

1 Everett G. Barry, Jr. (SBN 053119)
2 John H. Stephens (SBN 82971)
3 Patrick L. Prindle (SBN 87516)
4 **MULVANEY BARRY BEATTY LINN & MAYERS LLP**
5 401 West A Street, 17th Floor
6 San Diego, CA 92101-7994
7 Telephone: 619-238-1010
8 Facsimile: 619-238-1981

9 Attorneys for Permanent Receiver,
10 Thomas C. Hebrank

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

13 SECURITIES AND EXCHANGE
14 COMMISSION,

15 Plaintiff,

16 v.

17 CHARLES P. COPELAND,
18 COPELAND WEALTH
19 MANAGEMENT, A FINANCIAL
20 ADVISORY CORPORATION,
21 AND COPELAND WEALTH
22 MANAGEMENT, A REAL
23 ESTATE CORPORATION,

24 Defendants.

CASE NO. 2:11-cv-08607-R-DTB

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
RECEIVER'S MOTION FOR
ENTRY OF AN ORDER:**

1. ESTABLISHING BAR DATE FOR CLAIMS;
2. APPROVING FORM AND MANNER OF NOTICE THEREOF; AND
3. APPROVING PROOF OF CLAIM FORM AND PROCEDURES FOR SUBMITTING PROOFS OF CLAIM

DATE: December 17, 2012
TIME: 10:00 a.m.
DEPT. 8, 2nd Floor

Judge: Hon. Manuel L. Real

I. INTRODUCTION

Thomas C. Hebrank is the duly appointed permanent receiver (the "Receiver") pursuant to the Judgment of Permanent Injunction filed October 19, 2011 ("Judgment", Dkt. 3). The Judgment gives the Receiver

1 full powers of an equity receiver to take custody, control and possession of
2 the assets (“Receivership Estate”) of Defendants Copeland Wealth
3 Management, a Financial Advisory Corporation (“CWM Financial”) and
4 Copeland Wealth Management, a Real Estate Corporation (“CWM Realty”)
5 (together “Defendants”), and their subsidiaries and affiliates (the
6 “Receivership Entities”).

7 The Receiver respectfully moves this Court for an Order: (1)
8 establishing a bar date for claims; (2) approving the form and manner of
9 notice thereof; and (3) approving the proof of claim form and procedures
10 for submitting proofs of claim.

11 **II. FACTUAL AND PROCEDURAL BACKGROUND**

12 **A. Nature of the SEC Action**

13 On October 18, 2011, the Securities and Exchange Commission
14 (“SEC”) brought this action under various Sections of the Securities Act of
15 1933 (“Securities Act”)¹, the Securities Exchange Act of 1934 (“Exchange
16 Act”)², and the Investment Advisors Act of 1940 (“Advisors Act”)³.
17 Through imposition of the Receivership, the SEC sought to protect the
18 Receivership Entities’ creditors and investors from dissipation of the
19 assets of the Receivership Estate and to provide for payment of creditors
20 and some return for investors. The Complaint alleged that Defendants
21 engaged in making false and misleading statements and engaged in
22 deceptive acts and/or practices, all in violation of the Acts. The Complaint
23 sought both permanent injunctive relief and monetary relief in the form of
24 disgorgement and/or civil penalties.

25
26 ¹ Sections 20(b), 20(d)(1) and 22(a), 15 U.S.C. §§ 77t(b), 77t(d)(1) & 77v(a).

27 ² Sections 21(d)(1), 21(d)(3)(A), 21(e) and (f), 15 U.S.C. §§ 78(u)(d)(1), 78u(d)(3)(A), 78u(e), 78aa(a).

28 ³ Sections 209(d), 209(e)(1) and 214(a), 15 U.S.C. §§ 80b-9(d), 80b-9(e)(1) & 80b-14(a).

1 The Judgment gives also give the Receiver full equity powers,
2 including without limitation, power over all funds, assets, collateral,
3 premises, real or personal property, choses in action and other property
4 being managed by or in the possession or control of Defendants CWM
5 Financial and CWM Realty and their subsidiaries and affiliates.

6 **B. The Receivership Entities**

7 The Court determined by its Order Approving Receiver's Response
8 ("Order" (Dkt. 53) filed 3/12/12), that the following limited partnerships are
9 included in the receivership as affiliates of CWM Financial and CWM
10 Realty:

- 11 a. Copeland Private Equity One, L.P., Copeland Private Equity
12 Two, L.P.,⁴
- 13 b. Copeland Fixed Income One, L.P., Copeland Fixed Income
14 Two, L.P.,
15 Copeland Fixed Income Three, L.P.,⁵
- 16 c. Copeland Properties One, L.P., Copeland Properties Two,
17 L.P., Copeland Properties Three, L.P., Copeland Properties Four,
18 L.P., Copeland Properties Five, L.P., Copeland Properties Six,
19 L.P., Copeland Properties Seven, L.P., Copeland Properties Eight,
20 L.P., Copeland Properties Nine, L.P., Copeland Properties Ten,
21 L.P., Copeland Properties Eleven, L.P., Copeland Properties
22 Twelve, L.P., Copeland Properties 13, L.P., Copeland Properties
23 14, L.P., Copeland Properties 15, L.P., Copeland Properties 16,
24 L.P., Copeland Properties 17, L.P., Copeland Properties 18, L.P.⁶

24 ⁴ The individual Copeland Private Equity Partnerships will be identified individually as "CPE1" and
25 "CPE2" and together as the "Private Equity LPs."

26 ⁵ The individual Copeland Fixed Income Partnerships will be identified individually as "CFI1", "CFI2" and
27 "CFI3" and collectively as the "Fixed Income LPs."

28 ⁶ The individual Copeland Real Estate Partnerships will be identified individually as "CP1" through
"CP18" and collectively as the "Real Estate LPs."

1 **III. RELIEF REQUESTED**

2 By this Motion, the Receiver seeks entry of an order (the "Bar Date
3 Order") (1) establishing 5:00 p.m. (prevailing Pacific Time) on the date that
4 is sixty (60) days after entry of the Bar Date Order as the deadline by
5 which all Claimants must submit completed and signed Proofs of Claim
6 evidencing their Claims against one or more of the Receivership Entities;
7 (2) approving the form and manner of the notice thereof; and (3) approving
8 the Proof of Claim Form and procedures for submitting Proofs of Claim
9 (collectively, the "Claims Procedures").

10 **IV. CLAIMS AND CLAIMANTS SUBJECT TO BAR DATE**

11 Claims. For purposes of this Motion, a "Claim" is defined as:

- 12 1. a right to payment, whether or not such right is reduced
13 to judgment, liquidated, unliquidated, fixed, contingent,
14 mature, unmatured, disputed, undisputed, legal,
15 equitable, secured, or unsecured, against one or more of
16 the Receivership Entities; or
- 17 2. a right to an equitable remedy for breach of performance
18 if such breach gives rise to a right to payment, whether
19 or not such right to an equitable remedy is reduced to
20 judgment, fixed, contingent, matured, unmatured,
21 disputed, undisputed, secured or unsecured, against one
22 or more of the Receivership Entities.

23
24 Claimants. For purposes of this Motion, a "Claimant" is defined as
25 and includes any person or entity (including, without limitation, individuals,
26 partnerships, corporations, estates, trusts and governmental units) that
27 holds a Claim. Without limiting the generality of the foregoing, the
28 definition of Claimant includes, but is not limited to, any person or entity

MULVANEY BARRY BEATTY LINN & MAYERS
A LIMITED LIABILITY PARTNERSHIP
SEVENTEENTH FLOOR
401 WEST A STREET
SAN DIEGO, CALIFORNIA 92101-7044
TELEPHONE 619 238-1010
FACSIMILE 619 238-1981

1 holding (1) a Claim based on any investment in a Receivership Entity or
2 (2) a Claim of any kind against any Receivership Entity, including, without
3 limitation, a Claim based on the provision of goods or services to any
4 Receivership Entity and has not been paid in whole or in part therefor;
5 money loaned to any Receivership Entity and has not been paid in whole
6 or in part therefor; unpaid wages, compensation, or other employment
7 benefits; tax liabilities, including those held by federal and state
8 governments; primary, secondary, direct, indirect, secured, unsecured or
9 contingent liability; or contract, tort, indemnity, reimbursement, subrogation
10 theories, or other legal or equitable theory.

11 Claimants Who Are Not Required To Submit A Claim. The following
12 claimants are not required to submit a claim:

13 1. Claimants who have received a 2011 K-1 Partner's Share of
14 Income, Credits, Deductions, etc. ("K-1") evidencing their investment in
15 any of the Real Estate L.P.s from the Receiver may choose to have the K-
16 1 deemed such Claimant's Proof of Claim; and

17 2. Claimants with Claims arising out of Copeland Private Equity
18 One, L.P.; Copeland Private Equity Two, L.P.; Copeland Properties One,
19 L.P.; Copeland Properties Three, L.P.; Copeland Properties Four, L.P.;
20 Copeland Properties Six, L.P.; Copeland Properties Eight, L.P.; Copeland
21 Properties Eleven, L.P.; Copeland Properties Twelve, L.P.; Copeland
22 Properties Thirteen, L.P.; Copeland Properties Fourteen, L.P., as it does
23 not appear that there will be any distribution on said Claims.

24 **V. BASIS FOR ESTABLISHING CLAIMS PROCEDURES**

25 In order to develop a distribution plan, the Receiver must identify the
26 nature and scope of the potential claims against, and liabilities of, the
27 Receivership Entities. For this reason, it is necessary to establish a
28

1 deadline for Claimants to submit proof of claims for processing by the
2 Receiver.

3 Furthermore, it is critically important to the efficient administration of
4 the receivership and the fair and equitable distribution of assets among
5 Claimants that the proofs of claim be timely filed and that untimely proofs
6 of claim be barred. With limited proceeds available for distribution, the
7 Claims Procedure will ensure that the available proceeds are maximized
8 and distributed to Claimants that hold valid Claims and that submitted
9 proofs of claim prior to the deadline for doing so.

10 Support for the Claims Procedures can also be found in other
11 receivership cases, where courts have held that similar procedures were in
12 the best interest of the Receivership Entities, their creditors, holders of
13 claims, and other parties in interest. See, e.g., SEC v. Billion Coupons,
14 Inc., 2009 WL 2143534 (D. Hawaii July 13, 2009); SEC v. Princeton Econ.
15 Int'l Ltd, 2008 WL 7826694 (S.D.N.Y. Sept. 30, 2008).

16 VI. CLAIMS PROCEDURES

17 Bar Date. The Receiver accordingly requests that this Court
18 establish 5:00 p.m. (prevailing Pacific Time) on the date that is sixty (60)
19 days after entry of the Bar Date Order as the deadline for Claimants to
20 submit Proofs of Claim against the Receivership Entities (the "Bar Date").

21 Eligibility to Submit Proofs of Claim. Proofs of Claim (as defined
22 herein) shall be submitted by all persons or entities (including, without
23 limitation, individuals, partnerships, corporations, joint ventures, estates,
24 trust and governmental units) that are Claimants and believe that they are
25 owed any money by, or have a right to distribution from, any of the
26 Receivership Entities, regardless of whether the Claim at issue has been
27 acknowledged by the Receiver or whether the Claim at issue is held with
28

1 or through any person or entity or based on primary, secondary, direct,
2 indirect, secured, unsecured, or contingent liability.

3 Administrative and Professional Claims. Creditors holding claims
4 based on the provisions of goods or services directly to the Receiver (as
5 opposed to any of the Receivership Entities) after the date the Receiver
6 was appointed ("Administrative Claims") will not be required to submit
7 proof of claim on or before the Bar Date and will not be subject to the Bar
8 Date. Additionally, the Receiver and his professionals approved by this
9 Court will not be required to submit proofs of claim on or before the Bar
10 Date, and all claims of the Receiver and his professionals ("Professional
11 Claims") will be addressed in accordance with prior orders of this Court.

12 Notice. The Receiver believes that the following efforts will ensure
13 broad notice to Claimants.

- 14 1. Notice by Mail. Within fourteen (14) business days of
15 entry of the Bar Date Order, the Receiver proposes to
16 serve by mail, potential Claimants who have provided the
17 Receiver with a physical address with: (1) a notice of the
18 Bar Date and the procedures for submitting proofs of
19 claim, substantially in the form the proposed letter of
20 notice attached hereto as Exhibit "A" (the "Bar Date
21 Notice") and (2) a proof of claim form substantially in the
22 form of the document attached hereto as Exhibit "B" (the
23 Proof of Claim Form"). The Receiver proposes to serve
24 those located within the United States by United States
25 first class mail and those located outside the United
26 States by any method he deems reasonable in his sole
27 and absolute discretion. The Bar Date Notice and the
28

MULVANEY BARRY BEATTY LINN & MAYERS
A LIMITED LIABILITY PARTNERSHIP
SEVENTEENTH FLOOR
401 WEST A STREET
SAN DIEGO, CALIFORNIA 92101-7844
TELEPHONE 619 238-1010
FACSIMILE 619 238-1981

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

Proof of Claim Form provide clear notice and instructions concerning the Claims Procedures.

2. Notice by Electronic Mail. In addition to notice by mail, where potential Claimants have not provided the Receiver with a physical address, but have provided an electronic mail address to the Receiver, within fourteen (14) business days of entry of the Bar Date Order, the Receiver proposes to serve the Bar Date Notice and the Proof of Claim Form on such potential Claimants via the electronic mail address provided by them.

3. Notice Upon Inquiry. The Receiver will promptly provide the Bar Date Notice and Notice of Claim Form to any potential Claimant who makes a written request for such documents to the e-mail address

Iryan@ethreadvisors.com or to the physical address of **Thomas C. Hebrank, E3 Advisors, 501 West Broadway, Suite 800, San Diego, California 92101.**

Procedure for Submitting Proof of Claim. Except as otherwise ordered by this Court or provided below, each Claimant must submit a completed and signed Proof of Claim Form under penalty of perjury and evidencing such Claimant's Claim, together with supporting documentation (a "Proof of Claim"), with the Receiver in the manner indicated below, so that such Proof of Claim is **actually received** on or before the Bar Date. Proofs of Claim may be submitted to the Receiver (1) in person or by courier service, hand delivery, or mail addressed to **Thomas C. Hebrank, E3 Advisors, 501 West Broadway, Suite 800, San Diego, California 92101**; or (2) by electronic mail, as an attachment in portable document

1 format (.pdf) to lryan@ethreadvisors.com.

2 Proofs of Claim should not be filed with this Court, and any Proof of
3 Claim so filed will not be considered properly submitted.

4 Submitting Documentation for Proof of Claim. Each Claimant should
5 attach to each Proof of Claim copies of all documents available to the
6 Claimant that would support such Proof of Claim. Such documentation
7 may include, but is not limited to: copies of personal checks, cashier's
8 checks, wire transfers, and other documents evidencing the claim; copies
9 of each signed contract; a chronological accounting of all money received
10 by the Claimant from any Receivership Entity or the Receiver, whether
11 such payments are denominated as the return of principal, interest,
12 commissions, finder's fee, or otherwise; copies of all agreements,
13 promissory notes, purchase orders, invoices, itemized statements of
14 running accounts, contracts, court judgments, mortgages, security
15 agreement, evidence of perfection of lien; and other documents evidencing
16 the amount and basis of the Claim. If such supporting documentation is
17 not available, the Claimant must attaché to the Proof of Claim an
18 explanation of why the documentation is unavailable.

19 Depending on the Claim review process ultimately employed by the
20 Receiver, each Claimant will have to satisfy certain minimum standards in
21 order to establish a Claim and receive a distribution. Accordingly, the
22 more information a Claimant provides, the easier it will be for the Receiver
23 to validate that Claimant's Proof of Claim.

24 Proof of Claim Must Identify Receivership Entity. Any Claimant
25 holding Claims against more than one Receivership Entity must submit a
26 separate Proof of Claim against each such Receivership Entity, identify on
27 each Proof of Claim the particular Receivership Entity against which the
28

MULVANEY BARRY BEATTY LINN & MAYERS
LIMITED LIABILITY PARTNERSHIP
SEVENTEENTH FLOOR
401 WEST A STREET
SAN DIEGO, CALIFORNIA 92101-7944
TELEPHONE 619 238-1010
FACSIMILE 619 238-1981

1 Proof of Claim is asserted, and identify each and all of the Receivership
2 Entities the claim is being filed against. This procedure will expedite the
3 Receiver's review of the Proofs of Claim and will not be unduly
4 burdensome because Claimants should know which Receivership Entities
5 they hold Claims against.

6 A Claimant's failure to identify the correct Receivership Entity on a
7 Proof of Claim Form may be grounds for objection to, and disallowance of,
8 such Claimant's Claims. However, a Claimant may submit Proofs of Claim
9 against several or all of the Receivership Entities if, based upon a
10 reasonable investigation, such Claimant believes that it holds a Claim
11 against those Receivership Entities or is unsure which Receivership Entity
12 it holds a Claim against.

13 Effect of Failure to Submit Proof of Claim Before Bar Date. Any
14 Claimant who is required to submit a Proof of Claim, but fails to do so in a
15 timely manner or in the proper form, shall be forever barred, estopped, and
16 enjoined to the fullest extent allowed by applicable law from asserting, in
17 any manner, such Claim against the Receivership Entities and their
18 respective property or estates; shall not be permitted to object to any
19 distribution plan proposed by the Receiver on account of such Claim; shall
20 be denied any distributions under any distribution plan implemented by the
21 Receiver on account of such Claim; and shall not receive any further
22 notices on account of such Claim. Further, the Receivership Entities and
23 their respective property or estates will be discharged from any and all
24 indebtedness or liability with respect to such Claim.

25 The proposed Bar Date and Proof of Claim Form are not unduly
26 burdensome or uncommon in matters of this nature. It is essential to the
27 efficient and orderly administration of the receivership that Claimants
28

1 timely file their Proofs of Claim and that late-filed Proofs of Claim be
2 disallowed. Establishment of the Bar Date is necessary in order for the
3 Receiver to determine which persons are entitled to share in distributions
4 under a proposed plan.

5 Proofs of Claim Processing and Verification. The Receiver has not
6 yet decided whether to use manual or automated processing for the Proofs
7 of Claim or how to reconcile Proofs of Claim with the books and records of
8 the Receivership Entities. The Receiver has also not yet decided how to
9 verify the Claims asserted in the Proofs of Claim. He is currently
10 considering the use of certifications of truthfulness for all Proofs of Claim,
11 an audit process for a sampling of smaller Proofs of Claim, and in-depth
12 examination of larger Proofs of Claim. As such, the Receiver requests that
13 he be authorized to employ any procedures he deems necessary, in his
14 sole and absolute discretion, but subject to review by, and approval of, this
15 Court, for processing, reconciling, and verifying Proofs of Claim.

16 Reservation of Rights. Nothing herein shall prejudice any right of the
17 Receiver to dispute, or assert offsets or defenses as to the nature,
18 amount, liability, classification, or otherwise against, any amounts asserted
19 in any Proof of Claim. Nothing contained herein is intended to preclude
20 the Receiver from objecting to any Proof of Claim on any grounds.

21 VII. DISTRIBUTION CALCULATION METHODOLOGIES

22 The Receiver's goal in this case, which the establishment of the Bar
23 Date will facilitate, is the approval of a plan of distribution that will, among
24 other things, provide for distributions to Claimants based on the amount of
25 their valid Claims. Relevant authorities permit the use of different
26 methodologies to calculate distributions to holders of Claims arising out of
27 investments. For his current purposes, the Receiver needs to ensure that
28

1 Claimants provide sufficient information to allow him to determine the
2 amount and validity of their Claims using whichever method this Court
3 ultimately directs him to employ.

4 **VII. CONCLUSION AND PRAYER FOR RELIEF**

5 WHEREFORE, the Receiver respectfully requests that this Court
6 grant this Motion and enter an Order: (1) establishing the Bar Date by
7 which Claimants must submit Proofs of Claim of any type (other than
8 Administrative Claims) against any of the Receivership Entities; (2)
9 approving the proposed form and manner of notice of the Bar Date and
10 related procedures; (3) approving the proposed Proof of Claim Form and
11 procedures for submitting Proofs of Claim; and (4) granting such other and
12 further relief as is appropriate.

13
14 DATED: November 16, 2012

MULVANEY BARRY BEATTY LINN & MAYERS LLP
By: /s/ Patrick L. Prindle
Everett G. Barry, Jr.
John H. Stephens
Patrick L. Prindle
Attorneys for Receiver
Thomas C. Hebrank

MULVANEY BARRY BEATTY LINN & MAYERS
A LIMITED LIABILITY PARTNERSHIP
SEVENTEENTH FLOOR
401 WEST A STREET
SAN DIEGO, CALIFORNIA 92101-7644
TELEPHONE 619 238-1010
FACSIMILE 619 238-1981

EXHIBIT A

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

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. 2:11-cv-08607-R-DTB

**NOTICE OF BAR DATE AND
PROCEDURES FOR
SUBMITTING CLAIM**

TO: ALL CLAIMANTS OF THE RECEIVERSHIP ENTITIES
PLEASE TAKE NOTICE OF THE FOLLOWING:

On December 17, 2012, the United States District Court Central
District of California, Western Division (the "District Court") entered an order
in the above-captioned case (the "Bar Date Order") establishing
_____, at 5:00 p.m. (prevailing Pacific Time) as the deadline (the "Bar
Date") for certain claimants to submit a completed and signed Proof of
Claim Form under penalty of perjury and evidencing such claimant's claim,
together with supporting documentation (a "Proof of Claim"), evidencing
their claims against one or more of the receivership entities in the above-

1 captioned case and all the entities they own or control (collectively, the
2 "Receivership Entities")

3 1. WHAT IS THE BAR DATE?

4 The Bar Date is the date by which the individuals and entities
5 described below must submit a Proof of Claim with the Receiver's agent in
6 the manner indicated below. The Bar Date is _____, at 5:00 p.m.
7 (prevailing Pacific Time), and all Proofs of Claim must be actually received
8 on or before that deadline. Please note that any Proof of Claim submitted
9 after the Bar Date will be subject to disallowance, which means that you
10 would not receive any distribution from the Receiver or the Receivership
11 Entities.

12 2. WHO NEEDS TO SUBMIT A PROOF OF CLAIM?

13 All persons or entities (including, without limitation, individuals,
14 partnerships, corporations, joint ventures, estates, trusts, and governmental
15 units) that believe they possess a right to payment, or a claim of any nature,
16 against any of the Receivership Entities and believe that they are owed any
17 money by, or are entitled to a distribution from, any of the Receivership
18 Entities must submit a Proof of Claim, regardless of whether such claim has
19 been acknowledged by the Receiver (each a "Claimant").

20 Claimants include, but are not limited to, the following:

- 21 • any person or entity that holds a claim based on any investment in a
22 Receivership Entity, including an investment in a certificate of deposit
23 issued by Stanford International Bank, Ltd. or any other Receivership
24 Entity;
- 25 • any person or entity that has a claim based on the provision of goods
26 or services to any Receivership Entity and has not been paid in whole
27 or in part therefor;
- 28 • any person or entity who has a claim based on money loaned to any

MULVANEY BARRY BEATTY LINN & MAYERS
A LIMITED LIABILITY PARTNERSHIP
SEVENTEENTH FLOOR
401 WEST A STREET
SAN DIEGO, CALIFORNIA 92101-7944
TELEPHONE 619 238-1010
FACSIMILE 619 238-1981

- 1 Receivership Entity and has not been paid in whole or in part therefor;
- 2 • any employees of any Receivership Entity who have a claim for
- 3 unpaid wages, compensation, or benefits;
- 4 • any person or entity, including federal or state governmental units,
- 5 that have tax claims against any Receivership Entity;
- 6 • any person or entity with a claim against any Receivership Entity
- 7 based on primary, secondary, direct, indirect, secured, unsecured, or
- 8 contingent liability; or
- 9 • any person or entity holding a claim of any sort against any
- 10 Receivership Entity based on contract, tort, indemnity,
- 11 reimbursement, subrogation theories, or other legal or equitable
- 12 theory.

13 This notice is being sent to many persons and entities that have had

14 some relationship or have done business with the Receivership Entities.

15 The fact that you have received this notice does not necessarily mean that

16 you are a Claimant, that you have a valid claim, or that the District Court or

17 the Receiver believes you have a claim against the Receivership Entities.

18 3. WHAT ARE THE CONSEQUENCES OF NOT SUBMITTING A

19 PROOF OF CLAIM?

20 ANY CLAIMANT WHO IS REQUIRED TO SUBMIT A PROOF OF

21 CLAIM, BUT THAT FAILS TO DO SO IN A TIMELY MANNER OR IN THE

22 PROPER FORM, WILL BE FOREVER BARRED, ESTOPPED, AND

23 ENJOINED TO THE FULLEST EXTENT ALLOWED BY APPLICABLE LAW

24 FROM ASSERTING, IN ANY MANNER, SUCH CLAIM AGAINST THE

25 RECEIVERSHIP ENTITIES AND THEIR RESPECTIVE PROPERTY OR

26 ESTATES; WILL NOT BE PERMITTED TO OBJECT TO ANY

27 DISTRIBUTION PLAN PROPOSED BY THE RECEIVER ON ACCOUNT

28 OF SUCH CLAIM; WILL BE DENIED ANY DISTRIBUTIONS UNDER ANY

1 DISTRIBUTION PLAN IMPLEMENTED BY THE RECEIVER ON
2 ACCOUNT OF SUCH CLAIM; AND WILL NOT RECEIVE ANY FURTHER
3 NOTICES ON ACCOUNT OF SUCH CLAIM. FURTHER, THE
4 RECEIVERSHIP ENTITIES AND THEIR RESPECTIVE PROPERTY OR
5 ESTATES WILL BE DISCHARGED FROM ANY AND ALL
6 INDEBTEDNESS OR LIABILITY WITH RESPECT TO SUCH CLAIM.

7 4. WHERE CAN I GET A COPY OF THE PROOF OF CLAIM
8 FORM?

9 For your convenience, enclosed with this notice is a Proof of Claim
10 Form. A copy of the Proof of Claim Form is also available on the Receiver's
11 website for this case at <http://www.ethreadvisors.com>. The Receiver will
12 also provide this notice and the Proof of Claim Form to any potential
13 Claimant who makes a written request for such documents to the e-mail
14 address Iryan@ethreadvisors.com, or to the physical address: Thomas C.
15 Hebrank, E3 Advisors, 501 West Broadway, Suite 800, San Diego, CA
16 92101.

17 5. HOW DO I SUBMIT MY PROOF OF CLAIM?

18 A completed and signed Proof of Claim, together with supporting
19 documentation, must be submitted to the Receiver's agent, so as to be
20 actually received no later than _____ at 5:00 p.m. (prevailing Pacific
21 Time). Proofs of Claim must be submitted to the Receiver's agent (1) in
22 person or by courier service, hand delivery, or mail addressed to Thomas
23 C. Hebrank, E3 Advisors, 501 West Broadway, Suite 800, San Diego, CA
24 92101; or (2) by electronic mail, as an attachment in portable document
25 format (.pdf), to Iryan@ethreadvisors.com. Proofs of Claim will only be
26 deemed submitted when actually received by the Receiver's agent, and
27 therefore please allow sufficient time for delivery. Proofs of Claim should
28 not be filed with the District Court, and any Proof of Claim so filed will not be

1 considered properly submitted.

2 If you have a claim against more than one Receivership Entity, you must
3 submit a separate Proof of Claim against each such Receivership Entity
4 and identify on each Proof of Claim the particular Receivership Entity
5 against which the Proof of Claim is asserted. Your failure to identify the
6 correct Receivership Entity on a Proof of Claim Form may be grounds for
7 objection to, and disallowance of, the claim. However, you may submit
8 Proofs of Claim against several or all of the Receivership Entities if, based
9 upon a reasonable investigation, you believe that you hold a claim against
10 those Receivership Entities or you are unsure which Receivership Entity
11 you hold a claim against.

12 6. SUPPORTING DOCUMENTS

13 You should attach to each Proof of Claim copies of all documents
14 available to you that could support your claim. Such documentation may
15 include, but is not limited to: copies of personal checks, cashiers checks,
16 wire transfer advices, and other documents evidencing your investment of
17 funds; copies of each signed investment contract; and a chronological
18 accounting of all money you received from any Receivership Entity or the
19 Receiver, whether such payments are denominated as the return of
20 principal, interest, commissions, finder's fee, sponsor payment, or
21 otherwise; copies of all agreements, promissory notes, purchase orders,
22 invoices, itemized statements of running accounts, contracts, court
23 judgments, mortgages, security agreements, evidence of perfection of lien;
24 and other documents evidencing the amount and basis of your Claim.
25 Depending upon the Claim review process ultimately employed by the
26 Receiver, you will have to satisfy certain minimum standards in order to
27 establish a Claim and receive a distribution. Accordingly, the more
28 information you provide, the easier it will be for the Receiver to validate your

1 Proof of Claim. DO NOT SEND ORIGINAL DOCUMENTS. If such
2 supporting documentation is not available, please explain why in an
3 addendum that is attached to your Proof of Claim.

4 7. CONSENT TO JURISDICTION

5 If you submit a Proof of Claim in this case, you consent to the
6 jurisdiction of the District Court for all purposes and agree to be bound by
7 its decisions, including, without limitation, a determination as to the validity
8 and amount of any claims asserted against the Receivership Entities. In
9 submitting a Proof of Claim, you agree to be bound by the actions of the
10 District Court even if that means your claim is limited or denied.

11 8. RESERVATION OF RIGHTS

12 The Receiver reserves the right to dispute, or assert offsets or
13 defenses as to the nature, amount, liability, classification, or otherwise
14 against, any amounts asserted in any Proof of Claim. Nothing set forth in
15 this notice or the Proof of Claim Form shall preclude the Receiver from
16 objecting to any Proof of Claim on any grounds.

17
18 Dated: _____

19 Thomas C. Hebrank, Permanent Receiver
20
21
22
23
24
25
26
27
28

MULVANEY BARRY BEATTY LINN & MAYERS
A LIMITED LIABILITY PARTNERSHIP
SEVENTEENTH FLOOR
401 WEST A STREET
SAN DIEGO, CALIFORNIA 92101-7944
TELEPHONE 619 238-1010
FACSIMILE 619 238-1981

EXHIBIT B

UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION	[For Receiver's use only] PROOF OF CLAIM NO. _____
SEC v. Charles P. Copeland, et al. Case No. 2:11-cv-08607-R-DTB	Submit your Proof of Claim and supporting documentation to the Receiver: (1) in person or by courier service, hand delivery, or mail addressed to Thomas C. Hebrank, E3 Advisors, 501 West Broadway, Suite 800, San Diego, CA 92101; or (2) by electronic mail, as an attachment in portable document form (.pdf) to lryan@ethrecadvisors.com
1. CLAIMANT INFORMATION: Name: _____ Address: _____ City, State, Zip: _____ Telephone: _____ Account Number (if any): _____	2. ENTITY WITH WHOM CLAIM WAS INCURRED (SUBMIT SEPARATE CLAIMS AGAINST EACH ENTITY): _____ List here all other entities against which Claimant has filed a separate Proof of Claim: _____ _____ _____
3. BASIS FOR CLAIM (CHECK ALL APPLICABLE): Investment in _____ Other investment _____ Services performed _____ Money loaned _____ Taxes _____ Your SS#: _____ from _____ to _____ (dates) Other: _____ (describe or provide additional information on attached sheet)	4. SECURED CLAIM: Secured Party. Check this box if you contend your claim is subject to a security interest. Attach copies of all documents that evidence the claim of secured status, including promissory notes, mortgages, security agreements, and evidence of perfection of lien. BRIEF DESCRIPTION OF COLLATERAL: Real Estate _____ Motor Vehicle _____ Other _____ (please describe) ASSERTED VALUE OF COLLATERAL: \$ _____
5. TOTAL AMOUNT OF CLAIM: \$ _____	
6. DATE(S) DEBT WAS INCURRED: _____	7. IF COURT JUDGMENT, DATE OBTAINED: _____
8. IF LEGAL ACTION PENDING, DATE COMMENCED, COURT NAME, AND CASE NO.: _____	
9. SUPPORTING DOCUMENTATION: Please attach to your Proof of Claim Form copies of all documents available to you that support your claim, including but not limited to, copies of personal checks, cashiers checks, wire transfer advices, and other documents evidencing the claim, copies of contracts, a chronological accounting of all money received from any receivership entity or the receiver, copies of all agreements, promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, evidence of perfection of lien, and other documents evidencing the amount and basis of the Proof of Claim. DO NOT SEND ORIGINAL DOCUMENTS. If such documentation is not available, please attach an explanation of why the documents are unavailable.	
10. VERIFICATION OF CLAIMS: All Proofs of Claim submitted are subject to verification by the Receiver and approval by the Court. It is important to provide complete and accurate information to facilitate this effort, Claimants may be asked to supply additional information to complete this process	
11. CONSENT TO JURISDICTION: By submitting your Proof of Claim, you consent to the jurisdiction of the United States District Court Central District of California, Western District for all purposes and agree to be bound by its decisions, including, without limitation, a determination as to the validity and amount of any claims asserted against the Receivership Entities. In submitting your Proof of Claim, you agree to be bound by the actions of the United States District Court Central District of California, Western District even if that means your claim is limited or denied.	
12. DATED: _____	13. SIGNATURE: Sign and print the name and title, if any, of all claimants or other persons authorized to submit this claim (attach a copy of power of attorney, death certificate, or other document as needed). Pursuant to 28 U.S.C. § 1746, I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct and that any supporting documentation provided is also true and correct. Signature: _____ Printed Name: _____ Title: _____