

**FILED**

MAR 16 2022

INSURANCE REGULATION  
Docketed by: SP



**OFFICE OF INSURANCE REGULATION**

**DAVID ALTMAIER**  
COMMISSIONER

IN THE MATTER OF:

CASE NO.: 291955-22-CO

Application for the Indirect Acquisition of  
LCS SANDHILL COVE, LLC,  
by LCS HOLDING COMPANY, LLC

CONSENT ORDER

THIS CAUSE came on for consideration upon the filing by LCS HOLDING COMPANY, LLC (“APPLICANT”), with the FLORIDA OFFICE OF INSURANCE REGULATION (“OFFICE”) of an application for the approval of the indirect acquisition of Continuing Care Retirement Community (“CCRC”), LCS SANDHILL COVE, LLC (“SANDHILL COVE”), pursuant to Section 628.4615 and 651.024, Florida Statutes (“Application”). Following a complete review of the entire record, and upon consideration thereof, and being otherwise fully advised in the premises, the OFFICE hereby finds as follows:

1. The OFFICE has jurisdiction over the subject matter and the parties herein.
2. APPLICANT has applied for and, subject to the present and continuing satisfaction of the requirements, terms, and conditions established herein, has satisfactorily met all the conditions precedent to the granting of approval by the OFFICE of the proposed indirect acquisition of the real estate, assets, and contracts of SANDHILL COVE, pursuant to Sections 628.4615 and 651.024, Florida Statutes.

3. SANDHILL COVE is a Delaware limited liability company which holds a Certificate of Authority from the OFFICE to operate as a CCRC in Florida, pursuant to Chapter 651, Florida Statutes.

4. SANDHILL COVE is wholly owned by LCS SHIP Venture I, LLC, which is 90% owned by TREA Senior Housing Investor Member, LLC ("TREA"), and 10% owned by LCS SHIP Sponsor Member I, LLC ("LCS SHIP"). TREA is wholly owned by Teachers Insurance and Annuity Association of America. LCS SHIP is wholly owned by Life Care Services Communities, LLC, which is wholly owned by LIFE CARE COMPANIES, LLC ("LCC"), whose ownership prior to the transaction which is the subject of this Consent Order was as disclosed in the Application.

5. APPLICANT is a newly formed Delaware limited liability company which is owned 73.7% by RCI LEGACY HOLDING, LLC ("RCI"), 14.5% by MPM SENIOR LIVING INVESTORS, LLC ("MPM"), and 11.8% by LCS MANAGEMENT HOLDING COMPANY LLC ("LCS MANAGEMENT"). RCI is owned 100% by REDWOOD CAPITAL INVESTMENTS, LLC ("REDWOOD"). MPM is owned 78% by MCCARTHY GROUP, LLC ("MCCARTHY") and 12% by PATRICK DUFFY, an individual, with no other 10% or greater shareholders. LCS MANAGEMENT is owned approximately 17% by JOEL NELSON with no other 10% or greater shareholders. Any additional upstream ownership for these entities is as disclosed in the Application.

6. As detailed in the Application, in 2021 the previous owners of LCC contributed 100% of their ownership to APPLICANT. Subsequent to this contribution, various transactions disclosed in the Application resulted in the current ownership of SANDHILL COVE ("Transaction").

7. If the OFFICE determines that any individual for whom APPLICANT is required to submit background information as part of this Application, and for whom control has not been otherwise disclaimed, is unacceptable under the Florida Insurance Code, APPLICANT, SANDHILL COVE, LCC, RCI, MPM, LCS MANAGEMENT, REDWOOD, MCCARTHY, JOEL NELSON, and PATRICK DUFFY shall cause the removal of said person within 30 days of notice from the OFFICE and replace them with a person or persons acceptable to the OFFICE, or shall undertake such other corrective action as directed by the OFFICE. Failure to act would constitute an immediate, serious danger to the public and the OFFICE may take administrative action as it deems appropriate upon the Certificate of Authority of SANDHILL COVE without further proceedings, pursuant to Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

8. APPLICANT, SANDHILL COVE, LCC, RCI, MPM, LCS MANAGEMENT, REDWOOD, MCCARTHY, JOEL NELSON, and PATRICK DUFFY represent that, except as disclosed in the Application, there are no present plans or proposals to make any substantive changes to the Plan of Operation of SANDHILL COVE, including liquidating it, selling any of its assets (except for transactions such as investment portfolio transactions in the ordinary course of business), merging or consolidating it with any person or persons, or making any other major change in its business operations.

9. APPLICANT, SANDHILL COVE, LCC, RCI, MPM, LCS MANAGEMENT, REDWOOD, MCCARTHY, JOEL NELSON, and PATRICK DUFFY represent that all existing residency agreements entered between current residents and SANDHILL COVE will remain in place.

10. APPLICANT, SANDHILL COVE, LCC, RCI, MPM, LCS MANAGEMENT,

REDWOOD, MCCARTHY, JOEL NELSON, and PATRICK DUFFY will cooperate with financial and market conduct examinations conducted by the OFFICE in accordance with Section 651.105, Florida Statutes.

11. APPLICANT, SANDHILL COVE, LCC, RCI, MPM, LCS MANAGEMENT, REDWOOD, MCCARTHY, JOEL NELSON, and PATRICK DUFFY agree and acknowledge that any acquisition of 10% or more of APPLICANT, or interest therein, is subject to the provisions of Sections 628.4615 and 651.024, Florida Statutes, and requires the prior written approval of the OFFICE.

12. Any prior orders, consent orders, or corrective action plans that SANDHILL COVE has entered into with the OFFICE prior to the execution of this Consent Order shall apply and remain in full force and effect for SANDHILL COVE, except where provisions of such orders, consent orders, or corrective action plans have expired; have been superseded by subsequent orders, consent orders, or corrective action plans; or are inconsistent with this Consent Order.

13. APPLICANT, SANDHILL COVE, LCC, RCI, MPM, LCS MANAGEMENT, REDWOOD, MCCARTHY, JOEL NELSON, and PATRICK DUFFY affirm and represent that all information, explanations, representations, statements, and documents provided to the OFFICE in connection with the Application, including all attachments and supplements thereto, are true and correct and fully describe all transactions, agreements, ownership structures, understandings, and control with regard to the acquisition and future operations of SANDHILL COVE. APPLICANT, SANDHILL COVE, LCC, RCI, MPM, LCS MANAGEMENT, REDWOOD, MCCARTHY, JOEL NELSON, and PATRICK DUFFY further agree and affirm that said information, explanations, representations, statements, and documents, including all attachments and supplements thereto, are material to the issuance of this Consent Order and have been relied

upon by the OFFICE in its determination to enter into this Consent Order.

14. Any deadlines, reporting requirements, other provisions, or requirements set forth in this Consent Order may be altered or terminated by written approval of the OFFICE. Such approval must be requested in writing prior to any proposed deviation from the terms of this Consent Order

15. APPLICANT, SANDHILL COVE, LCC, RCI, MPM, LCS MANAGEMENT, REDWOOD, MCCARTHY, JOEL NELSON, and PATRICK DUFFY affirm that all requirements set forth herein are material to the issuance of this Consent Order.

16. APPLICANT, SANDHILL COVE, LCC, RCI, MPM, LCS MANAGEMENT, REDWOOD, MCCARTHY, JOEL NELSON, and PATRICK DUFFY expressly waive a hearing in this matter, the making of findings of fact and conclusions of law by the OFFICE, and all further and other proceedings herein to which they may be entitled by law or rules of the OFFICE. APPLICANT, SANDHILL COVE, LCC, RCI, MPM, LCS MANAGEMENT, REDWOOD, MCCARTHY, JOEL NELSON, and PATRICK DUFFY also hereby knowingly and voluntarily waive all rights to challenge or to contest this Consent Order in any forum available to them, now or in the future, including the right to any administrative proceeding, state or federal court action, or any appeal.

17. APPLICANT, SANDHILL COVE, LCC, RCI, MPM, LCS MANAGEMENT, REDWOOD, MCCARTHY, JOEL NELSON, and PATRICK DUFFY agree that, upon execution of this Consent Order, failure to adhere to one or more of the terms and conditions contained herein may result, without further proceedings, in the OFFICE suspending, revoking, or taking other administrative action as it deems appropriate upon the Certificate of Authority of SANDHILL COVE in this state in accordance with Sections 120.569(2)(n) and 120.60(6), Florida Statutes.

18. Each party to this action shall bear its own costs and fees.

19. The parties agree that this Consent Order shall be deemed to be executed when the OFFICE has signed and docketed a copy of this Consent Order bearing the notarized signatures of JOEL NELSON, PATRICK DUFFY, and the authorized representatives of APPLICANT, SANDHILL COVE, LCC, RCI, MPM, LCS MANAGEMENT, REDWOOD, and MCCARTHY.

WHEREFORE, the agreement between LCS HOLDING COMPANY, LLC; LCS SANDHILL COVE, LLC; RCI LEGACY HOLDINGS, LLC; MPM SENIOR LIVING INVESTORS, LLC; LCS MANAGEMENT HOLDING COMPANY, LLC; REDWOOD CAPITAL INVESTMENTS, LLC; MCCARTHY GROUP, LLC; LIFE CARE COMPANIES, LLC; JOEL NELSON; PATRICK DUFFY; and the FLORIDA OFFICE OF INSURANCE REGULATION, the terms and conditions of which are set forth above, is APPROVED, and the Application for the acquisition of LCS SANDHILL COVE, LLC, by LCS HOLDING COMPANY, LLC, pursuant to Sections 628.4615 and 651.024, Florida Statutes, is APPROVED.

All terms and conditions contained herein are hereby ORDERED.

DONE and ORDERED this 16 day of March, 2022.



*David Altmaier*

David Altmaier, Commissioner  
Office of Insurance Regulation

By execution hereof, JOEL NELSON, consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein.

JOEL NELSON

By: *Joel Nelson*

Date: March 11, 2022

STATE OF Iowa

COUNTY OF Folk

The foregoing instrument was acknowledged before me by means of  physical presence

or  online notarization, this 11 day of March 2022, by Joel Nelson  
(name of person)

as \_\_\_\_\_ for \_\_\_\_\_  
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

*Tina Bagenstos*  
(Signature of the Notary)

Tina Bagenstos  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires: May 3, 2023



By execution hereof, PATRICK DUFFY, consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein.

PATRICK DUFFY

By: Patrick Duffy

Date: March 7, 2022

STATE OF Nebraska

COUNTY OF Douglas

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 7<sup>th</sup> day of March 2022, by Patrick Duffy (name of person) as an individual for \_\_\_\_\_ (type of authority; e.g., officer, trustee, attorney in fact) \_\_\_\_\_ (company name)

State of Nebraska - General Notary  
KELLY FRANCK  
My Commission Expires  
September 1, 2024

Kelly Franck  
(Signature of the Notary)

Kelly Franck  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires: September 1, 2024



By execution hereof, LIFE CARE COMPANIES, LLC, consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind LIFE CARE COMPANIES, LLC, to the terms and conditions of this Consent Order.

LIFE CARE COMPANIES LLC

By: *Joel D. Nelson*

Print Name: Joel D. Nelson

Title: President and CEO

Date: March 11, 2022

[Corporate Seal]

STATE OF Iowa

COUNTY OF Polk

The foregoing instrument was acknowledged before me by means of  physical presence

or  online notarization, this 11 day of March 2022, by Joel D. Nelson

(name of person)

as President and CEO for Life Care Companies LLC

(type of authority; e.g., officer, trustee, attorney in fact)

(company name)

*Tina Bagenstos*

(Signature of the Notary)

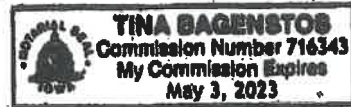
Tina Bagenstos

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires: May 3, 2023



By execution hereof, MCCARTHY GROUP, LLC, consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind MCCARTHY GROUP, LLC, to the terms and conditions of this Consent Order.

MCCARTHY GROUP, LLC

By: Patrick Duffy

Print Name: Patrick Duffy

Title: President

[Corporate Seal]

Date: March 7, 2022

STATE OF Nebraska

COUNTY OF Douglas

The foregoing instrument was acknowledged before me by means of  physical presence

or  online notarization, this 7<sup>th</sup> day of March 2022, by Patrick Duffy

as President for McCarthy Group, LLC  
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

State of Nebraska – General Notary  
KELLY FRANCK  
My Commission Expires  
September 1, 2024

Kelly Franck  
(Signature of the Notary)

Kelly Franck  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires: September 1, 2024

By execution hereof, REDWOOD CAPITAL INVESTMENTS, LLC, consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind REDWOOD CAPITAL INVESTMENTS, LLC, to the terms and conditions of this Consent Order.

REDWOOD CAPITAL INVESTMENTS, LLC

By: [Signature]

Print Name: Kevin Loden

Title: Secretary

Date: \_\_\_\_\_

[Corporate Seal]

STATE OF Maryland

COUNTY OF Anne Arundel

The foregoing instrument was acknowledged before me by means of  physical presence

or  online notarization, this 9<sup>th</sup> day of March 2022, by Kevin Loden

as Secretary for Redwood Capital Investments  
(type of authority; e.g., officer/ trustee, attorney in fact) (company name)

[Signature]  
(Signature of the Notary)

\_\_\_\_\_  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

HILARY MURRAY  
NOTARY PUBLIC  
ANNE ARUNDEL COUNTY  
MARYLAND  
My Commission Expires 09-27-2025  
Page 11 of 17

By execution hereof, LCS HOLDING COMPANY, LLC, consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind LCS HOLDING COMPANY, LLC, to the terms and conditions of this Consent Order.

LCS HOLDING COMPANY, LLC

By: [Signature]

Print Name: Joel D. Nelson

Title: President and CEO

[Corporate Seal]

Date: March 11, 2022

STATE OF Texas

COUNTY OF Polk

The foregoing instrument was acknowledged before me by means of  physical presence

or  online notarization, this 11 day of March 2022, by Joel D. Nelson

as President and CEO for LCS Holding Company, LLC  
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

[Signature]  
(Signature of the Notary)

Tina Bagenstos  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires: May 3, 2023



By execution hereof, RCI LEGACY HOLDINGS, LLC, consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind RCI LEGACY HOLDINGS, LLC, to the terms and conditions of this Consent Order.

RCI LEGACY HOLDINGS, LLC

By: [Signature]

Print Name: Kevin Loden

Title: Manager

[Corporate Seal]

Date: \_\_\_\_\_

STATE OF Maryland  
COUNTY OF Anne Arundel

The foregoing instrument was acknowledged before me by means of  physical presence  
or  online notarization, this 9<sup>th</sup> day of March 2022, by Kevin Loden  
as Manager for RCI Legacy Holdings LLC  
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

[Signature]  
(Signature of the Notary)

(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

HILARY MURRAY  
NOTARY PUBLIC  
ANNE ARUNDEL COUNTY  
MARYLAND  
My Commission Expires 09-27-2022

By execution hereof, MPM SENIOR LIVING INVESTORS, LLC, consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind MPM SENIOR LIVING INVESTORS, LLC, to the terms and conditions of this Consent Order.

MPM SENIOR LIVING INVESTORS, LLC

By: Patrick Duffy

Print Name: Patrick Duffy

Title: President

[Corporate Seal]

Date: March 7, 2022

STATE OF Nebraska

COUNTY OF Douglas

The foregoing instrument was acknowledged before me by means of  physical presence

or  online notarization, this 7<sup>th</sup> day of March 2022, by Patrick Duffy

as President for MPM Senior Living Investors LLC  
(type of authority; e.g., officer, trustee, attorney in fact) (name of person) (company name)

State of Nebraska - General Notary  
KELLY FRANCK  
My Commission Expires  
September 1, 2024

Kelly Franck  
(Signature of the Notary)

Kelly Franck  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_

My Commission Expires: September 1, 2024

By execution hereof, LCS SANDHILL COVE, LLC, consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind LCS SANDHILL COVE, LLC, to the terms and conditions of this Consent Order.

LCS SANDHILL COVE LLC

By: LCS SHIP Venture I LLC,  
a Delaware limited liability company,  
its sole member

By: LCS SHIP Sponsor Member I LLC,  
an Iowa limited liability company,  
its manager

By: [Signature]

Print Name: Joel D. Nelson

Title: President and CEO

Date: March 11, 2022

[Corporate Seal]

STATE OF Iowa

COUNTY OF Polk

The foregoing instrument was acknowledged before me by means of  physical presence

or  online notarization, this 11 day of March 2022, by Joel D. Nelson

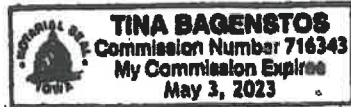
as President and CEO for LCS Sandhill Cove LLC  
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

[Signature]  
(Signature of the Notary)

Tina Bagenstos  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known X OR Produced Identification \_\_\_\_\_

Type of Identification Produced \_\_\_\_\_  
My Commission Expires May 3, 2023



By execution hereof, LCS MANAGEMENT HOLDING COMPANY, LLC, consents to entry of this Consent Order, agrees without reservation to all the above terms and conditions, and shall be bound by all provisions herein. The undersigned represents that they have the authority to bind LCS MANAGEMENT HOLDING COMPANY, LLC, to the terms and conditions of this Consent Order.

LCS MANAGEMENT HOLDING COMPANY, LLC

By: [Signature]

Print Name: Joel D. Nelson

Title: President and CEO

Date: March 11, 2022

[Corporate Seal]

STATE OF Iowa

COUNTY OF Pella

The foregoing instrument was acknowledged before me by means of  physical presence

or  online notarization, this 11 day of March 2022, by Joel D. Nelson  
(name of person)

as President and CEO for LCS Management Holding Company, LLC  
(type of authority; e.g., officer, trustee, attorney in fact) (company name)

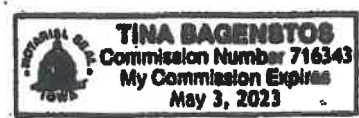
[Signature]  
(Signature of the Notary)

Tina Bagenstos  
(Print, Type or Stamp Commissioned Name of Notary)

Personally Known  OR Produced Identification

Type of Identification Produced

My Commission Expires: May 3, 2023





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LCS Sandhill Cove, LLC  
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