

SUMMARY OF ACCOUNTING

4. On or by “the 25th day of each month the Receiver shall make an accounting of all rents and revenues collected and all expenses paid for the previous month and shall file said accounting with the Court” (Receiver Order, ¶ 17).

5. Revenue collected from January 19, 2022 through January 31, 2022 totaled \$61,480. Expenses paid during the same period as above totaled \$75,523. The net cash flow during this period is negative \$14,043. It should be noted that the majority of resident revenue was collected prior to the initiation of the receivership and already placed on deposit in the Facility’s operating account and thus created a negative cash flow during the partial month of results for January 2022. Since this time, the Receiver has monitored collections in February and the net cash flow to date from January 19, 2022 through February 19, 2022 has been positive—amounting to \$237,231. The detailed summary of revenue and expenses is attached hereto as **Exhibit A**.

SUMMARY OF RECEIVER’S CURRENT ACTIVITIES

6. Since being appointed, the Receiver has complied with the Receivership Order by notifying the applicable state regulatory agency of (a) the Receiver’s appointment and (b) the Receiver’s appointment of SAK as new manager of the Facility. True and correct copies of the notices are attached hereto as **Exhibit B** and **Exhibit C**, respectively.

7. The Receiver has engaged SAK to provide management services for the Facility. Since the transition date of January 19, 2022, SAK representatives have been on-site at the Facility to work directly with staff and ensure an orderly transition from the prior manager. SAK has successfully gained control of the Facility’s treasury accounts at Jefferson Bank.

8. SAK has initiated implementation of a new electronic medical records (“EMR”) system to facilitate improvements in resident care. SAK clinical consultants have been on-site to complete audits of resident care plans.

9. In the business office, SAK consultants have begun reviews of vendor contracts. The food supplier has been replaced to reduce cost and improve service for the Facility. All vendors have been notified of the receivership’s commencement on January 19, 2022.

10. SAK’s managed services provider has been engaged to work with the outgoing manager to transition information technology services and systems. The network and computers at the Facility were successfully transitioned to the full control of the Receiver on February 17, 2022.

11. SAK consultants are working with Facility marketing staff to stabilize census and revenues. Census has remained flat during this reporting period.

UPDATES CONCERNING THE COVID-19 PANDEMIC

12. As of the filing date of this Report, there are three (3) active cases of COVID-19 infections related to residents in the Facility, with two (2) remaining on in-house quarantine, and one (1) in a local hospital.

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CONCLUSION

13. The next receiver report will be filed with the Court by March 25, 2022. The Receiver is available to answer any questions at the request of the Court.

Dated: February 25, 2022

Respectfully submitted,

RECEIVER

/s/ Suzanne A. Koenig
Suzanne A. Koenig, solely in
her capacity as receiver for Canton II, Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 25th day of February 2022, she caused a true and correct copy of the foregoing pleading to be serviced via electronic mail on all parties who have requested notice via the Court's CM-ECF Electronic Notification System.

Additionally, in accordance with paragraph 17 of the Receiver Order, I caused to be serviced the foregoing pleading to counsel to the Defendant and The Bank of New York Mellon Trust Company, N.A., solely in its capacity as indenture trustee, via electronic mail.

By: /s/ Shari L. Heyen
Shari L. Heyen