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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE)	CASE NO. CV 11-8607-R
COMMISSION,)	
)	ORDER GRANTING IN PART AND
Plaintiff,)	DENYING IN PART MISCELLANEOUS
)	MOTIONS FILED AT DOCKET
v.)	NUMBERS 428, 429, 430, 434, 435, AND
)	436.
CHARLES P. COPELAND, COPELAND)	
WEALTH MANGAGEMENT, A)	
FINANCIAL ADVISORY CORPORATION,)	
AND COPELAND WEALTH)	
MANAGEMENT, A REAL ESTATE)	
CORPORATION,)	
)	
Defendants.)	

22 Before the Court are six motions relating to the administration of this equity receivership.
23 All of the motions are unopposed. Finding these matters suitable for decision on the papers, the
24 Court took them under submission on May 16, 2014.

25 "A district court's power to supervise an equity receivership and to determine the
26 appropriate action to be taken in the administration of the receivership is extremely broad." *S.E.C.*
27 *v. Capital Consultants, LLC*, 397 F.3d 733, 738 (9th Cir. 2005).

28 With respect to the motion to approve the distribution of CWM Realty, "the primary job of

1 the district court is to ensure that the proposed plan of distribution is fair and reasonable.” *S.E.C.*
2 *v. Wealth Management LLC*, 628 F.3d 323, 332 (7th Cir. 2010). By order entered January 2, 2014,
3 the Court approved the Receiver’s priority determinations for the distribution of CWM Realty.
4 The Receiver now requests authority to make the actual distributions based upon those priorities.
5 The proposal is fair and equitable and is approved.

6 With respect to the motion for approval of the settlement agreement between the Receiver
7 and Rancho Mirage Surgery Center, LLC (“RMSC”), the parties are involved in litigation in state
8 court over a variety of promissory notes, guaranties, and indemnity agreements. The proposed
9 settlement involves RMSC and the Copeland entities releasing their claims against each other.
10 This is a fair and equitable settlement because both parties face difficulties collecting from each
11 other, and resolving the litigation will end the costs associated with that litigation and allow the
12 Receivership to wind-down. This motion is granted.

13 With respect to the motion for order appointing a liquidating trustee, discharging the
14 Receiver, etc., the Receiver represents that he has determined, in his reasonable business
15 judgment, that each of his responsibilities under the Appointment Order have been fulfilled and
16 the costs of continuing the present receivership would outweigh any potential benefit. All of the
17 Receiver’s requests in this motion are approved. When the Receiver determines whom he would
18 like to serve as the liquidating trustee, the Receiver is directed to file an application with the Court
19 containing the individual’s qualifications as well as his proposed fee.

20 With respect to the motion for approval of the sale of Receivership property, the Receiver
21 owns a one-sixth interest in real property in Washington State. The property is currently subject to
22 a lease in favor of Dan and Kris Houston through the year 2059. The Houstons are the proposed
23 buyers. They will pay a sale price of \$46,000 plus \$2,000 in additional costs for the Receiver’s
24 interest. The amount that the Receiver is being paid for his one-sixth interest is comparable to
25 what other portions of the Property have sold for.

26 The sale is approved because the price is reasonable and a public auction is not likely to
27 garner a higher price as few buyers would want a fractional interest in property that is subject to a
28 long-term leasehold.

1 With respect to the fee applications, the court appointing a receiver is responsible for
2 compensating the receiver and his attorneys, and it has the power to fix their compensation.
3 *Drilling & Exploration Corp. v. Webster*, 69 F.2d 416, 418 (9th Cir. 1934). A receiver and his
4 attorneys should recover fees that reasonably, but not excessively, compensate them for their
5 efforts. *In re Alpha Telcom, Inc.*, 2013 WL 840065, at *17 (D. Or. 2013).

6 Counsel requests approval of \$56,227.00 in fees and \$7,065.29 in expenses for the
7 application period of January 1, 2014 to April 18, 2014. Additionally, Counsel requests payment
8 of the fees that have been held back from all the other fee applications. Specifically, Counsel
9 requests payment of \$155,136.29, which represents the hold back amount reduced by 10 percent.

10 Counsel is billing at the rate of \$295.00 per hour which is a reasonable rate in light of their
11 experience and the status of this case as an equitable receivership. Counsel's request is approved
12 in the amount of \$211,363.29 in fees and \$7,065.29 in expenses.

13 Counsel also requests payment of \$18,000.00 for the estimated amount of fees that will be
14 incurred through the close of the Receivership. Counsel may file another fee application that may
15 be determined without a hearing if Counsel wants approval of further fees. The request for
16 \$18,000.00 is denied.

17 With respect to the Receiver's fee application, he requests approval of \$29,000.25 in fees
18 and \$2,124.40 in expenses for the period of January 1, 2014 through the closing of the
19 Receivership. The Receiver also requests payment of \$127,070.53 in previously held back fees.
20 The Receiver's requested fees and expenses are reasonable and are approved.

21 **IT IS HEREBY ORDERED** that the motions are granted in part and denied in part as
22 stated herein.

23 Dated: May 19, 2014.



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25
26 MANUEL L. REAL
27 UNITED STATES DISTRICT JUDGE
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