

STATE OF RHODE ISLAND  
PROVIDENCE, SC.

SUPERIOR COURT

In re:

PAWTUCKET SNF OPERATOR, LLC d/b/a  
PAWTUCKET FALLS HEALTH CARE  
CENTER.

C.A. No. 9C-2023-02239

**ORDER FOR COURT-APPOINTED RECEIVER BY CONSENT OF THE PARTIES**

This matter was filed and came before the Court on the 15th of May, 2023, by Attorney General Peter F. Neronha (“Attorney General”), in his own capacity and on behalf of the Rhode Island Department of Health, by and through its interim Director, Utpala Bandy, MD, MPH, and Pawtucket SNF Operator, LLC d/b/a Pawtucket Falls Health Care Center (“Pawtucket Falls” together with RIDOH and Attorney General collectively, the “Parties”) to petition for a Court-Appointed Receiver for Pawtucket Falls (the “Petition”), pursuant R.I. Gen. Laws § 7-16-1 *et seq.*, Rhode Island Rules of Civil Procedure, Rule 66, and this Court’s inherent powers of equity. Based on the Petition and the presentation of all counsel, this Court finds that the appointment of a Receiver is appropriate and authorized under the circumstances, and it is hereby:

**ORDERED, ADJUDGED, and DECREED**

1. That W. Mark Russo, Esq.  
be and is hereby appointed Receiver of Pawtucket Falls and of all the estate, operations, assets, effects and property of Pawtucket Falls of every name, kind, nature and description, with all the powers conferred upon the Receiver by R.I. Gen. Laws § 7-16-1 *et seq.* and Rhode Island Rules of Civil Procedure, Rule 66, and by this order, or otherwise, and with all powers incidental to the Receiver under Rhode Island’s Rules and General Laws, effective immediately and until future order from this Court.

2. That said Receiver is further conferred the following powers:
- a. All power under common law and the laws of this state and the rules of its courts regarding receiverships generally;

- b. The power to continue to operate the facility for the benefit of the residents of the facility;
- c. The power to sell the facility with the approval of the court; and
- d. The power to facilitate the safe and orderly removal and placement of all residents of the facility in a manner which will not be detrimental to the health and safety of the residents.

3. That said Receiver shall, no later than five (5) days from the date hereof, file herein a bond in the amount of \$25,000 with corporate surety thereon authorized to do business in the State of Rhode Island conditioned that the Receiver will well and truly perform the duties of said office.

4. That said Receiver be and hereby is authorized, empowered and directed to take possession and charge of said estate, assets, effects, property and business operations of the Pawtucket Falls, including cash surrender value of any insurance owned by the Pawtucket Falls, and to preserve the same, and is hereby vested with title to the same; to collect and receive the debts, property and other assets and effects of said Pawtucket Falls, including such cash surrender value, with full power to prosecute, defend, adjust and compromise all claims and suits of, by or against said Pawtucket Falls and to appear, intervene or become a party in all suits, actions or proceedings relating to said estate, assets, effects and property as may in the judgment of the Receiver be necessary or desirable for the protection, maintenance and preservation of the property and assets of said Pawtucket Falls.

5. That pursuant to this appointment the Receiver shall take and be vested with the right, title and interest to all assets, property and choses-in-action of Pawtucket Falls with power to confirm and ratify in writing any such agreements that impact the operations and to carry out and perform the same.

6. That the Receiver is authorized, until further Order of this Court, to continue the business operations of Pawtucket Falls until further order of this Court, to borrow money from time to time, to purchase, for cash or upon credit, merchandise, materials and other property, to engage appraisers and/or employees and assistants, clerical or otherwise and to employ such persons as may be desirable for the foregoing purposes and, in connection therewith, to use such

moneys as shall come into the Receiver's hands and possession, as far as the same shall be necessary, for the above purposes and for continuing the business of Pawtucket Falls until further Order of this Court.

7. That the Receiver is authorized to incur expenses for goods and services and to purchase for cash such merchandise, supplies, and materials as in the Receiver's discretion may be desirable or necessary for continuance of the business operations of the Pawtucket Falls.

8. That expressly subject to the prior authorization of this Court after notice to RIDOH, Attorney General, Pawtucket Falls, and other interested parties and a hearing thereon, said Receiver may be authorized and empowered to sell, transfer and convey said Receiver's right, title and interest and the right, title and interest of Pawtucket Falls in and to any real property or personal property, tangible or intangible, for such sum or sums of money as to said Receiver appears reasonable and proper, at public or private sale or sales. This paragraph is subject to modification

9. That expressly subject to the prior authorization of this Court after notice to the RIDOH, Attorney General, Pawtucket Falls, and other interested parties and a hearing thereon, the Receiver may be authorized and empowered to sell at public auction any or all of the assets referred to in Paragraph 8. In the event of such Court approval, the Receiver may also be authorized to engage an auctioneer and to insert such display ads within or without the State of Rhode Island as the Receiver deems proper advertising for such sale. Such a public auction sale conducted by said Receiver in accordance with the provisions of this paragraph shall be considered and is hereby declared to be a commercially reasonable sale, and such sale shall constitute compliance with the requirements of a commercially reasonable sale as set forth in Article 9 of the Uniform Commercial Code as enacted in Rhode Island. This provision is subject to modification.

10. That said Receiver be, and hereby is, authorized and empowered, as soon as there are sufficient funds available, to pay all City, State, and United States taxes of any kind, nature and description, including withholding taxes, as well as wages due employees, with such employees being relieved of the necessity of filing claims with the Receiver unless the amount paid or shown on the books of Pawtucket Falls is not acceptable to any employee, in which case said employee may file his/her claim in the same manner as other creditors.

11. Until further Order of this Court, the Receiver shall maintain the day-to-day operations of the facility in the best interest of the residents of Pawtucket Falls.

12. That said receiver shall be required to obtain prior approval of this Court, ~~after notice and hearing,~~ before engaging any third-party professionals (i.e. accountants, work-out professionals, mangers, etc.) to assist the Receiver in fulfilling his duties hereunder.

13. In fulfillment of the reporting requirements set forth in Rule 66(e) of the Superior Court Rules of Civil Procedure, the Receiver shall file with the Court the Reports referred to in said Rule, as and when the Receiver deems necessary or advisable under the circumstances, or, in any event, as and when required by Order of this Court. In addition, the Receiver shall file with the Court, on or before May 1<sup>st</sup> and October 1<sup>st</sup> of each year, a Receivership Control Calendar Report in accordance with Rhode Island Superior Court Administrative Order No. 98-7.

14. That the Receiver shall continue to discharge said Receiver's duties and trusts hereunder until further order of this Court; that the right is reserved to the Receiver and to the parties hereto to apply to this Court for any other or further instructions to said Receiver and that this Court reserves the right, upon such Notice, if any, as it shall deem proper, to make such further orders herein as may be proper, and to modify this Order from time to time.

15. That, pursuant to and in compliance with Rhode Island Supreme Court Executive Order No. 2000-2, this Court finds that the designation of the afore-described person for appointment as Receiver is warranted and required because of said Receiver's specialized expertise and experience.

16. All creditors or other claimants hereby are ordered to file under oath with the Receiver at 55 Pine Street, 3rd Floor Providence RI 02903 on or before the 15th day of September, 2023, a statement setting forth their claims, including, but without limiting the generality of the foregoing, the name and address of the claimant, the nature and amount of such claim, a statement of any security or lien held by the claimant to which such claimant is or claims to be entitled, and also a statement as to any preference or priority which the claimant claims to be entitled to over the claims of any other or all other claimants or creditors.

17. Except as provided below, that the commencement, prosecution, or continuance of the prosecution, of any action, suit, arbitration proceeding, hearing, or any foreclosure, reclamation or repossession proceeding, both judicial and non-judicial, or any other proceeding, in law, or in equity or under any statute, or otherwise, against Pawtucket Falls or any of their property, in any

Court, agency, tribunal, or elsewhere, or before any arbitrator, or otherwise by any creditor, stockholder, corporation, partnership or any other person, or the levy of any attachment, execution or other process upon or against any property of Pawtucket Falls, or the taking or attempting to take into possession any property in the possession of the Pawtucket Falls or of which Pawtucket Falls has the right to possession, including, without limitation, corporate records or records and files related to litigation commenced by or against Pawtucket Falls or the cancellation at any time during the Receivership proceeding herein of any insurance policy, lease or other contract with Pawtucket Falls, by any of such parties as aforesaid, other than the Receiver designated as aforesaid, or the termination of telephone (landline or mobile), electric, gas or other utility service to Pawtucket Falls, by any corporation or public utility, without obtaining prior approval thereof from this Honorable Court, in which connection said Receiver shall be entitled to prior notice and an opportunity to be heard, are hereby restrained and enjoined until further Order of this Court.

18. The foregoing paragraph does not stay the exercise of rights of a party to a swap agreement, securities contract, repurchase agreement, commodity contract, forward contract or master netting agreement, as those terms are defined in the federal Bankruptcy Code, to the extent that a court would not have the power to stay the exercise if GP II were a debtor under the United States Bankruptcy Code.

19. That Notice be given of the entry of this Order by the Clerk of this Court by publication of a copy of the annexed Receivership Notice in The Providence Journal on or before the 5th day of June, 2023, and by the Receiver mailing on or before the 5th day of June, 2023, a copy of said Receivership Notice to each creditor and stockholder of the Pawtucket Falls known as such to the Receiver, or appearing as such on the books of Pawtucket Falls, addressed to each such stockholder or creditor at his last known address.

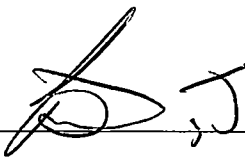
20. Notwithstanding anything contained herein to the contrary, the Receiver shall be and hereby is granted all the typical powers and responsibilities of a receiver subject to and permitted under the Rhode Island Rules of Civil Procedure, Rule 66 and as provided by the Nursing Facilities Receivership Act, § 23-17.11-1 *et. seq.* including making the health, safety and welfare of residents its primary purpose. However, it is expressly required that the receiver seek and obtain prior approval from this Honorable Court for the proposed sale of any portion of the Pawtucket

Falls assets or prior to terminating any contract or taking any action that constitutes a material change to the facility or its operation, in connection to which the RIDOH, Attorney General, Pawtucket Falls and any other interested party shall be entitled to no less than ten (10) days prior notice, unless a shorter notice period is authorized by this Court, and an opportunity for those parties to be heard;

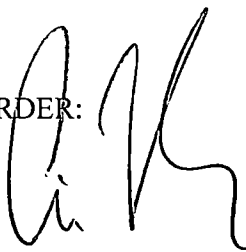
21. This Order is entered by virtue of and pursuant to this Court's equity powers and pursuant to its powers as authorized by the laws and statutes of the State of Rhode Island.

22. Nothing in this Order shall be construed to supersede or preempt the Director of RIDOH's authority and responsibility to regulate health care for the State of Rhode Island.

ENTER:

  
\_\_\_\_\_  
Judge Brian P. Stern 5/15/23

BY ORDER:

  
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Clerk Deputy Clerk I 5/15/23

Dated: May 15, 2023

Respectfully submitted,

STATE OF RHODE ISLAND; and  
UTPALA BANDY, MD, MPH,  
INTERIM DIRECTOR OF THE  
RHODE ISLAND DEPARTMENT  
OF HEALTH,

By:

PETER F. NERONHA,  
ATTORNEY GENERAL,

/s/ Julia C. Harvey  
JULIA C. HARVEY (Bar #10529)  
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PAWTUCKET SNF OPERATOR,  
LLC d/b/a PAWTUCKET FALLS  
HEALTH CARE CENTER

By its attorney:

/s/ Stephen Del Sesto  
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**CERTIFICATION OF SERVICE**

I, the undersigned, hereby certify that on the 15th day of May, 2023, I filed this document electronically and it is available for viewing and/or downloading from the Rhode Island Judiciary's Electronic Filing System.

*/s/Karen M. Ragosta*