

STATE OF RHODE ISLAND
PROVIDENCE, SC.

SUPERIOR COURT

CHARLES D. MOREAU, in his Capacity
as Mayor of the City of Central Falls

and

the CITY COUNCIL FOR THE CITY
OF CENTRAL FALLS

Plaintiffs

v.

CITY OF CENTRAL FALLS

Defendant

P.B. No. 10- 2984

ORDER APPOINTING TEMPORARY RECEIVER

This cause came on to be heard upon the Plaintiff's Petition for Appointment of Receiver for the Defendant. The Court was advised that the Mayor for the City of Central Falls has authorized the filing of the Petition and the City Council has voted and approved the filing of the Petition by Resolution dated May 18, 2010. After a judicial conference followed by a hearing thereon the Court determined that it would be in the best interest of the Defendant's taxpayers, employees, creditors, vendors, and pensioners and other interested parties for: (a) the Court immediately to appoint a Temporary Receiver for the Defendant; and (b) the Court, on or before June 8, 2010, to appoint a Permanent Receiver for Defendant. Good cause appearing, it is hereby

ORDERED, ADJUDGED AND DECREED:

1. That Janattan Savage of Providence, Rhode Island, be and hereby is appointed Temporary Receiver (the "Receiver") of Defendant, and of all the assets, effects, property and business of Defendant of every name, kind, nature and description.

2. That said Receiver shall, no later than five (5) days from the date hereof, file herein a bond in the amount of \$ 1,000,000 with corporate surety thereon authorized to do business in the State of Rhode Island conditioned that he

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Providence, Rhode Island

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, from time to time, to do by this Court.

3. That said Receiver be and hereby is authorized, empowered and directed to take possession and charge of said assets, effects, property and business of the Defendant, and to preserve the same, and is hereby vested with title to the same; to collect and receive the debts, property and other assets and effects of said Defendant and 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 oversee the municipal business of said Defendant, to purchase, for cash or upon credit, merchandise, materials and other property, to engage consultants (financial, legal or other), appraisers and/or other assistance, clerical or otherwise, and 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. Further, that said Receiver shall have final approval over the hiring and/or termination of any and all Defendant's personnel.

5. That the Receiver shall commence a comprehensive review and analysis of the Defendant's financial condition, including, without limitation Defendant's vendor contracts, books, records, employee salaries and benefits, collective bargaining agreements, pension funding and obligations, tax capacity, assets and liabilities, revenues, expenditures and other municipal matters related to achieving a balanced budget and restoring Defendant's fiscal health.

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

7. 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

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Clerk of Superior Court
Providence, Rhode Island

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.

8. That the Receiver shall report to the Court as directed or as the Receiver deems necessary and advisable prior to the hearing on the Permanent Receiver.

9. That a Citation be issued to said Defendant, returnable to the Superior Court sitting at Providence, Rhode Island on 6/9, 2010, 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 5/26, 2010, and the Receiver shall give further notice by mailing, on or before 6/2, 2010, a copy of said Order Appointing Temporary Receiver to each of Defendant's creditors and other interested parties whose addresses are known or may become known to the Receiver.

10. This Order is entered by virtue of and pursuant to this Court's equity powers and pursuant to its powers as authorized by the laws and statutes of the State of Rhode Island.

ENTERED as an Order of this Court this ___ day of May, 2010.

ENTER:

Associate Justice

Silverstein
5/19/10

BY ORDER:

Clerk, Superior Court

True Copy Attest

Office of Clerk of Superior Court
Counties of Providence & Bristol
Providence, Rhode Island