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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, et al.

Defendants.

CASE NO. 11-08607-R-DTB

OPPOSITION OF THIRD-PARTY
OBJECTORS, TO RECEIVER'S
MOTION TO: (1) CONSOLIDATE
RECEIVERSHIP ENTITIES; AND
(2) POOL ASSETS AND
LIABILITIES OF THE VARIOUS
RECEIVERSHIP ENTITIES

Date: November 5, 2012

Time: 10:00 a.m.

Ctrm: 8

Judge: Hon. Manuel L. Real

INTRODUCTION

This objection, to the Receiver's motion to (1) consolidate receivership entities; and (2) pool assets and liabilities of the various receivership entities, is on behalf of the following limited partners comprising 88.38 percent of the ownership of Copeland Properties Ten ("CP-10"): Robert Allen; Elayne Allen; Vellore Muraligopal; Vellore Muraligopal, Trustee of the Muraligopal Living Trust; Myron and Ruby Cinque, Trustees of the Cinque Family Trust; Rick and Blanche

Higdon, Trustees of the Higdon Revocable Trust; Klaus Kuehn; Lynda Kuehn; Richard Paul Blanford; Glenn Goodwin, Trustee of the Glenn Goodwin Trust; and James Powell ("Third-Party Objectors "). It is requested that the Court deny the Receiver's application because consolidation will do more harm than good.

BACKGROUND¹

The CP-10 partnership is a limited partnership that owns a large parcel of commercial property in Troy, Michigan. The property has five buildings all of which are currently leased to one tenant, Faurecia, which, according to its website, is the world's sixth largest supplier to automobile makers, designing and producing automobile interiors and exteriors and emission control technologies. Faurecia has consistently paid its rent and there is every indication it will continue to do so. See Copeland Dec. at ¶ 3.

CP-10 generates a regular profit. Based on CP-10's 2010 tax return, it received \$1,327,497 in rent for the year and after expenses realized net income of \$358,763. The limited partners received distributions based on the profit. Copeland Dec. ¶ 7.

Because CP-10 generates a profit, the Receiver has been accumulating cash from CP-10's operation. The amount of CP-10 funds currently held by the Receiver totals currently \$430,123. Receiver's Report Number 4 (Doc 128) p. 9.

The down payment for CP-10's property was paid for with the money it received from its limited partners. Copeland Dec. ¶ 4.

Most of the limited partners are reliant on income from CP-10 and will suffer extreme prejudice if the assets of CP-10 are sold for the payment of money to persons who lost money in other investments. See Declarations of Klaus Kuehn, Rickey T. Higdon, Richard Paul Blanford and Charles Copeland.

¹ Unless otherwise stated, the evidence supporting the factual statements set forth herein are set forth in the Declarations of Vellore Muraligopal, Rickey T. Higdon, Klaus Kuehn, Richard Paul Blanford, Glenn Goodwin and Charles Copeland, filed in this action on December 12, 2011, as Document No. "19."

CONSOLIDATION IS NOT WARRANTED

The Receiver's justification for consolidation is that he contends the various partnerships assets were commingled because there were transfers between one another and it would be expensive and time consuming to unravel the transfers. However, the Receiver previously admitted the transfers with regard to CP-10 were minimal and the Receiver has already unraveled them:

"With respect to CP-10, the balance sheets reflect that it owes approximately \$31,000 to Copeland Fixed Income Three ("CFI 3"), it received an equity investment of approximately \$95,000 from Copeland Properties Five, and that CP-10 Objector Vellore Muraligopal ("Muraligopal") owes \$165,000 to CFI 3."

Receiver's Reply to Objections of Certain Limited Partners of Copeland Properties Ten (Doc "21" p. 1 Ins. 25-28).

The alleged debt of CP-10 of \$31,000 to another partnership is minimal given the allegation by the Receiver that "millions" were commingled. CP-10 would agree to pay \$31,000 if the Receiver would agree to release CP-10 from the Receivership. Furthermore, loans between partnerships are not uncommon and do not evidence fraud or a "ponzi" scheme. It is a small debt that could be easily addressed and certainly does not warrant the drastic remedy of consolidation.

CP-5's investment of \$95,000 in CP-10 also is not evidence of fraud nor does it warrant consolidation. We note that CP-5 is a solvent partnership and has filed its own objections to the receiver's motion to consolidate. CP-5's investment is not "commingling." CP-5 is simply an investor. The Receiver has not suggested that CP-10 has defaulted in a payment obligation to CP-5. It is not improper for one partnership to invest in another, especially where both partnerships are solvent, which is indisputably the situation for CP-5 and CP-10.

1 Finally, the Receiver points to the fact that \$165,000 is allegedly owed to
 2 CFI 3 by Dr. Vellore Muraligopal. This is not a debt of CP-10. Dr. Muraligopal is
 3 an investor in CP-10, but his personal liabilities are not CP-10's liabilities. Thus,
 4 Dr. Muraligopal's liabilities to a different partnership are not a basis to consolidate
 5 CP-10 with other partnerships.

6 The Receiver is holding currently \$430,123 of CP-10 funds. Receiver's
 7 Report Number 4 (Doc 128) p. 9). There is simply no rational basis for why the
 8 Receiver is holding so much of CP-10's money, except the Receiver appears to
 9 intend to horde cash so that he can pay his fees and those of his attorneys.

10 CP-10 is certainly not a beneficiary of fraud and it makes no sense to include
 11 it in a consolidated pool as though it were the benefactor of fraud based on an
 12 unproven allegation that CP-10 benefitted from a "ponzi" scheme.

13 CONCLUSION

14 For the reasons set forth above this Court should deny the Receiver's motion
 15 to consolidate CP-10 with the other receivership entities.

16 DATED: October 16, 2012

MIRAU, EDWARDS, CANNON, LEWIN
 & TOOKE, a Professional Corporation

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 18
 19 By: 

William P. Tooke

Attorneys for Third-Party Objectors,
 Robert Allen; Elayne Allen; Vellore
 Muraligopal; Vellore Muraligopal, Trustee
 of the Muraligopal Living Trust; Myron
 and Ruby Cinque, Trustees of the Cinque
 Family Trust; Rick and Blanche Higdon,
 Trustees of the Higdon Revocable Trust;
 Klaus Kuehn; Lynda Kuehn; Richard Paul
 Blanford; Glenn Goodwin, Trustee of the
 Glenn Goodwin Trust; and James Powell

CERTIFICATE OF SERVICE

I am employed in the County of San Bernardino in the State of California. I am over the age of eighteen years. I am not a party to this action. My business address is 1806 Orange Tree Lane, Suite C, Redlands, California; Mailing address: P.O. Box 9058, Redlands, California 92375.

On October 16, 2012, I hereby certify that within documents described below:

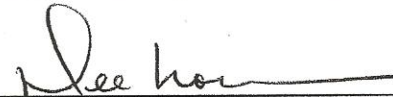
1. OPPOSITION OF THIRD-PARTY OBJECTORS, TO RECEIVER'S MOTION TO: (1) CONSOLIDATE RECEIVERSHIP ENTITIES; AND (2) POOL ASSETS AND LIABILITIES OF THE VARIOUS RECEIVERSHIP ENTITIES

was electronically transmitted to the Clerk of the Court using the CM/ECF System which will send a Notice of Electronic Filing to the following CM/ECF registrants:

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1 I declare under penalty of perjury that I am employed in the office of a
2 member of the bar of this Court at whose direction the service was made and that
3 the foregoing is true and correct.

4 Executed on October 16, 2012, at Redlands, California.

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