

1 **Rollie A. Peterson, Esq., (SBN #113042)**  
2 **Rpeterson@peterson-kell.com**  
3 **PETERSON & KELL, A LAW CORPORATION**  
4 **2377 Gold Meadow Way, Suite 280**  
5 **Gold River, California 95670**  
6 **Telephone: (916) 635-9300**  
7 **Fax: (916) 635-9303**

8 **Attorneys for Tri Tool Inc.**

9 **UNITED STATES DISTRICT COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA**  
11 **WESTERN DIVISION**

12 **SECURITIES AND EXCHANGE**  
13 **COMMISSION,**

14 **Plaintiff,**

15 **vs.**

16 **CHARLES P. COPELAND,**  
17 **COPELAND WEALTH**  
18 **MANAGEMENT, A FINANCIAL**  
19 **ADVISORY CORPORATION;**  
20 **and COPELAND WEALTH**  
21 **MANAGEMENT, A REAL**  
22 **ESTATE CORPORATION,**

23 **Defendants.**

**CASE NO. 11-cv-08607-R-DTB**

**TRI TOOL INC.'S REPLY BRIEF**  
**IN SUPPORT OF ITS MOTION**  
**TO MODIFY STAY**

**Date: August 19, 2013**  
**Time: 10:00 a.m.**  
**Ctrm: 8, 2<sup>nd</sup> Floor**  
**Judge: Hon. Manuel L. Real**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**TABLE OF CONTENTS**

I. INTRODUCTION ..... 1

II. LEGAL ARGUMENT ..... 5

    A. Statute of Limitations ..... 5

        1. Three Prongs of UFTA Statute ..... 6

            a. Actual Frauds ..... 6

            b. Constructive Fraud ..... 6

            c. Maximum Seven Year Limit ..... 6

        2. Meaning of Transfer ..... 7

        3. Actions Legally Prohibited by Other Means ..... 9

        4. Requirement that Original Complaint State Valid Claim  
            Against “Doe” Defendants ..... 10

    B. Modification is Not Premature ..... 11

    C. Due Process of Law ..... 11

III. CONCLUSION ..... 12

**TABLE OF AUTHORITIES**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Cases

*Austin v. Massachusetts Bonding & Ins. Co.*,  
(1961) 56 Cal.2d 596[15 Cal.Rptr. 817, 364 P.2d 681] ..... 10

*Donell v. Kowell*,  
(9<sup>th</sup> Cir. 2008) 533 F.3d 762 ..... 6

*Hoover v. Galbraith*,  
(1972) 7 Cal.3d 519[102 Cal.Rptr. 733, 498 P.2d 981] ..... 10

*In re JMC Telecom LLC*,  
(C.D. Cal. 2009) 416 B.R. 738 ..... 6, 11

*In re Kimmel*,  
(Bankr. N.D. Cal. 2007) 367 B.R. 166 ..... 11

*In re Serrato*,  
(Bankr. N.D. Cal. 1997) 214 B.R. 219 ..... 6

*Lerner v. Los Angeles City Bd. of Ed.*,  
(1963) 59 Cal.2d 382[29 Cal.Rptr. 657, 380 P.2d 97] ..... 10

*Monastra v. Konica Business Machines, U.S.A., Inc.*,  
(1996) 43 Cal.App.4th 1628[51 Cal.Rptr.2d 528] ..... 6

*Roach v. Lee*,  
(C.D. Cal. 2005) 369 F.Supp.2d 1194 ..... 11

*S.E.C. v. Universal Financial*,  
(9<sup>th</sup> Cir. 1985) 760 F.2d 1034 ..... 3, 11, 12

*S.E.C. v. Wencke*,  
(9<sup>th</sup> Cir. 1980) 622 F.2d 1363 ..... 3, 12

*Scherer v. Mark*,  
(1976) 64 Cal.App.3d 834[135 Cal.Rptr. 90] ..... 10

1 *Skaggs v. City of Los Angeles*,  
 2 (1954) 43 Cal.2d 497[275 P.2d 9] ..... 10  
 3 *Streicher v. Tommy's Electric Co.*,  
 4 (1985) 164 Cal.App.3d 876[211 Cal.Rptr. 22] ..... 10  
 5 *Woo v. Superior Court*,  
 6 (1999) 75 Cal.App.4th 169[89 Cal.Rptr.2d 20] ..... 10  
 7  
 8 Statutes  
 9 Civ. Code, § 3439 et seq. .... 2, 9  
 10 Civ. Code, § 3439.06(a) ..... 7  
 11 Civ. Code, § 3439.06(b) ..... 7  
 12 Civ. Code, § 3439.06(c)(2) ..... 7  
 13 Civ. Code, § 3439.09(a) ..... 6  
 14 Civ. Code, § 3439.09(b) ..... 6  
 15 Civ. Code, § 3439.09(c) ..... 6, 11  
 16 Civ.C. § 351 ..... 11  
 17 Code Civ. Proc., § 356 ..... 3, 9  
 18 Code Civ. Proc., § 473(a)(1) ..... 10  
 19 Code Civ. Proc., § 474 ..... 10  
 20 Corp. Code, §§ 15905.08, 15905.09 ..... 4  
 21  
 22  
 23  
 24  
 25  
 26  
 27  
 28

I.

**INTRODUCTION**

1  
2  
3 Thomas C. Hebrank, the court appointed Permanent Receiver (hereafter "Receiver"), opposes  
4 Tri Tool Inc.'s (a Nevada corporation, hereafter "Tri Tool") motion to modify the permanent  
5 injunction. Tri Tool's motion would allow it to bring its state court claims against certain of the  
6 receivership's entities. These receivership entities include Copeland Properties Three (hereafter  
7 "CP3"), Copeland Properties 14 (hereafter "CP14"), Copeland Properties 18 (hereafter "CP18"), and  
8 Copeland Wealth Management, a Real Estate Corporation<sup>1</sup> (hereafter collectively the "Receivership  
9 Entities"). Plaintiff amended its first amended complaint on April 4, 2011, including within the  
10 second amended complaint the California Uniform Fraudulent Transfer Act's (hereafter "UFTA")  
11 claims against the limited partners and the Doe defendants.

12 In opposing Tri Tool's motion, the Receiver largely concedes Tri Tool's factual basis for its  
13 motion, as accurate. The Receiver admits that Pacific Western Bank (hereafter "PWB") loaned  
14 money to CP3, for the purpose of CP3 buying real property in North Carolina (hereafter "Real  
15 Property"). He admits that, on February 22, 2007, Charles Copeland (hereafter "C. Copeland")  
16 deposited the PWB loan funds into a CP3 bank account, and on March 1, 2007, he transferred it to  
17 CP14's bank account. He admits that CP18 used it to buy the Real Property on March 2, 2007, and  
18 titled the Real Property in CP18's name. Upon closing the Tri Tool/CP3 escrow and CP3 repaying  
19 the PWB loan from that escrow, CP3 debited the CP3 limited partners' capital accounts, crediting  
20 its CP14 note receivable. Moreover, the Receiver admits that sometime after April 7, 2007, C.  
21 Copeland used \$330,000 of CP3's money to pay off the carry-back loan given by CP18 to the seller  
22 in purchasing the Real Property. He then arbitrarily and summarily declares nothing wrong with  
23 CP3's payment of CP18's debts, while not paying its creditors. CP3 thus transferred to CP18,  
24 indirectly and directly the sum of \$2.1 Million.

25 The Receiver argues Tri Tool will not prevail in the state court action, therefore, the court

---

26  
27 <sup>1</sup> C. Copeland, changed the name of Copeland Realty, Inc. (hereafter "CRI"), at the end of  
28 year 2007 to Copeland Wealth Management, a Real Estate Corporation (hereafter "CWMRE").  
CWMRE is the general partner of CP3, CP14, and CP18.

1 should not modify its stay. He claims UFTA’s statute of limitations extinguishes the Receivership  
2 Entities’ liability. He argues the PWB transfers are extinguished and the carry back loan payoff was  
3 not fraudulent. In his attempt to avoid liability under the four year statute for constructive fraud, the  
4 Receiver, in support of his extinguishment theory, mischaracterizes the transaction that was booked  
5 by the entities as a “loan”. He conjures from thin air an investment made by CP3 in CP18. He does  
6 not have, and thus cannot present any evidentiary support therefore.

7 The Receiver, to avoid liability under the UFTA actual fraud, limitation of four years, or, if  
8 later, one year after discovery of the transfer, further attempts to mislead the court in support of his  
9 statute of limitations defense. He does this by concluding the Receivership Entities cannot possibly  
10 be made Doe defendants. He does so by implying that Tri Tool’s UFTA claims, in its proposed third  
11 amended complaint, are new claims. [Opp., Pg. 3:17-20]. He does so ignoring that Tri Tool’s  
12 current second amended complaint<sup>2</sup>, filed April 4, 2011, includes claims for recovery under UFTA,  
13 and includes Doe defendant allegations. Without citing to any law, he declares that Tri Tool cannot  
14 thus add as “Doe” defendants, the Receivership Entities affected by this motion. He fairly implies  
15 that Tri Tool would have to amend its complaint to include UFTA claims, as opposed to adding the  
16 Receivership Entities, as Doe defendants, as the proposed third amended complaint provides.

17 Building on his theory that Tri Tool has not yet sued Doe Defendants for UFTA claims, the  
18 Receiver contends that the Plaintiff should have discovered the PWB loan and transfers sooner. He  
19 contends that from a line entry on the Tri Tool/CP3 escrow statement, showing CP3 paying the PWB  
20 debt<sup>3</sup>, Tri Tool somehow became aware of the facts surrounding the PWB loan’s purpose, e.g., to  
21 buy Real Property. [Opp., Pg. 3:15-17, Dkt. #308, Pg. 9 of 21]. In any event, this is for a trier of  
22 fact to decide.

23  
24  
25 <sup>2</sup>Attached to Attorney John H. Stephen’s Declaration as Exhibit “4” [Dkt. #308-1, Pgs. 27  
26 to 36 of 38], is Tri Tool’s Second Amended Complaint, its 12<sup>th</sup> paragraph containing Doe  
27 Defendants and its fourth cause of action alleging violation of UFTA, Civ. Code, § 3439 et seq.

28 <sup>3</sup>In fact, the escrow closing statement giving rise to Tri Tool’s debt, shows more than  
three times the amount owed Tri Tool being paid to CP3 out of escrow. Copeland used \$330,000  
of this sum to pay off CP18's note.

1           The Receiver, trying to use the stay as a sword, and ignoring Code Civ. Proc., § 356  
2 (preventing the statute's running while a stay is in effect) claims the UFTA statute of limitations has  
3 run as to the Receivership Entities, because it expired March 1, 2012. That is four years, plus one  
4 year for discovering claims. Not only does Code Civ. Proc., § 356 prevent that result, but the facts  
5 of this case compel for equitable tolling. This is because during the lawsuit before this stay, the  
6 Defendants subverted the discovery process by failing to timely respond to discovery. After the stay,  
7 the Receiver has dragged his feet in giving to Tri Tool the books and records of the various entities,  
8 to allow the necessary tracing to learn the UFTA violation. [See Declaration of Rollie A. Peterson,  
9 Esq.]

10           The Receiver misstates this court's prior orders. The Receiver declares that Tri Tool, having  
11 an opportunity to file a claim against CP3 with him, pursuant to this court's order of January 2, 2013,  
12 satisfies Tri Tool's day in court. He argues that the proof of claim procedure is Tri Tool's sole  
13 remedy. He appears to proclaim himself judge and jury. He cites to no language in this court's  
14 January 2, 2013 order for that proposition, nor to any law in support, nor can he. In asserting such  
15 an argument, he ignores existing case law, such as *S.E.C. v. Wencke* (9<sup>th</sup> Cir. 1980) 622 F.2d 1363,  
16 that clearly provides for the relief sought by this motion. He cites to *S.E.C. v. Universal Financial*  
17 (9<sup>th</sup> Cir. 1985) 760 F.2d 1034, which case's factual background and the court's dicta supports Tri  
18 Tool's motion to lift stay. *Universal's* dicta expressly recognizes claims such as Tri Tool's have to  
19 be litigated.

20           The Receiver's view of Tri Tool's claim is based on the facts as he sees them, not on facts  
21 tested by the crucible of cross-examination, and decided by an independent trier of fact. His view  
22 is based on the law as he sees it, as an advocate, and not through the eyes of a neutral judge. Based  
23 on his opposition here, arbitrarily declaring Tri Tool's claim against CP18 "not proper" [Opp. Pg.  
24 2:11-12, Dkt #308, Pg. 5 of 21], little doubt can remain that Tri Tool's claim has little chance of  
25 success if Tri Tool's fate is left in the Receiver's hands. The Receiver's proposition that the claims  
26 procedure is a substitute for a trial on the merits, stands the principle of due process of law, on its  
27 head. In fact, *Universal Financial*, affording the investors there with initially two, plus ten  
28 additional test cases, dictates the opposite result.

1 The Receiver, unhappy with this court's prior order of November 5, 2012, denying its request  
2 to pool assets and liabilities, now appears ready to embark on using the claims procedure, in part,  
3 to circumvent that order. The Receiver interprets the November 5, 2012 order as precluding any  
4 tracing of assets between entities. The Receiver, coupling this misunderstanding with his  
5 misunderstanding of this court's January 2, 2013 order, appears ready to deny rightful claimants,  
6 both creditors and investors alike, the opportunity to make claims based on asset tracing. Thus, he  
7 is, in effect, partially pooling assets, per entity, in contravention of the court's November 5, 2012  
8 order. Believing these orders bestows upon him the power to determine who rightful claimants are  
9 and who are not, the Receiver now ask this court to ignore UFTA.

10 The Receiver then uses circular reasoning, faulty logic and non-relevant matter, in his attempt  
11 to avoid the inevitable conclusion that the Receivership Entities violated UFTA. By way of  
12 example, he speculates that if the PWB loan had not been paid through the Tri Tool escrow, CP3's  
13 limited partners would have had to repay the loan through other means, such as a capital call. This  
14 begs the question, in the context of Tri Tool's UFTA claim, what does this matter? What is relevant  
15 is what happened, not speculation about what might have happened.<sup>4</sup>

16 The Receiver argues that he has a list of CP18's partners. He states that the CP18 limited  
17 partners deriving their equity interests, other than by transfer from CP3, invested \$800,000 in CP18.<sup>5</sup>  
18 Defying all logic, he then asserts that the CP3 limited partners interest in CP18 is a minority interest,  
19 even though their ostensible investment of \$2.1 Million is more than five times that of the other  
20 CP18 limited partners invested. This argument made by a Receiver who is supposed to protect  
21 everyone's interests equally, creditors, and investors alike, is sound reason alone for this court to  
22 modify its stay and let a trier of fact determine the interests of the parties, and not the Receiver.

23 Additionally, the Receiver appears to want to place the investors' interests over the creditors'  
24 claims. This is in clear contravention of Corp. Code, §§ 15905.08, 15905.09. Moreover, the CP3,

---

25  
26 <sup>4</sup>He ignores PWB's testimony that requiring the loan's repayment from the Tri Tool/CP3  
escrow.

27  
28 <sup>5</sup>This is incorrect in that CRI lent money to CP18 and as general partner, invested money  
for a total of \$411,252.42.



1 CP14 and CP18 partnership agreements provide otherwise. (See the CP3 Limited partnership  
2 Agreement, attached as Exhibit 5 to the Declaration of Thomas C. Hebrank, at pg. 20 of 25,  
3 ¶12.07(1); Dkt 308-2 pg 39 of 44, providing creditors will be paid before investors).

4 He urges that the court should allow distribution of CP18 assets, before Tri Tool has its day  
5 in court. He would thus have this court participate in a further wrongful transfer of these assets,  
6 putting them beyond Tri Tools reach. This court can easily allow a portion of the funds to be placed  
7 in a blocked account, pending the outcome of Tri Tool's claim. Should Tri Tool not prevail on its  
8 claim, then the court can order them distributed in the same portion as the remaining balance.

9 It is true, the superior court case has been pending for more than four years. Although the  
10 trial is set for October 8, 2013, should the third amended complaint be filed, Tri Tool will not oppose  
11 and will join a motion to continue. However, since the five year statute runs on July 26, 2014, the  
12 case must be tried before the summer of 2014, thus will not be put off for years, as the Receiver  
13 contends.

14 The Receiver has the benefit of the depositions and discovery already conducted, most of  
15 which is on electronic media. Thus, discovery will be more follow-up, in nature. Obviously, the  
16 court will afford the receiver opportunity to follow up discovery, and Tri Tool will stipulate, where  
17 necessary to do so. Thus, extensive trial preparation is not going to be necessary. In addition, the  
18 receiver has had opportunity to and presumably has conducted a review of the Receivership Entities'  
19 financial matters. Thus, the Receiver will not again have this expense.

20 Impliedly, the Receiver claims other creditors are suing CP14/CP18, yet he identifies none.  
21 He argues that this court lifting the stay could trigger an avalanche of litigation. The fact that no  
22 other party opposed Tri Tool's motion probably dictates otherwise. Moreover, the purpose of the  
23 stay is not to deny a party's right to due process of law. The underlying purpose of the stay is to  
24 allow the estate a breather from existing litigation.

25 **II.**

26 **LEGAL ARGUMENT**

27 **A. STATUE OF LIMITATIONS**

28 The Receiver, contending Tri Tool's case lacks merit, argues that the statute of limitations

1 has run, as to the PWB loan. He does not address CP3's pay off of the carry back loan, in an amount  
 2 of \$330,000. That is because the carry back loan was clearly within both prongs of the UFTA  
 3 statutes that would otherwise provide for extinguishment of actions. Ignoring that CP3 paid CP18  
 4 the carry back loan, he attempts to brush the transfer aside with a remark that the loan's purpose was  
 5 proper.

6 **1. Three Prongs of UFTA Statute**

7 In deciding whether an action to set aside a fraudulent transfer under UFTA is timely, it  
 8 must be evaluated under three prongs of the statute. A cause of action under the UFTA, with  
 9 respect to a fraudulent transfer, is "extinguished" unless an action is filed or execution is levied  
 10 within one of the following time periods:

11 **a. Actual Frauds**

12 For transfers made with the intent to hinder, delay or defraud any creditor, four years after  
 13 the transfer was made or obligation was incurred, or if later, within one year after the transfer or  
 14 obligation was or reasonably could have been discovered. [Civ. Code, § 3439.09(a); *Monastra v.*  
 15 *Konica Business Machines, U.S.A., Inc.* (1996) 43 Cal.App.4th 1628, 1645 [51 Cal.Rptr.2d 528,  
 16 539]; *In re Serrato* (Bankr. N.D. Cal. 1997) 214 B.R. 219, 226; *Donell v. Kowell* (9<sup>th</sup> Cir. 2008)  
 17 533 F.3d 762, 773, 774 good faith investor in Ponzi scheme was liable only for payments  
 18 received within Civ. Code, § 3439.09(a) limitations period].

19 **b. Constructive Fraud**

20 For transfers made without receiving reasonably equivalent value, leaving the debtor  
 21 insolvent or with unreasonably small assets for its operations, four years after the transfer was  
 22 made or the obligation was incurred. [Civ. Code, § 3439.09(b); *Monastra*, supra, 43 Cal.App.4th  
 23 1628, 1645; *Donell*, supra, 533 F.3d 762, 773].

24 **c. Maximum Seven Year Limit**

25 Notwithstanding any other provision of law, a cause of action with respect to a  
 26 fraudulent transfer or obligation is extinguished if no action is brought or levy made within seven  
 27 years after the transfer was made or the obligation was incurred. [Civ. Code, § 3439.09(c); *In re*  
 28 *JMC Telecom LLC* (C.D. Cal. 2009) 416 B.R. 738, 742, 743]. In this case, that may be as early

1 as February 28, 2014.

2           2.        Meaning of Transfer

3           A transfer generally does not occur until it is perfected so as to protect against subsequent  
4 purchasers and creditors (e.g., by filing a financing statement with the Secretary of State or  
5 recording a real property transfer with the county recorder). [Civ. Code, § 3439.06(a)]. If not  
6 perfected before a UFTA action is filed, the transfer is deemed made immediately before the  
7 filing of the action. [Civ. Code, § 3439.06(b)]. If transfers of the particular property cannot be  
8 perfected under applicable law, the transfer is deemed made when it becomes effective between  
9 the debtor and transferee. [Civ. Code, § 3439.06(c)(2).]

10           Here, the facts demonstrate that both transfers, the PWB \$1.8 Million, and the \$330,000  
11 carry back payoff loan, do not fall within the first and second prongs of the UFTA statute and are  
12 not extinguished by either. In this case, both transfers, the PWB loan of \$1,800,000 and the  
13 \$330,000 carry back loan became effective after April 5, 2007. Tri Tool filed its second  
14 amended complaint, including a UFTA claim, on April 4, 2007. C. Copeland testified, and the  
15 partnership books and records reflect that CP3 and CP14 treated the PWB \$1.8 Million loan to  
16 CP3 as a loan by CP3 to CP14, until April 6, 2007, when it then became effective as an  
17 investment. C. Copeland testified, in his deposition of February 1, 2013, starting at Page 180:6-  
18 25 through 187, that on March 1, 2007, he transferred CP3's PWB loan funds to CP14's account.  
19 He booked the transfer on CP14's books as a loan from CP3 to CP14. On April 6, 2007, the day  
20 CP3 sold its sole asset, and repaid the PWB loan, C. Copeland debited the capital accounts of the  
21 limited partners, the amount of their investment. At that same time he correspondingly debited  
22 CP3's loans receivable account for CP14's loan payable to CP3, and established capital accounts  
23 in CP14 for the CP3 partners. At the same time, he used CP3's funds to pay off CP18's carry  
24 back note for the Real Property's purchase, in the amount of \$330,000. All this was done by him  
25 within the four year statute of limitations. [See C. Copeland Deposition Transcript, attached to  
26 the Declaration of Rollie A. Peterson, Esq., as Exhibit "A"].

27           In furtherance of its statute of limitations argument, the Receiver contends that C.  
28 Copeland caused CP3 to invest the PWB loan in CP14, on March 1, 2007, as opposed to it being

1 a loan, as the partnerships booked them. He does so despite CP3's accounting records showing  
2 otherwise. He does so despite C. Copeland's deposition testimony that he booked on CP14's  
3 ledgers, the March 1, 2007 transfer from CP3, to CP14, as a loan. He does so despite CP3  
4 having paid the PWB loan, through escrow, on April 6, 2007, and CP3 partners' partnership  
5 interests becoming an investment in CP14, on April 6, 2007, completing the UFTA transfer.  
6 Arguendo, even if this were not true, as the receiver contends, and CP3 made an investment in  
7 CP14, that investment disappeared on April 6, 2007, when C. Copeland converted it to the  
8 interests of the CP3 limited partners into CP14 interests, with both CP3 and CP14 participating  
9 in it. Thus, under either scenario, the fraudulent transfer occurred on April 6, 2007, when it  
10 became effective between the debtor and the transferee.

11 Arguendo, even if, as to the \$1.8 Million PWB loan, it does not fall within the four year  
12 statute for constructive fraud, it still falls within the one year discovery period for actual frauds.  
13 Assuming for argument, that CP3 acquired an equity interest in CP14 on March 1, 2007, and the  
14 April 6, 2007 transfer to CP3's limited partners did not make effective the transaction, the statute  
15 would run, at the earliest, March 1, 2012. Plaintiff filed his action on July 27, 2009. Tri Tool  
16 sued CP3 and D. Copeland as its general partner.<sup>6</sup> In discovery, on January 10, 2010, Tri Tool  
17 learned that C. Copeland dissolved CP3, shortly after close of the Tri Tool/CP3 escrow. C.  
18 Copeland, in response to the question : "Were funds then distributed to the investors from the  
19 sale of the building?" responded "Yes". C. Copeland carefully avoided stating that he transferred  
20 the CP3 limited partnership interests to CP14. As a consequence of this testimony, on October  
21 28, 2010, Tri Tool propounded discovery to learn whom the limited partners were. This included  
22 serving by mail special interrogatories and requests for documents. The defendants did not  
23 respond, when the discovery was due December 1, 2012. After meet and confer, Tri Tool filed  
24 motions to compel on December 15, 2010. On January 10, 2011, the court granted Tri Tool's

---

25  
26 <sup>6</sup>D. Copeland had signed off on the note as CP3's general partner. He also testified in his  
27 deposition that he was CP3's general partner. The Receiver makes some ado over the fact that  
28 CRI was CP3's general partner. His fuss is but another attempt to muddy the waters with enough  
non relevant matter that this court will then not be able to see the relevant facts through the roil.

1 motions, ordering responses by no later than January 20, 2011. C. Copeland, D. Copeland and  
2 CP3 failed to comply with the court's January 10, 2011 orders. On February 10 and 11, 2011,  
3 Tri Tool served subpoenas on C. Copeland and D. Copeland for the same documents the court  
4 ordered produced. They responded by mail objecting to production, Tri Tool receiving their  
5 objections on March 8, 2011. Though meet and confer, Defendants finally agreed to comply and,  
6 under cover letter dated Friday, March 18, 2011, Defendants mailed to Tri Tool the CP3 limited  
7 partners' K-1's, which Plaintiff received March 24, 2011. The form K-1's revealed that  
8 beginning on April 6, 2007, CP3 made distributions to the limited partners, in the amounts of  
9 their original investments. The K-1's did not show that the distributions to the CP3 limited  
10 partners represented a transfer of their CP3 limited partnership interest into another partnership,  
11 instead of a return of the cash they invested. In other words, Defendants purposefully delayed  
12 Plaintiff's discovery and C. Copeland was deceitful in his response to questions triggering  
13 equitable tolling.

14 On March 30, 2011, Plaintiff sought and obtained from the Sacramento Superior Court an  
15 order shortening time to file the second amended complaint, which it filed, by stipulation, April  
16 4, 2011. The second amended complaint named the limited partners as Doe Defendants and  
17 added, among other things, a cause of action under the UFTA, Civ. Code, § 3439 et seq.

18 During the late spring and early summer, Tri Tool caused the complaint to be served on  
19 the CP3 limited partners. In August of 2011, attorney for some CP3 limited partners, Robert  
20 Ziprick, called and wrote to Tri Tool's attorney, asking for extensions to respond. He stated that  
21 a property was in escrow, which Tri Tool now believes to be the North Carolina property. He  
22 stated that from the sales proceeds, the Defendants could pay Tri Tool the amounts due on the  
23 note, interest and attorney fees. Tri Tool stopped its litigation and waited, the wait ending with  
24 the filing of this receivership on October 25, 2011. Again, the statute is tolled during equitable  
25 estoppel.

26 **3. Actions Legally Prohibited by Other Means**

27 Code Civ. Proc., § 356 tolls the statute of limitation during the course of the stay. The  
28 courts have applied Code Civ. Proc., § 356 in situations where an action is legally prohibited by

1 means other than injunctions or statutory prohibitions. [*Hoover v. Galbraith* (1972) 7 Cal.3d 519,  
2 526 [102 Cal.Rptr. 733, 738, 498 P.2d 981]]. The running of the statute of limitations is tolled  
3 during any period in which plaintiff is legally prevented from taking action to protect his or her  
4 rights. [*Hoover, supra*, 7 Cal.3d 519, 526]. For example, the statute of limitations on Teacher's  
5 action against School Board for terminating his employment as a result of State's erroneous  
6 revocation of his teaching credential was tolled pending the State's restoration of the wrongfully-  
7 revoked credential. [*Lerner v. Los Angeles City Bd. of Ed.* (1963) 59 Cal.2d 382, 391, 392 [29  
8 Cal.Rptr. 657, 662, 380 P.2d 97]]. The statute of limitations on Employee's action to establish  
9 the right to a pension was tolled during the legally required deliberations of City's pension board  
10 and until its final decision. [*Skaggs v. City of Los Angeles* (1954) 43 Cal.2d 497, 500 [275 P.2d  
11 9, 12]].

12 **4. Requirement that Original Complaint State Valid Claim Against "Doe" Defendants**

13 For the amendment to relate back, the original complaint must name "Doe" defendants  
14 and contain charging allegations that state a valid claim against the fictitiously-named  
15 defendants. [*Austin v. Massachusetts Bonding & Ins. Co.* (1961) 56 Cal.2d 596, 600 [15  
16 Cal.Rptr. 817, 819, 364 P.2d 681]; *Scherer v. Mark* (1976) 64 Cal.App.3d 834, 842 [135  
17 Cal.Rptr. 90, 95]].

18 As long as "Doe" defendants were included in the original complaint, defective  
19 substitution of a "Doe" in the amended complaint is a procedural error and can be cured by later  
20 amendment under Code Civ. Proc., § 473(a)(1) (for "mistake" in naming party;). Indeed, absent  
21 prejudice to the defendant, it is an abuse of discretion to refuse such amendment. [*Streicher v.*  
22 *Tommy's Electric Co.* (1985) 164 Cal.App.3d 876, 884, 885 [211 Cal.Rptr. 22, 27]; *Woo v.*  
23 *Superior Court* (1999) 75 Cal.App.4th 169, 177 [89 Cal.Rptr.2d 20, 25] After the statute of  
24 limitations had run, P amended his complaint to name D as a defendant, instead of substituting  
25 him for one of the "Doe" defendants named in the original complaint. The error was "procedural"  
26 and curable by amendment (under Code Civ. Proc., § 473(a)(1)) identifying D as a "Doe"; and as  
27 so amended, the complaint related back (under Code Civ. Proc., § 474) to the filing of the  
28 original complaint. [*Streicher, supra*, 164 Cal.App.3d 876, 884, 885].



1

2 **B. MODIFICATION IS NOT PREMATURE**

3 Civ. Code, § 3439.09(c) bars all fraudulent transfer claims after seven years, whether  
4 claims arise under UFTA or common law. [*In re Kimmel* (Bankr. N.D. Cal. 2007) 367 B.R. 166,  
5 169 *aff'd*, (B.A.P. 9<sup>th</sup> Cir. 2007) 378 B.R. 630 *aff'd*, (9<sup>th</sup> Cir. 2008) 302 Fed.Appx. 518]. The Civ.  
6 Code, § 3439.09(c) deadline is an absolute bar against fraudulent transfer claims older than seven  
7 years; it may not be extended further under the doctrine of equitable tolling. [*In re JMC Telecom*  
8 *LLC*, supra, 416 B.R. 738, 744; *Roach v. Lee* (C.D. Cal. 2005) 369 F.Supp.2d 1194, 1199, 1200  
9 hold Civ. Code, § 3439.09(c) is not subject to equitable tolling under Civ.C. § 351].  
10 Additionally, Tri Tool must bring its action to trial within five years to July 26, 2014. The estate  
11 is close to ending, thus the modification is not premature.

12 **C. DUE PROCESS OF LAW**

13 The receiver cites to *S.E.C.*, supra, 760 F.2d 1034 760 .2d 1034 (1985) in opposition to  
14 Tri Tools's motion to lift stay. He does so arguing that the case stands for the proposition that a  
15 court should never lift the stay when the litigation costs would increase, while the size of the  
16 estate would diminish. If that were the holding of the case, which it is not, the courts could rarely  
17 lift the stay for pending litigation, because that would always be the result. The facts in *Universal*  
18 would suggest that the opposite of what the Receiver suggests is true.

19 Moreover, *Universal* stands for the proposition that Tri Tool is entitled to its day in court.  
20 In *Universal*, a group of individual investors entered into loan transactions through the services  
21 of various entities controlled by one Wayne Burton (hereafter "Burton"). Burton acted primarily  
22 as a mortgage loan broker, arranging secure real estate loans between investors and borrowers  
23 qualified by Burton. The investors had little information about the borrowers or the properties.  
24 Other investors selected a particular borrower, type of property, or type of loan in connection  
25 with their loan transactions. In exchange for their investment Investors typically received a  
26 promissory note, under which Burton agreed to apply the Investors monthly interest and to repay  
27 the principal at maturity. Burton then began to fund larger loans by pooling together funds from  
28 several different Investors on a single Borrower Note, with investors taking a proportionate

1 fractionalized interest. The *S.E.C.* brought an action for injunctive and other equitable relief  
2 against Burton, alleging securities law violations. These included that Burton falsely represented  
3 to Investors that their loans would be secured by first trust deeds, when in fact most received only  
4 junior deeds of trust. Burton consented to entry of permanent injunction, and an order for  
5 accounting, and the court entered a stay of all legal proceedings by third parties against any of the  
6 defendants, the Receiver, or receivership property.

7 The receiver in *Universal* proposed a plan that place investors' claims into several  
8 classes, in accordance with the receiver's theory of the legal effect of different types of  
9 transactions. The purpose of the proposed categories was to help determine who owned the  
10 borrower notes and supporting deeds of thrust, the originals of which were held by the receiver.  
11 Following several notices to the investors, explaining the proposed court modification of the  
12 categories, the court modified the stay to allow first, the trial of two test cases, then ten more test  
13 cases, to determine and settle, in litigation, the facts of the cases. The court of appeal noted that  
14 extensive discovery accompanied the test cases.

### 15 III.

### 16 CONCLUSION

17 The factors set forth in *S.E.C. v. Wencke* (9<sup>th</sup> Cir. 1980) 622 F.2d 1363, should compel  
18 this court to modify the stay as to Tri Tool. The end is near for the Receivership. The ruling in  
19 *Universal* shows that litigation is, in fact, appropriate even where the court has established a  
20 claims procedure. Second, that a claims procedure does not satisfy due process. It does not stand  
21 for the proposition that if litigation costs are going to lower the estate's value, the stay may not  
22 be modified, as argued by the Receiver. Equity considerations clearly balance in Tri Tool's  
23 favor, with a complete extinguishment of its UFTA claims nearing the seven year limitation on  
24 February 28, 2014, and the five year bar rapidly approaching after that.

25 Here, Tri Tool has timely amended its state law complaint to include a cause under the  
26 UFTA. Its third amended complaint will substitute, the Receivership Entities as Doe Defendants.  
27 Its UFTA claims are not extinguished. Refusal to modify the stay at this time will effectively  
28 preclude Tri Tool from having its day in court, and due process of law.

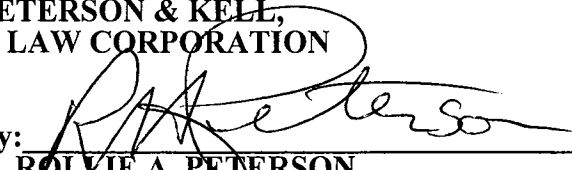


1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**PETERSON & KELL,  
A LAW CORPORATION**

**Dated: August 5, 2013**

By: \_\_\_\_\_



**ROLLIE A. PETERSON,  
Attorney for Tri Tool Inc.**

1 **Rollie A. Peterson, Esq., (SBN #113042)**  
2 **Rpeterson@peterson-kell.com**  
3 **PETERSON & KELL, A LAW CORPORATION**  
4 **2377 Gold Meadow Way, Suite 280**  
5 **Gold River, California 95670**  
6 **Telephone: (916) 635-9300**  
7 **Fax: (916) 635-9303**

8 **Attorneys for Tri Tool Inc.**

9 **UNITED STATES DISTRICT COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA**  
11 **WESTERN DIVISION**

12 **SECURITIES AND EXCHANGE )**  
13 **COMMISSION, )**

14 **Plaintiff, )**

15 **vs. )**

16 **CHARLES P. COPELAND, )**  
17 **COPELAND WEALTH )**  
18 **MANAGEMENT, A FINANCIAL )**  
19 **ADVISORY CORPORATION; )**  
20 **and COPELAND WEALTH )**  
21 **MANAGEMENT, A REAL )**  
22 **ESTATE CORPORATION, )**

23 **Defendants. )**

**CASE NO. 11-cv-08607-R-DTB**

**DECLARATION OF ROLLIE A. )**  
**PETERSON, ESQ. IN SUPPORT )**  
**OF TRI TOOL INC.'S REPLY )**  
**BRIEF IN SUPPORT OF ITS )**  
**MOTION TO MODIFY STAY )**

**Date: August 19, 2013**  
**Time: 10:00 a.m.**  
**Trm: 8, 2<sup>nd</sup> Floor**  
**Judge: Hon. Manuel L. Real**

24 I, Rollie A. Peterson, do hereby solemnly swear:

25 1. I am an attorney licensed to practice law before all the courts in California, including  
26 the United States District Court, Central District. If called to testify in this matter, I could testify  
27 of my only personal knowledge as to the following matters, except where I state otherwise.

28 2. I represent non party Tri Tool Inc., a Nevada corporation (hereafter "Tri Tool") here.  
I also represent Tri Tool in an action whose venue is in the California Superior Court for the  
County of Sacramento, Court Case No. 34-2009-00054045 (hereafter "State Court Action"). The

1 State Court Action is the reason for this motion to lift stay.

2 3. Charles Copeland (hereafter "C. Copeland") testified, in his deposition of February  
3 1, 2013, starting at Page 180:6-25 through 187, that on March 1, 2007, he transferred Copeland  
4 Properties Three's ("CP3") Pacific Western Bank's ("PWB") loan funds to Copeland Properties 14's  
5 ("CP14") bank account. He booked the transfer on CP14's books as a loan from CP3 to CP14. On  
6 April 6, 2007, the day CP3 sold its sole asset, and repaid the PWB loan, C. Copeland debited the  
7 capital accounts of the limited partners, the amount of their investment. At that same time he  
8 correspondingly debited CP3's loans receivable account for CP14's loan payable to CP3, and  
9 established capital accounts in CP14 for the CP3 partners. At the same time, he used CP3's funds  
10 to pay off Copeland Properties 18's ("CP18") carry back note for CP 18's purchase of real property  
11 in North Carolina, in the amount of \$330,000. All this was done by him, within the four year  
12 statute of limitations. [See C. Copeland Deposition Transcript, attached hereto as Exhibit "A"].

13 4. Tri Tool filed its action on July 27, 2009. Tri Tool sued CP3 and Donald Copeland  
14 (hereafter "D. Copeland") as its general partner. D. Copeland had signed off on the note as CP's  
15 general partner. He also testified in his deposition that he was CP3's general partner. [See D.  
16 Copeland Deposition transcript attached hereto as Exhibit "B".]

17 5. In discovery, on January 10, 2010, Tri Tool learned that C. Copeland dissolved CP3,  
18 shortly after close of the Tri Tool/CP3 escrow. C. Copeland, in response to the question : "Were  
19 funds then distributed to the investors from the sale of the building?" responded "Yes". C.  
20 Copeland carefully avoided stating that he transferred the CP3 limited partnership interests to  
21 CP14. [See C. Copeland deposition transcript attached hereto as exhibit "C".]

22 6. As a consequence of this testimony, on October 28, 2010, for Tri Tool, I propounded  
23 discovery on CP 3, C. Copeland, and D. Copeland (heater collectively "Defendants") to learn  
24 whom CP 3's limited partners were. This included serving by mail special interrogatories and  
25 requests for documents. The Defendants did not respond, when the discovery was due December  
26 1, 2012. After meet and confer, I for Tri Tool filed motions to compel on December 15, 2010. On  
27 January 10, 2011, the court granted Tri Tool's motions, ordering responses by no later than January  
28 20, 2011.

1 7. The Defendants failed to comply with the court's January 10, 2011 orders. On  
2 February 10 and 11, 2011, I for Tri Tool served subpoenas on C. Copeland and D. Copeland for  
3 the same documents the court ordered produced. On March 8, 2011, they responded by mail,  
4 objecting to production,

5 8. Through meet and confer, Defendants finally agreed to comply with the court's  
6 orders and the subpoenas, and under cover letter dated Friday, March 18, 2011, Defendants mailed  
7 to Tri Tool the CP3 limited partners' K-1's, which Plaintiff received March 24, 2011.

8 9. The form K-1's revealed that beginning on April 6, 2007, CP3 made distributions  
9 to the limited partners, in the amounts of their original investments. The K-1's did not show that  
10 the distributions to the CP3 limited partners represented a transfer of their CP3 limited partnership  
11 interest into another partnership, instead of a return of the cash they invested.

12 10. On March 30, 2011, Plaintiff sought and obtained from the Sacramento Superior  
13 Court an order shortening time to file the second amended complaint, which it filed, by stipulation,  
14 April 4, 2011. The second amended complaint named the limited partners as Doe Defendants and  
15 added, among other things, a cause of action under the UFTA, Civ. C. §§ 3439, et seq.

16 11. During the late spring and early summer, Tri Tool caused the complaint to be served  
17 on the CP3 limited partners. In August of 2011, attorney for some CP3 limited partners, Robert  
18 Ziprick, called and wrote to Tri Tool's attorney, asking for extensions to respond. He stated that  
19 a property was in escrow, which Tri Tool now believes to be the North Carolina property. He  
20 stated that from the sales proceeds, the Defendants could pay Tri Tool the amounts due on the note,  
21 interest and attorney fees. Tri Tool stopped its litigation and waited, the wait ending with the  
22 filing of this receivership on October 25, 2011.

23 I declare under penalty of perjury under the laws of the State of California that the foregoing  
24 is true and correct and that this declaration was executed on this 5<sup>th</sup> day of August 2013.

25   
26 \_\_\_\_\_  
27 **ROLLIE A. PETERSON, ESQ.**  
28

# **EXHIBIT “A”**

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
IN AND FOR COUNTY OF SACRAMENTO

TRI TOOL, INC,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	CASE NO:
	)	34-2009-00054045
COPELAND PROPERTIES THREE, LP, et	)	
al,	)	
	)	
Defendants.	)	

DEPOSITION OF: CHARLES COPELAND  
TAKEN BY : ROLLIE PETERSON, ESQUIRE  
Commencing : 9:20 A.M.  
Location : 707 Brookside Avenue  
Redlands, California  
Day, Date : FRIDAY, FEBRUARY 1, 2013  
Reported by : Sonja A. Lane, CSR No. 13150  
Pursuant to : Notice  
Original to : ROLLIE PETERSON, ESQUIRE

Pages 1 - 198  
Job No. 131071

<p style="text-align: right;">Page 179</p> <p>1 end of the year.</p> <p>2 Q If you'll run down some of this with me. And</p> <p>3 let's start at the top, "Redlands Centennial Bank," the</p> <p>4 checking account.</p> <p>5 A Just use -- okay.</p> <p>6 Q And if you'll look, you've got N/P CRI. What</p> <p>7 does the "NP" stand for?</p> <p>8 A Note payable.</p> <p>9 Q Note payable?</p> <p>10 A To Copeland Realty.</p> <p>11 Q For 42,000?</p> <p>12 A Correct.</p> <p>13 Q That's money that's owed by CP-3 to --</p> <p>14 A This is a debit to the bank and a credit to the</p> <p>15 note. So this is money Copeland Realty gave the</p> <p>16 partnership.</p> <p>17 Q Correct. It's a note payable to CRI?</p> <p>18 A Correct.</p> <p>19 Q I thought I was headed in that direction.</p> <p>20 And so we got a \$42,000 note followed by a</p> <p>21 \$6,000 note. Okay. And the bank account then should</p> <p>22 track the 42,000 and 6,000 incoming?</p> <p>23 A Correct.</p> <p>24 Q And then as you run down through here, you'll</p> <p>25 see again Copeland Realty, Inc., and quite a number of</p>	<p style="text-align: right;">Page 181</p> <p>1 we put it? It looks like we put it somewhere and then</p> <p>2 moved it.</p> <p>3 Oh, it should be to -- the debit should be</p> <p>4 offset by the note payable. Let me find that.</p> <p>5 Q That's what I was curious --</p> <p>6 A Here it is. Okay. So the first entry that</p> <p>7 you're talking about in the debit column, the 1 million</p> <p>8 795 --</p> <p>9 Q Correct.</p> <p>10 A -- from Pacific Western Bank, was credited as a</p> <p>11 payable to Pacific Western Bank for a million 795.</p> <p>12 Q And where do you see that?</p> <p>13 A That's on page --</p> <p>14 Q I got it right here.</p> <p>15 A -- 3.</p> <p>16 Q It's on next page over.</p> <p>17 A About a third of the way down. Account --</p> <p>18 Q Sure.</p> <p>19 A -- 2002.</p> <p>20 Q Yep, that's right.</p> <p>21 Okay. But then as I'm looking at this, I've</p> <p>22 got a debit of 1 million 795, and a credit for 1,705,000.</p> <p>23 And it says to record transfer to CP-14. General</p> <p>24 journal, GJ 406, on 4/6/07. So we're out of balance at</p> <p>25 that point by --</p>
<p style="text-align: right;">Page 180</p> <p>1 them. And then there's Rich Alford of course. No sense</p> <p>2 of humor at 4:00?</p> <p>3 A I probably wasn't paying as much attention as I</p> <p>4 should.</p> <p>5 Q I was checking.</p> <p>6 Then you have the Copeland Realty Trust</p> <p>7 deposit. Okay. And then we have a Copeland Properties</p> <p>8 14 online transfer of 1,795,000. And that's the money</p> <p>9 that went out; right?</p> <p>10 A Correct.</p> <p>11 Q Now, up above we've got it identified as note</p> <p>12 payable CRI. Here it just says, "Online transfer."</p> <p>13 Okay.</p> <p>14 So how do we know how it was handled in the</p> <p>15 books of the partnership?</p> <p>16 A We have to find where we posted it.</p> <p>17 Q Okay.</p> <p>18 A You're going to find on page 2, account 1414,</p> <p>19 note receivable CP-14.</p> <p>20 Q Okay.</p> <p>21 A 1.795 going into that account.</p> <p>22 Q Okay. I got 1.705. Is that an error,</p> <p>23 inputting error? You've got actually a two record</p> <p>24 transfer to CP-14, 1 million --</p> <p>25 A There's got to be a 1.795 somewhere. Where did</p>	<p style="text-align: right;">Page 182</p> <p>1 A I would submit to you that the million 705 and</p> <p>2 the 333 are deficiencies in my bookkeeper's skills.</p> <p>3 Q Okay. Okay. That's what I'm -- I was</p> <p>4 wondering.</p> <p>5 So in other words, she was supposed to have</p> <p>6 posted this as a note receivable, and then -- well, she</p> <p>7 did, she posted it as a note receivable as of 3/1/2007,</p> <p>8 and that's about the time --</p> <p>9 A That the loan was made.</p> <p>10 Q -- that the loan was made. But it was also</p> <p>11 withdrawn at that time.</p> <p>12 A Well, it was sent.</p> <p>13 Q No, no, no.</p> <p>14 A It was sent over to CP-14. And you're going to</p> <p>15 find that --</p> <p>16 Q Yeah, okay.</p> <p>17 A -- in page 2, note receivable CP-14, a debit of</p> <p>18 a million 795. And you're going to find a credit on</p> <p>19 March 1st for wire transfer to CP-14 for a million 795.</p> <p>20 Q Uh-huh.</p> <p>21 A So the money comes from the bank to the</p> <p>22 partnership. The partnership owes the bank the money.</p> <p>23 The partnership then lends the money to CP-14. CP-14</p> <p>24 then owes CP-3 the money.</p> <p>25 Q Right.</p>

Page 183	<p>1 When we come down to under 2020 notes payable</p> <p>2 to CRI, you got on the left-hand side -- I'm sorry, you</p> <p>3 got on the credit side, increasing the liability owed to</p> <p>4 CRI approximately about 90 -- \$95,000, right, during this</p> <p>5 period?</p> <p>6 A Yep.</p> <p>7 Q Then the left-hand side, we've got partial</p> <p>8 payments on the note payable. Okay.</p> <p>9 Let me -- and we've got three partial payments</p> <p>10 that says, "a note payable."</p> <p>11 Was there more than one note -- I mean, did you</p> <p>12 actually have formal notes that you kept?</p> <p>13 A No.</p> <p>14 Q Okay. It was all accounting transactions?</p> <p>15 A Yes.</p> <p>16 Q Okay.</p> <p>17 MR. ZIPRICK: Can I interject a question?</p> <p>18 MR. PETERSON: Sure, you can.</p> <p>19 MR. ZIPRICK: If I understand it right, then</p> <p>20 the note on this ledger is created from CP-14 to CP-3 --</p> <p>21 THE WITNESS: Yes.</p> <p>22 MR. ZIPRICK: -- in a general ledger.</p> <p>23 THE WITNESS: There's not a formal note, but</p> <p>24 the general ledger constitutes a note.</p> <p>25 MR. ZIPRICK: Is that note in existence today?</p>	Page 185	<p>1 MR. PETERSON: Are you on the general ledger;</p> <p>2 right?</p> <p>3 MR. BRUBACHER: General ledger, December 31,</p> <p>4 2007, is the first page.</p> <p>5 MR. PETERSON: No, we're not. We're on</p> <p>6 different pages.</p> <p>7 MR. BRUBACHER: I'm sorry. That's my fault.</p> <p>8 I'm on the second page of it.</p> <p>9 MR. PETERSON: Thank you. That really threw</p> <p>10 me, because I was trying figure out where you were.</p> <p>11 THE WITNESS: Okay.</p> <p>12 MR. PETERSON: It's where we were talking</p> <p>13 about --</p> <p>14 MR. ZIPRICK: Note receivable, 1414.</p> <p>15 MR. BRUBACHER: Yep. It says, "General journal</p> <p>16 April 6th, 2007," the number "GJ 406."</p> <p>17 MR. ZIPRICK: Yes, I see that.</p> <p>18 MR. BRUBACHER: To record transfer to CP-14.</p> <p>19 THE WITNESS: Yes.</p> <p>20 MR. BRUBACHER: \$1,750,000.</p> <p>21 THE WITNESS: Uh-huh.</p> <p>22 MR. BRUBACHER: That's the entry that you're</p> <p>23 talking about which accomplished the transfer of the --</p> <p>24 THE WITNESS: No. That's what I described</p> <p>25 earlier as deficiencies in my bookkeeping staff.</p>
Page 184	<p>1 THE WITNESS: No. That note was paid by</p> <p>2 transferring that equity in CP-14. That note was</p> <p>3 converted to equity in CP-14, and that equity was</p> <p>4 transferred to the limited partners of CP-3.</p> <p>5 So CP-3 partners own now today equity in CP-18</p> <p>6 equal to the amount equal to or greater than that million</p> <p>7 &amp; note.</p> <p>8 MR. ZIPRICK: Okay.</p> <p>9 MR. BRUBACHER: And is that reflected in the</p> <p>10 item number 1414, where it says, "General journal April</p> <p>11 6th, 2007"?</p> <p>12 MR. PETERSON: Where are you at, Marshall?</p> <p>13 MR. BRUBACHER: I'm on the first page of the</p> <p>14 general ledger.</p> <p>15 MR. PETERSON: Page 1.</p> <p>16 MR. BRUBACHER: It's on the first page of the</p> <p>17 general ledger, 1414.</p> <p>18 MR. PETERSON: 1414 on page 1. That's the</p> <p>19 problem. There it is.</p> <p>20 MR. BRUBACHER: There's a general journal dated</p> <p>21 April 6th, 2007. It says, "GJ 406." To record transfer</p> <p>22 to CP-14, \$1,705,000.</p> <p>23 MR. PETERSON: Shoot. I'm not -- I'm not</p> <p>24 tracking with you.</p> <p>25 THE WITNESS: I'm not tracking with you either.</p>	Page 186	<p>1 MR. BRUBACHER: Why do you think that's a</p> <p>2 deficiency?</p> <p>3 THE WITNESS: Because that should be 1 million</p> <p>4 795.</p> <p>5 MR. BRUBACHER: Why do you think that?</p> <p>6 THE WITNESS: Because there was no transfer to</p> <p>7 Copeland Properties 14 of 1.705. The full amount of</p> <p>8 1.795 was transferred. And so this was a mistake that</p> <p>9 gets correct later.</p> <p>10 MR. BRUBACHER: Just to maybe clear something</p> <p>11 up here a little bit. If you total the investments of</p> <p>12 the limited partners who received CP-14 interests, they</p> <p>13 total to \$1,705,000, not \$1,795,000.</p> <p>14 THE WITNESS: To answer that, then we could</p> <p>15 look at the other side of this GJ 406 and we can go to</p> <p>16 the capital accounts. And if it was truly the transfer</p> <p>17 of equities, it's going to be in GJ 406 in the capital</p> <p>18 accounts.</p> <p>19 MR. BRUBACHER: Okay.</p> <p>20 THE WITNESS: I see a GJ 406 in Ihde's capital</p> <p>21 account, and so you may very well be correct. I see a GJ</p> <p>22 406 in Sandra Hayes's account. And so it appears that we</p> <p>23 transferred 1.705 as an equity transfer to them.</p> <p>24 BY MR. PETERSON:</p> <p>25 Q Okay. And so that basic --</p>



<p style="text-align: right;">Page 187</p> <p>1 A Leaving 90,000 to be done.</p> <p>2 Q Chuck, if you go back and -- again, and look at</p> <p>3 the dating on it. If you look at the date here. It says</p> <p>4 check 3/1/2007, okay, that's one day before -- that's one</p> <p>5 day before the closing of the North Carolina properties,</p> <p>6 which closed on 3/2/2007. And I think check was probably</p> <p>7 in actuality a wire transfer.</p> <p>8 And it says, "Online transfer 1,795,000." So</p> <p>9 what happened here was, it appears that the monies moved</p> <p>10 from CP-3 to Copeland Properties 14 on 3/1/2007. And</p> <p>11 then moved from there to Greensboro, North Carolina -- is</p> <p>12 it Greensboro? -- to close CP-18?</p> <p>13 A Correct.</p> <p>14 Q Okay. And then we've got the next dating down</p> <p>15 here of 4/6, the date of the closing of the second escrow</p> <p>16 or the Tri Tool escrow. And we recorded this transfer of</p> <p>17 1.705, and if you look back, that would match up to what</p> <p>18 we talked about earlier, was the transfer of those. And</p> <p>19 so what that's being credited back against is essentially</p> <p>20 the loan for 1.795; right?</p> <p>21 A It's reducing what CP-14 owed to CP-3.</p> <p>22 Q But there's got to be another entry.</p> <p>23 A There's another 90,000 left.</p> <p>24 Q This program won't allow you to become</p> <p>25 unbalanced?</p> <p style="text-align: right;">Page 188</p> <p>1 A Correct.</p> <p>2 Q You can make mistakes and put it in the wrong</p> <p>3 place?</p> <p>4 A But there's an offsetting entry to this 1.705.</p> <p>5 That's what Marshall was talking about. If you go to all</p> <p>6 the capital.</p> <p>7 Q The \$90,000?</p> <p>8 A Well, the 90,000 is going to come later. It's</p> <p>9 not here. 1.705 is what was the addition of all of the</p> <p>10 limited partners that had equity coming to them on the</p> <p>11 close of the Tri Tool purchase.</p> <p>12 Q Okay.</p> <p>13 A The remaining 90,000 hasn't been given to</p> <p>14 anybody yet. That's going to go to Copeland Realty in</p> <p>15 the settlement of all of its debt.</p> <p>16 Q The long and short of it was, is that the</p> <p>17 \$1,800,000 was -- went to CP-18, so that CP-18 could</p> <p>18 close the property in North Carolina?</p> <p>19 A Correct.</p> <p>20 Q If you go down to -- let's see, Neal Bricker</p> <p>21 now on 3860. And we were talking about Neal Bricker a</p> <p>22 little bit earlier. And we're showing here the -- to</p> <p>23 reclassify draws to capital. What does that mean, a</p> <p>24 general journal entry of 1/1/2007?</p> <p>25 A Well, this is a general journal entry, so if</p>	<p style="text-align: right;">Page 189</p> <p>1 you saw earlier -- and this is general journal entry 102,</p> <p>2 is the first one.</p> <p>3 Q Sure.</p> <p>4 A And that 94,000 -- or I'm sorry, general</p> <p>5 journal 406.</p> <p>6 Q Isn't that the 50,000 that went into the --</p> <p>7 A It's not -- no. The two of them together are</p> <p>8 journal entries to increase the Bricker's investment in</p> <p>9 Fixed Income 2.</p> <p>10 Q Right.</p> <p>11 A And then the third one is cash to finish it</p> <p>12 off. So we had earlier a --</p> <p>13 Q There's a --</p> <p>14 A -- note payable.</p> <p>15 MR. BRUBACHER: JE 5.</p> <p>16 THE WITNESS: Yeah. On journal entry 5,</p> <p>17 there's a note payable of Copeland Fixed Income 2 of</p> <p>18 \$94,000. And that's getting closed out and getting</p> <p>19 credited to Bricker's account as part of its</p> <p>20 distribution. And then 50,000 is getting closed out and</p> <p>21 getting credited to Bricker's account.</p> <p>22 BY MR. PETERSON:</p> <p>23 Q It says, "Check." And so there was a check</p> <p>24 that was issued to Copeland Fixed Income 2 for 71,000</p> <p>25 that's part of the Bricker distribution as a result of</p> <p style="text-align: right;">Page 190</p> <p>1 the --</p> <p>2 A Almost. It was a check issued to Peggy and</p> <p>3 Leonard Newman for \$50,000, because they were investors</p> <p>4 in Fixed Income 2. They got that, and Bricker's got</p> <p>5 their equity in Fixed Income 2.</p> <p>6 Q Okay. Okay.</p> <p>7 A Then there was a note paid off for 94,000. And</p> <p>8 a check actually sent to Fixed Income 2 for 71,000.</p> <p>9 Q Okay.</p> <p>10 MR. BRUBACHER: Can I ask a question, Rollie?</p> <p>11 MR. PETERSON: Absolutely.</p> <p>12 MR. BRUBACHER: This is a little bit confusing.</p> <p>13 You said there was a note paid off for \$94,000. If you</p> <p>14 look on the page just before that, under "note payable</p> <p>15 CFI-2, 2085."</p> <p>16 THE WITNESS: Yes.</p> <p>17 MR. BRUBACHER: It shows -- and if I'm reading</p> <p>18 this correctly, that CP-3 is issuing a note in the amount</p> <p>19 of \$94,000 payable to CFI-2, Copeland Fixed Income 2; is</p> <p>20 that correct?</p> <p>21 THE WITNESS: That's correct.</p> <p>22 MR. BRUBACHER: So then when we flip over to</p> <p>23 the next page, we got this -- what we were just looking</p> <p>24 at, we got a \$94,000 debit entry to Dr. Bricker's capital</p> <p>25 account.</p>
--	---

# **EXHIBIT “B”**

# CERTIFIED COPY

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

TRI TOOL, INC., a Nevada corporation,

Plaintiff,

Case No. 34-2009-0054045

vs.

COPELAND PROPERTIES THREE, LP, a  
California limited partnership; CHARLES  
P. COPELAND, an individual; DONALD E.  
COPELAND, an individual; and DOES 1  
through 20, inclusive,

Defendants. )

)

DEPOSITION OF DONALD EUGENE COPELAND

LOCATION: DILL AND SHOWLER  
411 Brookside Avenue  
Redlands, CA 92373

DATE AND TIME: Monday, January 18, 2010  
12:40 p.m. to 2:00 p.m.

REPORTED BY: GINA M. TOMPKINS, CSR  
CSR No. 9123

JOB NO.: 011810BGT

MARTIN, TOMPKINS & ASSOCIATES  
6719 Redlands Court  
Riverside, California 92506  
(951) 924-5665 (951) 601-9810 Fax

1 A. Yes. Mr. Rahimian or Jensen or Tapp. I  
2 don't recall exactly who was speaking for Jamal.

3 Q. And the communication was that Tri Tool  
4 wouldn't what? Wouldn't interfere with their trying to 5 keep  
the easement or what?

6 A. What they communicated to us was that after 7  
presenting their building plan, there was no objections 8 by Tri  
Tool as to the proposed building plans which  
9 included use of the easement.

10 Q. Okay. During the course of that telephone 11  
meeting, what else was said?

12 A. I don't recall all the particulars. That's 13  
just what I remember from that conference call.

14 Q. Okay. Why were you on the conference call at 15 that  
point?

16 A. Because I am general partner and party to the 17  
note.

18 Q. Okay. And why was -- who put the conference 19 call  
together?

20 A. I believe it was Mike O'Neil.

21 Q. Mike O'Neil?

22 A. Yes.

23 Q. Do you know why he included Tri Tool in the 24  
call?

25 A. Because they met with Jamal.

MARTIN, TOMPKINS & ASSOCIATES

**EXHIBIT “C”**

# CERTIFIED COPY

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

TRI TOOL, INC., a Nevada corporation, )

Plaintiff, )

vs. )

Case No. 34-2009-005404

COPELAND PROPERTIES THREE, LP, ) a  
California limited partnership; ) CHARLES  
P. COPELAND, an individual; ) DONALD E.  
COPELAND, an individual; ) and DOES 1  
through 20, inclusive, )

Defendants. )

## DEPOSITION OF CHARLES PERRY COPELAND

LOCATION:

DILL AND SHOWLER  
411 Brookside Avenue  
Redlands, CA 92373

DATE AND TIME:

Monday, January 18, 2010  
9:00 a.m. to 11:30 a.m.

REPORTED BY:

GINA M. TOMPKINS, CSR  
CSR No. 9123

JOB NO.:

011810AGT  
MARTIN, TOMPKINS & ASSOCIATES  
6719 Redlands Court  
Riverside, California 92506  
(951) 924-5665 (951) 601-9810 Fax

1 A. Shortly after the sale of the building.

2 Q. Okay. Were funds then distributed to the  
3 investors from the sale of the building?

4 A. Yes.

5 Q. Do you remember how much was distributed?

6 A. No.

7 Q. Was it more than 200,000?

8 A. Yes.

9 Q. How long did you hold that property? And I  
10 said "you." How long did Copeland Properties Three  
11 hold the Sunrise property?

12 A. I would be guessing. Less than five years.

13 Q. Can you tell me what the purchase price was?

14 A. No.

15 Q. Was it less than \$9million?

16 A. I don't know. 9 million would be my over/  
17 under.

18 Q. Meaning?

19 A. The price is over or under 9million, in my  
20 mind, close.

21 Q. Okay. Do you think it would have been less  
22 than 9.250,9,250,000?

23 A. I don't know.

24 Q. But you believe that it was somewhere in the  
25 neighborhood of about 9million?



MARTIN, TOMPKINS & ASSOCIATES

1 **Rollie A. Peterson, Esq., (SBN #113042)**  
2 **Rpeterson@peterson-kell.com**  
3 **PETERSON & KELL, A LAW CORPORATION**  
4 **2377 Gold Meadow Way, Suite 280**  
5 **Gold River, California 95670**  
6 **Telephone: (916) 635-9300**  
7 **Fax: (916) 635-9303**

8 **Attorneys for Tri Tool Inc.**

9 **UNITED STATES DISTRICT COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA**  
11 **WESTERN DIVISION**

12 **SECURITIES AND EXCHANGE**  
13 **COMMISSION,**

14 **Plaintiff,**

15 **vs.**

16 **CHARLES P. COPELAND,**  
17 **COPELAND WEALTH**  
18 **MANAGEMENT, A FINANCIAL**  
19 **ADVISORY CORPORATION;**  
20 **and COPELAND WEALTH**  
21 **MANAGEMENT, A REAL**  
22 **ESTATE CORPORATION,**

23 **Defendants.**

**CASE NO. 11-cv-08607-R-DTB**

**CERTIFICATE OF SERVICE**  
**RE: TRI TOOL'S REPLY BRIEF**  
**IN SUPPORT OF ITS MOTION**  
**TO MODIFY STAY**

**Date: August 19, 2013**  
**Time: 10:00 a.m.**  
**Ctrm: 8, 2<sup>nd</sup> Floor**  
**Judge: Hon. Manuel L. Real**

24 I, Sheleen Haddad, declare I am a citizen of the United States and a resident of the County  
25 of Sacramento; I am over the age of eighteen (18) years, and not a party to or interested in this action.  
26 I am an employee of Peterson & Kell, A Law Corporation, and my business address is 2377 Gold  
27 Meadow Way, Suite 280, Gold River, California 95670.

28 On August 5, 2013, I served the following document(s):

- (1) Tri Tool Inc.'s Reply Brief in Support of its Motion to Modify Stay; and
- (2) Declaration of Rollie A. Peterson, Esq., in Support of Tri Tool Inc.'s Reply Brief in Support of its Motion to Modify Stay

1 I placed each envelope for collection and mailing following ordinary business practices. I am  
2 readily familiar with Peterson & Kell, A Law Corporation's practice for collection and processing  
3 correspondence for mailing with the United States Postal Service pursuant to which practice all  
4 correspondence will be deposited with the United States Postal Service the same day in the ordinary  
5 course of business by placing a true copy of the foregoing document(s) in a separate, sealed envelope  
6 with postage fully prepaid, for each addressee named hereafter.

7 **[SEE ATTACHED SERVICE LIST]**

8 I declare under penalty of perjury under the laws of the State of California that the foregoing  
9 is true and correct. Executed on August 5, 2013, at Gold River, California.

10  
11   
12 **SHELEEN K. HADDAD**

13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**SERVICE/MAILING LIST**

Charles P. Copeland Copeland Group 501 W. Broadway, #800 San Diego, CA 92101-3546	Home Savings & Loan Attn: Dan NY White 275 W. Federal St. Youngstown, OH 44503	Carol P. Lowe 1837 Onda Dr. Camarillo, CA 93010
Gregory J. Sherwin, Esq. Fields, Fehn & Sherwin 11755 Wilshire Blvd, 5 <sup>th</sup> Flr. Los Angeles, CA 90025-1521	Wells Fargo Commercial Mortgage Servicing 1901 Harrison St., 7 <sup>th</sup> Flr. Oakland, CA 94612	Charles Grey 63 Tumbury Ln. Irvine, CA 92620
One West Bank 888 East Walnut St. Pasadena, CA 91101	Andrew J. Haley, Esq. Greenwald Pauly Foster & Miller 1299 Ocean Ave., #400 Santa Monica, CA 90401- 1007	Carol Docis Brokerage A/C 18028 W. Kenwood Ave. Devore, CA 92407
Michael O'Callaghan/ Mark Furuya, Esq. Sabaitis O'Callaghan LLP 975 E. Green St. Pasadena, CA 91106	Pamela Wachter McAfee NelsonMullinsRiley&Scar borough GlenLake One, #200, 4140 Parklake Ave. Raleigh, NC 27612	Richard Neal 7322 Starboard St. Carlsbad, CA 92011
Flagstar Bank Mail-Stop W-205-2 5151 Corporate Dr. Troy, MI 48098	Anh T. Nong & Nhon Nguyen TTEE Pen 209 E. Sunset Dr. South Redlands, CA 92373	Charles Schwab FBO Melvyn B. Roth IRA 5401 Lido Sands Dr. Newport Beach, CA 92663- 2204
Dana Leigh Ozola/ The Wolf Firm, Attys to Financial Services Ind. 2955 Main St., 2 <sup>nd</sup> Floor Irvine, CA 92614	Barbara Whan 5944 Spoon Road Palm Springs, CA 92264-6351	Bonnie Kilmer 5120 Breckenridge Ave. Banning, CA 92220
Wells Fargo Commercial Mortg. Attn: Ken Murray 1901 Harrison St., 7 <sup>th</sup> Flr. Oakland, CA 94612	Adele M. Hansen 6609 Summertrail Place Highland, CA 92346	William F. Davis Re: Floyd N. Andersen Highway 111 #9-472 LaQuinta, CA 92253
LNR (Loan Servicer) Attn: Jorge Rodriguez 1601 Washington Ave., 7 <sup>th</sup> Flr. Miami, FL 33139	Robert & Gladys Mitchell 11761 Almond Ct. Loma Linda 92354	Charles Schwab FBO Irena Sniecinski IRA P.O. Box 161680 Big Sky, MT 59716-1680
C-III Asset Management LLC Attn: Kathy Patterson 5221 N. O'Connor Blvd., #600 Irving, TX 75039	Betty Markwardt 1220 West 4 <sup>th</sup> St. Anaconda, MT 59711	Maria Perez 1364 Auroa Lane San Bernardino, CA 92408
	Barbara Z. Stahr 667 Gull Dr. Bodega Bay, CA 94923	Geoffrey A. Gardiner 11535 Acacia St. Loma Linda, CA 92354

1	Fred & Joyce Dimmitt 321 Myrtlewood Dr. Calimesa, CA 92320	Charles Schwab FBO Kirk Howard IRA 1648 Woodlands Rd. Beaumont, CA 92223	David Ziilch Trust 941 Kensington Dr. Redlands, CA 92374
3	Charles Schwab FBO Melvyn Ross Roth IRA 5401 Lido Sands Dr. Newport Beach, CA 92663	Charles Schwab/FBO Janet Ihde 74-785 Hwy. 111 Wall St. W. Bldg. #102 Indian Wells, CA 92210	Cynthia Healy 2560 Gorden Rd., #201-A Monterey, CA 93942
6	Charles Schwab FBO Janet Ihde IRA 35-800 Bob Hope Dr., #225 Rancho Mirage, CA 92270	Charles Schwab FBO Melvyn Ross Roth IRA 5401 Lido Sands Dr. Newport Beach, CA 92663	David Conston 417 Chino Canyon Palm Springs, CA 92262
8	Charles Schwab FBO Janet K. Ihde IRA P.O. Box 2131 Palm Springs, CA 92263	Charles Schwab FBO Richard Paul Blandford 7838 Valmont St. Highland, CA 92346	Dusty Bricker 28 Ave at Port Imperial #220 West New York, NJ 07093
11	Charles Schwab FBO Kirk Howard Roth IRA 1648 Woodlands Rd. Beaumont, CA 92223	Charles Schwab FBO Karl Phillips Roth IRA 27878 Via Sarasate Mission Viejo, CA 92692	Diana M. Weed 1339 Wallach Place NW Washington, DC 20009
13	Charles Schwab FBO Leonard F. Neumann IRA 30176 Live Oak Canyon Rd. Redlands, CA 92373	Charles Schwab FBO Albert IRA 232 Anita Ct. Redlands, CA 92373	Dotan Family Trust 1618 Woodlands Beaumont, CA 92228
16	Charles Schwab FBO Angela Ellingson IRA 1155 Dysart Dr. Banning, CA 92220	Jacobson Trust 384 Mesa Verde Park Beaumont, CA 92223	Elena Nizzia 1155 Dysart Dr. Banning, CA 92220
18	Charles Schwab FBO Howard Racine IRA 1408 S. Center St. Redlands, CA 92373	Christi C. Higdon 11331 Sundance Lane Boca Raton, FL 33428	Earl R. Schamehorn, Jr. 1721 Valley Falls Ave. Redlands, CA 92374
20	Charles Schwab FBO Donald I. Peterson 11075 Benton St., #224 Loma Linda, CA 92354	Robert & Enid McColloch 5520 Apple Orchard Ln. Riverside, CA 92506	Eddie & Jamie Dotan 20 Fairlee Terrace Waban, MA 02468
22	Charles Schwab FBO Janet Ihde IRA P.O. Box 2131 Palm Springs, CA 92263	J. Jay & Theresa Whan 30660 Susan Dr. Cathedral City, CA 92234	Gordon & Myra Peterson 118 Edgemont Dr. Redlands, CA 92373
24	Charles Schwab FBO Donald I. Peterson 11075 Benton St., #224 Loma Linda, CA 92354	Clem M. McColloch 5520 Apple Orchard Ln. Riverside, CA 92506	Fred & Elaine Hollaus 1096 Deer Clover Way Castle Pines, CO 80108- 8271
26	Charles Schwab FBO Janet Ihde IRA P.O. Box 2131 Palm Springs, CA 92263	Christine Coffman 11331 Sundane Lane Boca Raton, FL 33428	James Powell P.O. Box 294 Joshua Tree, CA 92252-0294
28		Cinque Family Trust 36261 Chaparral Ct. Yucaipa, CA 92399	James R. Watson, MD, Inc. Profit Sharing Plan 259 Terracina Blvd. Redlands, CA 92373

1	Henry W. Shelton 805 Nottingham Dr. Redlands, CA 92373	Leonard F. Neumann 30176 Live Oak Canyon Rd. Redlands, CA 92373	Neal & Ruth Bricker Family Trust 985 S. Orange Grove Blvd., #101 Pasadena, CA 90015
3	Jessie Coleen Birch Rev. Trust 1948 Cave St. Redlands, CA 92374	Leslie G. Laybourne 11050 Bryant St., #276 Yucaipa, CA 92399	Neal Living Trust 7322 Starboard St. Carlsbad, CA 92011
5	Jill A. Meader Rev. Trust 27250 Nicolas Rd., Apt. A231 Temecula, CA 92591	Joseph Dotan 1618 Woodlands Beaumont, CA 92228	Lillian N. Franklin 740 E. Avery St. San Bernardino, CA 92404
7	Hu Tongs, Inc. 16127 Kasota Rd., #105 Apple Valley, CA 92307	Louise Coffman 19291 Sabal Lake Dr. Boca Raton, FL 33434	Ngyuen & Nong Pension Plan 209 East Sunset Dr. South Redlands, CA 92373
9	JRT Revocable Trust Jon Taylor Trustee P.O. Box 681 Calimesa, CA 92320	Luckey Charitable Trust 8531 Glendale Rd. Hesperia, CA 92345	Patrice A. Milkovich 3605 Bonita Verde Dr. Bonita, CA 91902
11	Kasora Group 279 Green Mountain Palm Desert, CA 92211	Kathi Seegraves 20521 Whitstone Circle Bend, OR 97702	Manley J. Luckey 8531 Glendale Rd. Hesperia, CA 92345
13	James P. Gerrard 1562 Lisa Ln. Redlands, CA 92374	Margarita Estra Perez P.O. Box 370 Chino, CA 91708	Peggy Hatfield Neumann 30176 Live Oak Canyon Rd. Redlands, CA 92373
15	Kathleen R. Wright 3605 Bonita Verde Dr. Bonita, CA 91902	Marjorie Hatfield Living Trust (Peggy Neumann) 30176 Live Oak Canyon Rd. Redlands, CA 92373	Perez Family Survivors Trust 13219 Pipeline Ave. Chino, CA 91710
17	Katie Hernandez P.O. Box 8874 Redlands, CA 92375	Khari Baker 27878 Via Sarasate Mission Viejo, CA 92692	Mark & Barbara Carpenter 35571 Sleepy Hollow Rd. Yucaipa, CA 92399
19	Jean Seyda 168 Lakeshore Dr. Rancho Mirage, CA 92270	Mary Margaret Hasy Rev. Trust 6609 Summer Trail Place Highland, CA 92346	Peterson Rev. Living Trust 11075 Benton St., #224 Loma Linda, CA 92354
21	Robert Casady 14047 Pamlico Rd. Apple Valley, CA 92307	Melvyn & Ruth Ross 5401 Lido Sands Dr. Newport Beach, CA 92663	Pinkner Family Turst 279 Green Mountain Palm Desert, CA 92211
23	Jon J. Whan 30660 Susan Dr. Cathedral City, CA 92234	Smith Revocable Trust Lenna Smith 38367 Cherrywood Dr. Murieta, CA 92562	Neonatology Medical Group, Inc. Retirement Plan 731 Buckingham Dr. Redlands, CA 92374
25	Joe Pinkner 279 Green Mountain Palm Desert, CA 92211		
26			
27			
28			

<p>1 Ron Mitchell 12033 Fourth St. 2 Yucaipa, CA 92399</p> <p>3 Samuel D. Gregory 4432 Strong St. 4 Riverside, CA 92501</p> <p>5 Paul Family Trust P.O. Box 7357 6 Redlands, CA 92375</p> <p>7 Schachtel Family Trust 6 Strauss Terrace 8 Rancho Mirage, CA 92270</p> <p>9 Steele Family Trust 26858 Calle Real 10 Capistrano Beach, CA 92624</p> <p>11 Perry Damiani 16127 Kasota Road, #105 12 Apple Valley, CA 92307</p> <p>13 Taber Family Trust 1475 Crestview Rd. 14 Redlands, CA 92374</p> <p>15 TD Ameritrade FBO Steven IRA 16 14424 Greenpoint Ln. Huntersville, NC 28078</p> <p>17 Rhonda Dean 18 1705 Antho NY Ave. Cottage Grove, OR 97424</p> <p>19 Donna Wooley 20 12721 Columbia Ave. Yucaipa, CA 92399</p> <p>21 TD Ameritrade 22 FBO Betty Markwardt IRA 1220 West 4<sup>th</sup> St. 23 Anaconda, MT 59711</p> <p>24 Robert R. &amp; Elayne Allen Route 2 Box 284 25 Ellington, MO 63638</p> <p>26 TD Ameritrade FBO Horace Dillow IRA 27 1343 Crestview Rd. Redlands, CA 92374</p> <p>28</p>	<p>Cynthia Gillilan 39292 Oak Glen Rd. Yucaipa, CA 92399</p> <p>Sandra &amp; Perry Hayes 111 E. Sunset Dr. South Redlands, CA 92373</p> <p>Jennifer Smith 38367 Cherrywood Dr. Murrieta, CA 92562</p> <p>TD Ameritrade FBO Eddie Dotan Rollover IRA 20 Fairlee Terrace Waban, MA 02468</p> <p>Stahr Living Trust 667 Gull Dr. Bodega Bay, CA 94923</p> <p>TD Ameritrade FBO Joseph Dotan IRA 1618 Woodlands Rd. Beaumont, CA 92223</p> <p>The Bork Family Trust 24968 Lawton Ave. Loma Linda, CA 92357</p> <p>TD Ameritrade FBO Charles Grey IRA 63 Tumbury Ln. Irvine, CA 92620</p> <p>Ziilch Family Trust 667 Gull Dr. Bodega Bay, CA 94923</p> <p>Thomas Phillips 1582 Huckleberry Len. San Luis Obispo, CA 93401</p> <p>TD Ameritrade FBO Jill Meader IRA 27250 Nicolas Rd., #A231 Temecula, CA 92591</p> <p>William &amp; Marion Conley 376 Franklin Ave. Redlands, CA 92373</p>	<p>Ziilch Bypass Trust 667 Gull Dr. Bodega Bay, CA 94923</p> <p>TD Ameritrade FBO Stephen Weiss IRA Rollover 109 Midland Rd. Charlestown, RI 02813</p> <p>Louis G. Fournier III The Sutton Companies 525 Plum St., #100 Syracuse, NY 13204</p> <p>Debra B. Gervais Law Office of Debra B. Gervais 302 West South Ave. Redlands, CA 92373</p> <p>TD Ameritrade FBO Ehud Dotan IRA 20 Fairlee Terrace Waban, WA 02468</p> <p>Michael S. Leib Third Flr Essex Centre 28400 Northwestern Highway Southfield, MI 48034-8004</p> <p>TD Ameritrade FBO Dallas Stahr IRA 667 Gull Dr. Bodega Bay, CA 94923</p> <p>Gregory Glenn/Glenn Conservship. Cynthia Healy P.O. Box 4037 Monterey, CA 93942</p> <p>Dorothy Ziilch 667 Gull Dr. Bodega Bay, CA 94923</p> <p>The Peterson Rev. Living Trust 11075 Benton St., #224 Loma Linda, CA 92354</p> <p>Judy Racine 1408 S. Center St. Redlands, CA 92373</p>
--	---	--



1	William & Dolores McDonald 1354 Rhonda Ln. Redlands, CA 92373	Duane Mooris, LLP 1 Market Plaza Spear Tower #2200 San Francisco, CA 94105- 1127	TD Ameritrade FBO Don L. Higdon IRA 1600 Rhododendron, #412 Florence, OR 97439
2			
3	Timothy C. Weed 133 E. Palm Ln. Redlands, CA 92373	David Baldrige 1717 Chaparrall, #2 Redlands, CA 92373	Rick Higdon 29107 Guava Ln. Big Pine Key, FL 33043
4			
5	Norman & Lois Smith 36135 Golden Gate Dr. Yucaipa, CA 92399	Judy Baca 1001 West Balboa Blvd. Newport Beach, CA 92661	Klaus & Linda Kuehn 13138 Oak Crest Dr. Yucaipa, CA 92399
6			
7	Brian & Sheri Branson 302 W. South Ave. Redlands, CA 92373	Suzane L. Bricker 1444 W. 11 <sup>th</sup> St. Upland, CA 91786	Dr. John Kohut/Mrs. Joann Kohut/ Kohut Family Trust/John Kohut FBO John Kohut IRA c/o Lisa Torres, Esq. Gages O'Doherty Gonter & Guy 15373 Innovation Dr., #170 San Diego, CA 92128
8			
9	David Holden 555 W. Redlands Blvd. Redlands, CA 92373	Dusty Bricker 241 W. 97 <sup>th</sup> St., #14M New York, NY 10025	Wayland W. Eure, Jr., MD/ FBO W.W. Eure Jr., MD Inc. IRA c/o David G. Moore, Esq. Reid & Hellyer, APC 3880 Lemon St., 5 <sup>th</sup> Flr. P.O. Box 1300 Riverside, CA 92502-1300
10			
11	Chris Condon 1334 Susan Ave. Redlands, CA 92374	Klaus K.A. Kuehn 3404 Beverly Dr. San Bernardino, CA 92405	Lynch Bypass Trust/Lifetime Trust c/o David Moore/Moore & Skiljan 7700 El Camino Real, #207 Carlsbad, CA 92009
12			
13	Mark Edwards P.O. Box 9058 Redlands, CA 92346	Wright Family Living Trust 111 Sierra Vista Dr. Redlands, CA 92373	George Fletcher/ Janet Fletcher, c/o Christopher A. Shumate 1801 Orange Tree Ln., #230 Redlands, CA 92374-4587
14			
15	William R. & Janice L. Steele 26858 Calle Real Capistrano Beach, CA 92624	Stewart R. Wright 111 Sierra Vista Dr. Redlands, CA 92373	George Fletcher/ Janet Fletcher 1910 Country Club Lane Redlands, CA 92373
16			
17	Frank Quinlan 895 Dove St., 5 <sup>th</sup> Flr. Newport Beach, CA 92660	Higdon Revocable Trust 29107 Guava Lane Big Pine Key, FL 33043	George Fletcher/ Janet Fletcher, Trustees of Fletcher 1910 Country Club Lane Redlands, CA 92373
18			
19	Joy Atiga 12925 Hilary Way Redlands, CA 92373	Weed Family Living Trust c/o Cathy or Stephen Weed 62 Rue Jean Bapiste Pigalle Paris, FC	George Fletcher/ Janet Fletcher, Trustees of Fletcher 1910 Country Club Lane Redlands, CA 92373
20			
21	Harold Raune Richard D. McCune, Jr. 2068 Orange Tree Ln., #216 Redlands, CA 92374	Susan Wright 111 Sierra Vista Dr. Redlands, CA 92373	George Fletcher/ Janet Fletcher, Trustees of Fletcher 1910 Country Club Lane Redlands, CA 92373
22			
23	Karl Schamehorn 1005 Hamlin Place Redlands, CA 92373	Vellore Muraligopal/Living Trust c/o Alfonso Poire, Gaw Van Male 1411 Oliver Rd., #300 Fairfield, CA 94534-3425	George Fletcher/ Janet Fletcher, Trustees of Fletcher 1910 Country Club Lane Redlands, CA 92373
24			
25	John Coombe 5 First American Way, 4 <sup>th</sup> Flr. Santa Ana, CA 92707		
26			
27			
28			



1	Charles Schwab FBO W.W. Eure Jr. MD Inc. IRA P.O. Box 10065 San Bernardino, CA 92423	Ben Perez, Philip Perez, and Michael Perez 13245 Victoria St. Rancho Cucamonga, CA 91739	Scott Showler, Esq. 1839 Commercenter West San Bernardino, CA 92408
2	W.W. Eure Jr. MD Inc. Donald Mason, Registered Agent 8275 Deadwood Ct. Redlands, CA 92373	Bilzin Sumberg Baena Price Axelrod, LLP 1450 Brickell Ave., #2300 Miami, FL 33131-3456	Spilman Thomas & Battle, PLLC 110 Oakwood Dr., #500 Winston-Salem, NC 27103
3	Muraligopal Living Trust 731 Buckingham Dr. Redlands, CA 92374	Dill & Showler 400 Brookside Ave. Redlands, CA 92373	The Goodwin Ins. Agency P.O. Box 1897 Redlands, CA 92373
4	Vellore G. Muraligopal 731 Buckingham Dr. Redlands, CA 92374	Federal Express P.O. Box 7221 Pasadena, CA 91109-7321	United States Treasury 290 North D Street San Bernardino, CA 92401- 9964
5	John J. Kohut 6946 Orozco Dr. Riverside, CA 92506	Franchise Tax Board P.O. Box 942857 Sacramento, CA 94257- 0601	Waterstone Asset Management 8720 Red Oak Blvd., #300 Charlotte, NC 28217
6	Kohut Family Trust 6946 Orozco Dr. Riverside, CA 92506	Goodwin & Assoc. 1175 Idaho St., #201 Redlands, CA 92374	Higgs Benjamin 101 West Friendly Ave., #500 Greensboro, NC 27401
7	TD Ameritrade FBO John Kohut IRA 6946 Orozco Dr. Riverside, CA 92506	LandAmerica Assessment Corp. P.O. Box 27567 Richmond, VA 23261	David Rapp, President Desert Commercial Property Mang. P.O. Box 2367 Rancho Mirage, CA 92270
8	Robert M. Shaughnessy, Esq. DUCKOR SPRAUDLING 3043 4 <sup>th</sup> Ave. San Diego, CA 92103	Midland Loan Services PNC Bank Lockbox No. 771223 1223 Solutions Center Chicago, IL 60677-1002	Alfonso L. Poire, Esq. Gaw, Van Male, APC 1411 Oliver Rd., #300 Fairfield, CA 94534-3425
9	Dan Baker c/o Jonathan L. Geballe, Esq. 11 Broadway, #615 New York, NY 1004	North Carolina Dept. of Revenue P.O. Box 25000 Raleigh, NC 27640-0645	James R. Forbes, Esq. Gaw, Van Male, APC 1411 Oliver Rd., #300 Fairfield, CA 94534-3425
10	Glenn Goodwin Trust P.O. Box 735 Skyforest, CA 92385	Paracorp dba Parasec P.O. Box 160568 Sacramento, CA 95816- 0568	American West Properties, Inc. P.O. Box 1299 Lake Forest, CA 92609
11	Benton-Cole Properties Inc. 11761 Almond Ct. Loma Linda, CA 92354	Premium Assignment Corp. P.O. Box 3100 Tallahassee, FL 32315-3100	Brunick, McElhaney & Beckett P.O. Box 6425 San Bernardino, CA 92412
12	Robert Ziprick, Esq. Ziprick & Cramer, LLP 707 Brookside Ave. Redlands, CA 92373		

1	JG Service Co. 15632 El Prado Fd. Chino, CA 91710	Michigan Dept. of Treasury P.O. Box 30113 Lansing, MI 48909	REP - Real Estate Partners 2569 McCabe Way, 2 <sup>nd</sup> Flr. Irvine, CA 92614
3	Linda Key MNJ Key Corp. P.O. Box 3655 San Diego, CA 92163-3655	Michigan Dept. of Treasury P.O. Box 30774 Lansing, MI 48909-8274	Riverside Public Utilities 3900 Main St. Riverside, CA 92522-0144
6	MNJ Key Corp. P.O. Box 3655 San Diego, CA 92163-3655	State of Michigan c/o Michigan Dept. of Treasury Dept. 77003 Detroit, MI 48277-0003	The Mattacola Law Firm 217 N. Washington st. P.O. Box 725 Rome, NY 13442-0725
8	Charles & Mildred Grey 63 Tumbury Lane Irvine, CA 92620-0244	Cornerstone Lane Surveying Co. 958 Temescal Circle Corona, CA 92879	AJ Home Electric Co., c/o Goldberg & Bloom/Robin Bloom 4750 N. Hiatus Rd. Ft. Lauderdale, FL 33351
11	Mound Investments Attn: Rhonda Welday 34124 Freedom Rd. Farmington, MI 48335	Don Kent Riverside County Treasurer P.O. Box 12010 Riverside, CA 92502-2210	AJ Home Electric Co. 1200 South Broadway, #105 Lexington, KY 40504
13	OneWest Bank 390 West Valley Parkway Escondido, CA 92025-2635	Elrod Fence Co. 6459 Mission Blvd. Riverside, CA 92509	ADT Security Services Inc. P.O. Box 371967 Pittsburgh, PA 15250-7967
15	Simplex Grinnell Dept. CH 10320 Palatine, IL 60055-0320	EMC Ins. Companies P.O. Box 219225 Kansas City, MO 64121- 9225	Aetna Building Maintenance P.O. Box 636290 Cincinnati, OH 45263-6290
17	Watertight Plumbing, Inc. 16462 Gothard St., #202 Hunington Beach, CA 92647	FATCO Nat'l Commercial Ser. Attn: Accts. Receivable Dept. 5 First American Way Santa Ana, CA 92707	Allied Waste Services #922 Sacramento P.O. Box 78030 Phoenix, AZ 85062-8030
19	Wesseling & Brackermann 6439 28 <sup>th</sup> Ave. Hudsonville, MI 49426	Innovative Electric & Consulting 18355 Hibiscus Ave. Riverside, CA 92508	Isaac Commercial Properties 771 Corporate Dr., #30 Lexington, KY 40555-5066
22	Ace Restoration & Waterproofing 620 E. Walnut Ave. Fullerton, CA 92831	Keystone Mortgage Corp. Attn: Loan Servicing Dept. 360 N. Sepulveda Blvd. El Segundo, CA 90245	B.B.D. Cleaning Service & Sol. P.O. Box 817 Lawrenceburg, KY 40342
24	Champion Roof Co. 2233 Martin St., #202 Irvine, CA 92612	Mirage Developers, Inc. 121 S. Palm Canyon Dr. #208 Palm Springs, CA 92262	Ben-Tel Service P.O. Box 55066 Lexington, KY 40555-5066
26	Club Resource Group 25520 Schulte Ct. Tracy, CA 95377		
27	Elizabeth Branson P.O. Box 911 Loma Linda, CA 92354		C & R Asphalt P.O. Box 8201 Lexington, KY 40533-8201

1	Cathy Burgess Interiors 155 East Main St., #102 Lexington, KY 40507	CLMG Corp. P.O. Box 55278 Boston, MA 02205-5278	Edward G. Fates Allen Matkins Leck Gamble et al. 501 West Broadway, 15 <sup>th</sup> Floor San Diego, CA 92010
3	Columbia Gas of Kentucky P.O. Box 742523 Cincinnati, OH 45274-2523	Locke & Lord 111 South Wacker Dr. Chicago, IL 60606	Archer Norris, APLC 333 South Grand Ave., #1700 Los Angeles, CA 90071- 1540
5	Commonwealth of Kentucky Office of Housing/Bldg. & Const. 101 Sea Hero Rd., #200 Frankfort, KY 40601-5405	Mount Investment Ltd. Partnrshp. c/o Heritier Nance & Smothers, PC 2150 Butterfield, #250 Troy, MI 48084	Michael Garfinkel & Jeffrey Goodfried Perkins, Coie, LLP 1888 Century Park East, #1700 Los Angeles, CA 90067- 1721
8	Davis H. Elliot Const. Co., Inc. P.O. Box 37251 Baltimore, MD 21297-3251	Thomas C. Hebrank 501 W. Broadway, #80 San Diego, CA 92101	Douglas Guy & Lisa Torres Gates O'Doherty Gonter & Guy 15373 Innovation Dr., #170 San Diego, CA 92128
10	Derek Roscoe c/o NAI Isaac Commercial Prop. 771 Corporate Dr., #300 Lexington, KY 40503	Scott Bartel, Esq. Locke Lord Bissell & Liddell 500 Capital Mall, Suite 1800 Sacramento, CA 95814	Thomas N. Jacobson 1650 Iowa Ave., #190 Riverside, CA 92507
12	Division of Revenue Lexington-Fayett Urban County Gov P.O. Box 14058 Lexington, KY 40512	Mulvaney Barry Beatty Linn and Mayers, LLP 401 West A St., 17th Flr. San Diego, CA 92101-7994	Meagen Eileen Leary One Market Plaza Spear Street Tower, #2200 San Francisco, CA 94105- 1127
16	Golden Eagle Ins. P.O. Box 84834 San Diego, CA 92186-5834	Spencer Bendell John M. McCoy, III Sam S. Puathasnanon David M. Rosen US Securities Exchange Comm. 5670 Wilshire Blvd., 11 <sup>th</sup> Floor Los Angeles, CA 90036	Michael S. Leib Maddin Hauser Wartell Roth et al. 28400 Northwestern Hwy., 3 <sup>rd</sup> Flr. Southfield, MI 48034
18	Home Savings & Loan Co. Commercial Loan Dept. P.O. Box 1111 Youngstown, OH 44501	Thomas Caudill 1025 North Fourth Street San Jose, CA 95112	Francis Emmet Quinlan, Jr. Newmeyer & Dillon, LLP 895 Dove St., 5 <sup>th</sup> Floor Newport Beach, CA 92660
20	Ohio Dept. Of Taxation P.O. Box 182101 Columbus, OH 43218-2101	Peter Alan Davidson Ervin Cohen & Jessup, LLP 9401 Wilshire Blvd., 9 <sup>th</sup> Flr. Beverly Hills, CA 90212- 2974	Robert Martin Shaughnessy Duckor Spradling Metzger, et al. 3043 4t Ave. San Diego, CA 92103
22	Ohio Treasurer of State P.O. Box 181140 Columbus, OH 43218-1140		
24	Spillman Thomaos & Battle 300 Kanawha Blvd. East P.O. Box 273 Charleston, WV 25321-00273		
26	Thomas N. Jacobson, Esq. 3750 Santa Fe Ave., #105 Riverside, CA 92507		

1 William Tooke &  
Mirau, Edwards et al  
2 1806 Orange Tree Lane, #c  
P.O. Box 9058  
3 Redlands, CA 92375

4 Marshall Brubacher, Esq.  
Mundell, Odlum & Haws, LLP  
5 650 E. Hospitality Lane, #470  
San Bernardino, CA 92408-3240  
6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28