

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

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION – LOS ANGELES

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

CHARLES P. COPELAND,
COPELAND WEALTH
MANAGEMENT, A FINANCIAL
ADVISORY CORPORATION,
AND COPELAND WEALTH
MANAGEMENT, A REAL
ESTATE CORPORATION,

Defendants.

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

**ORDER ON MOTION FOR: (1)
APPROVAL OF THE RECEIVER’S
DISTRIBUTION OF ASSETS TO
THE INVESTORS OF COPELAND
PROPERTIES 18, L.P.; AND (2)
AUTHORIZATION TO TERMINATE
AND CANCEL COPELAND
PROPERTIES 18, L.P. AS AN
ENTITY**

Date: October 28, 2013
Time: 10:00 a.m.
Ctrm: 8, 2nd Floor
Judge: Hon. Manuel L. Real

The Court, having considered the Receiver’s Motion for an Order: (1)
Approving the Receiver’s Distribution of Assets to the Investors of
Copeland Properties 18, L.P.; and (2) Authorizing Termination and
Cancellation of Copeland Properties 18, L.P. as an Entity (“Motion”) filed
by Mulvaney Barry Beatty Linn & Mayers LLP, counsel for Thomas C.
Hebrank (“Receiver”), the court-appointed Permanent Receiver for

1 Copeland Wealth Management, a Financial Advisory Corporation,
2 Copeland Wealth Management, a Real Estate Corporation (“CWM
3 Realty”), and their subsidiaries and affiliates, and the three oppositions
4 thereto filed by counsel for Tri Tool, Inc. (“Tri Tool”), counsel for Neal
5 Bricker (“Bricker”), and counsel for Janet Ihde (“Ihde”), Janet Ihde IRA
6 (“Ihde IRA”), Melvyn and Ruth Ross (“the Rosses”), Sandra Hayes, and
7 Joseph and Beth Dotan (collectively “Opposing Parties”), and good cause
8 appearing therefor,

9 IT IS HEREBY ORDERED that the motion is granted subject to
10 further proceedings as follows:

- 11 1. Due process has been satisfied because Opposing Parties filed
12 lengthy briefs and substantial evidentiary materials in opposition
13 to the Motion and had an opportunity to be heard.
- 14 2. Copeland Properties 18, L.P. (“CP18”) does not owe Copeland
15 Properties Three, L.P. (“CP3”) any money because Receiver’s
16 evidence shows that limited partners of CP3 received equity
17 interests in CP18 valued at \$1,705,000; and, the remaining debt
18 obligation of \$423,544.11 owed by CP18 to CP3 was transferred
19 by CP3 to Copeland Real Estate, Inc. (“CRI”) to offset CP3’s
20 obligation to CRI.
- 21 3. Receiver shall pay management fees in the amount of
22 \$165,466.80 owed by CP18 to its general partner, CWM Realty.
- 23 4. The Receiver may withhold payment by CP18 to Ihde and the
24 Ihde IRA because of her debts to other receivership entities.
- 25 5. The Rosses do not have an interest in CP18, but do have a claim
26 against Copeland Properties Twelve, L.P. (“CP12”) and a claim
27 against CWM Realty secured by its interest in CP18. However,
28 the Rosses’ security interest is not perfected and the Receiver

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

has priority over their security interest for the Receiver’s claims against CWM Realty and CP12. The Receiver shall consider the Rosses’ claims in connection with distributions by CWM Realty and CP12.

6. Tri Tool’s claim against CP18 based on the alleged fraudulent transfer by CP3 to CP18 of proceeds of a Pacific Western Bank loan is time-barred. However, Tri Tool’s claim based on the alleged fraudulent transfer from CP3 to CP18 of \$330,000 for payment of a debt owed by CP18 to the seller of property in Wendover, North Carolina (the “Wendover Note”) is not time-barred. Therefore, the Court will determine the merits of Tri Tool’s claim relating to the Wendover Note after the following briefing and hearing:

- November 18, 2013 – Tri Tool’s brief in support of claim;
- November 25, 2013 – Receiver’s brief in opposition to claim;
- December 4, 2013 – Tri Tool’s reply brief; and,
- December 16, 2013 – Hearing on claim.

7. Receiver shall distribute the assets of CP18 and cancel the entity following the adjudication of Tri Tool’s remaining claim.

IT IS SO ORDERED.

Dated: Nov. 5, 2013



Judge, United States District Court

Submitted by:
MULVANEY BARRY BEATTY LINN & MAYERS LLP

By: /s/ John H. Stephens
Attorneys for Thomas C. Hebrank,
Permanent Receiver
HEBCO.125.507187.1