

IN THE CIRCUIT COURT OF THE SECOND JUDICIAL CIRCUIT
IN AND FOR LEON COUNTY, STATE OF FLORIDA

AGENCY FOR PERSONS
WITH DISABILITIES
Petitioner,

v.

CASE NO.: 2018 CA 1074

COMPREHENSIVE TRANSITIONAL
EDUCATION PROGRAMS,
OWNED AND OPERATED BY
CARLTON PALMS EDUCATIONAL
CENTER, INC. AND ORANGE VILLAS
EDUCATIONAL CENTER, INC.,

Respondent.

ORDER APPOINTING RECEIVER

THIS CAUSE is before the Court on May __, 2018 on the AGENCY FOR PERSONS WITH DISABILITIES' ("Agency"), **PETITION FOR EMERGENCY APPOINTMENT OF RECEIVER**, and the Court having reviewed the Petition and heard from counsel for the Petitioner and Respondent and it appearing to the Court that the Petition and accompanying documents establish the factual and legal basis to authorize the relief requested therein, and being otherwise duly advised in the premises,

It is hereby **ORDERED AND ADJUDGED:**

1. Appointment of Receiver. In accordance with Section 393.0678 (1)(b), Florida Statutes, Craig A. Cook, Ph.D., is appointed as Receiver for the two Comprehensive Transition and Educational Programs ("CTEP") located at the following addresses: 17713 Palm View Cir., 28308 Churchill Smith Ln., and 28334 Churchill Smith Ln., Mount Dora, Florida, 32757, and 29125, 22000, and 22120 Chautauqua St., Eustis, Florida 32736, and the two group homes: Calusa House located at 24622 Calusa Blvd., Eustis, FL 32736 and Blake House located at 27746 Lake Jem Road, Mt. Dora, Florida, (collectively, the "Facilities") operated by Carlton Palms Educational Center, Inc., and Orange Villas Educational Center, Inc., (collectively, the "Former Operators"). Personnel and Property subject to the receivership shall include the Facility and all Receivership Property. The purpose of the receivership is to empower the Receiver to operate the Facility, and to provide for the health, safety and welfare of Facility residents as they transition to other locations pending closure of the Facility. The transfer of all Receivership Property from Respondents to the Receiver shall be completed and effective by 5:00 p.m. on Wednesday, May 23, 2018; provided however, the Receiver may go on-site, access all records, and speak with all personnel, contract

vendors and other persons or entities involved in the Facility from the date of this order.

2. Powers of the Receiver. The Receiver has all powers and authority authorized by section 393.0678(3), (4) and (5), Fla. Stat., unimpaired and unmodified.
3. Inventory. The inventory required by Rule 1.620, Fla. R. Civ. P. shall be conducted by the Former Operators' accountant who shall deliver to the Receiver and file with this court their inventory under oath. Former Operators shall be responsible for paying all cost of such inventory and the subsequent inventories required by such rule. Former Operators shall be directly responsible for the payment of the costs of preparation of such inventory, and subsequent inventories.
4. Medical Director. During the interim period between the current Medical Director's resignation effective Thursday, May 17, 2018, and the time when the Receiver can contract with another appropriate medical director, the Agency for Persons with Disabilities will assign the Medical Director of the Intermediate Care Facility at Tacachale, Gainesville, Florida as acting Medical Director for the Facility.
5. Receiver Fees. The Receiver shall be compensated at a rate of \$1,200 per calendar day or any part thereof from May 17, 2018 until discharged, Included within the \$1200 daily fee are the following: the reasonable and necessary out-of-pocket expenses incurred by the Receiver on behalf of the Receivership Property, including travel, lodging and meal expenses at the approved State per diem amounts. Unless otherwise approved by court order, the Receiver's fee is the total amount to be paid to the Receiver for all services rendered and expenses, except for attorney's fees, accounting services, medical director services and clinical services director services. Without further order of the Court, the Receiver is hereby empowered to employ independent legal counsel to furnish legal advice to the Receiver for such purposes pertaining to the Receiver's fulfillment of Receiver's obligations as Receiver during the period of Receivership. Additionally, the Receiver is likewise empowered to employ such medical and clinical behavioral professionals as determined necessary to meet the staffing requirements for providing such services.
6. Consultants and Professionals. Without further order of the Court, the Receiver is hereby empowered to employ such medical and clinical behavioral professionals as determined necessary to meet the staffing requirements for providing such services. The Receiver is also authorized to hire such consultants as needed to conduct inspections, examinations and provide reports to him of any deficiencies in the Facilities or programs and suggested plans for correction.
7. Receiver's Legal Counsel and Accountant. The Receiver is authorized to retain the law firm of Broad & Cassel as its legal counsel to provide services pertaining to the Receiver's fulfillment of Receiver's obligations as Receiver. For such services, Receiver is authorized to pay Broad & Cassel LLP fees at Broad &

Cassel's standard hourly rates, but in no event, greater than \$325 per hour. The Receiver is authorized to hire the accounting firm of Moore, Lovelace and Stevens at standard hourly rates not to exceed \$275 per hour. Pre-receivership attorney's fees and accountant's fees shall be an allowable expense from the operations of the Facility.

8. Discovery. The parties shall cooperate in discovery, which shall be expedited as follows

- a. All requests or subpoenas for documents must be served electronically. Any request or subpoena served after 5:00 p.m. Eastern Time shall be deemed served on the following business day;
- b. All non-party subpoenas must be served first on counsel for Respondent;
- c. The party receiving a request or subpoena for documents must, within three (3) business days of receipt, respond to the subpoena by either objecting, providing requested document, or providing a reasonable basis for providing requested documents more than three (3) business days after receipt of the request or subpoena. It is not sufficient for the Respondents to merely state that they will produce documents as kept in the ordinary course of business, but must provide the documents pursuant to correspond to each category in the requests to produce as provided by Rule 1.350(b), Fla. R. Civ. P.
- d. Interrogatories shall be answered under oath within three days of when served. The Receiver is entitled to propound up to a 100 interrogatories without further order of the court.

9. No Interference. Except as otherwise requested or authorized by the Receiver, or until further order of this Court, the Petitioner and Respondents, and their respective officers, directors, shareholders, agents, servants, employees, representatives, and attorneys are hereby enjoined from: (a) collecting, or attempting to collect, the rents, receivables, income, revenues, profits, and bank accounts of the Receivership Property from and after the date of the Order; (b) interfering in any manner with the management of the Receivership Property by the Receiver as hereinabove described until further order of this Court; or (c) acting or purporting to act on behalf of the Receivership Property and/or the Receiver.

10. Income. All incoming money, credits, payments, or other income from any source to Respondents shall be made available to the Receiver for his use in operating the Facility throughout the course of the Receivership. The Receiver's first responsibility is for the health, safety, and welfare of the residents of the Facility. None of Respondents' lending creditors or landlords shall be paid during the time of the Receivership until the needs of the residents have been and can continue to be met, and further order of this court.

The Receiver shall account to the court as provided for by statute and Florida Rules of Civil Procedure for all receipts and appended

11. Prohibition on Respondent's removal of funds from accounts. Neither the Former Operators, nor its parent companies, are permitted to remove or "sweep" any funds that are paid to Former Operators throughout the course of the Receivership. Moreover,

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~~funds that have been "swept" from Former Operators accounts at any time at least three months prior to the beginning of the Receivership must be immediately replaced into Respondents' accounts for the use of the Receiver in operating the facility.~~

12. Receiver's Authority for reasonable expenditures. The Receiver's expenditures are to be reasonable considering the circumstances in which the Facility currently exists.
13. Receiver's Authority for reasonable salary expenses. The Receiver shall pay reasonable rates to appropriately staff the Facility during the existence of the Receivership. Paying higher-than-normal rates and incentives to staff because of the temporary nature of their employment shall be considered reasonable if necessary to obtain appropriate staffing.
14. Opening Bank Accounts. The Receiver is authorized to open accounts in the name of the Receiver to fulfill his duties pursuant to this Order; it is acknowledged that the Receiver shall utilize the FEIN numbers of Respondents in opening such account(s) and that any bank is authorized to open and rely upon this Order to recognize the Receiver's authority to open such without further order of this Court; The Receiver shall establish a separate bank account to serve as a depository. The account shall be with a financial institution authorized to do business in the State of Florida and shall be titled in the naming convention: "[Name of Facility], by its Receiver, Craig Cook."
15. Surety Bond. The Receiver shall maintain a \$25,000.00 surety bond to assure performance by the Receiver of the duties and obligations of the office of Receiver, to provide coverage to Petitioner, Respondents, and other parties as their respective interests may appear. The surety bond shall cover loss due to acts of the Receiver and his agents, servants, and employees in the performance of the Receiver's prescribed duties pursuant to Rule 1.620, Florida Rules of Civil Procedure, pursuant to section 393.0678, Fla. Stat., and otherwise as prescribed by Florida law. The Receiver shall not take possession of the Receivership property until the Receivership bond has been obtained and copies of the bond filed with the court and provided to all parties. The original bond shall be delivered to Petitioner for safekeeping, and the original shall be returned to the Receiver upon discharge. All costs of the Bond shall be an allowable expense from the operations.
16. Fidelity and Comprehensive Crime Bond. The Receiver shall maintain \$5,000.00 in Fidelity and Comprehensive Crime Coverage that covers loss due to acts of the Receiver and his agents, servants, and employees, including but not limited to losses due to employee dishonesty, credit card forgery, computer fraud and theft, and the disappearance or destruction of property, which is not otherwise covered by the Former Operator's Insurance. The original bond shall be delivered to the Clerk of Court for safekeeping, and the original shall be returned to the Receiver upon discharge. All costs of the Bond shall be an allowable expense from the operations of the Facility.

17. Insurance. The Receiver shall take possession of and maintain the following forms of insurance with respect to the Facility and personnel: casualty, liability, windstorm, flood, professional liability, betterment and improvement and workers' compensation insurance, all in such amounts and with such coverages as are required under the current lease under which Former Operators occupy the Facility and premises upon which the Facility is located and by which the Programs are operated. The Receiver is authorized to continue in existence all current insurance policies in place. The Former Owners shall fully cooperate with Receiver in having him added as an additional insured under any and all policies, including any directors and officer's policies. The Former Operators shall deliver copies of such policies to the Receiver and endorsements adding him as an additional insured on or before May 25, 2018. All premiums to add the Receiver to such policies shall be an allowable expense. It is acknowledged that the addition of the Receiver as an additional insured shall in no way change his liability under section 393.0678, Florida Statutes or under applicable principles of sovereign immunity.

18. Conflict of Interest. It is acknowledged that the Receiver has disclosed his conflict of interest in that he may eventually be associated with an acquirer of some or portions of the Facilities, or be associated with other providers or facilities to which the revenue stream for residents which are currently under contract with Respondents are transferred to. The parties have been given an opportunity to object to the Receiver's appointment based on this disclosure, and it is acknowledged that the parties still consent to and request the appointment of the Receiver.

19. HIPAA Authorizations/Qualified Protective Order. The court hereby finds that to the extent the Receiver receives or takes possession of any information that would be within the scope of the Health Insurance Portability and Accountability Act (PL 104-191)(HIPAA) then this order shall be a qualified protective order (As described pursuant to 45 CFR 164.512(e)(v)) and the court requires that:

- i. The Receiver is prohibited from using or disclosing the protected health information for any purpose other than this litigation and proceeding for which such information is in possession of, accessed by or provided to the Receiver or his agents.
- ii. The Receiver and his agents, at the end of this litigation and this proceeding, are required to return to Former operators or ensure destruction of the protected health information (including copies).

This protective order does not alter, modify or limit any of the obligations or legal authority the parties may have by contract or other provisions of HIPAA.

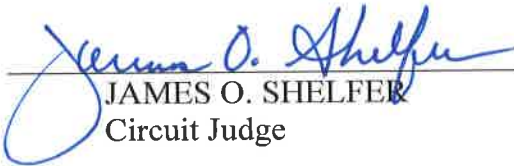
20. Duration. This Receivership will continue for such time until 1) the Court enters an Order terminating it and discharging the Receiver, provided that to the extent the Receiver no longer desires to serve in that capacity, the Receiver may apply to the Court for termination of his appointment; or (2) .ninety (90) days from the date

of this Order, unless otherwise extended pursuant to section 393.0678 (2)(c), Fla. Stat.

21. Court Appearances. The Receiver may appear telephonically for hearings unless otherwise directed by the Court.

22. Jurisdiction. Jurisdiction of this action is retained to enter further orders as are appropriate.

DONE AND ORDERED in Tallahassee, Leon County, Florida, this 23rd day of May 2018. *meat pro lunc May 17, 2018*



JAMES O. SHELFER
Circuit Judge

Copies to: All counsel of record