

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

CLEAR COVE OPPORTUNITIES FUND I  
LLC,

Plaintiff,

v.

ADDICTION RECOVERY CARE LLC,  
TIM ROBINSON, and ANGELICA  
CAPITAL TRUST

Defendants.

No. 1:26-cv-01083

**AMENDED COMPLAINT**

1. Plaintiff Clear Cove Opportunities Fund I LLC (“Clear Cove”), by its undersigned attorneys, for its Amended Complaint against defendants Addiction Recovery Care LLC (“ARC”), Tim Robinson (“Robinson” and, collectively with ARC, the “ARC Defendants”), and Angelica Capital Trust (“Angelica”) alleges as follows:

**NATURE OF THE ACTION**

2. Clear Cove is an investor that, *inter alia*, purchases the right to receive Employee Retention Credit (“ERC”) tax refunds from businesses that are due such ERC refunds and in need of immediate liquidity.

3. ARC operates residential and outpatient drug rehabilitation facilities in Kentucky and offers behavioral healthcare and medical healthcare services to patients.

4. Clear Cove purchased from ARC the right to receive all ERC refunds due to ARC for the first quarter of 2021 (the “Transferred Interests”).

5. Subsequently, Clear Cove obtained from ARC a secondary interest in the ERC refunds due to ARC for the second quarter of 2021 (the “Secondary ERC Claim”).

6. Clear Cove also obtained from Defendant Tim Robinson (“Robinson”) a guaranty in connection with both the Transferred Interests and the Secondary ERC Claim.

7. As a result of Clear Cove’s acquisition of the Transferred Interests and Secondary ERC claim, ARC is required to transfer to Clear Cove whichever of (a) the Transferred Interests or (b) the Secondary ERC Claim (up to the amount of the Transferred Interests) ARC first receives from the Internal Revenue Service (“IRS”).

8. On or around December 2, 2025, ARC received the ERC refunds for both the first and second quarter of 2021.

9. However—despite the fact that two months have now elapsed—ARC has never forwarded Clear Cove’s property to it.

10. On January 12, 2026, Angelica commenced an action (the “Angelica Action”) in this District by filing a Petition for a Temporary Restraining Order and Injunction in Aid of Arbitration naming ARC and certain related people and entities (Case No. 1:26-cv-00241-GBD, ECF No. 1, the “Petition”).

11. According to Angelica’s Petition, after ARC sold the Transferred Interests and granted the Secondary ERC Claim to Clear Cove, ARC purported to sell Clear Cove’s property—i.e., the very same ERC refunds comprising the Transferred Interests and Secondary ERC Claim—to Angelica.

12. The Court in the Angelica Action concluded that Angelica had “demonstrated that it will suffer irreparable harm absent a preliminary injunction freezing certain liquid assets in Respondents’ [ARC and related individuals and entities] possession because Respondents are ‘on the brink of insolvency,’” and accordingly issued a preliminary injunction (ECF No. 64) obligating ARC to maintain approximately \$4.7 million in a segregated account (the “Restrained Funds”).

13. On January 28, 2026, Clear Cove sought to intervene in the Angelica Action (ECF No. 74) in order to protect its superior interests in the Restrained Funds, which are comprised at least in part of the Transferred Interests and the Secondary ERC Claim.

14. Clear Cove requested entry of a temporary restraining order and a preliminary injunction ensuring that the Restrained Funds are not disbursed until such time as Clear Cove's interest in them has been judicially determined, in order to avoid the very same "irreparable harm" that the Court had already recognized posed an imminent danger to Angelica's interests.

15. Clear Cove also sought to file an Intervenor Complaint against Angelica in the Angelica Action (ECF No. 99-1) seeking a declaratory judgment that Clear Cove's interests in the Restrained Funds—and any other assets of ARC that come under the Court's supervision—are superior to those of Angelica (if any).

16. On February 24, 2026, the court in the Angelica Action (a) denied Clear Cove's motion to intervene without prejudice on the grounds that "no disposition in this action will hinder Clear Cove's ability to separately litigate its claim" and (b) ordered ARC and Angelica to promptly inform Clear Cove if the parties reach a settlement or obtain an arbitration award that would result in the distribution of the Restrained Fund (ECF No. 113).

17. Accordingly, Clear Cove files this Amended Complaint adding a claim for declaratory judgment against Angelica.

### **THE PARTIES**

18. Plaintiff Clear Cove is a limited liability company organized under the laws of the State of New York with an office and principal place of business in New York County.

19. The members of Clear Cove—and/or the ultimate members of its member LLCs—are citizens of the following states and territories: Arizona, California, Delaware, Florida, New Jersey and Puerto Rico.

20. On information and belief, Defendant ARC is a Kentucky limited liability company, headquartered in Louisa, Kentucky.

21. On information and belief, ARC has only two members: Tim Robinson and nonparty Lelia Robinson.

22. On information and belief, Tim Robinson and Lelia Robinson are both citizens of the Commonwealth of Kentucky and reside in Kentucky.

23. On information and belief, Defendant Angelica is a trust organized under the laws of Delaware.

24. On information and belief, the trustee of Defendant Angelica is CSC Delaware Trust Company, a Delaware company.

25. On information and belief, the sole beneficiary of Angelica is Score Capital High Yield Fund I Ltd, a Bahamian company.

### **JURISDICTION AND VENUE**

26. For purposes of diversity jurisdiction, Clear Cove is a citizen of Arizona, California, Delaware, Florida, New Jersey and Puerto Rico, while ARC and Robinson are citizens of Kentucky, and Angelica is a citizen of the Bahamas. Accordingly, this Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332(a)(1) in that this is a civil action between citizens of different states, and between a citizen of a State and a subject of a foreign state, and the amount in controversy exceeds \$75,000, exclusive of interest and costs.

27. This Court possesses personal jurisdiction over the ARC Defendants because: (a) they have purposefully directed their activities at the Southern District of New York, including by transacting business in New York with a New York limited liability company; and (b) the litigation arises out of or relates to those activities.

28. This Court possesses personal jurisdiction over Angelica because: (a) it has purposefully directed its activities at the Southern District of New York, including by filing an action in this District that caused the Restrained Funds (which are comprised at least in part of the Transferred Interests and the Secondary ERC Claim) to become subject to the jurisdiction of a court in this District; and (b) this litigation arises out of or relates to those activities and the Restrained Funds.

29. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(2), because:

(a) a substantial part of the events or omissions giving rise to Clear Cove’s claim(s) occurred within this District; and

(b) a substantial part of the property that is the subject of this action is situated within this District.<sup>1</sup>

### **FACTS**

#### **Clear Cove Purchases ARC’s ERC Refunds and Obtains a Guaranty from Robinson**

30. On July 18, 2025, Clear Cove and ARC entered into a True Sale Risk Participation of ERC Claim Agreement (the “Participation Agreement”).

31. A true and complete copy of the Participation Agreement is included at Exhibit 1 hereto.

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<sup>1</sup> The Participation Agreement that Clear Cove entered into with ARC (§ 12) and the Guaranty that it entered into with Robinson (§ 5.4) purport to designate the United States District Court for the Southern District of Florida (or, alternatively, any court of the State of Florida sitting in Broward County) as having exclusive jurisdiction over actions “arising out of or relating to” each agreement. However, neither venue provision is enforceable because neither agreement satisfies the requirements of Florida Statute Section 685.101(2)(a). Specifically, neither agreement bears a substantial or reasonable relation to Florida, no individual party is a resident or citizen of Florida, and no entity party is organized under Florida law or maintains a place of business in Florida. Obviously, both venue provisions are irrelevant to Clear Cove’s claims against Angelica.

32. The Participation Agreement governed the sale of “Transferred Interests” by ARC to Clear Cove, which encompassed:

...all of [ARC’s] rights to receive any and all payments, interest, proceeds or distributions of any kind from the United States Internal Revenue Service (the “IRS”) in respect of the employee retention credits duly and timely claimed by [ARC] on account of qualified wages paid by [ARC] and identified as a “Claim for Refund” under Form 941-X *Adjusted Employer’s Quarterly Federal Tax Return or Claim for Refund* for the first quarter of 2021 filed with the IRS . . . in the aggregate amount of \$3,319,220.80 . . . as set forth in line item 27 of Part 3 thereof.

(Participation Agreement § 1(a).)

33. The Participation Agreement also entitled Clear Cove to receive 50% of any interest paid by the IRS with respect to the ERC refund. (Participation Agreement § 6(d).)

34. The Participation Agreement obligated ARC to transfer to Clear Cove the Transferred Interests and certain supporting documentation “promptly but in no event later than three (3) business days after the date on which [ARC] receives such Distribution.” (Participation Agreement § 6(a).)

35. A “Distribution” is defined as “any payment or other distribution of cash (including IRS interest or proceeds) by check or by the use of electronic transfer payable to [ARC] as the taxpayer from the IRS but which Transferred Interests have been sold to [Clear Cove] in respect of the Transferred Interests, whether prior to or after the Effective Date, from the Tax Refund Claim.” (Participation Agreement § 1(b).)

36. The failure to timely pay the Transferred Interests initiates the accrual of interest on the amount of the Distribution at the rate of 15% per annum from the date on which ARC received the Distribution to the day the Transferred Interests are paid to Clear Cove. (Participation Agreement § 6(a).)

37. Also on July 18, 2025, Clear Cove and Robinson entered into a “Payment and Performance Guaranty” (the “Guaranty”).

38. A true and complete copy of the Guaranty is included at Exhibit 1 hereto.

39. Pursuant to the Guaranty, Robinson “unconditionally and irrevocably guarantees to [Clear Cove], and its successors and assigns the due and punctual payment and performance of all obligations of ARC under the Risk Participation Agreement (the “Obligations”), in each case when and as the same shall become due, including, without limitation, those found in Section 7 thereof.” (Guaranty § 2.1(a).)

40. Robinson further acknowledged that “The value of the consideration received and to be received by Guarantor [Robinson] as a result of ARC consummating the Purchase Transaction [as memorialized by the Participation Agreement] is substantial and Guarantor is directly and indirectly benefitted by ARC consummating the Purchase Transaction (Guaranty § 2.1(b)(ii)).

41. On July 22, 2025, Clear Cove paid to ARC \$2,721,761.06 in consideration for the Transferred interests, as specified by the Participation Agreement.

42. The Participation Agreement required ARC to fulfill certain obligations within sixty days following its execution. (Participation Agreement § 7.)

43. On September 24, 2025, ARC negotiated the Amendment to ERC Risk Participation Agreement (“Amendment”) to obtain an additional thirty days to fulfill those obligations.

44. A true and complete copy of the Amendment is annexed as Exhibit 2 hereto.

45. In consideration for Clear Cove’s forbearance, ARC granted to Clear Cove a right to receive payments, interest, proceeds, or distributions in the ERC refund due for the *second*

quarter of 2021—the Secondary ERC Claim—for purposes of satisfying ARC’s obligation to forward the Q1 ERC refund in the event that ARC first received the Q2 refund:

. . . in the event [ARC] shall receive any payment or other distribution of cash (including IRS interest or proceeds) by check or by credit from the IRS in respect of the Secondary ERC Claim (“Secondary Distribution”), and such Secondary Distribution occurs prior to the Distribution [of the Transferred Interests], [ARC] shall be required to satisfy any and all obligations set forth herein with respect to the Distribution, Transferred Interests and Tax Refund Claim out of the proceeds [ARC] receives with respect to the Secondary Distribution.

(Amendment §§ 2(d), 5.)

46. The Amendment otherwise treated the Secondary ERC Claim as part of the Transferred Interests, and applied “all provisions of the Original Agreement . . . equally to the Secondary ERC Claim, including . . . [the] Distributions/Guaranteed Obligations of Seller.”

(Amendment § 2(a).)

47. The “Distributions/Guaranteed Obligations of Seller” section of the Participation Agreement includes the requirements, discussed above, to pay the Transferred Interests out of any Distributions within three days of receipt, imposes the 15% per annum interest rate on late payments, and includes the guaranty from Robinson for payment to Clear Cove. (Participation Agreement §§ 6(a), 6(c).)

48. Robinson executed the Amendment both on behalf of ARC and on behalf of himself as Guarantor.

**Clear Cove’s Interests in ARC’s ERC Refunds  
Are Fully Perfected and Publicly Recorded**

49. On February 24, 2017, another ARC creditor Mountain Association for Community Economic Development (“MACED”) filed a UCC statement (the “MACED UCC Statement”) perfecting MACED’s security interest in all of ARC’s receivables.

50. A true and complete copy of the MACED UCC Statement is annexed as Exhibit 3 hereto.

51. Approximately five years later, on January 19, 2022, MACED filed a UCC amendment to reflect a continuation of the MACED UCC Statement (the “MACED UCC Continuation”).

52. A true and complete copy of the MACED UCC Continuation is annexed as Exhibit 4 hereto.

53. On July 31, 2025, MACED filed a UCC amendment to reflect the assignment to Clear Cove of MACED’s priority interests in “all currently existing and hereafter arising accounts owing or to become due to [ARC] arising from Employee Retention Tax Credit refunds” and specifically referencing the “certain Risk Participation Agreement dated as of July 18th, 2025 between [ARC] and [Clear Cove]” (the “MACED UCC Assignment”).

54. A true and complete copy of the MACED UCC Assignment is annexed as Exhibit 5 hereto.

55. The MACED UCC Statement, MACED UCC Continuation, and MACED UCC Assignment are readily available to the public online and can be retrieved and reviewed by searching for ARC’s name on the Kentucky Secretary of State website via the Article 9 UCC Search function.<sup>2</sup>

**ARC and Robinson Default on Their Obligations to Clear Cove**

56. On or around December 2, 2025, ARC received the ERC refunds for both the first and second quarter of 2021.

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<sup>2</sup> See [https://web.sos.ky.gov/ftucc/\(S\(pd4pbgtx2rihxzxrzigzeqti\)\)/search.aspx](https://web.sos.ky.gov/ftucc/(S(pd4pbgtx2rihxzxrzigzeqti))/search.aspx).

57. Despite the fact that nearly three months have now elapsed, ARC has never forwarded Clear Cove’s property—the Transferred Interests or the Secondary ERC Claim—to it.

58. Robinson has not made payment to Clear Cove in satisfaction of ARC’s obligations under the Participation Agreement and Amendment.

59. Clear Cove’s interests in ARC’s ERC refunds were publicly recorded.

**ARC Purports to Sell Clear Cove’s Property to Angelica**

60. According to Angelica’s Petition, subsequent to Clear Cove’s purchase of the Transferred Interests and Secondary ERC Claim from ARC and the public recording of Clear Cove’s interest, ARC purported to sell *the very same* ERC refunds comprising the Transferred Interests and Secondary ERC Claim to Angelica.

61. Specifically—according to Angelica’s filings in the Angelica Action—on November 12, 2025, Angelica entered into two agreements entitled “Contract for the Sale and Purchase of Tax Receivable” in which ARC purported to convey to Angelica the ERC refunds owed to ARC for the first and second quarters of 2021: that is, the Transferred Interest (Q1 2021) and Secondary ERC Claim (Q2 2021) to which Clear Cove was already entitled. (*See* Angelica Action, ECF No. 1-1 §1, and at 14; ECF No. 1-2 §1, and at 14.)

62. According to Angelica, on November 13, 2025, Angelica filed a UCC Financing statement recording its purported purchase of the ERC refunds comprising the Transferred Interests and Secondary ERC Claim from ARC. (Angelica Action, ECF No. 12-8, the “Angelica UCC Statement”.)

63. A true and complete copy of the Angelica UCC Statement is annexed as Exhibit 6 hereto.

**Angelica Persuades the Court that It Will Suffer Irreparable Harm Absent a Preliminary Injunction Freezing Substantially All of ARC's Liquid Assets**

64. On January 12, 2026, Angelica initiated the Angelica Action and filed its Petition seeking an injunction to prevent ARC, its owners, and (as amended) its subsidiaries from dissipating the ERC refunds comprising Clear Cove's Transferred Interests and Secondary ERC Claim while Angelica engaged ARC in arbitration.

65. On January 22, 2026, the court in the Angelica Action entered a preliminary injunction ordering ARC to place \$4,706,872.75 (the Restrained Funds)—all but \$1 million of ARC's then liquid assets—into a separate bank account and prohibiting ARC from transferring the Restrained Funds “during the pendency of this action without further order of this Court.” (Angelica Action, ECF No. 64; *see also* ECF No. 82.)

66. Clear Cove's interest in the Restrained Funds is superior to that of Angelica, because it derives from Clear Cove's bona fide ownership of the Transferred Interests and/or the Secondary ERC Claim, as fully perfected and publicly recorded.

67. By contrast, Angelica appears to possess only a fraud claim against ARC.

**FIRST CAUSE OF ACTION**

**(Against ARC)**

**(Breach of Contract – Participation Agreement and Amendment)**

68. Clear Cove repeats and realleges as if fully set forth herein Paragraphs 1 through 67 of this pleading.

69. Clear Cove and ARC are parties to the Participation Agreement, as amended by the Amendment.

70. Pursuant to the Participation Agreement, Clear Cove purchased from ARC a 100% participation interest in ARC's rights to receive any and all Distributions received from the IRS in

connection with the Transferred Interests, in the aggregate amount of \$3,319,220.80, plus 50% of the interest paid by the IRS on the ERC tax refund.

71. Pursuant to the Amendment, and in consideration for Clear Cove's forbearance, ARC granted to Clear Cove the Secondary ERC Claim (a secondary interest in the ERC refunds due to ARC for the second quarter of 2021).

72. At all relevant times Clear Cove has complied with and performed all of its applicable contractual obligations.

73. On or around December 2, 2025, ARC received the ERC refunds for the first quarter of 2021 and the second quarter of 2021.

74. ARC breached the Participation Agreement and Amendment by failing to forward either (a) the Transferred Interests or (b) the Secondary ERC Claim (up to the amount of the Transferred Interests) to Clear Cove.

75. Because ARC failed to forward (a) the Transferred Interests or (b) the Secondary ERC Claim (up to the amount of the Transferred Interests) to Clear Cove, the Transferred Interests are subject to interest at the rate of 15% per annum.

76. Accordingly, Clear Cove has suffered damages in an amount to be determined at trial.

**SECOND CAUSE OF ACTION**

**(Against Tim Robinson)**

**(Breach of Contract – Guaranty)**

77. Clear Cove repeats and realleges as if fully set forth herein Paragraphs 1 through 76 of this pleading.

78. Robinson, as guarantor, personally guaranteed ARC's obligations under the Participation Agreement and Amendment, including its obligation to remit (a) the Transferred

Interests or (b) the Secondary ERC Claim (up to the amount of the Transferred Interests) to Clear Cove.

79. The Guaranty is a valid and binding contract between Clear Cove and Robinson.

80. Clear Cove fully performed under the Guaranty.

81. Robinson breached the Guaranty by failing to ensure due and punctual performance by ARC or, alternatively, to make Clear Cove whole following ARC's failure of performance.

82. Robinson's obligations to Clear Cove are derivative of ARC's obligations and therefore are subject to interest at the rate of 15% per annum.

83. Accordingly, Clear Cove has suffered damages in an amount to be determined at trial.

### **THIRD CAUSE OF ACTION**

**(Against ARC and Robinson; pleaded in the alternative to First and Second Causes of Action)**

**(Unjust Enrichment)**

84. Clear Cove repeats and realleges as if fully set forth herein Paragraphs 1 through 83 of this pleading.

85. In the event the Court finds that the Participation Agreement, the Amendment and/or the Guaranty do not constitute valid and enforceable contracts between Clear Cove and ARC/Robinson, Clear Cove pleads this Third Cause of Action for unjust enrichment in the alternative to the First and Second Causes of Action.

86. Clear Cove paid ARC valuable consideration in exchange for the right to receive any and all distributions relating to the Transferred Interests that ARC received from the IRS.

87. Robinson acknowledged the significant direct benefit he derived from that consideration.

88. The ARC Defendants have failed and refused to remit to Clear Cove the ERC refunds owed in accordance with the Participation Agreement and Amendment.

89. Having failed to remit to Clear Cove the ERC refunds due and owing under the Participation Agreement and Amendment, ARC/Robinson have been unjustly enriched by their wrongful retention and continued possession and control of the Transferred Interests, to Clear Cove's detriment.

90. As a result of the ARC Defendants' actions as set forth above, Clear Cove has been damaged in an amount to be determined at trial.

#### **FOURTH CAUSE OF ACTION**

**(Against Angelica)**

**(Declaratory Judgment)**

91. Clear Cove repeats and realleges as if fully set forth herein Paragraphs 1 through 90 of this pleading.

92. An actual, present, and justiciable controversy exists between Clear Cove and Angelica as to the parties' respective interests in the Restrained Funds and any other assets of ARC that come under the Court's supervision.

93. This substantial controversy, between parties having adverse legal interests, is of sufficient immediacy and reality to warrant the issuance of a declaratory judgment. If the Restrained Funds are distributed to Angelica, then Clear Cove will be precluded from recovering the Restrained Funds, in which it has a superior interest. Clear Cove may also be precluded from obtaining adequate alternative relief from ARC, given that ARC appears to be on brink of insolvency, as already recognized by this Court.

94. Pursuant to the Participation Agreement, Clear Cove purchased from ARC a 100% participation interest in ARC's rights to receive any and all Distributions received from the IRS in

connection with the Transferred Interests (all ERC refunds due to ARC for the first quarter of 2021), in the aggregate amount of \$3,319,220.80, plus 50% of the interest paid by the IRS on the ERC tax refund.

95. Pursuant to the Amendment, and in consideration for Clear Cove's forbearance, ARC granted to Clear Cove the Secondary ERC Claim (a secondary interest in the ERC refunds due to ARC for the second quarter of 2021).

96. According to Angelica's Petition, subsequent to Clear Cove's purchase of the Transferred Interests and Secondary ERC Claim from ARC and the public recording of Clear Cove's interest, ARC purported to sell the very same ERC refunds comprising the Transferred Interests and Secondary ERC Claim to Angelica.

97. Angelica obtained a preliminary injunction from this Court obligating ARC to maintain the Restrained Funds (approximately \$4.7 million) in a segregated account.

98. In light of the foregoing, Clear Cove desires a judicial determination of the parties' rights and duties with respect to the Restrained Funds.

99. Clear Cove seeks a declaratory judgment that its interest in the Restrained Funds—and any other assets of ARC that come under the Court's supervision—is superior to that of Angelica (if any).

100. A judicial declaration is necessary and appropriate so that Clear Cove is not deprived of its ability to recover its interest in the Restrained Funds and so that the parties may proceed in accordance with their respective rights as determined by the Court.

#### **DEMAND FOR RELIEF**

WHEREFORE, Plaintiff Clear Cove Opportunities Fund I LLC prays that judgment be entered in its favor and against:

- (1) Defendants Addiction Recovery Care LLC and Tim Robinson, on the First and Second Causes of Action of the Complaint respectively or, alternatively, on the Third Cause of Action of the Complaint, and that Clear Cove be awarded and the Court direct:
  - (a) Compensatory damages in the full amount of all liability and actual damages arising out of Defendants' conduct, in amounts to be ascertained at trial, but in no event less than **\$3,617,838.15**;
  - (b) All incidental and consequential damages;
  - (c) An award of interest at the rate of 15%, pursuant to Section 6(a) of the Participation Agreement;
  - (d) An award of costs and attorneys' fees, pursuant to Section 4.4 of the Guaranty; and
  - (e) Such other and further relief as the Court deems just and proper.
  
- (2) Defendant Angelica Capital Trust, on the Fourth Cause of Action of the Complaint, and that Clear Cove be awarded and the Court direct:
  - (a) Declaring and determining that Clear Cove's interest in the Restrained Funds—and any other assets of ARC that come under the Court's supervision—is superior to that of Angelica (if any);
  - (b) Declaring and determining that Clear Cove is entitled to priority in distribution of the Restrained Funds and such other assets; and
  - (c) Awarding Clear Cove such other and further relief as the Court deems just and proper.

Dated: New York, New York  
February 27, 2026

Respectfully submitted,  
VEDDER PRICE P.C.

By: /s/ Daniel C. Green

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