

UNITED STATES DISTRICT COURT
DISTRICT OF RHODE ISLAND

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

**PLAINTIFF’S OPPOSITON TO
DEFENDANT PATRICK CHURCHVILLE’S
MOTION TO COMPEL THE RECEIVER AND SEC TO ANSWER QUESTIONS**

The Securities and Exchange Commission opposes Defendant Patrick Churchville’s Motion to Compel the Receiver and SEC to Answer Questions About the Proposed Distribution Plan (ECF No. 138). Churchville seeks to have this Court force the Receiver and the Commission to provide him with answers to his questions about the investigation of what he deems to be potential asset recovery possibilities, and to provide him with the bank account statements of non-parties. For the following reasons, the Court should deny this Motion.

First, Churchville has no standing to demand either answers to his questions or documents from the SEC and the Receiver. Neither has any obligation to him as a defaulted defendant in this action to provide him with what would essentially be answers to answers to

interrogatories. Nor is there any other mechanism available to him at this stage to demand other parties answer his questions.

Second, Churchville, who has been criminally convicted of defrauding his advisory clients and stealing their money, is in no position to direct either the Receiver or the Commission to do anything at his behest. If Churchville wants to provide information to the Receiver about potential sources of recovery for his victims—as he claims he has—that is appropriate, as this effort would not be necessary if he hadn't engaged in the fraud in the first place. But the Receiver obviously does not work for him, and exercises independent judgment under the supervision of this Court. If Churchville wants to second guess the Receiver and aver that other sources of money are available to repay victims (and to reduce his restitution, Churchville's real motive here), he can pursue that money himself.

Third, Churchville will not be able to do anything with the information he seeks. He states that he believes it “is imperative that the Receiver's work be thoroughly checked for accuracy.” This argument can only be described as an audacious suggestion to let the fox guard the henhouse. Neither this Court, the Commission, the Receiver, nor his victims need Patrick Churchville to check the Receiver's work. The Receiver is accountable to this Court and details its work to the Court for approval. Churchville does not—and should not—play a role in that process.

Finally, Churchville has achieved his stated goal: “Bringing these questions to light will hopefully increase recoveries and payouts for the investors.” Motion, p. 2. He has now provided those questions, and both the Receiver and the Commission can consider them in determining what can and should be done to recover money for Churchville's victims. But neither the Commission nor the Receiver needs to answer to Churchville on these questions.

For the reasons stated above, the Commission respectfully requests that this Court deny Churchville's Motion.

Respectfully submitted,

SECURITIES AND EXCHANGE COMMISSION
By its attorneys,

/s/ Marc J. Jones

Marc J. Jones (Massachusetts Bar No. 645910)

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SECURITIES AND EXCHANGE COMMISSION

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DATED: December 12, 2018

Certificate of Service

I, Marc Jones, hereby certify that I filed the above document on December 12, 2018, 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. In addition, this document will be sent, via first class mail, postage prepaid, on December 13, 2018 to Mr. Patrick Churchville, Registration Number 113540070, FCI Berlin, Federal Corr. Institution, P.O. Box 9000, Berlin, NH 03570.

/s/ Marc Jones