

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

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SECURITIES AND EXCHANGE COMMISSION,)
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Plaintiff,)
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v.)
)
PATRICK CHURCHVILLE,)
CLEARPATH WEALTH MANAGEMENT, LLC,	C.A. No. 15-191 S)
)
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.)
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ORDER

WILLIAM E. SMITH, Chief Judge.

Before the Court is an Assented to Petition brought by Stephen F. Del Sesto, Esq. solely in his capacity as the Court-appointed Receiver ("Receiver") for Defendants Patrick Churchville and ClearPath Wealth Management, LLC as well as Relief Defendants ClearPath Multi-Strategy Fund I, LP, ClearPath Multi-Strategy Fund II, LP, ClearPath Multi-Strategy Fund III, LP (collectively "Receivership Entities"). Receiver's Assented to Petition is for (1) Instructions Regarding Monies Held in

Escrow by Capio Partners, LLC; (2) the Establishment of an Escrow Account by the Receiver; and (3) the Receiver's Request for an Accounting from Capio Partners, LLC. (ECF No. 75.)

Capio Partners currently holds approximately \$700,000 in an escrow account for the benefit of ClearPath Multi-Strategy Fund II, ClearPath Multi-Strategy Fund III, and Receivable Partners, LLC. Capio Partners has received conflicting guidance from these three parties with regards to how payments should be distributed. (Letter from Counsel for Capio Partners, LLC, Ex. C to Receiver's Petition, ECF No. 75-3.) The Receiver has represented to the Court that Capio Partners, LLC wishes to relinquish its obligation to administer its escrow account.

The Receiver requests an Order directing Capio Partners to transfer its escrow funds 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. Lastly, the Receiver requests that the Court enter an Order directing Capio Partners to issue an accounting of its 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 shorter. Petitioner has represented to the Court that the Securities and Exchange Commission has assented to this Petitioner.

Receiver's Petition is GRANTED. Capio Partners, LLC is hereby ordered to transfer the aforementioned monies held in escrow to an account identified by the Receiver and provide an accounting of that escrow account to the Receiver. Receiver is authorized to collect half of the 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.

IT IS SO ORDERED.



William E. Smith
Chief Judge
Date: November 1, 2016