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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

v.

EMILIO FRANCISCO; PDC CAPITAL
GROUP, LLC; CAFFE PRIMO
INTERNATIONAL, INC.; SAL
ASSISTED LIVING, LP; SAL
CARMICHAEL, LP; SAL CITRUS
HEIGHTS, LP; SAL KERN CANYON,
LP; SAL PHOENIX, LP; SAL
WESTGATE, LP; SUMMERPLACE AT
SARASOTA, LP; SUMMERPLACE AT
CLEARWATER, LP; SUMMERPLACE
AT CORRELL PALMS, LP; TRC
TUCSON, LP; CLEAR CURRENTS
WEST, LP; CAFFE PRIMO
MANAGEMENT, LP; CAFFE PRIMO
MANAGEMENT 102, LP; et al.,

Defendants.

Case No. 8:16-cv-02257-CJC-DFM

**[PROPOSED] ORDER APPROVING:
(1) SALE OF CITRUS HEIGHTS
PROPERTY, SACRAMENTO
PROPERTY, AND CARMICHAEL
PROPERTY;(2) OVERBID
PROCEDURES**

Date: May 21, 2018
Time: 1:30 p.m.
Ctrm: 9B, 9th Floor
Judge: Hon. Cormac J. Carney

The Court has reviewed and considered the motion of Thomas A. Seaman ("Receiver") for an order approving: (1) the proposed sale of the real properties and improvements commonly known as the Sacramento Property, the Citrus Heights Property, and the Carmichael Property, as described in the motion and the Receiver's supporting declaration (collectively, the "Properties"); (2) the proposed overbid procedures to be used in connection with the sale of the Properties; and

1 (3) the payment of the broker's commission reflecting 6% of the purchase price (the
2 "Motion"). In considering the Motion, the Court has also reviewed the Receiver's
3 concurrently submitted declaration, as well as the Purchase and Sale Agreement and
4 Joint Escrow Instructions dated April 2, 2018, ("PSA") , by and between the
5 Receiver and Carefield SH Management, LLC, a Delaware limited liability
6 company ("Buyer"). The Receiver is the court-appointed federal equity receiver for
7 SAL Westgate, LLC, a Delaware limited liability company, SAL Citrus Heights,
8 LLC, a Delaware limited liability company, and SAL Carmichael, LLC, a Delaware
9 limited liability company, which are the 100% owners of the Properties.

10 The Court finds that the Receiver has the authority to sell the Properties and
11 provided adequate notice to all interested parties pursuant to 28 U.S.C. § 2002,
12 including, but not limited to, all those persons with an interest in the Properties.

13 Having considered the Motion, the Receiver's declaration, the PSA, the
14 oppositions to the Motion, the arguments of counsel at the hearing, and good cause
15 appearing therefor, the Court orders as follows:

- 16 1. The Receiver's Motion is granted, in its entirety.
- 17 2. The Receiver's proposed sale of the Properties, including the PSA, the
18 Receiver's proposed overbid procedures, and the payment of all commissions due to
19 the Receiver's broker as described in the Motion, are approved and authorized.
- 20 3. The Receiver is authorized to sell the Properties to Buyer for the sum of
21 \$6,000,000 [or the overbid amount], pursuant to the terms of the PSA.
- 22 4. In accordance with the terms of the PSA and without limiting its terms,
23 Buyer shall purchase the Properties on an "as-is, where-is" basis, without any
24 representations or warranties whatsoever by the Receiver, his agents and/or
25 attorneys including, without limitation, any representations or warranties as to the
26 condition of the Properties, except as expressly set forth in the PSA. Buyer shall be
27 deemed to be solely responsible for its own due diligence, including, but not limited
28 to, inspection of the condition of and title to the Properties, and shall be deemed not

1 to have relied upon any representation or warranty of the Receiver, except as
2 expressly set forth in the PSA.

3 5. In the performance of his obligations pursuant to this Order, the
4 Receiver's liability in connection with the PSA and the sale of the Properties shall be
5 limited to the assets of the receivership estate established in the above-entitled
6 action. Neither the Receiver nor his agents and/or attorneys shall have any personal
7 liability for claims arising out of or relating to the performance of any actions
8 necessary to complete the sale of the Properties.

9 6. Provided he obtains the written consent of Buyer, the Receiver is
10 authorized to amend or otherwise modify the terms of the PSA and any other
11 agreements or instruments reasonably necessary to effectuate the sale of the
12 Properties as provided herein, in the event the Receiver determines, in his sole
13 discretion and reasonable business judgment, that such amendment or modification
14 is reasonable and necessary, will benefit the receivership estate, avoid the
15 imposition of liability upon the receivership estate, or is required pursuant to the
16 terms of the PSA or any other amendment or modification thereto, provided that
17 such amendment or modification does not change the material terms of the contract,
18 including the identity of Buyer (unless Buyer elects to permit its designee to
19 purchase) or the purchase price paid for the Properties.

20 7. The Receiver is hereby authorized to take all actions and execute all
21 documents necessary to consummate and otherwise effectuate the sale and transfer
22 of the Properties to Buyer, including, but not limited to, the PSA itself, any other
23 documents required to be executed pursuant to the PSA, and any related
24 documentation, escrow instructions, or conveyance documents consistent with
25 selling and conveying title to the Properties to Buyer in accordance with the PSA.

26 8. The Receiver is hereby authorized to execute and acknowledge a
27 receiver's deed conveying title to the Properties to Buyer ("Receiver's Deed"),
28 substantially in the form of Exhibit B to the PSA, to cause the Receiver's Deed to be

1 recorded on the date on which close of escrow occurs pursuant to the terms of the
2 PSA, or as otherwise approved by the Receiver and Buyer.

3 9. The Receiver is authorized to pay a real estate broker's commission of
4 \$_____ [6% of the purchase price.].

5 10. The Receiver is hereby authorized to pay from the proceeds of the sale
6 of the Properties, at the Close of Escrow: (a) all unpaid property taxes per the pro-
7 rations, if any, in the PSA; (b) all other closing costs and commissions that are the
8 responsibility of the Seller as set forth in the PSA and/or related final closing
9 statement; (c) any out-of-pocket expenses the Receiver incurs in connection with the
10 sale of the Properties; (d) the undisputed loans or portions thereof, encumbering the
11 Citrus Heights Property and the Carmichael Property; and (d) any other undisputed
12 claims and expenses set forth in or associated with the PSA that are the
13 responsibility of the Receiver as Seller thereunder (excluding the claims of
14 Richardson. Based upon the sales price of \$6,000,000, the Receiver estimates that
15 the net sale proceeds at the closing will be \$_____.

16 11. This Court retains jurisdiction over any dispute involving the Receiver
17 in connection with the sale of the Properties.

18 12. A certified copy of this Sale Order may be recorded concurrently with
19 the Receiver's Deed or at any time before the Close of Escrow, provided, however,
20 that failure to record this Sale Order shall not affect the enforceability of this Sale
21 Order, the enforceability and viability of the PSA, or the validity of the Receiver's
22 Deed.

23 13. The disputed Deed of Trust with Assignment of Rents in favor of
24 Richardson Family Trust dated as of July 17, 2015, recorded in the Official Records
25 of Yolo County as Document No. 2015-0020123-00; ("Richardson Deed of Trust"),
26 and all associated liens, lis pendens, and encumbrances, if any, shall be released
27 from the Sacramento Property. Subject to further order of the Court, the Richardson
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1 lien shall attach solely to the net sale proceeds from the sale of the Properties in the
2 same validity and priority that they had with respect to the Sacramento Property.

3 14. The Receiver will establish a separate bank account and hold the net
4 sales proceeds up to \$2.1 million from the sale of the Properties, pending further
5 order of this Court.

6 15. The Receiver is authorized to execute such documents as may be
7 required to effect this Sale Order and the PSA and, in particular, such documents as
8 may be required to remove the Richardson Deed of Trust from the Sacramento
9 Property.

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11 Dated: _____

Hon. Cormac J. Carney
Judge, United States District Court

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