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STATE OF RHODE ISLAND
PROVIDENCE, SC.

SUPERIOR COURT

Frederick N. Levinger
Plaintiff

Vs.

CA No. 09-3687

Providence Watch Hospital, LLC
Defendant

ORDER APPOINTING TEMPORARY RECEIVER

This cause came on to be heard upon the Plaintiff's Petition for Appointment of a Receiver and, upon consideration thereof, it is hereby

ORDERED, ADJUDGED AND DECREED

1. That *Allan M. Shive*, of Providence, Rhode Island be and hereby is appointed Temporary Receiver (the "Receiver") of the Defendant.

2. That said Receiver shall, no later than five (5) days from the date hereof, file a bond in the sum of \$ *10,000* with any surety company authorized to do business in the State of Rhode Island as surety thereon, conditioned that the Receiver will well and truly perform the duties of said office and duly account for all monies and property which may come into the Receiver's hands and abide by and perform all things which the Receiver will be directed to do by this Court.

3. That said Receiver is authorized to take possession and charge of the property and assets of the Defendant, to collect the debts and property belonging to it and to preserve the same until further Order of this Court.

4. That said Receiver is authorized, until further Order of this Court, in the Receiver's discretion and as said Receiver deems appropriate and advisable, to conduct the business of said Defendant, 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 pay all such individuals and entities in the usual course of business, and to do and perform or cause to be done and performed all other acts and things as are appropriate in the premises.

5. That, pursuant to and in compliance with Rhode Island Supreme Court Executive Order No. 95-01, this Court finds that the designation of the aforescribed person for appointment as Receiver herein is warranted and required because of the Receiver's specialized expertise and experience in operating businesses in Receivership and in administering non-routine Receiverships which involve unusual or complex legal, financial, or business issues.

FILED
HENRY S. KING JR., CLERK

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Levinger vs. Providence Watch Hospital, CA No. , Page 2

6. 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 said Defendant or any of its 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 said Defendant, or the taking or attempting to take into possession any property in the possession of the Defendant or of which the Defendant has the right to possession, or the cancellation at any time during the Receivership proceeding herein of any insurance policy, lease or other contract with Defendant, by any of such parties as aforesaid, other than the Receiver designated as aforesaid, or the termination of telephone, electric, gas or other utility service to Defendant, by any 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.

7. That a Citation be issued to said Defendant, returnable to the Superior Court sitting at 250 Benefit Street, Providence, Rhode Island on July 16, 2009, at 9:30 a.m. at which time and place this cause is set down for Hearing on the prayer for the Appointment of a Permanent Receiver; that the Clerk of this Court shall give Notice of the pendency of the Petition herein by publishing this Order Appointing Temporary Receiver once in The Providence Journal on or before July 7, 2009, and the Receiver shall give further notice by mailing, on or before July 7, 2009, a copy of said Order Appointing Temporary Receiver to each of Defendant's creditors and stockholders whose address is known or may become known to the Receiver.

ENTERED as an Order of this Court this 26th day of June, 2009.

ENTER:

BY ORDER:

Michael A. Silverstein
Associate Justice

Dated:

6/26/09

Clerk, Superior Court

Administrative

PROOF OF CLAIM
- RECEIVERSHIP -

1. I, _____, being duly sworn, depose and say:

a) (CORPORATION) I am an officer, to wit,

_____ of _____
(Your Title) (Name of Creditor)
which is the creditor herein,

OR

b) (PARTNERSHIP) I am a member of _____

(Name of Creditor)

which is the creditor herein, OR

c) (INDIVIDUAL) I am the creditor herein.

2. The full address of the creditor is

(City, State, Zip Code)

3. That on the 26th day of June, 2009, **Providence Watch Hospital, LLC**, recently doing business in Cranston and Wakefield, Rhode Island, did owe and still does owe the creditor a balance of \$ _____ Dollars, as set forth in the attached statement or invoices.

4. That such account is just, true and correct, and said balance is now due creditor from debtor.

5. That no part of said sum has been paid or satisfied, and that there are no set-offs, or counter-claims against said sum, to the knowledge or belief of deponent, and no security exists for said debt. Unless otherwise indicated on this Proof of Claim, this claim is filed as a general, unsecured claim.

STATE OF _____
COUNTY OF _____

Subscribed and sworn to before me this _____ day of _____, 2009.

Notary Public

Mail claim form to:
Winograd, Shine & Zacks, P.C.
123 Dyer Street
Providence, RI 02903

PROOF OF CLAIM (EMPLOYEE)
- RECEIVERSHIP -

1. I, _____, being duly sworn, depose and say:

a) (CORPORATION) I am an officer, to wit,
_____ of _____

(Your Title) (Name of Creditor)
which is the creditor herein,

OR

b) (PARTNERSHIP) I am a member of _____
(Name of Creditor)

which is the creditor herein, OR

c) (INDIVIDUAL) I am the creditor herein.

2. The full address of the creditor is

(City, State, Zip Code)

3. That as of the 26th day of June, 2009, **Providence Watch Hospital, LLC**, recently doing business in Cranston and Wakefield, Rhode Island, did owe and still does owe the creditor a balance of \$ _____ Dollars, as set forth in the attached statement or invoices.

4. That such account is just, true and correct, and said balance is now due creditor from debtor.

5. That no part of said sum has been paid or satisfied, and that there are no set-offs, or counter-claims against said sum, to the knowledge or belief of deponent, and no security exists for said debt. Unless otherwise indicated on this Proof of Claim, this claim is filed as a general, unsecured claim.

STATE OF _____
COUNTY OF _____

Subscribed and sworn to before me this _____ day of _____, 2009.

Notary Public

Mail claim form to:
Winograd, Shine & Zacks, P.C.
123 Dyer Street
Providence, RI 02903

WINOGRAD, SHINE & ZACKS, P.C.

ATTORNEYS AT LAW
123 DYER STREET
PROVIDENCE, RHODE ISLAND 02903-3980
(401) 273-8300
FAX: (401) 272-5728
EMAIL: firm@wszlaw.com

July 7, 2009

MAX WINOGRAD
(1921-1970)
ALLAN M. SHINE
RICHARD W. ZACKS
CARY J. COEN
E. MARTIN STUTCHFIELD
DIANE FINKLE
MELISSA M. HORNE
RICHARD J. LAND
MACRINA G. HJERPE

OF COUNSEL
S. MICHAEL LEVIN
MICHAEL R. GOLDENBERG
BARBARA S. COHEN
MELVIN L. ZURIER

TO CREDITORS, EMPLOYEES AND ALL OTHER PARTIES IN INTEREST:

Re: **PROVIDENCE WATCH HOSPITAL, LLC**, Cranston and Wakefield, Rhode Island

On June 26, 2009, the Rhode Island Superior Court entered an Order, a copy of which is enclosed, appointing the undersigned Receiver of the assets and business of Providence Watch Hospital, LLC ("PWH"), which is headquartered in Cranston, Rhode Island.

A Receivership is a State Court insolvency proceeding. The Receiver is an Officer of the Court, appointed for the purpose of representing the interests of all creditors, employees and other parties in interest.

PWH's records indicated that you might be a creditor and have a claim for monies due from the Company. Accordingly, if you believe that PWH owes you money, in order that your interests be protected and that you make sure that you receive notice of all appropriate court filings in connection with this case, I am taking the liberty of enclosing a Proof of Claim form which I suggest you complete, execute before a Notary Public, and return to me at the earliest possible date.

We do not represent PWH, but have been appointed to serve as a neutral, impartial fiduciary to supervise and manage its assets through this Court proceeding. All creditors, including employees and all other parties who may be owed money by or have claims against PWH, have been enjoined and ordered by the Court to hold off on any further collection efforts and to protect their interests by filing a Proof of Claim with the Receiver, as indicated above. Please note Paragraph 6 of the enclosed Order.

No approval of claims and no distribution to creditors will take place without notice to all creditors and other parties in interest who file a Proof of Claim with the Receiver, after a Hearing thereon before the Rhode Island Superior Court.

This Receivership proceeding was brought by PWH's principal shareholder in order to protect and preserve its business and assets for the benefit of creditors, employees and all other parties in interest. At this juncture, it appears that there is approximately \$4,500,000 claimed by Sovereign Bank, which claims a lien on all of PWH's assets as security for its claim. Additionally, the Receiver is advised that there is approximately \$40,000 in obligations owed to vendors, priority creditors and other general, unsecured creditors.

As indicated in the enclosed Order, the Rhode Island Superior Court has scheduled a Hearing on continuation of the undersigned as Permanent Receiver, for **9:30 a.m. on July 16, 2009**. Creditors and other interested parties are welcome to attend, but are not required to do so.

If you have any questions regarding any aspect of the foregoing, please feel free to contact the undersigned Receiver.

Very truly yours,


Richard J. Land, Counsel to
Allan M. Shine, Receiver of
Providence Watch Hospital, LLC

RECEIVED
OFFICE OF THE
CLERK OF THE
SUPERIOR COURT
CORPORATIONS DIV
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