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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
SUR-REBUTTAL BRIEF IN
OPPOSITION TO RECEIVER'S
MOTION FOR ORDER (1)
APPROVING THE RECEIVER'S
DISTRIBUTION OF ASSETS TO
THE INVESTORS OF COPELAND
PROPERTIES 18, L.P.; AND (2)
AUTHORIZING TERMINATION
OF COPELAND PROPERTIES
18, L.P., AS AN ENTITY;
DECLARATIONS OF ROLLIE
PETERSON, ESQ. AND
FRANK WERNETTE

Date: October 21, 2013
Time: 10:00 a.m.
Ctrm: 8, 2nd Floor
Judge: Hon. Manuel L. Real

I.

INTRODUCTION

The Receiver, without having investigated the status of interests in Copeland Properties 18, a California limited partnership (hereafter "CP18") has, in its Distribution Motion, proposed a distribution of CP18's assets. The Receiver, without having any procedure in place to vet claims, arbitrarily and capriciously denies Tri Tool Inc., a Nevada corporation's (hereafter "Tri Tool") claims. He does so while advocating for both Copeland Properties Three, a California limited partnership (hereafter "CP3") and CP18, which have conflicting interests. Copeland Wealth Management Real Estate (formerly Copeland Real Estate, Inc.) (hereafter "CWMRE") was both entities' general partner. Donald Copeland (hereafter "D. Copeland") was its president.

The Receiver, to proclaim that Tri Tool's claims are barred by the statute of limitations, and therefore it is not entitled to make claims, argues non-existent and alternative facts. He misapplies and ignores California law. The Receiver attributes knowledge to Tri Tool based on his own conclusions, with no foundation in fact.

The Receiver, in effect, proclaims dead the *Wenke* case, and its progeny. The Receiver, by stating that his "... denial of Tri Tools's claim to CP 18's assets, by and through the Distribution Motion is procedurally proper, as no formal procedure to accept or deny claims is required", implies that he believes he is not subject to the US constitutional mandates of due process. Here, he attempts to not only advocate, but fill the role of trier of fact, and doing so tramples over Tri Tool's rights to due process of law along the way. While doing so, he stands this courts prior order denying his motion to pool assets, on its head.

II.

FACTUAL HISTORY

The undisputed facts are these:

CP3 was a single asset entity. That asset was a single tenant building found in Rancho Cordova, California. It was a build-to-suit for the United States Internal Revenue Service (hereafter "IRS"). At or near this time, CWMRE (then Copeland Realty, Inc. [hereafter "CRI"]) owned a

1 adjacent parcel. In May 2005, CP3 lost the IRS as its tenant, and decided to sell. On October 20,
2 2006, Tri Tool offered to buy the IRS building from CP3 (Parcel 1).¹ The First American Title report
3 reflected the owner of Parcel 1 as CP3, but did not show who its general partner was. Tri Tool
4 signed the contract on November 1, 2006. D. Copeland signed the contract as CP3's general partner.
5 Over the next four months, D. Copeland signed at least two addendums to the IRS building purchase
6 contract, as the general partner of CP3. He testified in deposition on January 18, 2010 that he was
7 the general partner of CP3.

8 The contract provided for an IRS 1031 like-kind exchange. Consequently, Tri Tool assigned
9 its purchase contract for \$9,900,000 to NBFRE 10 LLC (hereafter "NBFRE"). On April 6, 2007,
10 NBFRE, taking title from CP3, closed escrow, purchasing the IRS building. The Buyer's Final
11 Settlement Statement was consequently in NBFRE's name, [Dec. of Rollie Peterson, Exhibit "C"].
12 The buyer's settlement statement did not reflect the debt owing to Pacific Western Bank (hereafter
13 "PWB"). Since PWB did not take back a trust deed against the CP3 property, it was not an
14 exception within the preliminary title report. NBFRE later deeded the building to Tri Tool, subject
15 to an unrecorded easement.

16 On closing, CP3 gave Tri Tool a \$200,000 promissory note (hereafter "Note"). D. Copeland
17 signed the Note as general partner. The Note was due and payable two years following escrow's
18 close, if CP3 did not remove the unrecorded easement from title. CP3 waited 16 months before
19 attempting to remove the easement. (Copeland Tr., Pg. 497, attached to the Declaration of Rollie
20 Peterson, as Exhibit "A"). CP3 did not remove the easement and did not pay the Note, when it
21 became due. It now owes Tri Tool the face of the Note, and interest at 10%, from April 5, 2009 to
22 present, and attorney fees for Tri Tool's collection efforts. Tri Tool sued CP3, D. Copeland and C.
23 Copeland on July 7, 2009, to collect the Note.

24 On September 15, 2006, CRI contracted to buy real property in Greensboro, North Carolina
25 for \$8,800,000. The real property was and is occupied by a single tenant called Garden Ridge. In
26

27 ¹Later, Tri Tool also offered to and bought Parcel 3 from CWMRE.

1 November 2006, the Copelands identified CP14 as the assignee to purchase the Garden Ridge
2 property. CWMRE (then CRI) was CP14's general partner. The escrow was extended to March 2,
3 2007. In the final days of escrow, the Garden Ridge property's lender would not accept CP14 as its
4 borrower, because it was not a single asset entity. Consequently, Charles Copeland (hereafter "C.
5 Copeland") organized CP18 to purchase the Garden Ridge property. CWMRE, by closing, had
6 released to seller deposits totaling \$850,000. CP18's settlement charges totaling \$826,467.39
7 included a loan assumption fee of \$67,302.25 and a \$730,000 cash reserve, the lender required be
8 maintained on deposit. To pay the balance of Garden Ridge's purchase price, C. Copeland arranged
9 for CP14 to assume the existing debt on the property for \$6,730,225.03 and for the seller to carry
10 back \$330,000. C. Copeland thus needed another \$1,725,610.95 cash to close. He caused CP3 to
11 borrow \$1,800,000 from PWB. CP3, after paying PWB a \$5,000 loan fee, then lent the remaining
12 \$1,795,000 to CP14. CP3's books and records reflect this amount as a loan and CP14's and CP18's
13 books and records reflect the transaction as a note payable to CP3.

14 On April 6, 2007, upon CP3 closing the IRS building escrow, it paid off the PWB loan. C.
15 Copeland, on equal date, and dates following, debited CP3's partners' equity accounts, paid from
16 CP3's account a \$330,000 CP18 obligation and left the CP3 partnership without assets.

17 In deposition, Tri Tool asked C. Copeland if monies rolled from CP3 to other entities, C.
18 Copeland testified that "may" have happened. He could not recall what entities, but had records.
19 [C. Copeland Tr 1, Pg. 18:17-25, Pg. 19:1-2]. He also testified that funds were distributed to the
20 investors from the sale of the building.

21 The Garden Ridge property was subject to rent escalation clauses. The lease was a long term,
22 triple net lease, the tenant paying all costs of the properties' operations. It always generated a
23 monthly profit, in excess of \$20,0000 per month. For some unknown reason, CP18, even though
24 profitable, was giving CRI and other entities, including CP5, CP15 and CP17 notes for hundreds of
25 thousands of dollars.

26 In October 2010, Plaintiff served on the Copelands discovery, to learn who the limited
27 partners were that received distributions. Defendants failed to respond and did not comply with

1 court orders, ordering that disclosure, until March of 2011. Plaintiff then amended its complaint as
2 of April 4, 2011, naming the limited partners and alleging that doe defendants were responsible for
3 the occurrences Plaintiff alleges therein (hereafter “2nd Amended Complaint”).

4 **III.**

5 **ARGUMENT**

6 **A. POOLING OF ASSETS**

7 The Receiver sought by way of motion this Court’s consent to pool assets. In other words,
8 the Receiver wanted to commingle all the assets of all the Copeland entities and divide the total sum
9 of commingled assets among the investors and creditors, proportionately. The court denied the
10 Receiver’s request. Now the Receiver wants to treat “pooling” and “tracing of assets” as if they are
11 the same concept, when they are diametrically opposite concepts. At Page 13 of the reply, they claim
12 the court denied tracing, stating, “This decision was based on the Court’s preference to treat the
13 assets of the individual Receivership Entities as they currently exist, even though there may be some
14 evidence tending to suggest that some assets were commingled among the Receivership Entities,
15 without the limited partners’ knowledge”. The Court’s order did not preclude tracing, only pooling.
16 The Receiver now claims that Tri Tool’s tracing of assets from CP3, through CP14, to CP18,
17 violates this Court’s anti-pooling order. This argument only serves to reveal the Receiver as
18 masquerading as an impartial finder of fact, capable of determining rights without a process in place
19 to do so, when, in fact, he is an advocate bent on pursuing his own agenda.

20 **B. STATUTE OF LIMITATIONS**

21 The Receiver asserts that Tri Tool has no claim against CP18 because the statute of
22 limitations has lapsed. He correctly states that the statute of limitations under Section 3439.04(a)
23 of California’s Uniform Fraudulent Transfer Act (hereafter “UFTA”) is four years after the transfer,
24 or if later, one year after the transfer was or could reasonably have been discovered. [Civ.Code §
25 343909(a),(c)]. He then incorrectly argues, stating no case law in support, that the statute runs within
26 one year after discovery, if the facts could have been discovered within the four years. He argues
27 alternative facts, e.g., that CP3 made an investment in CP18, when in his other briefs he
28

1 acknowledges it as a loan. He then attributes knowledge about PWB to Tri Tool upon a pure guess,
2 with no foundation upon which to pin it. Contrary to California law, he does not consider the last
3 act of C. Copeland, in his plan to divest CP3 of its assets, but C. Copeland's first act, in concluding
4 the statute of limitations ran.

5 Simple mathematics shows the statute has not yet run. Tri Tool filed its 2nd Amended
6 Complaint, inclusive of doe defendant allegations, sufficient to toll the statute as to them, within the
7 four year limitation period. The 2nd Amended Complaint clearly contains facts charging the named
8 parties and the Does under California UFTA.

9 The Receiver's application of the statute of limitations in this case is wrong. The Receiver
10 agrees in his reply to Tri Tool's opposition that CP3 borrowed \$1,800,000 from PWB and transferred
11 those funds to CP14 in February 2007. However, in opposition to Tri Tool, he declares the transfer
12 an investment. Claiming CP3 invested those monies in CP14, he thus theorizes the four year statute
13 of limitations ran four years from February 2007 or in February 2011. In doing so, he ignores C.
14 Copeland's testimony that CP3 loaned the funds to CP14. He ignores CP3, CP14 and CP18's
15 Quickbook entries and records showing the transaction as a loan between CP3 and CP14/18. He
16 makes this argument even though, in reply to the CP3 limited partners' opposition, he admits, at
17 Page 19, Lines 10-11, and 19-21, it was a loan, booked as a receivable on CP3's book and a payable
18 on CP14's books. To preclude CP18 and CWMRE as doe defendants, he argues that Tri Tool should
19 have known of the PWB loan, and CWMRE's and CP18's involvement, because the PWB loan
20 shows up as a line item on CP3's seller's closing statement. Tri Tool was the buyer. He misplaces
21 facts grounding his argument on the "seller's" closing statement, as opposed to the buyer's
22 settlement statement. He takes these inconsistent factual positions to achieve his purpose of
23 advocating for a result, as opposed to being a neutral processor of claims.

24 This would, of course, ignore the doe defendant allegations in the 2nd Amended Complaint,
25 and the relation back theory afforded by California law. It also ignores the one year extension the
26 statute grants for discovery, meaning the statute would run in February 2012. Moreover, the stay of
27 this proceeding tolls the statute October 19, 2011.

1 **I. 2nd Amended Complaint - Relation Back**

2 On April 4, 2007, Tri Tool filed its 2nd Amended Complaint, adding allegations under
3 California’s UFTA. This would be two days before the statute would have run, if measured from
4 the beginning of the tort, and without regard to the one year extension for discovery, and the last day
5 in C. Copeland’s plans to transfer CP3's assets to CP18. If the complaint alleges wrongful conduct
6 commencing at a time now barred by the statute of limitations, but continues until a date not barred,
7 the later acts support the cause of action. The statute of limitations on the continuing tort does not
8 being to run until commission of the last overt act. [*Wyatt v. Union Mortgage Co.* (1979) 24 Cal.3d
9 773, 786 [157 Cal.Rptr. 392, 399, 598 P.2d 45]]. On April 6, 2007, CP3 repaid the \$1,800,000 loan
10 to PWB from the close of the IRS building’s escrow. On that date, C. Copeland transferred CP3
11 partners’ capital accounts to CP18. Until that occurred, CP3 had an asset, its loan of \$1,800,000 to
12 CP18, from which it could pay Tri Tool’s debts. Having that asset would have precluded any claim
13 by CP3 under UFTA. It was beginning that date when C. Copeland, in pursuit of his plan, began
14 putting CP3's assets beyond the reach of its creditors, thus violating UFTA. Additionally, the
15 Receiver totally ignores CP3's payment of CP18's \$333,000 debt to the sellers of the Garden Ridge
16 Property, in late April 2007, without any consideration to CP3, again, according to C. Copeland’s
17 plan, in violation of UFTA. The complaint incorporates the doe defendants in its charging
18 allegations, by reference, specifically in the UFTA charging allegations of the complaint. The 2nd
19 Amended Complaint was filed within four years of when C. Copeland began moving CP3's assets
20 to CP18, a part of his “plan” that continued through the end of June 2007. The 2nd Amended
21 Complaint supersedes the original complaint.

22 At Paragraph 12, the 2nd Amended Complaint (as did the complaint at Paragraph 4, and the
23 1st Amended Complaint, at Paragraph 4), provided:

24 Plaintiff is ignorant of the true names and capacities of the remaining defendants it
25 sues herein as Does 1 through 12, inclusive, and therefore sues these Defendants by
26 such fictitious names. When Plaintiff ascertains the names of these defendants, it
27 will amend this complaint to allege their true names and capacities. Upon
28 information, Plaintiff believes and thereon alleges that each defendant it fictitiously
names is responsible in some manner for the occurrences Plaintiff alleges herein, and
that those doe defendants’ acts proximately caused the damages Plaintiff sustained.

1 Under California law, if a plaintiff lacks sufficient evidence to prove a cause of action, that
2 plaintiff names “doe” defendants to prevent the running of the statute of limitations. An amendment,
3 naming the real defendants, will normally “relate back” to commencement of the action. Code Civ.
4 Proc., § 474 provides, in pertinent part:

5 When the Plaintiff is ignorant of the name of a defendant, he must state that fact in
6 the complaint . . . and such defendant may be designated in any pleading or
7 proceeding by any name, and when his true name is discovered the pleading or
8 proceeding must be amended accordingly; . . .

9 [See *Puryear v. Golden Bear Ins. Co.* (1998) 66 Cal.App.4th 1188, 1194-1197 [78 Cal.Rptr.2d 507,
10 512, 98 Cal. Daily Op. Serv. 7442, 98 Daily Journal D.A.R. 10319, 1998 WL 656088]]

11 **2. Pacific Western Bank**

12 The Receiver, making conclusions, not supported by any facts, embarks on an analysis of
13 CP3's IRS building “seller’s settlement statement” for the proposition that Tri Tool knew about
14 PWB, and should have known the circumstances of the PWB loan by April 6, 2007. He then argues
15 that the PWB loan was repaid from escrow, over 6 years ago, therefore, CWMRE (then CRI) and/or
16 CP18 cannot be later named as doe defendants. The burden is on the Receiver to prove Tri Tool’s
17 earlier awareness of the Defendant’s identity and facts creating its liability. [See *Fara Estates*
18 *Homeowners Ass’n v. Fara Estates, Ltd.* (9th Cir. 1998) 134 F.3d 377 [1998 WL 10744].]

19 Where the third amended complaint is amended af ter the statute of limitations has run to
20 identify a fictitiously named defendant, and to assert a cause of action against that defendant not
21 included in the original complaint, the amended complaint will be given relation back effect, so as
22 to avoid the statute of limitations, provided:

- 23 (1) The second amended complaint stated a valid cause of action against the now
24 identified “doe” defendants; and
- 25 (2) Plaintiff was “genuinely ignorant” of the defendants’ identity on the facts rendering
26 defendant liable when the original complaint was filed; and
- 27 (3) The amended complaint identifies the defendant, is based on the “same general set
28 of facts” as the original and refers to the “same accident and same injuries”.

1 [See *Austin v. Massachusetts Bonding & Ins. Co.* (1961) 56 Cal.2d 596, 600-601 [15 Cal.Rptr. 817,
2 819, 364 P.2d 681]].

3 To deny Tri Tool's claim, the Receiver argues and must show that Tri Tool was genuinely
4 ignorant of the Defendant's true identity or the facts rendering Defendant liable under the 2nd
5 Amended Complaint that Tri Tool filed. [*Woo v. Superior Court* (1999) 75 Cal.App.4th 169, 177
6 [89 Cal.Rptr.2d 20, 27, 99 Cal. Daily Op. Serv. 7954, 1999 Daily Journal D.A.R. 10077, 1999 WL
7 744198]]. And, the 2nd Amended Complaint was not filed within four years, plus one for
8 discovery.

9 Here, the Receiver's guess that Plaintiff knew about PWB and the loan, is not even a good
10 guess. The Receiver bases his guess on PWB being shown as a payee in the seller's settlement
11 statement. The trouble with the Receiver's guess is two-fold. First, Tri Tool did not get the
12 "seller's" settlement statement at closing. At closing, Tri Tool got the buyer's settlement statement.
13 The buyer's settlement statement does not reveal any information about PWB, nor the loans.
14 Second, even if Tri Tool had the seller's settlement statement, at closing, the Receiver's conclusion
15 that Tri Tool should have known the purpose and circumstances of the PWB transaction and CP3's
16 and CP18's involvement lacks all merit.

17 Tri Tool got the settlement statement from the Receiver's files in January of 2013. This came
18 about after nearly six months of Tri Tool wrangling with the Receiver to get the information. It was
19 only then that Tri Tool learned of the PWB loan, and was able to begin to comprehend its
20 significance to CP14 and CP18. It was then that Tri Tool subpoenaed the files of PWB, took its
21 officer's deposition and pieced together C. Copeland's plan.

22 Tri Tool was proceeding in good faith. Until it received information in January 2013 from
23 the Receiver, it was not aware of PWB nor the loan and the "plan". It was genuinely ignorant of
24 CP18 and CWMRE's liability when it filed the 2nd Amended Complaint. [See *Miller v. Thomas*
25 (1981) 121 Cal.App.3d 440, 445-446 [175 Cal.Rptr. 327, 330]]. The Receiver has not borne his
26 burden in showing otherwise.

27 //

28

3. Contingent Liability Note was More Than a Contingency

The Receiver contends that since the Note’s payment was contingent, it really was not a debt of CP3 from Tri Tool. The Note carried with it an obligation on CP3's part to undertake to remove the purported easement or pay. Either way, it carried an obligation for which CP3 impliedly converted to act in good faith. CP3 did nothing to remove the easement until it was too late, then failed to pay its attorney fees to do so. Tri Tool has spent to date \$80,992 in pursuing this relief, and expects to spend substantially more in that regard.

IV.

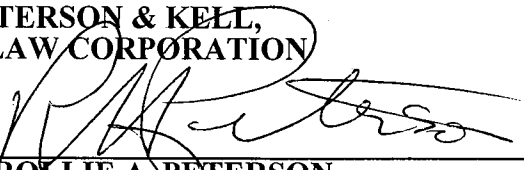
CONCLUSION

At closing, Tri Tool did not get the “seller’s settlement statement, it got the “buyer’s” settlement statement. Nowhere in the buyer’s final settlement statement does it reflect the payment of the PWB’s loan. Tri Tool didn’t get the seller’s statement until it was produced by the Receiver in discovery, years later. PWB did not carry back a deed of trust, thus was not on title. Consequently, the Receiver’s position that CP18 cannot be a “doe” defendant and the statute of limitations ran on this basis is factually wrong.

Second, the Receiver is not only factually wrong, but legally wrong. That is because he flips the one year discovery period upside down. The statute runs after four years, or if discovered later, then one year after discovery.

The Receiver, summarily and arbitrarily denies Tri Tool’s claim. He is doing so without affording Tri Tool the protections afforded other litigants, similarly situated, and thus due process of law. The Receiver’s apparent blanket authority to do so does not afford Tri Tool the protections of due process of law, as the constitution requires. Thus, the Receiver’s plan of distribution is flawed.

**PETERSON & KELL,
A LAW CORPORATION**

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

Dated: October 7, 2013

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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 SUR-REBUTTAL BRIEF IN OPPOSITION TO RECEIVER'S MOTION FOR ORDER (1) APPROVING THE RECEIVER'S DISTRIBUTION OF ASSETS TO THE INVESTORS OF COPELAND PROPERTIES 18, L.P.; AND (2) AUTHORIZING TERMINATION OF COPELAND PROPERTIES 18, L.P., AS AN ENTITY

Date: October 21, 2013
Time: 10:00 a.m.
Ctrm: 8, 2nd 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. I represent non party Tri Tool Inc., a Nevada
27 corporation (hereafter "Tri Tool") here. If called to testify in this matter, I could testify of my only
28 personal knowledge as to the following matters, except where I state otherwise.

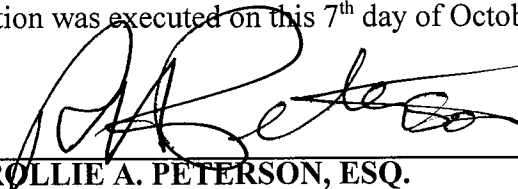
1 2. Donald Copeland testified in deposition on January 18, 2010, that he was the
2 general partner of CP3.

3 3. Attached hereto as Exhibit "A" are true and correct copies of portions of the
4 deposition transcript of Charles Copeland. Therein, he testified that CP3 waited until August 2008,
5 before attempting to remove the easement. (Copeland Tr., Pg. 497:3-25).

6 4. Attached hereto as Exhibit "B" is a true and correct copy of CP18's settlement
7 statement to close Garden Ridge. Line 303 reflects the amount of cash required to close.

8 5. I am familiar with the files of Plaintiff Tri Tool relating to their purchase of the IRS
9 building on 3041 Sunrise Boulevard. Attached hereto as Exhibit "C" is a true and correct copy of
10 the buyer's closing settlement statement for its purchase from Tri Tool. Their closing files did not
11 include the seller's settlement statement. I am familiar with escrow procedures and closings in
12 Northern California. The seller's settlement statements are not given to the buyers.

13 I declare under penalty of perjury under the laws of the State of California that the foregoing
14 is true and correct and that this declaration was executed on this 7th day of October 2013.

15
16 
17 ROLLIE A. PETERSON, ESQ.

28

EXHIBIT “A”

CALIFORNIA
DEPOSITION REPORTERS

When Every Word Counts...

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SACRAMENTO

TRI TOOL INC., a Nevada)
corporation,)

Plaintiff,)

vs.)

CASE NO. :
34-2009-00054045

COPELAND PROPERTIES THREE,)
LP, a California limited)
partnership; CHARLES P.)
COPELAND, an individual; DONALD)
E. COPELAND, an individual,)
et al.,)

Defendants.)

DEPOSITION OF : CHARLES P. COPELAND, VOLUME III
TAKEN BY : ROLLIE PETERSON, ESQUIRE
Commencing : 9:25 A.M.
Location : 707 Brookside Avenue
Redlands, California 92373
Day, Date : Tuesday, September 24, 2013
Reported by : MICHELLE CASTELLANOS, C.S.R. NO. 11699
Pursuant to : Notice
Original to : THE WITNESS

PAGES 426 - 600
JOB NO. 133808

CERTIFIED COPY

pay for that or pay the purchase price was tough?

A Yes.

Q Anyhow as of -- and you'll look. Murphy Austin Adams on August 22nd sent a letter back to Jim Dismukes asking if Tri Tool would participate as a plaintiff. That's the question I think I previously asked you.

Do you recall Exhibit 144?

A I don't recall it, but this seems -- I don't recall this letter but this seems reasonable to me.

Q Okay. And by this time, you'd asked Murphy Austin to draft a complaint for you?

A We -- we asked Murphy Austin to move towards litigation at some point in time, obviously before this date because they drafted the lawsuit filing to attach to this letter.

Q Did you retain Murphy, Austin, Adams, & Schoenfeld maybe in late June 2008?

A I don't know when we retained them. I thought we retained them before then, but it's possible that it was then.

Q You're not really sure?

A No, I'm not really sure when we retained the attorneys up there. I thought it was much earlier than that.

Q And there was --

1 Q But not when it was sold?

2 A But not when it was sold.

3 Q Right. Okay. But you don't -- did CRI have an
4 interest in -- an ownership interest in CP Three?

5 A At any time or at the close of the sale?

6 Q At any time.

7 A I don't know. The general ledger of Copeland
8 Properties Three inception to close will have a capital
9 account for Copeland Realty as a limited partner if it
10 did.

11 Q When you -- how do you book a promotional
12 interest? When you book your promotional interest, I
13 mean, essentially it was a promotional interest that you
14 got in CP Eighteen; right?

15 A Correct.

16 Q Okay. How did you book that?

17 A We increased the purchase price of the property
18 by \$700,000 and we showed an equity position for Copeland
19 Realty of \$700,000.

20 Q Okay. So -- and I saw a purchase contract out
21 there at 8.1 so that's the distinction between the
22 purchase contract of 8.1 and the closing of 8.8 sales
23 price?

24 A Yeah, it was typical for us -- for us to take
25 what the property was being sold for, and if we had

EXHIBIT “B”

| | |
|--|--|
| A. U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT SETTLEMENT STATEMENT | B. TYPE OF LOAN: 1. <input type="checkbox"/> FHA 2. <input type="checkbox"/> FmHA 3. <input type="checkbox"/> CR UNINS. 4. <input type="checkbox"/> VA 5. <input type="checkbox"/> CONV. INS. 6. FILE NUMBER: 8LAWYERS-061184 7. LOAN NUMBER: 8. MORTGAGE INS CASE NUMBER: |
|--|--|

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "POC" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.
1.0 3/08 (8LAWYERS-061184.PFD)(8LAWYERS-061184/57)

| | | |
|---|---|---|
| D. NAME AND ADDRESS OF BORROWER: COPELAND PROPERTIES 18, LP 25809 BUSINESS CENTER DRIVE REDLANDS, CA 92374 | E. NAME AND ADDRESS OF SELLER: WENDOVER GREENSBORO, LTD 2810 REVERE HOUSTON, TX 77098 | F. NAME AND ADDRESS OF LENDER: CW CAPITAL, LLC 63 KENDRICK STREET NEEDHAM, MASSACHUSETTS 02494 |
| G. PROPERTY LOCATION: 6103 LANDMARK CENTER BLVD GREENSBORO, NC 27409 GUILFORD County, North Carolina 11.14AC Lot 20 PB 128-18 | H. SETTLEMENT AGENT: 01-0725684. HUNTER HIGGINS MILES ELAM & BENJAMIN, PLLC PLACE OF SETTLEMENT 101 W.Friendly Avenue, Ste. 500 Greensboro, NC 27401 | I. SETTLEMENT DATE: March 2, 2007 |

| J. SUMMARY OF BORROWER'S TRANSACTION | | K. SUMMARY OF SELLER'S TRANSACTION | |
|--|-----------------|--|-----------------|
| 100. GROSS AMOUNT DUE FROM BORROWER: | | 400. GROSS AMOUNT DUE TO SELLER: | |
| 101. Contract Sales Price | 8,800,000.00 | 401. Contract Sales Price | 8,800,000.00 |
| 102. Personal Property | | 402. Personal Property | |
| 103. Settlement Charges to Borrower (Line 1400) | 826,467.39 | 403. | |
| 104. | | 404. | |
| 105. | | 405. | |
| <i>Adjustments For Items Paid By Seller in advance</i> | | <i>Adjustments For Items Paid By Seller in advance</i> | |
| 106. City/Town Taxes | to | 406. City/Town Taxes | to |
| 107. County Taxes | to | 407. County Taxes | to |
| 108. Assessments | to | 408. Assessments | to |
| 109. INSURANCE ESCROW RESERVE | 7,901.22 | 409. INSURANCE ESCROW RESERVE | 7,901.22 |
| 110. SELLER'S PRORATA MARCH RENT | 4,619.35 | 410. SELLER'S PRORATA MARCH RENT | 4,619.35 |
| 111. | | 411. | |
| 112. | | 412. | |
| 120. GROSS AMOUNT DUE FROM BORROWER | 9,638,987.96 | 420. GROSS AMOUNT DUE TO SELLER | 8,812,520.57 |
| 200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER: | | 500. REDUCTIONS IN AMOUNT DUE TO SELLER: | |
| 201. Deposit or earnest money | 850,000.00 | 501. Excess Deposit (See Instructions) | |
| 202. Principal Amount of New Loan(s) | | 502. Settlement Charges to Seller (Line 1400) | 151,210.41 |
| 203. Existing loan(s) taken subject to | 6,730,225.03 | 503. Existing loan(s) taken subject to | 6,730,225.03 |
| 204. | | 504. Payoff First Mortgage | |
| 205. | | 505. Payoff Second Mortgage | |
| 206. | | 506. | |
| 207. | | 507. (Deposit disb. as proceeds) | |
| 208. | | 508. | |
| 209. | | 509. | |
| <i>Adjustments For Items Unpaid By Seller</i> | | <i>Adjustments For Items Unpaid By Seller</i> | |
| 210. City/Town Taxes | to | 510. City/Town Taxes | to |
| 211. County Taxes | to | 511. County Taxes | to |
| 212. Assessments | to | 512. Assessments | to |
| 213. SELLERS PRORATA MARCH INTEREST | 3,151.98 | 513. SELLERS PRORATA MARCH INTEREST | 3,151.98 |
| 214. DEFERRED PAYMENT TO SELLER * | 330,000.00 | 514. DEFERRED PAYMENT TO SELLER | 330,000.00 |
| 215. *(Evidenced by a Promissory | | 515. | |
| 216. Note to Seller signed by | | 516. | |
| 217. Donald F. Copeland and Charles | | 517. | |
| 218. P. Copeland as their individual | | 518. | |
| 219. and joint obligation.) | | 519. | |
| 220. TOTAL PAID BY/FOR BORROWER | 7,913,377.01 | 520. TOTAL REDUCTION AMOUNT DUE SELLER | 7,214,587.42 |
| 300. CASH AT SETTLEMENT FROM/TO BORROWER: | | 600. CASH AT SETTLEMENT TO/FROM SELLER: | |
| 301. Gross Amount Due From Borrower (Line 120) | 9,638,987.96 | 601. Gross Amount Due To Seller (Line 420) | 8,812,520.57 |
| 302. Less Amount Paid By/For Borrower (Line 220) | (7,913,377.01) | 602. Less Reductions Due Seller (Line 520) | (7,214,587.42) |
| 303. CASH (X FROM) (TO) BORROWER | 1,725,610.95 | 603. CASH (X TO) (FROM) SELLER | 1,597,933.15 |

EXHIBIT
 105-17

L. SETTLEMENT CHARGES

| 700. TOTAL COMMISSION Based on Price | | \$ | @ | % | 132,000.00 | | PAID FROM BORROWER'S FUNDS AT SETTLEMENT | PAID FROM SELLER'S FUNDS AT SETTLEMENT |
|--|--|----|---|---|------------|-------------------|---|---|
| Division of Commission (line 700) as Follow | | | | | | | | |
| 701. \$ 132,000.00 to STAN JOHNSON COMPANY | | | | | | | | |
| 702. \$ to | | | | | | | | |
| 703. Commission Paid at Settlement | | | | | | | | |
| 704. to | | | | | | | | 132,000.00 |
| 800. ITEMS PAYABLE IN CONNECTION WITH LOAN | | | | | | | | |
| 801. Loan Origination Fee % to | | | | | | | | |
| 802. Loan Discount % to | | | | | | | | |
| 803. Appraisal Fee to | | | | | | | | |
| 804. Credit Report/background check to CW CAPITAL, LLC | | | | | | POC:B1219.16 | | |
| 805. Lender's Inspection Fee to | | | | | | | | |
| 806. Mortgage Ins. App. Fee to | | | | | | | | |
| 807. Assumption Fee to CW CAPITAL, LLC | | | | | | | 67,302.25 | |
| 808. PROPERTY RESERVE ESCROW to CW CAPITAL, LLC | | | | | | | 730,000.00 | |
| 809. CREDIT REPORTS to CW CAPITAL, LLC | | | | | | POC:B1006.73 | | |
| 810. | | | | | | | | |
| 811. | | | | | | | | |
| 900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE | | | | | | | | |
| 901. Interest From to @ \$ /day (days %) | | | | | | | | |
| 902. MIP Totals. for Life/Loan for months to | | | | | | | | |
| 903. Hazard Insurance Premium for 1.0 years to | | | | | | | | |
| 904. | | | | | | | | |
| 905. | | | | | | | | |
| 1000. RESERVES DEPOSITED WITH LENDER | | | | | | | | |
| 1001. Hazard Insurance months @ \$ per month | | | | | | | | |
| 1002. Mortgage Insurance months @ \$ per month | | | | | | | | |
| 1003. City/Town Taxes months @ \$ per month | | | | | | | | |
| 1004. County Taxes months @ \$ per month | | | | | | | | |
| 1005. Assessments months @ \$ per month | | | | | | | | |
| 1006. months @ \$ per month | | | | | | | | |
| 1007. months @ \$ per month | | | | | | | | |
| 1008. months @ \$ per month | | | | | | | | |
| 1100. TITLE CHARGES | | | | | | | | |
| 1101. Settlement or Closing Fee to HUNTER HIGGINS MILES ELAM & BENJAMIN, PLLC | | | | | | | 10,500.00 | |
| 1102. Abstract or Title Search to | | | | | | | | |
| 1103. LENDER'S COUNSEL FEES to ANDERSON KILL & OLICK, PC | | | | | | | 11,750.89 | |
| 1104. Title Insurance Binder to | | | | | | | | |
| 1105. Document Preparation to HUNTER HIGGINS MILES ELAM & BENJAMIN, PLLC | | | | | | | | 100.00 |
| 1106. Notary Fees to | | | | | | | | |
| 1107. Attorney's Fees to | | | | | | | | |
| (includes above item numbers:) | | | | | | | | |
| 1108. Title Insurance to LAWYERS TITLE INSURANCE CORPORATION | | | | | | | 6,340.25 | |
| (includes above item numbers:) | | | | | | | | |
| 1109. Lender's Coverage \$ | | | | | | | | |
| 1110. Owner's Coverage \$ | | | | | | | | |
| 1111. WIRE/COPIES/FEDERAL EXPRESS to HUNTER HIGGINS MILES ELAM & BENJAMIN, PLLC | | | | | | | 210.00 | |
| 1112. REIMBURSE ZONING/UCC SEARCHES to HUNTER HIGGINS MILES ELAM & BENJAMIN, PLLC | | | | | | | 112.00 | |
| 1113. BALANCE LENDER'S ATT FEES to ANDERSON KILL & OLICK, PC | | | | | | POC:8780.84LENDER | | |
| 1200. GOVERNMENT RECORDING AND TRANSFER CHARGES | | | | | | | | |
| 1201. Recording Fees: Deed \$ 20.00; Mortgage \$ 77.00; Releases \$ | | | | | | | 97.00 | |
| 1202. City/County Tax/Stamps: Deed ; Mortgage | | | | | | | | |
| 1203. State Tax/Stamps: Revenue Stamps 17,600.00; Mortgage | | | | | | | | 17,600.00 |
| 1204. RECORD UCC to GUILFORD County Register of Deeds | | | | | | | 45.00 | |
| 1205. EXTRA RECORDING FEES to GUILFORD County Register of Deeds | | | | | | | 100.00 | |
| 1300. ADDITIONAL SETTLEMENT CHARGES | | | | | | | | |
| 1301. Survey to | | | | | | | | |
| 1302. Pest Inspection to | | | | | | | | |
| 1303. ESCROW FOR PENDING WATER BILL to CITY OF GREENSBORO | | | | | | | | 1,510.41 |
| 1304. REIMBURSE FILE CA UCC to JOHN T. HIGGINS, JR. | | | | | | | 10.00 | |
| 1305. | | | | | | | | |
| 1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K) | | | | | | | 826,467.39 | 151,210.41 |

Certified to be a true copy.

EXHIBIT
105-10

EXHIBIT “C”



First American Title Company
1610 Arden Way, Suite 190, Sacramento, CA 95815
Phone - (916)920-3100 Fax - (888)299-0262

Tri Tools, Inc.
Attn: Frank Wernette
3806 Security Park Drive
Rancho Cordova, CA 95742

April 09, 2007
File No.: 3404-2574415 (AT)

Re: **3041 Sunrise Blvd., Sacramento, CA**

Dear Valued Customer:

The above referenced transaction was recorded on **April 06, 2007**. Enclosed please find the following for your records:

*(Keep these instruments in a safe place as some of them **cannot** be replaced.)*

- Our Check in the amount of **\$1,650.00** representing your refund was sent to NBFRE 10 LLC
- Closing Statement
- Original Note from Copeland Properties Three etal
-

LEASE TAKE THE TIME TO READ THE FOLLOWING INFORMATION REGARDING PROPERTY TAXES.

The fiscal year begins July 1 and ends June 30 of the following year. The first installment of taxes is due November 1, and is delinquent December 10. The second installment of taxes is due February 1, and is delinquent April 10. If you do not receive a TAX BILL one (1) month prior to the delinquency date, a written request for same should be made to the County Tax Collector. Be sure to include the Property Address and/or Assessors Parcel Number with your request. Where lenders impound funds for payment of taxes, they usually secure the Tax Bill.

Should you have any questions or need further assistance, please contact the undersigned. ***If checks are included in this package, please negotiate as soon as possible.***

Sincerely,

Arah Tresler
Escrow Officer
atresler@firstam.com

AT/vrs



#7373

First American Title Company

1610 Arden Way, Suite 190 • Sacramento, CA 95815

Buyer's Final Settlement Statement

TRUE AND CORRECT COPY
FIRST AMERICAN TITLE COMPANY

ha

Property: 3041 Sunrise Blvd., Sacramento, CA

File No: 3404-2574415

Officer: Arah Tresler/vrs

New Loan No:

Settlement Date: 04/06/2007

Disbursement Date:

Print Date: 4/9/2007, 9:23 AM

Buyer: NBFRE 10 LLC

Address: Comerica Bank 1031 Exchange Service, 500 Woodland Ave., MC3256, Detroit, MI 48226

Seller: Copeland Properties Three LP; Copeland Realty, Inc.

Address: 25809 Business Center Dr. #B, Redlands, CA 92374

| Charge Description | Buyer Charge | Buyer Credit |
|--|----------------------|----------------------|
| Consideration: | | |
| Total Consideration | 9,900,000.00 | |
| Deposits in Escrow: | | |
| Receipt No. 34042807 on 04/05/2007 by NBFRE 10 LLC | | 1,749,940.00 |
| Receipt No. 34042524 on 11/02/2006 by Tri Tool, Inc | | 100,000.00 |
| Receipt No. 34042665 on 01/04/2007 by Tri Tool, Inc | | 100,000.00 |
| Receipt No. 34042735 on 02/06/2007 by Tri Tool, Inc | | 100,000.00 |
| Receipt No. 34042769 on 03/07/2007 by Tri Tool, Inc | | 100,000.00 |
| Adjustments: | | |
| Repairs to roof | | 3,375.00 |
| Repairs to Air Conditioner | | 40,360.00 |
| Transfer loan proceeds escrow 281201 | | 582,310.43 |
| Prorations: | | |
| County Tax 072-0340-100-0000 04/06/07 to 07/01/07 @\$451.38.02/semi | 21,270.52 | |
| County Tax 072-0340-101-0000 04/06/07 to 07/01/07 @\$7067.94/semi | 3,330.65 | |
| New Loan(s): | | |
| Lender: Comerica Bank | | |
| New Loan to File - Comerica Bank | | 8,284,060.00 |
| Processing Fee - Comerica Bank | 6,109.50 | |
| Legal Fees Sheppard Mullins Richter & Hampton - Comerica Bank | 9,201.50 | |
| Holdback for Tenant improvements - Comerica Bank | 709,060.00 | |
| Holdback for Future Disbursement - Comerica Bank | 400,000.00 | |
| Title/Escrow Charges to: | | |
| Exchange Tie In Fee - First American Title Company | 250.00 | |
| Loan Tie In Fee - First American Title Company | 250.00 | |
| Escrow Fee - One Half - First American Title Company | 1,650.00 | |
| CLTA 104.6 Assignment of Rents/Leases - First American Title Company | 50.00 | |
| CLTA 103.7 Land Abuts Street - First American Title Company | 25.00 | |
| CLTA 103.4 Easement, Access to Public Street - First American Title Company | 250.00 | |
| CLTA 103.3 Easement - existing encroachment - First American Title Company | 25.00 | |
| CLTA 100.19 CC&R's, Violations - First American Title Company | 25.00 | |
| ALTA Extended Owners 1992 BINDER - First American Title Company | 2,475.00 | |
| Miscellaneous Recording (Edit) - First American Title Company | 109.00 | |
| Disbursements Paid: | | |
| Title & Escrow fees/Property Taxes to First American Title Company Escrow #281201-ST | 4,314.26 | |
| Cash (From) (X To) Borrower | 1,650.00 | |
| Totals | 11,060,045.43 | 11,060,045.43 |

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 FRANK
WERNETTE IN SUPPORT
OF TRI TOOL INC.'S
SUR-REBUTTAL BRIEF IN
OPPOSITION TO RECEIVER'S
MOTION FOR ORDER (1)
APPROVING THE RECEIVER'S
DISTRIBUTION OF ASSETS TO
THE INVESTORS OF
COPELAND PROPERTIES 18,
L.P.; AND (2) AUTHORIZING
TERMINATION OF COPELAND
PROPERTIES 18, L.P., AS AN
ENTITY

Date: October 21, 2013
Time: 10:00 a.m.
Ctrm: 8, 2nd Floor
Judge: Hon. Manuel L. Real

24 I, Frank Wernette, do hereby solemnly swear:

25 1. I am employed by Tri Tool Inc., a Nevada corporation (hereafter "Tri Tool") as a
26 Special Projects Manager. If called to testify, I could testify to the following facts as a matter of
27 my personal knowledge, unless I state the testimony is based on my information or belief.

1 2. On October 20, 2006, Tri Tool offered to buy the IRS building from CP3 (two
2 parcels). Donald Copeland (hereafter "D. Copeland") counter-offered, carving out a building pad
3 in the northwest corner, subject to a lot line adjustment. Tri Tool signed the contract on November
4 1, 2006. D. Copeland signed the contract as CP3's general partner. Over the next four months,
5 D. Copeland signed at least two addendums to the IRS building purchase contract, as the general
6 partner of CP3. One of the addendums added back in the building pad and CP3 abandoned its lot
7 line adjustment.

8 3. First American Title, in its report on title to the real property, reflects the owner of
9 the real property Tri Tool was purchasing as CP3, but did not show who its general partner was.
10 Since Pacific Western Bank (hereafter "PWB") did not take back a trust deed against the CP3
11 property, it was not an exception within the preliminary title report.

12 4. The contract provided for an IRS 1031 like-kind exchange. Consequently, Tri Tool
13 assigned its purchase contract for \$9,900,000 to NBFRE 10 LLC (hereafter "NBFRE"). On April
14 6, 2007, NBFRE, taking title from CP3, closed escrow, purchasing the IRS building. NBFRE later
15 deeded the building to Tri Tool, subject to an unrecorded easement. The Buyer's Final Settlement
16 Statement was consequently in NBFRE's name, as was title to the CP3 property. I attach a true and
17 correct copy hereto as Exhibit "A".

18 5. The buyer's settlement statement did not reflect the debt owing to PWB.

19 6. On closing, CP3 gave Tri Tool a \$200,000 promissory note (hereafter "Note"). D.
20 Copeland signed the Note as general partner. The Note was due and payable two years following
21 escrow's close, if CP3 did not remove the unrecorded easement from title. CP3 did not remove
22 the easement and did not pay the Note, when it became due. It now owes Tri Tool the face of the
23 Note, and interest at 10%, from April 5, 2009 to present, and attorney fees for Tri Tool's collection
24 efforts.

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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration was executed on this 7th day of October 2013.

/s/ Frank Wernette
FRANK WERNETTE

EXHIBIT “A”



First American Title Company
1610 Arden Way, Suite 190, Sacramento, CA 95815
Phone - (916)920-3100 Fax - (888)299-0262

Tri Tools, Inc.
Attn: Frank Wernette
3806 Security Park Drive
Rancho Cordova, CA 95742

April 09, 2007
File No.: 3404-2574415 (AT)

Re: **3041 Sunrise Blvd., Sacramento, CA**

Dear Valued Customer:

The above referenced transaction was recorded on **April 06, 2007**. Enclosed please find the following for your records:

*(Keep these instruments in a safe place as some of them **cannot** be replaced.)*

- Our Check in the amount of **\$1,650.00** representing your refund was sent to NBFRE 10 LLC
- Closing Statement
- Original Note from Copeland Properties Three etal
-

LEASE TAKE THE TIME TO READ THE FOLLOWING INFORMATION REGARDING PROPERTY TAXES.

The fiscal year begins July 1 and ends June 30 of the following year. The first installment of taxes is due November 1, and is delinquent December 10. The second installment of taxes is due February 1, and is delinquent April 10. If you do not receive a TAX BILL one (1) month prior to the delinquency date, a written request for same should be made to the County Tax Collector. Be sure to include the Property Address and/or Assessors Parcel Number with your request. Where lenders impound funds for payment of taxes, they usually secure the Tax Bill.

Should you have any questions or need further assistance, please contact the undersigned. ***If checks are included in this package, please negotiate as soon as possible.***

Sincerely,

Arah Tresler
Escrow Officer
atresler@firstam.com

AT/vrs



First American Title Company

1610 Arden Way, Suite 190 • Sacramento, CA 95815

Buyer's Final Settlement Statement

VERIFIED TRUE AND CORRECT COPY
FIRST AMERICAN TITLE COMPANY

S: hs

Property: 3041 Sunrise Blvd., Sacramento, CA

File No: 3404-2574415

Officer: Arah Tresler/vrs

New Loan No:

Settlement Date: 04/06/2007

Disbursement Date:

Print Date: 4/9/2007, 9:23 AM

Buyer: NBFRE 10 LLC

Address: Comerica Bank 1031 Exchange Service, 500 Woodland Ave., MC3256, Detroit, MI 48226

Seller: Copeland Properties Three LP; Copeland Realty, Inc.

Address: 25809 Business Center Dr. #B, Redlands, CA 92374

| Charge Description | Buyer Charge | Buyer Credit |
|--|----------------------|----------------------|
| Consideration: | | |
| Total Consideration | 9,900,000.00 | |
| Deposits in Escrow: | | |
| Receipt No. 34042807 on 04/05/2007 by NBFRE 10 LLC | | 1,749,940.00 |
| Receipt No. 34042524 on 11/02/2006 by Tri Tool, Inc | | 100,000.00 |
| Receipt No. 34042665 on 01/04/2007 by Tri Tool, Inc | | 100,000.00 |
| Receipt No. 34042735 on 02/06/2007 by Tri Tool, Inc | | 100,000.00 |
| Receipt No. 34042769 on 03/07/2007 by Tri Tool, Inc | | 100,000.00 |
| Adjustments: | | |
| Repairs to roof | | 3,375.00 |
| Repairs to Air Conditioner | | 40,360.00 |
| Transfer loan proceeds escrow 281201 | | 582,310.43 |
| Prorations: | | |
| County Tax 072-0340-100-0000 04/06/07 to 07/01/07 @\$45138.02/semi | 21,270.52 | |
| County Tax 072-0340-101-0000 04/06/07 to 07/01/07 @\$7067.94/semi | 3,330.65 | |
| New Loan(s): | | |
| Lender: Comerica Bank | | |
| New Loan to File - Comerica Bank | | 8,284,060.00 |
| Processing Fee - Comerica Bank | 6,109.50 | |
| Legal Fees Sheppard Mullins Richter & Hampton - Comerica Bank | 9,201.50 | |
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| ALTA Extended Owners 1992 BINDER - First American Title Company | 2,475.00 | |
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| Disbursements Paid: | | |
| Title & Escrow fees/Property Taxes to First American Title Company Escrow #281201-ST | 4,314.26 | |
| Cash (From) (X To) Borrower | 1,650.00 | |
| Totals | 11,060,045.43 | 11,060,045.43 |

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
OF TRI TOOL INC.'S
SUR-BUTTAL BRIEF IN
OPPOSITION TO RECEIVER'S
MOTION FOR ORDER (1)
APPROVING THE RECEIVER'S
DISTRIBUTION OF ASSETS TO
THE INVESTORS OF COPELAND
PROPERTIES 18, L.P.; AND (2)
AUTHORIZING TERMINATION
OF COPELAND PROPERTIES
18, L.P., AS AN ENTITY

Date: October 21, 2013
Time: 10:00 a.m.
Ctrlm: 8, 2nd 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 October 7, 2013, I caused to be served the following document(s):

- 1 (1) **Tri Tool Inc.’s Sur-Rebuttal Brief in Opposition to Receiver’s Motion for Order (1)**
- 2 **Approving the Receiver’s Distribution of Assets to the Investors of Copeland Properties**
- 3 **18, L.P.; and (2) Authorizing termination of Copeland Properties 18, L.P., as an Entity;**
- 4 (2) **Declaration of Rollie A. Peterson, Esq., in Support of Tri Tool Inc.’s Sur-Rebuttal Brief**
- 5 **in Opposition to Receiver’s Motion for Order (1) Approving the Receiver’s Distribution**
- 6 **of Assets to the Investors of Copeland Properties 18, L.P.; and (2) Authorizing**
- 7 **termination of Copeland Properties 18, L.P., as an Entity;**
- 8 (3) **Declaration of Rollie A. Peterson, Esq., in Support of Tri Tool Inc.’s Sur-Rebuttal Brief**
- 9 **in Opposition to Receiver’s Motion for Order (1) Approving the Receiver’s Distribution**
- 10 **of Assets to the Investors of Copeland Properties 18, L.P.; and (2) Authorizing**
- 11 **termination of Copeland Properties 18, L.P., as an Entity;**
- 12 (4) **Certificate of Service of Tri Tool Inc.’s Sur-Rebuttal Brief in Opposition to Receiver’s**
- 13 **Motion for Order (1) Approving the Receiver’s Distribution of Assets to the Investors**
- 14 **of Copeland Properties 18, L.P.; and (2) Authorizing termination of Copeland**
- 15 **Properties 18, L.P., as an Entity**

11 ~~X~~ **BY FEDERAL ELECTRONIC FILING:** By causing the document to be electronically filed
 12 via the Court’s CM/ECF System, which effects electronic service on counsel who are registered
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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on October 7, 2013, at Gold River, California.

Sheleen K. Haddad
SHELEEN K. HADDAD