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12 Former Counsel for Receiver
13 THOMAS C. HEBRANK

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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. 11-08607-R-DTB

**REPLY IN SUPPORT OF FIRST AND
FINAL FEE APPLICATION OF
ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS, LLP,
FORMER COUNSEL FOR
RECEIVER**

Date: July 2, 2012

Time: 10:00 a.m.

Ctrm: 8

Judge: Hon. Manuel L. Real

1 Allen Matkins Leck Gamble Mallory & Natsis, LLP ("Allen Matkins"),
 2 former counsel for Thomas C. Hebrank ("Receiver"), the Court-appointed
 3 permanent receiver for Copeland Wealth Management, A Financial Advisory
 4 Corporation ("CWM"), Copeland Wealth Management, A Real Estate Corporation
 5 ("Copeland Realty"), and their subsidiaries and affiliates (collectively, the
 6 "Receivership Entities"), hereby replies to the respective objections of Flagstar
 7 Bank, certain limited partners of Copeland Properties Ten, and certain limited
 8 partners of Copeland Properties 2/17, 5, 7, and 16.

9 The objectors respond to the Fee Applications the same way they have
 10 responded to every pleading the Receiver has filed – the Receiver shouldn't be
 11 allowed to touch "our" money. The Court already decided that the Copeland limited
 12 partnerships are included in the receivership. Regardless, this is a non-issue. As
 13 stated in the Fee Applications, all approved fees and costs will be paid from the
 14 available assets of CWM, Copeland Realty, and the Copeland Fixed Income Funds.
 15 Allen Matkins Fee Application, page 5, lines 1-3.

16 The limited partner objectors contend that Allen Matkins' fees and costs
 17 should be denied because the firm provided services without authorization and the
 18 Court later decided the firm was too expensive. This argument is another example
 19 of their disregard of the Court's orders. As explained in the Fee Application, the
 20 Judgment that appointed the Receiver authorized him to engage counsel. Judgment,
 21 ¶ V(c) and (g). These provisions are included in receivership orders proposed by the
 22 Securities and Exchange Commission because the initial phase of a federal
 23 regulatory receivership almost always involves a myriad of legal issues needing
 24 immediate attention, as was the case here. The complex legal issues that faced the
 25 Receivership Entities at the outset of the case are discussed in detail in the Allen
 26 Matkins Fee Application. Allen Matkins Fee Application, pages 1-3.

1 As the Court is no doubt aware, receivers and lawyers talk to one another.
2 Allen Matkins was aware that the Court had taken issue with fee applications filed
3 by other receivers and their counsel in other regulatory receivership matters.
4 Therefore, although the Judgment authorized the Receiver to engage counsel, the
5 Receiver and Allen Matkins decided it was best to seek approval of Allen Matkins'
6 employment at the earliest possible opportunity rather than wait five or six months
7 until a fee application could be heard. Allen Matkins should not be punished for
8 taking this proactive approach. The firm should be compensated for the services it
9 provided pursuant to the Receiver's authority to engage counsel. As soon as the
10 Court stated that Allen Matkins was too expensive, the firm stopped billing for its
11 services. As a result, Allen Matkins provided approximately \$28,000 of legal
12 services at no charge.

13 Next, the limited partners object to the number of Allen Matkins partners who
14 provided services at higher billing rates. This argument lacks merit. Of the
15 297.3 hours of work provided by Allen Matkins, 246.4 were performed by
16 non-partner attorneys with rates below \$400 per hour. In reality, partners were used
17 sparingly and only as necessary to supervise junior attorneys and provide specific
18 expertise on discrete legal issues. Partner hours make up less than 18% of the total
19 hours worked.

20 The limited partner objectors' remaining arguments are simply further efforts
21 to re-litigate the issue of whether their respective limited partnerships should be
22 included in the receivership. As noted above, the Court has decided this issue.
23 Furthermore, this issue is not relevant to the Fee Applications currently before the
24 Court.

25 The Judgment authorized the Receiver to engage counsel. The Receiver
26 needed counsel right away to address the host of complex legal issues facing the
27 Receivership Entities that demanded immediate attention. The Receiver engaged
28

1 Allen Matkins and the firm provided valuable legal services. Allen Matkins was
2 proactive and sought Court approval of its employment at the earliest possible
3 opportunity. The firm should be fairly compensated for its services.

4
5 Dated: June 18, 2012

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

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7 By: /s/ Ted Fates

8 TED FATES
9 Attorneys for Receiver
THOMAS C. HEBRANK
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I am employed in the County of San Diego, State of California. I am over the age of eighteen (18) and am not a party to this action. My business address is 501 West Broadway, 15th Floor, San Diego, California 92101-3541.

On June 18, 2012, I served the within document(s) described as:

➤ **REPLY IN SUPPORT OF FIRST AND FINAL FEE APPLICATION OF ALLEN MATKINS LECK GAMBLE MALLORY & NATSIS, LLP, FORMER COUNSEL FOR RECEIVER**

on the interested parties in this action by:

☒ **BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF"):** the foregoing document(s) will be served by the court via NEF and hyperlink to the document. On June 18, 2012, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email addressed indicated below:

- Everett G Barry - ebarry@mulvaneybarry.com; gcurtis@mulvaneybarry.com
- Spencer E Bendell - bendells@sec.gov; LAROFiling@sec.gov; marcelom@sec.gov
- Peter Alan Davidson - pdavidson@ecjlaw.com; lpekru@ecjlaw.com
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- William P Tooke - wtooke@mechlaw.com

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on June 18, 2012, at San Diego, California.

Janine L. Holman
(Type or print name)


(Signature of Declarant)