Member or the consequences of which would materially and adversely affect its performance hereunder;

(e) all actions, approvals, consents, waivers, exemptions, variances, franchises, orders, permits, authorizations, rights and licenses required to be taken, given or obtained, as the case may be, by or from any federal, state or other governmental authority or agency, that are necessary or advisable in connection with the execution and delivery by the Member of this Agreement have been duly taken, given or obtained, as the case may be, are in full force and effect on the date hereof, are not subject to any pending proceedings or appeals (administrative, judicial or otherwise) and either the time within which any appeal therefrom may be taken or review thereof may be obtained has expired or no review thereof may be obtained or appeal therefrom taken, and are adequate to authorize this Agreement and the performance by the Member in all material respects of its obligations under this Agreement; and

(f) the Member has paid or caused to be paid to the proper authorities when due all federal, state and local taxes required to be withheld by it, other than any taxes the payment of which is being contested in good faith and by proper proceedings and for which adequate reserves have been set aside on the Member's books. The Member has filed all federal, and all state and local tax returns that would require payment of any material tax that, to the knowledge of the officers of the Member, are required to be filed, and the Member has paid or caused to be paid to the respective taxing authorities all taxes as shown on said returns or on any assessment received by it to the extent such taxes have become due except to the extent the Member is contesting the same in good faith and through appropriate and timely proceedings and has set aside adequate reserves for the payment thereof.

SECTION 6 GOVERNING LAW; JURISDICTION

6.1 Governing Law. The laws of the State of New York shall govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the Parties without regard to conflict of laws principles.

6.2 Jurisdiction; Waiver of Jury Trial.

(a) Each party hereby irrevocably (i) submits to the exclusive jurisdiction of any state or federal court in the State of New York, in any action or proceeding arising out of or relating to this Agreement, the relations between the parties and any matter, action or transaction described in this Agreement, whether in contract, tort or otherwise, (ii) agrees that such courts shall have exclusive jurisdiction over such actions or proceedings, (iii) waives the defense that New York is an inconvenient forum to the maintenance and continuation of such action or proceeding, (iv) consents to the service of any and all process in any such action or proceeding by the mailing of copies (certified mail, return receipt requested and postage prepaid) of such process to them at their addresses specified in Section 7.1, and (v) agrees that a final and non-appealable judgment rendered by a court of competent jurisdiction in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. In the event that an action or proceeding is initiated in one of the courts referenced above and is pending, the parties agree, for the

convenience of the parties and subject to any limitations on subject matter jurisdiction of the court, to initiate any counterclaims or related actions in the same proceeding (as opposed to a separate proceeding in any of the other courts specified above).

(b) EACH PARTY HERETO, FOR ITSELF AND ON BEHALF OF ITS AFFILIATES, HEREBY WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY ACTION, LAWSUIT OR PROCEEDING RELATING TO ANY DISPUTE ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION DESCRIBED IN THIS AGREEMENT, WHETHER IN CONTRACT OR IN TORT, OR DISPUTE BETWEEN THE PARTIES (INCLUDING DISPUTES WHICH ALSO INVOLVE OTHER PERSONS).

SECTION 7 MISCELLANEOUS

7.1 Notices. Any notice, payment, demand, or communication required or permitted to be given pursuant to any provision of this Agreement shall be in writing and shall be (i) delivered personally, (ii) sent by postage prepaid, registered mail (airmail internationally) or (iii) delivered by nationally recognized overnight courier, addressed as follows, or to such other address as such Person may from time to time specify by notice to the other Party:

(a) If to the RP Member:

425 Eagle Rock Avenue
Suite 201
Roseland, NJ 07068

with a copy to:

Duane Morris LLP
1940 Route 70 East, Suite 200
Cherry Hill, NJ 08003-2171
Attn.: William L. Weiner, Esquire

(b) If to the Capiro Member:

Capiro Acquisitions V, LLC
P.O. Box 27740
Las Vegas, Nevada 86126

With copies to:

Capiro Partners, LLC
2250 Satellite Blvd., Ste. 210
Duluth, Georgia 30097
Attention: President

(c) If to the Debt Buyer:

CF Medical V, LLC
P.O. Box 27740
Las Vegas, Nevada 86126
Attention: Manager

With copies to:

Capio Partners, LLC
2250 Satellite Blvd., Ste. 210
Duluth, Georgia 30097
Attention: President

(d) Any such notice, payment, demand, or communication shall be deemed to be delivered, given, and received for all purposes hereof (i) on the date of receipt if delivered personally or by courier or (ii) five (5) days after posting if transmitted by mail.

7.2 Binding Effect. Except as otherwise provided in this Agreement, every covenant, term, and provision of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

7.3 Construction. Every covenant, term, and provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any Party. The word “including” shall mean “including, without limitation.”

7.4 Confidentiality.

(a) The Capio Member and its Affiliates will keep confidential all financial terms regarding the transactions contemplated hereby, as well as all financial or business information, or other confidential or proprietary information of or relating to the RP Member, which has been or is disclosed to the Capio Member in connection with the negotiation and execution of this Agreement or the transactions contemplated hereby (the “Confidential Financial Information”). The Capio Member will not disclose any Confidential Financial Information to any Person without the prior written consent of the RP Member, other than to the directors, employees, auditors, counsel, or Affiliates of the Capio Member, each of whom shall be informed of the confidential nature of the Confidential Financial Information; provided, however, that the Capio Member may disclose any such Confidential Financial Information (a) as may be required by any municipal, state, federal or other regulatory body having or claiming to have jurisdiction over such Party, (b) in order to comply with any law, order, regulation, regulatory request or ruling applicable to such Party, or (c) in the event the Capio Member is legally compelled (by interrogatories, requests for information or copies, subpoena, civil investigative demand or similar process) to disclose any such Confidential Financial Information. This Section 7.4(a) shall be inoperative as to those portions of the Confidential Financial Information which are or become generally available to the public or to the Capio Member on a non-confidential basis from a source other than the RP Member or any Person that has a confidentiality obligation with respect thereto to the RP Member. The obligations of the Capio

Member under this Section 7.4(a) shall survive the execution of this Agreement and the acquisition of the Investment.

(b) (i) The RP Member on behalf of itself and each of its Affiliates (the "RP Member Parties"), acknowledges and agrees that the Capio Member and each of the Capio Member's Affiliates (the "Capio Parties") have developed or are owners of unique, proprietary and confidential information, formulae, methodology and processes for the evaluation, pricing, acquisition and servicing of receivables and related pools of receivables ("Capio Business Processes") and proprietary and confidential business and financial information relating directly to the conduct of the business and affairs of the Capio Parties, including, without limitation, data, databases or information regarding receivables, receivables sellers, debtors or pools of receivables or information regarding customers of the Capio Parties. Such proprietary and confidential business and financial information may constitute trade secrets under applicable law (collectively, the "Capio Confidential Information"). Absent the entering into of this Agreement and the transactions contemplated hereby, the RP Member Parties would not have access to such Capio Business Processes and Capio Confidential Information. The RP Member Parties each, jointly and severally, acknowledge and agree that the use or disclosure of the Capio Business Processes or Capio Confidential Information would cause irreparable harm to the Capio Parties. Accordingly, the RP Member Parties represent and warrant to the Capio Parties that they have not disclosed and agree that, except as expressly permitted herein, neither they nor any of their Affiliates, members, shareholders, directors, officers, employees, agents and advisors (their "Agents") will use or disclose to any Person any of the Capio Business Processes or Capio Confidential Information as defined herein specifically including, without limitation, any Capio Business Processes and Capio Confidential Information disclosed prior to the date of this Agreement; provided, however, that the RP Member may disclose any such Capio Confidential Information (a) as may be required by any municipal, state, federal or other regulatory body having or claiming to have jurisdiction over such Party, (b) in order to comply with any law, order, regulation, regulatory request or ruling applicable to such Party, or (c) in the event the RP Member is legally compelled (by interrogatories, requests for information or copies, subpoena, civil investigative demand or similar process) to disclose any such Capio Confidential Information. This Section 7.4(b) shall be inoperative as to those portions of the Capio Confidential Information which are or become generally available to the public or to the RP Member on a non-confidential basis from a source other than the Capio Member or any Person that has a confidentiality obligation with respect thereto to the Capio Member. The obligations of the RP Member Parties under this Section 7.4(b) shall survive the execution of this Agreement and the acquisition of the Investment.

(ii) The RP Member Parties acknowledge that the Confidential Information may include nonpublic personal information (as defined in the Gramm-Leach-Bliley Act, 15 U.S.C. Section 6809(4)), including, but not limited to (a) an individual's name, address, e-mail address, IP address, telephone number and/or social security number, (b) the fact that an individual has a relationship with the Capio Parties or a client of the Capio Parties, or (c) an individual's account information (collectively, "Customer Data"). The RP Member Parties further acknowledge that Customer Data is subject to the privacy regulations under Title V of the Gramm-Leach-Bliley Act, 15 U.S.C. Section 6801 et seq., pursuant to which regulations and agreements with its clients, the Capio Parties are required to obtain certain undertakings from the RP Member Parties with regard to the privacy of Customer Data. Therefore, notwithstanding anything to the contrary

contained in this Agreement, the RP Member Parties agree that (a) they shall not disclose or use any Customer Data, (b) they shall not disclose Customer Data to any third party other than their Affiliates and the employees and/or consultants of the parties and their Affiliates who have a need to know such information in furtherance of the transactions contemplated by this Agreement, (iii) they shall maintain, and shall require all third parties approved under subparagraph (ii) above to maintain, effective information security measures to protect Customer Data from unauthorized disclosure or use, and (iv) they shall provide the Capio Parties with information regarding such security measures upon the reasonable request of such party and promptly provide the Capio Parties with information regarding any failure of such security measures or any security breach related to Customer Data.

7.5 Time. Time is of the essence with respect to this Agreement.

7.6 Heading. Section and other headings contained in this Agreement are for reference purposes only and are not intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof.

7.7 Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement.

7.8 Further Action. Each Party agrees to perform all further acts and execute, acknowledge, and deliver any documents which may be reasonably necessary, appropriate, or desirable to carry out the provisions of this Agreement.

7.9 Counterpart Execution. This Agreement may be executed in any number of counterparts with the same effect as if all of the Parties had signed the same document. All counterparts shall be construed together and shall constitute one agreement. Delivery of an executed signature page of this Agreement by facsimile or electronic transmission shall be effective as an in-hand delivery of an original, executed counterpart hereof.

7.10 Amendments. This Agreement may be amended, modified or supplemented only in a written amendment executed by each of the Parties hereto.

7.11 Survival. The respective obligations of the Parties set forth in this Agreement shall survive the execution and delivery of this Agreement and the consummation of the acquisition of the Investment pursuant to the Purchase Agreement.

7.12 Integration. This Agreement, including all exhibits hereto, constitutes the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous promises, agreements, and understandings, whether oral or written, between the Parties regarding such subject matter.

[Signatures on next page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed as of the date first written above.

Receivables Partners LLC

By: _____
Jonathan E. Rosenberg
President

Capio Acquisitions V, LLC

By: Capio Asset Holdings, LLC,
its Manager

By: _____
James F. Richards
General Manager

CF Medical V, LLC

By: Capio Acquisitions V, LLC,
its Manager

By: Capio Asset Holdings, LLC,
its Manager

By: _____
James F. Richards
General Manager

Solely to evidence its obligations set forth in
Sections 3.3 and 3.4:

Capio Partners, LLC

By: _____
James F. Richards
President

EXHIBIT A
Description of the Investment

The portfolio of Accounts that are the subject of that certain Account Purchase Agreement by and between Lifepoint Hospitals, Inc., and Capio Funding, LLC, dated as of December 31, 2011.

EXHIBIT B
Purchase Agreement

[Attached]

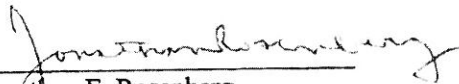
EXHIBIT C
Wire Transfer Instructions

Account: LifePoint Hospitals, Inc.
Address: 103 Powell Ct, Brentwood TN
Account #: 1000032707191
Bank: Sun Trust Bank
Address: Atlanta, GA
ABA#: 061-000-104

Account: Capio Partners, LLC
Address: 2250 Satellite Blvd, Ste 210, Duluth GA 30097
Account #: 200004149664
Bank: Wells Fargo Bank, N.A.
ABA#: 121-000-248

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed as of the date first written above.

Receivables Partners LLC

By: 
Jonathan E. Rosenberg
President

Capio Acquisitions V, LLC

By: Capio Asset Holdings, LLC,
its Manager

By: _____
James F. Richards
General Manager

CF Medical V, LLC

By: Capio Acquisitions V, LLC,
its Manager

By: Capio Asset Holdings, LLC,
its Manager

By: _____
James F. Richards
General Manager

Solely to evidence its obligations set forth in
Sections 3.3 and 3.4:

Capio Partners, LLC

By: _____
James F. Richards
President

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed as of the date first written above.

Receivables Partners LLC

By: _____
Jonathan E. Rosenberg
President

Capio Acquisitions V, LLC

By: Capio Asset Holdings, LLC,
its Manager

By: _____
James F. Richards
General Manager

CF Medical V, LLC

By: Capio Acquisitions V, LLC,
its Manager

By: Capio Asset Holdings, LLC,
its Manager

By: _____
James F. Richards
General Manager

Solely to evidence its obligations set forth in Sections 3.3 and 3.4:

Capio Partners, LLC

By: _____
James F. Richards
President

EXHIBIT C



bodker»ramsey»andrews
winograd»wildstein

Email hwinograd@brawwlaw.com
Direct Dial: (404) 564-7425

February 21, 2014

Via Email smoskol@burnslev.com
and First Class Mail

Via Email rkahn@kanekeessler.com
and First Class Mail

Scott H. Moskol, Esq.
Burns & Levinson LLP
125 Summer Street
Boston, MA 02110

S. Reid Kahn, Esq.
Kane Kessler, P.C.
1350 Avenue of the Americas
New York, NY 10019

Re: ClearPath Multi-Strategy Fund III, L.P. / Receivables Partners, LLC
Our File No.: 12955.67

Counsel:

This firm represents Capio Partners, LLC. We are in receipt of the letters that each of you recently sent to our client giving contrary directions as to how the monthly payment amounts should be paid.

Capio is ready, willing and able to make the February payment, but it appears that our client is at risk while your respective clients have some dispute, wholly unrelated to Capio's performance obligations. We understand that everyone related to the matter has seen the letters we received on behalf of your clients.

We are willing to direct payment in any manner that the two of you can agree, in writing. One suggestion may be a mutually agreed escrow account while you address your dispute issues. In the absence of your joint consent, we will explore other possibilities including consideration of potentially paying the monthly sums into the Registry of the Court. We await further direction.

Very truly yours,

BODKER, RAMSEY, ANDREWS,
WINOGRAD & WILDSTEIN, P.C.

Harry J. Winograd
For the Firm

HJW:jc