

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI
NORTHERN DIVISION**

**SECURITIES & EXCHANGE
COMMISSION, et al.**

PLAINTIFFS

VS.

CAUSE NO. 3:18-CV-252-CWR-FKB

**ARTHUR LAMAR ADAMS,
et al.**

DEFENDANTS

**SUPPLEMENTAL ORDER GRANTING INTERIM RELIEF PENDING
APPOINTMENT OF A TEMPORARY RECEIVER**

The present cause comes before the Court on the Plaintiff's unopposed motion for a supplemental order granting interim relief to the majority members of Kapa Breeze, LLC, a Mississippi limited liability company, in which Defendant Arthur Lamar Adams owns a one-fourth interest and is the managing member. It appearing to the Court that an interim order relative to the ongoing business operations of KAPA Breeze, LLC is necessary in order to preserve the potential receivership estate pending the appointment of a Temporary Receiver, the Court hereby orders, as follows:

The majority members of KAPA Breeze, LLC are hereby authorized to take the following actions:

A. To continue to operate and manage KAPA Breeze, LLC, including temporarily replacing Arthur Lamar Adams as the managing member and registered agent for service of process until the appointment of a Temporary Receiver (and the filing of all necessary documentation effectuating such temporary replacement with the Mississippi Secretary of State);

B. To maintain and open bank accounts for and on behalf of KAPA Breeze, LLC, to receive account statements, negotiate and enter into loan agreements, including the revision and extension of existing loan agreements, and make cash capital contributions in the normal course of business, and to make deposits and withdrawals from bank accounts which were frozen by previous order of this Court, including the KAPA Breeze, LLC account maintained at The Jefferson Bank under account number ending in 3110, so as to continue to pay expenses and receive income as they come due in the ordinary course of business (subject to audit and challenge as specified below by the Temporary Receiver), provided, however, that any such funds as herein authorized to be released, made available to, and used by, the members of KAPA Breeze, LLC may not be used to pay income or salaries to the members of KAPA Breeze, LLC;

C. With regard to the Florida condominium construction project located at 2210 West County Road 30A in Santa Rosa, Florida of which KAPA Breeze, LLC is the developer (the "Project") and the related construction contract with Compass Builders of Florida, to make all payments when due in the normal course of business and to enter into any other agreements and undertake any other expense, including the payment of all permit fees, taxes and licenses, as they come due in the normal course of business in furtherance of the completion of the Project;

D. With regard to the Project, the marketing for sale of the condominium units and the payment of related expenses, provided that the approval of the final terms of any sale of a condominium unit will be reserved to this Court or the Temporary Receiver, as appropriate.

Other than the actions authorized by the terms of this order, the terms of the Court's "Order For Interim Relief Pending Appointment Of A Temporary Receiver," entered in the above styled and numbered cause on June 6, 2018, shall continue in full force and effect.

KAPA Breeze, LLC shall maintain a list of payments and agreements necessary to effectuate the actions authorized above to be provided to this Court and the Temporary Receiver upon appointment. The Temporary Receiver may challenge any action taken pursuant to this order only on the basis of (1) not being in the ordinary course of business; (2) pursuant to any contractual right that Arthur Lamar Adams may have under the KAPA Breeze, LLC Operating Agreement; or (3) pursuant to any right provided by Mississippi law to minority members of limited liability companies.

SO ORDERED, this the 21st day of June, 2018.

/s _____
HON. CARLTON W. REEVES
UNITED STATES DISTRICT JUDGE