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8 Attorneys for Thomas C. Hebrank,  
 Permanent Receiver  
 9

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12 UNITED STATES DISTRICT COURT  
 13 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

14 SECURITIES AND EXCHANGE  
 COMMISSION,  
 15 Plaintiff,  
 16 v.  
 17 CHARLES P. COPELAND,  
 COPELAND WEALTH  
 18 MANAGEMENT, A FINANCIAL  
 ADVISORY CORPORATION,  
 19 AND COPELAND WEALTH  
 MANAGEMENT, A REAL  
 20 ESTATE CORPORATION,  
 21 Defendants.

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

**RECEIVER'S OPPOSITION TO EX  
 PARTE APPLICATION FOR  
 ORDER TRANSFERRING FUNDS  
 TO A DEPOSITORY ACCOUNT  
 PENDING APPEAL**

Dept.: 8, 2nd Floor  
 Judge: Honorable Manuel L. Real

22  
 23 Thomas C. Hebrank, the court-appointed Permanent Receiver  
 24 ("Receiver") for Copeland Wealth Management, a Financial Advisory  
 25 Corporation ("CWM Financial") and Copeland Wealth Management, a  
 26 Real Estate Corporation ("CMW Realty"), and their subsidiaries and  
 27 affiliates (the "Receivership Entities") including, Copeland Properties 18,  
 28 L.P. ("CP18"), submits this memorandum in opposition to the ex parte

1 application (“Application”) filed on behalf of Janet Ihde and Janet Ihde  
2 IRA (“Ihde”), Sandra Hayes, Melvyn and Ruth Ross and the Ross  
3 Revocable Trust (“Ross”), Joseph and Beth Dotan and the Dotan Family  
4 Trust, (collectively the “Objecting LPs”).

5 **INTRODUCTION**

6 Objecting LPs’ unorthodox ex parte Application should be denied.  
7 It is a procedurally defective motion for reconsideration of this Court’s  
8 previous order denying their objections; it seeks injunctive-type relief  
9 without proper notice or support; it assumes an appeal that the Ninth  
10 Circuit has rejected for lack of jurisdiction; it attempts to augment the  
11 court record for purposes of some future appeal; it seeks a stay pending  
12 an appeal that does not exist and without a bond; and, all affected  
13 parties were not given notice because the funds distributed by CP18 to  
14 CMW Realty and its predecessor Copeland Realty Inc. (“CRI”) would  
15 then be distributed to their claimants who were not given an opportunity  
16 to oppose the Application.

17 **RELEVANT FACTS**

18 Objecting LPs filed at 10:30 p.m. last night their 146 page  
19 application, which includes over 60 pages of exhibits, most of them new  
20 to the court record.<sup>1</sup> With only 24 hours to oppose the motion, it is not  
21 possible for the Receiver to comprehensively address the issues raised  
22 or the new evidence submitted. Nevertheless, the Application is plagued  
23 by defects justifying its denial, even with just a brief discussion.

24 //

25 \_\_\_\_\_  
26 <sup>1</sup> The Memorandum of Points and Authorities supporting the Application is 25 pages long, but is in 12  
27 point font, not 14 point, which would push it well past the Court’s 25 page limit. This has been done  
28 before and Receiver has not objected, but given the timing and volume of the Application, it adds to  
the Receiver’s burden in trying to control the information that properly should be before the Court and  
in the court record.

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1 **A. Pending Motions**

2 On October 28, 2013, this Court heard Receiver's Motion for an  
3 Order: (1) Approving the Receiver's Distribution of Assets to the  
4 Investors of Copeland Properties 18, L.P.; and (2) Authorizing  
5 Termination and Cancellation of Copeland Properties 18, L.P. as an  
6 Entity (the "CP18 Distribution Motion").

7 Thereafter, on November 5, 2013, the Court entered its Order on  
8 the CP18 Distribution Motion (the "CP18 Distribution Order") denying all  
9 relief sought by the Objecting LPs and scheduling further briefing on an  
10 issue raised by third-party Tri Tool, Inc. ("Tri Tool"). (Declaration of  
11 John H. Stephens in Opposition to Ex Parte Application ("Stephens  
12 Decl."), Ex. B; [Dkt. No. 385].) The remaining issue could affect the  
13 amount distributed to CWM Realty, and comes before the Court on  
14 December 16, 2013, but has been deemed appropriate for submission  
15 without oral argument. [Dkt. No. 402.]

16 Also before the Court on December 16<sup>th</sup> and now under  
17 submission is (i) Receiver's Motion for Order Approving Classification of  
18 Claims and Future Claims Distributions of the Assets of CWM Realty  
19 (the "CWM Realty Distribution Motion"), and (ii) Receiver's Motion for  
20 Order Approving Classification of Claims and Future Claims  
21 Distributions of Copeland Fixed Income One, LP ("CFI 1"), Copeland  
22 Fixed Income Two, LP ("CFI2"), and Copeland Fixed Income Three, LP  
23 ("CFI3") (the "CFI Distribution Motion").

24 **B. Objecting LPs' Defective Appeal**

25 On December 4, 2013, following entry of the CP18 Distribution  
26 Order, Objecting LPs filed their Notice of Appeal. [Dkt. No. 397.] The  
27 notice appeals the entire order except the part pertaining to Tri Tool's  
28 issue. (Stephens Decl., Ex. C.)

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1 seen, and until then and any subsequent appeal, the Application is  
2 premature too.

3 **2. OBJECTING LPs FAILED TO GIVE NOTICE OF THE EX PARTE**  
4 **APPLICATION TO ALL AFFECTED PARTIES**

5 In their Application, Objecting LPs' state that notice was given to  
6 "counsel for the parties for which opposition to the Ex Parte Application  
7 is potential." [Dkt. 401-1, p. 5:2-3.] The only counsel listed are  
8 attorneys for the Receiver at the Mulvaney Barry firm, and attorneys for  
9 certain other CP18 investors at the Newmeyer & Dillion firm.

10 However, the funds that Objecting LPs want deposited in an  
11 account, would otherwise be distributed to numerous other claimants,  
12 assuming the Court grants the CP18 Distribution Motion, the CWM  
13 Realty Distribution Motion and the CRI Distribution Motion. Among the  
14 funds the Objecting LPs ask the Court to have deposited are those  
15 earmarked for distribution to CRI (\$200,524.68), and to CWM Realty  
16 (\$137,372.59) as well as the amount being withheld from Ihde  
17 (\$156,261.02) that would go to CWM Realty. (Distribution Schedule,  
18 Stephens Decl. Ex. A.)

19 The total of \$659,625.09 that would go to CWM Realty, then  
20 would be included in the distributions under the CWM Realty Distribution  
21 Motion to over a dozen other claimants, including CFI2 (\$822,587.97)  
22 and CFI3 (\$101,405.49). [Dkt. No. 376-3, p. 2.] In turn, pro rata  
23 distributions are intended to be made under the CFI Distribution Motion  
24 to numerous additional claimants. [Dkt. No. 377-3, pp. 4 & 6.] All of  
25 these claimants were entitled to receive notice and could potentially  
26 oppose the Application. Objecting LPs cannot reasonably expect these  
27 other creditors and investors to approve of over 20% of CP18's  
28 distributions being placed in a depository account.

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1 **3. OBJECTING LPs SEEK AN INJUNCTION BUT DID NOT**  
2 **COMPLY WITH THE PROCEDURAL REQUIREMENTS**

3 No mechanism is identified in the Application for the Court to rely  
4 on in establishing an account into which the requested deposits would be  
5 made. Similarly no procedure is offered to allow opposing parties a  
6 realistic opportunity for responding to the voluminous Application.

7 Rather, Objecting LPs argue that their Application is in essence a motion  
8 for an injunction.

9 However, if that were the case, an application for a temporary  
10 injunction would be used, and a hearing on a preliminary injunction  
11 would be scheduled, which would allow due process for the Receiver  
12 and all other affected parties to fully address the issues. See, Fed. R.  
13 Civ. Pro., Rule 65 (Injunctions and Restraining Orders); Central District  
14 Local Rule 65-1.

15 **4. OBJECTING LPs DID NOT OPPOSE THE CWM REALTY**  
16 **DISTRIBUTION MOTION OR THE CFI DISTRIBUTION MOTION**

17 As the Court ruled in its CP18 Distribution Motion, the Objecting  
18 LPs' were accorded due process in opposing that motion. They filed  
19 lengthy briefs and substantial evidentiary materials and had the  
20 opportunity to be heard. [Dkt. No. 385, p. 2:11-13.]

21 In addition, they had an opportunity to oppose the CWM Realty  
22 Distribution Motion and the CFI Distribution Motion. However, no one,  
23 including Objecting LPs, filed oppositions. They cannot now be heard to  
24 complain that CWM Realty is going to distribute its funds to proper  
25 claimants if the Court grants the motions.

26 **5. OBJECTING LPs ARE SEEKING A STAY ON APPEAL, WHICH**  
27 **IS PREMATURE AND WOULD REQUIRE A BOND**

28 Objecting LPs also are seeking a stay of a court order that has not  
been issued, which they intend to appeal. Currently, however, there is

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1 no final court order, much less the conclusion of the receivership, and  
2 there is no pending appeal for which the Ninth Circuit has jurisdiction.

3 Assuming a final order is issued that is appealable, and Objecting  
4 LPs do appeal, they can seek a stay. However, if they were to seek a  
5 stay, the Court could require an appeal. None, of that is properly before  
6 the Court and Objecting LPs should not be allowed to circumvent  
7 normal court processes to obtain exceptional relief especially at the  
8 expense of other investors who have a competing interest in timely  
9 distributions.

10 **6. OBJECTING LPs IMPROPERLY SEEK RECONSIDERATION**  
11 **OF THE CP18 DISTRIBUTION MOTION AND INTRODUCE NEW**  
12 **EVIDENCE**

13 A substantial part of Objecting LPs' Application is dedicated to re-  
14 argument of the CP18 Distribution Motion. Primarily, they contend that  
15 the motion should not have been granted as to Ihde, in part, because the  
16 Court did not correctly decide the arguments they previously made and,  
17 in part, because they now offer additional evidence for the Court to  
18 consider.

19 But, again, Objecting LPs have not followed the proper procedures  
20 for having the Court reconsider the motion or for attempting to introduce  
21 additional evidence. More importantly, had they done so, a motion for  
22 reconsideration would have been denied and the new evidence would  
23 have been rejected. Ihde offers no explanation for why her arguments  
24 and evidence could not have provided before or how the effect would  
25 have been any different. See, Fed. R. Civ. Pro., Rule 60 (Relief from a  
26 Judgment or Order).

27 Indeed, it appears that Ihde is simply augmenting the court record  
28 if an effort to bolster a future appeal. The new evidence and any

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1 reference to it should be stricken. Neither the Receiver, nor any other  
2 party has had a reasonable opportunity to challenge the new evidence.

3 **7. ROSS'S CLAIMS AGAINST CP12 AND CWM HAVE BEEN**  
4 **ACCEPTED BUT THERE ARE NO FUNDS TO DISTRIBUTE**

5 Objecting LPs argue that the Ross claims against CP12 and CWM  
6 Realty have not been considered as required by the Court's CP18  
7 Distribution Order. That is not correct. The claim against CP12 has  
8 been accepted, but CP12 has no funds to distribute to investors.

9 Although Ross's claim is properly against CP12, as the entity that  
10 issued the promissory note to him, he would not receive a distribution  
11 from the claim against CWM Realty either. CWM Realty did not issue  
12 the promissory note, it only gave a security interest for its equity in CP18.  
13 (Straight Note and Pledge of Security Interest [Dkt. Nos. 356-8, pp. 7 &  
14 8].) The interest was not perfected as the Court ruled [Dkt. No. 385, p.  
15 2:25 – 3:4] so it would be classified as one of the CWM General  
16 Partnership Liability Claims. However, there probably will be no funds  
17 for distribution to such claimants either. (Hebrank Declaration is Support  
18 of CWM Realty Distribution Motion, ¶ 15 and Ex. A; [Dkt. Nos. 376-2, p.  
19 5, 376-3, p. 2].)

20 Objecting LPs correctly point out that the Court ordered the  
21 Receiver to consider the Ross Claim in conjunction with distributions by  
22 CP12 and CWM Realty, but that the claim does not appear on the CWM  
23 Distribution Schedule. The reason is that the CWM Distribution Motion  
24 was filed on October 18, 2013, but the CP18 Distribution Motion did not  
25 come before the Court until October 28, 2013. Consequently, Receiver  
26 could not know how the Court wanted the Ross claim to be handled.  
27 Regardless, the claim has now been considered as against CP12 and  
28 CWM Realty.

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**CONCLUSION**

For all of the foregoing reasons, Receiver asks that the Application be denied in all regards.

Respectfully submitted,

DATED: December 12, 2013

MULVANEY BARRY BEATTY LINN & MAYERS LLP

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

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12 Attorneys for Thomas C. Hebrank,  
 13 Permanent Receiver

14 UNITED STATES DISTRICT COURT

15 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

16 SECURITIES AND EXCHANGE  
 17 COMMISSION,

18 Plaintiff,

19 v.

20 CHARLES P. COPELAND,  
 21 COPELAND WEALTH  
 22 MANAGEMENT, A FINANCIAL  
 23 ADVISORY CORPORATION,  
 24 AND COPELAND WEALTH  
 25 MANAGEMENT, A REAL  
 26 ESTATE CORPORATION,

27 Defendants.

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

**DECLARATION OF JOHN H.  
 STEPHENS IN SUPPORT OF  
 RECEIVER'S OPPOSITION TO EX  
 PARTE APPLICATION FOR  
 ORDER TRANSFERRING FUNDS  
 TO A DEPOSITORY ACCOUNT  
 PENDING APPEAL**

Ctrm: 8, 2<sup>nd</sup> Floor  
 Judge: Hon. Manuel L. Real

28 I, John H. Stephens, declare as follows:

1. I am an attorney licensed to practice in the State of California  
 and admitted before this Court. I am one of the attorneys representing the  
 Court-appointed permanent receiver, Thomas C. Hebrank ("Receiver"). I

////

1 have personal knowledge of the following facts and, if called as a witness,  
2 would testify to them.

3 2. I submit this declaration in support of the Receiver's Opposition  
4 to the Ex Parte Application for Order Transferring Funds to a Depository  
5 Account Pending Appeal ("Application") filed by Janet Ihde, Charles  
6 Schwab FBO Janet Ihde IRA, Sandra Hayes, Melvyn and Ruth Ross,  
7 Melvyn and Ruth Ross Revocable Trust, Joseph and Beth Dotan, and  
8 Dotan Family Trust (collectively "Objecting LPs").

9 3. Attached hereto as **Exhibit "A"** is a true and correct copy of  
10 the CP18 Sales Proceeds Distributions ("Distribution Schedule") prepared  
11 by the Receiver and previously attached as Exhibit "A" to the Declaration of  
12 the Receiver filed in support of the Receiver's Motion for Order: (1)  
13 Approving the Receiver's Distribution of Assets to the Investors of  
14 Copeland Properties 18, L.P.; and (2) Authorizing Termination and  
15 Cancellation of Copeland Properties 18, L.P. as an Entity (the "CP18  
16 Distribution Motion").

17 4. Attached hereto as **Exhibit "B"** is a true and correct copy of  
18 this Court's November 5, 2013 Order on Motion for: (1) Approval of the  
19 Receiver's Distribution of Assets to the Investors of Copeland Properties  
20 18, LP; and (2) Authorization to Terminate and Cancel Copeland Properties  
21 18, LP as an Entity (the "CP18 Distribution Order").

22 5. Attached hereto as **Exhibit "C"** is a true and correct copy of  
23 the Notice of Appeal filed in this case by the Objecting LPs, notifying this  
24 Court of the appeal ("Appeal") to the United States Court of Appeals for the  
25 Ninth Circuit ("Court of Appeals") from the CP18 Distribution Order. Omitted  
26 from the Appeal is paragraph 6 of the CP18 Distribution Order, which  
27 provides that this Court will consider additional briefing on the various

28 //

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1 issues raised by Tri Tool, Inc. ("Tri Tool") in its Opposition to the CP18  
2 Distribution Motion.

3 6. Attached hereto as **Exhibit "D"** is a true and correct copy of an  
4 Order filed by the Court of Appeals on December 6, 2013 ("Court of  
5 Appeals Order") pursuant to which the Objecting LPs have until December  
6 16, 2013 to show cause why the Appeal should not be dismissed for lack of  
7 jurisdiction. The Court of Appeals Order accurately points out that the CP18  
8 Distribution Order did not dispose of this action as to all claims and all  
9 parties. Furthermore, the CP18 Distribution Order does not even  
10 completely resolve or fully adjudicate the CP18 Distribution Motion, as it  
11 calls for additional briefing for the issues raised by Tri Tool in its Opposition  
12 to the CP18 Distribution Motion.

13 I declare under penalty of perjury under the laws of the State of  
14 California and of the United States of America that the foregoing is true and  
15 correct. This Declaration was executed in San Diego, California on  
16 December 12, 2013.

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18 /s/ John H. Stephens  
19 John H. Stephens  
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# **Exhibit A**

**CP18 Sales Proceeds Distributions**

**CASH**

Cash on Hand 08-09-13	\$2,687,099.81
Escrowed Sales Proceeds	<u>\$597,768.55</u>
	<u>\$3,284,868.36</u>

**DISBURSEMENTS**

SBMS Landmark Center	Lender	\$ 385,000.00
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**Other Liabilities**

2005 - Note Payable - CP5	\$ 45,500.00	Receivership Estate
2015 - CP15 Loan Payable	\$ 25,000.00	Receivership Estate
2017 - Note Payable - CP17	\$ 20,700.00	Receivership Estate
2030.3 - Note Payable-CWMRE/Eure	\$ 93,000.00	Receivership Estate
2030 - Note Payable - CRI	\$ 200,524.68	Receivership Estate
2035 - N/P - Accrued Management Fees	\$ 165,466.80	Receivership Estate
Accrued Attorneys Fees	\$ 67,251.50	Receivership Estate
	<u>\$ 617,442.98</u>	

**Costs**

2011 to 2013 Tax Return Preparation	\$ 10,000.00
2012 Taxes	\$ 12,240.00
Contingency - 2013 Taxes & Other	
Obligations	<u>\$ 2,760.00</u>
	\$ 25,000.00

**Net Proceeds for Distribution** \$ 2,257,425.38

**Equity**

Adele Hansen	5.63426%	127,189.22	Withhold \$5,121.43 - Owes Attorney's Fees to personal counsel
Albert Reid IRA	4.02447%	90,849.41	
Barbara Z Stahr	4.61472%	104,173.86	
Taber Family Trust	12.23439%	276,182.22	Withhold \$9,099.00 - Owes to CFI1
Carol P Lowe	4.02447%	90,849.41	
David Zilch Trust	4.61472%	104,173.86	
Diana M Weed	2.30737%	52,087.16	
Timothy C Weed	2.30737%	52,087.16	
Ehud Dotan IRA	2.06053%	46,514.93	
Dotan Family Trust	7.30844%	164,982.58	Withhold \$5,121.43 - Owes Attorney's Fees to personal counsel
Janet Ihde IRA	6.92209%	156,261.02	Withhold All - Owes \$579,135.55 to CWM, CFI3 and CP12
Melvyn & Ruth Ross Revocable Trust	6.92209%	156,261.02	Withhold \$5,121.43 - Owes Attorney's Fees to personal counsel
Sandra Hayes	6.43915%	145,359.01	
Steve Weiss IRA	2.99420%	67,591.83	
Steven Tozler IRA	3.86349%	87,215.40	Withhold \$5,121.43 - Owes Attorney's Fees to personal counsel
W.W. Eure	10.84997%	244,929.98	Withhold All - Owes \$388,020.56 to CWM and other potential obligations
CWM Real Estate	6.08537%	137,372.59	Receivership Estate
Copeland Property 5	6.79290%	153,344.75	Receivership Estate
Counsel for Adele Hansen, Dotan Family Trust, Melvyn & Ruth Ross Revocable Trust, and Steven Tozler IRA	0.00000%	-	Total Fees - \$20,485.72
	<u>100.00000%</u>	<u>2,257,425.38</u>	

**Total Distributions** \$ 3,284,868.36

Exhibit A

# **Exhibit B**

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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, 2<sup>nd</sup> 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

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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

# **Exhibit C**

1 Robert H. Ziprick (SBN 069571)  
2 William F. Ziprick (SBN 096270)  
3 Jonathan R. Ziprick (SBN 283843)  
4 **ZIPRICK & CRAMER, LLP**  
5 707 Brookside Avenue  
6 Redlands, CA 92373-5101  
7 Telephone: (909) 798-5005  
8 Facsimile: (909) 793-8944

9 Attorneys for Objecting LPs Janet Ihde,  
10 Charles Schwab FBO Janet Ihde IRA,  
11 Sandra Hayes, Melvyn and Ruth Ross,  
12 Melvyn and Ruth Ross Revocable Trust,  
13 Joseph and Beth Dotan, Dotan Family Trust

14  
15 UNITED STATES DISTRICT COURT  
16 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION  
17

18 SECURITIES AND EXCHANGE  
19 COMMISSION,

20 Plaintiff,

21 v.

22 CHARLES P. COPELAND, COPELAND  
23 WEALTH MANAGEMENT, A  
24 FINANCIAL ADVISORY  
25 CORPORATION, AND COPELAND  
26 WEALTH MANAGEMENT, A REAL  
27 ESTATE CORPORATION

28 Defendants.

Case No.: 2:11-cv-08607-R-DTB

**NOTICE OF APPEAL**

Assigned to  
Judge: Hon. Manuel L. Real

1           **Notice is hereby given** that Janet Ihde, Charles Schwab FBO Janet Ihde IRA,  
2 Sandra Hayes, Melvyn and Ruth Ross, Melvyn and Ruth Ross Revocable Trust, Joseph  
3 and Beth Dotan, Dotan Family Trust (“Objecting LPs”), in the above named case,  
4 hereby appeal to the United States Court of Appeals for the Ninth Circuit from the  
5 “ORDER ON MOTION FOR: (1) APPROVAL OF THE RECEIVER’S  
6 DISTRIBUTION OF ASSETS TO THE INVESTORS OF COPELAND PROPERTIES  
7 18, L.P.; AND (2) AUTHORIZATION TO TERMINATE AND CANCEL  
8 COPELAND PROPERTIES 18, L.P. AS AN ENTITY” (Document 385, “Order”, a  
9 copy of which is attached hereto as Exhibit A and incorporated herein by this reference),  
10 entered November 6, 2013, as to: (A) the provisions of Paragraphs 1 through 5,  
11 inclusive, of the Order, and (B) partial appeal as to Paragraph 7 of the Order (as  
12 described hereinafter), with the provisions of the specified appealed paragraphs of the  
13 Order quoted below as follows:

14           “1. Due process has been satisfied because Opposing Parties filed  
15 lengthy briefs and substantial evidentiary materials in opposition to the Motion  
16 and had an opportunity to be heard.”

17           “2. Copeland Properties 18, L.P. (“CP18”) does not owe Copeland  
18 Properties Three, L.P. (“CP3”) any money because Receiver’s evidence shows  
19 that limited partners of CP3 received equity interests in CP18 valued at  
20 \$1,705,000; and, the remaining debt obligation of \$423,544.11 owed by CP18 to  
21 CP3 was transferred by CP3 to Copeland Real Estate, Inc. (“CRI”) to offset  
22 CP3’s obligation to CRI.”

23           “3. Receiver shall pay management fees in the amount of \$165,466.80  
24 owed by CP18 to its general partner, CWM Realty.”

25           “4. The Receiver may withhold payment by CP18 to Ihde and the  
26 Ihde IRA because of her debts to other receivership entities.”

27           “5. The Rosses do not have an interest in CP18, but do have a claim  
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against Copeland Properties Twelve, L.P. (“CP12”) and a claim against CWM Realty secured by its interest in CP18. However, the Rosses’ security interest is not perfected and the Receiver 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. [Omitted].”

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

The provisions of Paragraph 7 of the Order are only appealed from to the limited extent that distribution of the assets of CP18 would be changed by the appeal from the provisions of Paragraphs 1 through 5, inclusive, of the Order as described above.

**Statement of Related Cases:**

Objecting LPs are not aware of any cases pending in the United States Court of Appeals for the Ninth Circuit that would be deemed related pursuant to Ninth Circuit Rule 28-2.6.

Dated: December 4, 2013

William F. Ziprick  
Robert H. Ziprick  
Jonathan R. Ziprick  
ZIPRICK & CRAMER, LLP

By: /s/ William F. Ziprick  
William F. Ziprick

Attorneys for Objecting LPs: Janet Ihde,  
Charles Schwab FBO Janet Ihde IRA, Sandra  
Hayes, Melvyn and Ruth Ross, Melvyn and Ruth  
Ross Revocable Trust, Joseph and Beth Dotan,  
Dotan Family Trust

Exhibit C

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Exhibit A

Exhibit C

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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, 2<sup>nd</sup> 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  
ORDER ON MOTION FOR 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 Case No. 11-cv-08607-R-DTB



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

2  
ORDER ON MOTION FOR 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 Case No. 11-cv-08607-R-DTB

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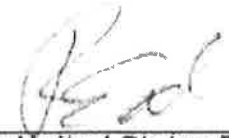
has priority over their security interest for the Receiver's claims against CWM Realty and CP12. The Receiver shall consider the Rosses' claims in connection with distributions by CWM Realty and CP12.

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

3

ORDER ON MOTION FOR 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 Case No. 11-cv-08607-R-DTB

1 Robert H. Ziprick (SBN 069571)  
William F. Ziprick (SBN 096270)  
2 Jonathan R. Ziprick (SBN 283843)  
**ZIPRICK & CRAMER, LLP**  
3 707 Brookside Avenue  
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4 Telephone: (909) 798-5005  
Facsimile: (909) 793-8944

5 Attorneys for Objecting LPs Janet Ihde,  
6 Charles Schwab FBO Janet Ihde IRA,  
Sandra Hayes, Melvyn and Ruth Ross,  
7 Melvyn and Ruth Ross Revocable Trust,  
Joseph and Beth Dotan, Dotan Family Trust

8  
9 UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

10  
11 SECURITIES AND EXCHANGE  
12 COMMISSION,

13 Plaintiff,

14 v.

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

18 Defendants.

No. \_\_\_\_\_

D. C. Case No.: 2:11-cv-08607-R-DTB

REPRESENTATION STATEMENT

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20 REPRESENTATION STATEMENT

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REPRESENTATION STATEMENT

Exhibit C

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The undersigned represents Janet Ihde, Charles Schwab FBO Janet Ihde IRA, Sandra Hayes, Melvyn and Ruth Ross, Melvyn and Ruth Ross Revocable Trust, Joseph and Beth Dotan, Dotan Family Trust (“Objecting LPs”) and no other parties. Attached is the docket list from the District Court that shows all of the parties to the action below, and identifies their counsel by name, firm, address, telephone number, and e-mail address, where appropriate (F.R.A.P. 12(b); Circuit Rule 3-2(b).), as well as the Service/Mailing List from the Certificate of Service being filed concurrently herewith.

Dated: December 4, 2013

William F. Ziprick  
Robert H. Ziprick  
Jonathan R. Ziprick  
ZIPRICK & CRAMER, LLP

By: /s/ William F. Ziprick  
William F. Ziprick

Attorneys for Objecting LPs: Janet Ihde, Charles Schwab FBO Janet Ihde IRA, Sandra Hayes, Melvyn and Ruth Ross, Melvyn and Ruth Ross Revocable Trust, Joseph and Beth Dotan, Dotan Family Trust

# Exhibit D

FILED

UNITED STATES COURT OF APPEALS

DEC 06 2013

FOR THE NINTH CIRCUIT

MOLLY C. DWYER, CLERK  
U.S. COURT OF APPEALS

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

CHARLES P. COPELAND,

Defendant,

And

COPELAND WEALTH  
MANAGEMENT, A Financial Advisory  
Corporation; et al.,

Defendants - Appellees,

JANET IHDE, Certain Limited Partners of  
Copeland Properties Three, Copeland  
Properties 14 and Copeland Properties 18;  
et al.,

Movants - Appellants,

v.

COPELAND PROPERTIES 18 L.P.,

No. 13-57039

D.C. No. 2:11-cv-08607-R-DTB  
Central District of California,  
Los Angeles

ORDER

SVG/Moatt

Exhibit D

Movant - Appellee,  
  
And  
  
THOMAS C. HEBRANK,  
  
Receiver - Appellee.

The district court's order challenged in this appeal did not dispose of the action as to all claims and all parties. Within 21 days after the date of this order, appellants shall move for voluntary dismissal of this appeal or show cause why it should not be dismissed for lack of jurisdiction. *See* Fed. R. Civ. P. 54(b); *Chacon v. Babcock*, 640 F.2d 221 (9th Cir. 1981). If appellants elect to show cause, a response may be filed within 10 days after service of the memorandum.

If appellants do not comply with this order, the Clerk shall dismiss this appeal pursuant to Ninth Circuit Rule 42-1.

Briefing is suspended pending further order of the court.

FOR THE COURT:

MOLLY C. DWYER  
CLERK OF COURT

By: Susan V. Gelmis  
Deputy Clerk/Motions Attorney

1 Everett G. Barry, Jr. (SBN 053119)  
 2 ebarry@mulvaneybarry.com  
 3 John H. Stephens (SBN 82971)  
 4 jstephens@mulvaneybarry.com  
 5 Toby S. Kovalivker (SBN 234386)  
 6 tkovalivker@mulvaneybarry.com  
 7 **MULVANEY BARRY BEATTY LINN & MAYERS LLP**  
 8 401 West A Street, 17th Floor  
 9 San Diego, CA 92101-7994  
 10 Telephone: 619-238-1010  
 11 Facsimile: 619-238-1981

12 Attorneys for Permanent Receiver,  
 13 Thomas C. Hebrank

14 UNITED STATES DISTRICT COURT  
 15 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

16 SECURITIES AND EXCHANGE  
 17 COMMISSION,

18 Plaintiff,

19 v.

20 CHARLES P. COPELAND,  
 21 COPELAND WEALTH  
 22 MANAGEMENT, A FINANCIAL  
 23 ADVISORY CORPORATION,  
 24 AND COPELAND WEALTH  
 25 MANAGEMENT, A REAL  
 26 ESTATE CORPORATION,

27 Defendants.

28 CASE NO. 11-cv-08607-R-DTB  
**CERTIFICATE OF SERVICE**

Crtm: 8, 2nd Floor  
 Judge: Hon. Manuel L. Real

I, Cindy Jennings, declare that I am over the age of 18 years and not a party to the action. I am employed in the County of San Diego, California, within which county the subject service occurred. My business address is 401 West A Street, 17th Floor, San Diego, California, 92101-7994.

MULVANEY BARRY BEATTY LINN & MAYERS  
 A LIMITED LIABILITY PARTNERSHIP  
 SEVENTEENTH FLOOR  
 401 WEST A STREET  
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 FACSIMILE 619 238-1981



