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THOMAS C. HEBRANK

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

EASTERN 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. 11-08607-R-DTB

DECLARATION OF THOMAS C. HEBRANK IN SUPPORT OF RECEIVER'S EX PARTE APPLICATION FOR ORDER ALLOWING PRE-RECEIVERSHIP SALE OF FINANCIAL ADVISORY ASSETS TO ELEVAGE PARTNERS, LLC TO CLOSE

Ctrm: 8
Judge: Hon. Manuel L. Real

I, Thomas C. Hebrank, declare:

1. I am the Court-appointed permanent receiver for Copeland Wealth Management, a Financial Advisory Corporation ("CWM"), Copeland Wealth Management, a Real Estate Corporation, and their subsidiaries and affiliates ("Receivership Entities"). I submit this declaration in support of my Ex Parte Application for Order Allowing Pre-Receivership Sale of Financial Advisory Assets to Elevage Partners, LLC to Close ("Application"). I have personal knowledge of the facts stated herein, and if called upon to do so, I could and would personally and competently testify to them.

2. Prior to filing of the Complaint by the Securities and Exchange Commission ("Commission"), and my appointment as Receiver, CWM entered into a transaction to sell its financial advisory business to Elevage Partners, LLC ("Elevage"), an investment adviser registered with the State of California. The assets to be transferred to Elevage are investment management agreements ("IMAs") with clients of CWM, under which CWM manages client accounts maintained at Charles Schwab and TD Ameritrade, and receives a quarterly commission. A copy of the Asset Purchase Agreement ("Agreement") is attached hereto as Exhibit 1.

CAUSE FOR EX PARTE RELIEF

3. Since my appointment, clients have not been receiving investment advice. I have informed clients that I will instruct Charles Schwab and TD Ameritrade to make trades and transactions on their behalf, but I will not provide investment advice. As soon as possible, these clients should be moved over to Elevage or another registered investment adviser of their choosing such that a registered investment adviser can assist them in managing their investment accounts.

4. Additionally, CWM's business is rapidly diminishing in value. The IMAs can be terminated by clients at any time. Clients with more than $50 million

under management, *i.e.*, more than 40% of the business, have already agreed to go over to Elevage. Another approximately 20% of clients have terminated their IMAs. Clients have been advised of the Complaint and Judgment, and are no longer receiving investment advice from CWM. If the sale is not approved, I will be forced to wind down the business, meaning there will be no recovery from the business for investors and creditors of the Receivership Entities.

5. Moreover, prior to my appointment, CWM and Elevage agreed to a closing date of the sale of November 1, 2011. The consent forms signed by clients who are transferring their IMAs to Elevage state that the transfer of their accounts will occur on November 1, 2011. The form of consent signed by clients is attached hereto as Exhibit 2. Delay in closing the sale could cause clients to lose confidence in the transaction and withdraw their consents, which in turn could cause Elevage to reduce the purchase price or walk away. Accordingly, requiring that this matter be heard on the normal 28-day notice period could harm those clients who have signed consents and are waiting to receive investment advice from Elevage, and would put the possibility of a recovery from the assets in serious jeopardy.

THE RECEIVER'S ACTIVITIES TO DATE

6. Since my appointment on October 25, 2011, I have secured the offices of the Receivership Entities, met with and interviewed their employees, caused myself to be added as the sole authorized signatory for their bank and brokerage accounts, gathered and reviewed their financial statements, and caused all data on their computer servers and hard drives to be imaged and preserved. As required under 28 U.S.C. § 754, I have caused the Complaint and Judgment to be filed in the six judicial districts (not including this district) in which the Receivership Entities own property. I have also had the Receivership Entities' mail forwarded to my office.

7. The Receivership Entities shared a website with Copeland Accountancy, an entity not part of the receivership. I have instructed Copeland and

Copeland Accountancy to remove all references to the Receivership Entities from the website. In addition, I established a new page on my website dedicated to this receivership: www.ethreeadvisors.com (go to the tab labeled "Cases" and click on SEC v. Copeland Wealth Management). As discussed below, I have mailed a letter to all CWM clients with information about the case, and directing them to my website for future updates.

8. I have also commenced work to preserve a possible sale of real property located in North Carolina, which property is the subject of a pending bankruptcy case. This is also a time sensitive matter as significant delay could cause the buyer to lose its financing commitment and walk away from the transaction. I anticipate filing papers seeking relief with respect to the North Carolina property within the next week.

9. In the next 10 days, I also intend to file an employment application for counsel and a Preliminary Receiver's Report. In connection with my Preliminary Receiver's Report, I will request certain relief that I believe will clarify the scope of the receivership and aid in the administration of the receivership estate.

THE PRE-AMENDMENT SALE TERMS

10. As noted above, prior to my appointment, CWM and Elevage had agreed on a November 1, 2011 closing date for the transaction. Upon my appointment, my counsel and I evaluated the Agreement and determined that certain aspects of it needed to be amended. On November 2, 2011, while Elevage and I were negotiating an amendment to the Agreement, Elevage sent me a letter terminating the Agreement due to CWM's failure to close on November 1, 2011. On November 3, 2011, Elevage, Copeland, Lawrence and I (on behalf of CWM) signed a First Amendment to the Agreement ("First Amendment"), which reinstates the Agreement, amends various terms and sets the closing date as the first business day after entry of the order requested herein. The First Amendment, which is discussed further below, is attached hereto as Exhibit 3.

11. Prior to the Amendment, the terms of the Agreement were as follows:[1]

Purchase Price. An earnout over 5 years which is tiered depending on the quarterly net revenue from the IMAs being transferred to Elevage, as follows: (a) 40% of Elevage's net revenue per quarter from transferred IMAs if such revenue is equal to or greater than $75,000; (b) 35% of net revenue per quarter if such revenue is equal to or greater than $50,000 but less than $75,000; and (c) 30% of net revenue per quarter if such revenue is less than $50,000. The Agreement excluded from net revenue all revenue from IMAs that produce less than $500 in commissions per quarter ("Smaller Accounts"). According to the Assets Report attached to the Agreement as Schedule A, there are a total of 179 Smaller Accounts.

Holdback and Setoff. The Agreement provided for a holdback of the first $100,000 of the earnout for two years as security for CWM's indemnity obligations under the Agreement. The Agreement further provided that Elevage could offset and deduct any amount owed to it under the indemnity provisions discussed below against any amount it owed to CWM.

Minimum IMA Transfer. The Agreement required that clients with at least $50 million under CWM's management sign consents to transfer their IMAs to Elevage. The Receiver was informed that this condition was satisfied at approximately the same time or shortly after his appointment. This condition was not altered by the Amendment.

Solicitation Agreement. As part of the Agreement, Elevage and CWM were to sign an agreement providing that CWM would solicit existing or prospective clients to transfer or sign new IMAs with Elevage. This is reflected in Exhibit B to the Agreement ("Solicitation Agreement").

[1] The terms of the Agreement and the Amendment are summarized herein for ease of reference only. To the extent the summary provided herein conflicts with the Agreement or the Amendment, the Agreement and the Amendment control and govern.

Arbitration/ADR. The Agreement contained an arbitration provision for all disputes arising out of or relating to the Agreement. The Agreement also contained a provision requiring that any disputes regarding the earnout amount be submitted to a national or regional accounting firm for binding determination.

Representations. The Agreement contained representations by CWM that, other than this case, there are no legal proceedings pending or threatened against CWM or its affiliates, and that there is no injunction or order on CWM or its assets that would restrict CWM from completing the transaction. There was no cap on the amount Elevage could recover for damages resulting from a breach of CWM's representations.

Indemnity. The Agreement contained broad indemnity provisions under which CWM indemnified Elevage for, among other things, any damages it incurs as a result of any proceedings involving CWM or its affiliates, clients, shareholders, officers or employees. There was no cap on the amount of its damages Elevage could recover under the indemnity provisions.

Employment of Lawrence Copeland. As part of the transaction, Elevage agreed to employ Lawrence under an "at will" employment agreement. This is reflected in Exhibit C to the Agreement. Lawrence was the President of CWM, and its primary contact with clients.

Investor Restitution Trust. As part of the Agreement, a trust was established into which the earnout would be deposited for the benefit of certain named investor beneficiaries who have suffered losses from their investments ("Trust"). There were only 12 named beneficiaries of the Trust. The Declaration of the Copeland Investor Restitution Trust is attached to the Hebrank Declaration as Exhibit 4.

THE AMENDED SALE TERMS

12. I determined that, in light of the Judgment and receivership, certain terms of the Agreement needed to be changed. As an initial matter, it was necessary

to make authorization from this Court a condition to closing the transaction. Additionally, I determined that the following changes should be made:

Solicitation Agreement. This part of the Agreement was stricken. I believe that, as an officer of the Court, it is not appropriate for me to endorse Elevage or encourage clients to transfer or sign new IMAs with Elevage.

Arbitration/ADR. I believe that the alternative dispute resolution provisions in the Agreement are no longer appropriate, and that this Court, which appointed me as Receiver and has jurisdiction over the receivership estate, should be the exclusive forum to resolve disputes relating to the Agreement.

Setoff. The provision allowing Elevage to offset any amount owed to it under the indemnity provisions against any amount it owed to CWM was stricken.

Representations. The representations by CWM discussed above were eliminated. The Judgment arguably makes the representation false. Moreover, I have not had sufficient time to investigate what pending or threatened legal proceedings against the Receivership Entities may exist.

Indemnity. I believe that the broad indemnity provisions in favor of Elevage are not appropriate. My concern is that Elevage could assert an indemnity claim, and that such claim might be entitled to priority in payment from the receivership estate in that it arises from a post-receivership transaction approved by the Court. In a case such as this where the assets of the receivership estate are limited, exposing the estate to an indemnity claim that could consume a large portion of the assets available for distribution is inadvisable. Therefore, I limited the scope of the indemnity, and limited the source from which Elevage could recover on an indemnity claim, or any other claim under the Agreement, to the $100,000 Holdback.

Employment of Lawrence Copeland. Elevage, Lawrence and I agreed that although nothing prevents Elevage from employing Lawrence, the employment agreement would not be part of the Agreement.

Investor Restitution Trust. I believe that the Trust is inconsistent with the purposes of an equity receivership. One of the fundamental purposes of an equity receivership is to put the assets of the entities in receivership under the control of the Court such that the Court can determine which investors and creditors have valid claims, and further determine the most equitable manner of distributing the assets. The Trust would limit the Court's ability to serve this purpose by pre-determining that the earnout under the Agreement would go only to the 12 named beneficiaries. At this early stage in the case, it is not possible to determine whether the 12 named beneficiaries are the only persons who should receive a distribution from the sale proceeds. Accordingly, the First Amendment eliminates the Trust.

13. Elevage stated that the additional delay and attorneys' fees it had incurred, the changed landscape due to the Commission's complaint and the Receiver's appointment, as well as the changes discussed above increase its risk under the Agreement and reduce its projected economic benefit. Accordingly, it demanded an adjustment to the purchase price. The Receiver and Elevage negotiated the purchase price and agreed on a flat earnout of 25% of net revenue on all accounts, including Smaller Accounts. The terms of the earnout are otherwise unchanged.

14. The inclusion of Smaller Accounts, which were excluded under the original earnout formula, substantially ameliorates the reduction in the percentage of quarterly net revenue. As of August 31, 2011, there were 179 Smaller Accounts. This is reflected on Schedule A of the Agreement. Furthermore, based on the clients who have consented to the transfer of their IMAs thus far, the Receiver believes it is unlikely that the quarterly net revenue would be sufficient to reach the 40% tier under the original earnout formula, and that for most quarters it would likely have been at the 35% or 30% tier.

15. Accordingly, the First Amendment (a) reinstates the Agreement after Elevage terminated it, (b) greatly reduces the receivership estate's exposure to

claims by Elevage arising from the Agreement, (c) limits Elevage's source of recovery on any such claims to the Holdback, (d) eliminates aspects of the Agreement that are unacceptable or inadvisable in light of the receivership (the Solicitation Agreement and arbitration provisions), as well as those that run counter to the fundamental purposes of an equity receivership (the Trust), and (e) contains a modest reduction in the earnout.

16. **Second Amendment.** After the parties to the Agreement executed the First Amendment, and my counsel had e-mailed the application to Defendant Copeland and counsel for the Commission, the Commission expressed a concern with the Agreement. Specifically, the Commission was concerned that the Agreement did not require Elevage to register as an investment adviser in states other than California if and when CWM clients who reside in other states moved over to Elevage. The parties to the Agreement agreed that a Second Amendment was appropriate to address this concern. The Second Amendment, a copy of which is attached hereto as Exhibit 6, was executed on November 7, 2011.

COMMUNICATIONS WITH CLIENTS

17. On November 3, 2011, I posted on my website and mailed to all CWM clients a letter which is attached hereto as Exhibit 5. The letter advises CWM clients of the Commission's complaint, my appointment, and the possibility that the Court will approve the proposed sale. I have not, and do not, encourage clients to, or discourage clients from, transferring their IMAs to Elevage. Although I believe that the sale makes economic sense for the receivership estate under the circumstances, and therefore seek an order allowing the transaction to close, I take no position regarding whether clients should or should not transfer their IMAs to Elevage. Likewise, I suggest that any order by the Court allowing the sale to close is not intended and should not be construed as an endorsement of Elevage.

APPROVAL OF THE SALE

18. The assets of CWM are rapidly diminishing in value. As noted above, the IMAs can be terminated by clients at any time. Clients with more than $50 million under management, *i.e.*, more than 40% of the business, have already agreed to go over to Elevage. Another approximately 20% of clients have terminated their IMAs. Clients have been advised of the Complaint and Judgment, and are no longer receiving investment advice from CWM. If the sale is not approved, I will be forced to wind down the business, meaning there will be no recovery from the business for investors and creditors of the Receivership Entities.

19. Although I have not had sufficient time to conduct an independent investigation of any relationship between the parties to the Agreement, it has been represented to me by Copeland, Lawrence, and, to the best of their knowledge, Scott Bartel, former counsel for CWM, and David Mainzer, counsel for Elevage, that Elevage and its principals have no prior relationship to the Receivership Entities, Copeland or Lawrence, and that the transaction was negotiated at arm's length. Elevage is an investment adviser registered with the State of California.

20. The exigency with regard to moving clients to Elevage or a different investment adviser of their choosing, coupled with the rapidly diminishing value of the assets also eliminates the possibility of establishing a bidding process and soliciting overbids. I have interviewed Copeland, Lawrence and Jeff Bottomley, the agent that marketed the business, and believe that the business has been adequately exposed to the market place. Even if there were time for further marketing, under the circumstances it is very unlikely that such efforts would produce a higher and better offer. I believe that approval of the Agreement, as amended by the First and Second Amendments, is in the best interest of the receivership estate.

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

Executed this 7th day of November, 2011, at San Diego, California.

THOMAS C. HEBRANK

EXHIBIT 1

ASSET PURCHASE AGREEMENT

by and between

ELEVAGE PARTNERS, LLC,

CHARLES P. COPELAND,

C. LAWRENCE COPELAND,

COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION

AND

COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION, AS TRUSTEE OF THE COPELAND INVESTOR RESTITUTION TRUST

dated as of September 30, 2011

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ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT, dated as of September 30, 2011 (this "Agreement"), by and between Elevage Partners, LLC, a Delaware limited liability company ("Buyer"), Charles P. Copeland, an individual, C. Lawrence Copeland, an individual, Copeland Wealth Management, a Financial Advisory Corporation, a California corporation ("Copeland") and Copeland Wealth Management, a Financial Advisory Corporation, a California corporation, in its capacity as Trustee of the Copeland Investor Restitution Trust (the "Trust" and, jointly and severally with Copeland, "Seller"). For all purposes of this Agreement, capitalized terms shall have the respective meanings set forth in Exhibit A hereto (such definitions to be equally applicable to both the singular and plural forms of the terms herein defined).

RECITALS

WHEREAS, Seller desires to transfer to Buyer those assets of Seller's business described on Schedule A hereto (the "Transferred Assets") and those liabilities of Seller described on Schedule B hereto (the "Transferred Liabilities"), in each case upon the terms and subject to the conditions set forth in this Agreement;

WHEREAS, Buyer desires to purchase the Transferred Assets from Seller, and to assume the Transferred Liabilities, in each case upon the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, Seller desires that the purchase consideration payable by Buyer for the Transferred Assets be paid to the Trust.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, and intending to be legally bound hereby, subject to the conditions and other terms herein set forth, the parties hereby agree as follows:

ARTICLE I
THE TRANSACTIONS

Section 1.1 Purchase of Transferred Assets. Subject to the terms and conditions of this Agreement, at the Closing, Buyer shall purchase from Copeland, and Copeland shall sell, convey, transfer, assign and deliver to Buyer all right, title and interests of any nature whatsoever in the Transferred Assets, free and clear of any Encumbrances other than the Transferred Liabilities.

Section 1.2 Instruments To Be Delivered At The Closing.

(a) At the Closing, Seller shall execute, acknowledge and deliver, or, in the case of documents required to be entered into by third parties, use commercially reasonable efforts to cause to be executed, acknowledged and delivered:

(i) a solicitation agreement, in form substantially similar Exhibit B hereto (the "Solicitation Agreement"), duly executed by Seller;

(ii) an employment agreement, in form substantially similar to Exhibit C hereto (the "Employment Agreement"), duly executed by C. Lawrence Copeland; and

(iii) documents, in form reasonably acceptable to Buyer, sufficient to assign, or otherwise transfer, to Buyer all of Copeland's right, title and interest in and to the Transferred Assets.

(b) At the Closing, Buyer shall execute, acknowledge and deliver:

(i) the Solicitation Agreement; and

(ii) the Employment Agreement.

Section 1.3 Closing. The consummation of the purchase and sale of the Transferred Assets and the Transferred Liabilities (the "Closing") shall take place at the offices of Spolin Silverman Cohen & Bosserman LLP, 1230 Rosecrans Avenue, Suite 600, Manhattan Beach, California, at 10:00 a.m., local time, on (a) November 30, 2011 or (b) at such other date, time and place as Buyer and Seller shall mutually agree in writing (the date on which the Closing takes place being referred to herein as the "Closing Date").

Section 1.4 Earnout. The purchase price (the "Purchase Price") for the Transferred Assets shall be paid to the Trust. The Purchase Price shall be equal to the Applicable Percentage of the Net Revenue actually received by Buyer, from those current clients of Seller who are parties to the Transferred Investment Management Agreements transferred to Buyer pursuant to this Agreement (the "Existing Clients"), with respect to the management of the Existing Clients' assets during the 20 calendar quarter period commencing with the calendar quarter during which the Closing occurs (the "Earnout Period"). Subject to Section 1.5, the Purchase Price shall be payable in 20 quarterly installments, each payable within 60 days after the end of each calendar quarter during the Earnout Period in an amount equal to the Applicable Percentage of the Net Revenue actually received by Buyer during such calendar quarter (each an "Installment"). In the event that Buyer waives, refunds, rebates or otherwise credits or returns any Net Revenue it has received from any Existing Client, the amount of any future Purchase Price installments due to the Trust shall be reduced by the amount of Purchase Price, if any, previously paid to the Trust with respect to such Net Revenue. Each Installment shall be accompanied by copies of the work papers and other books and records used by the Buyer in determining the amount of the Installment. The Seller shall notify the Buyer within thirty (30) days of receipt of an Installment if the Seller disagrees with the amount of such Installment. Upon receipt by the Buyer of such a notice from the Seller, the Buyer and the Seller shall negotiate in good faith to resolve any disagreement. To the extent the Buyer and the Seller are unable to resolve their dispute within thirty (30) days, the Buyer and the Seller shall promptly submit the issues as to the proper amount of an Installment to a national or regional accounting firm consented to by the parties, which consent shall not be unreasonably withheld, for a binding determination. The fees and expenses of such accounting firm shall be paid by the party whose latest written offer or written position as to an Installment is furthest away from the Installment as determined by such accounting firm.

Section 1.5 Holdback. Buyer shall retain $100,000 of the Purchase Price otherwise payable to the Trust pursuant to Section 1.4 (the "Holdback Amount") during the two year period commencing on the Closing Date (the "Holdback Period"). During the Holdback Period, Buyer shall be entitled to set off any amounts due to any Buyer Indemnified Party pursuant to Article VII against the Holdback Amount. In the event that any such amounts are set off against the Holdback Amount during the Holdback Period: (a) the amount so set off shall be deemed to have been paid by Seller to the applicable Buyer Indemnified Party pursuant to Article VII; and (b) Buyer shall retain additional amounts of the Purchase Price otherwise payable to the Trust pursuant to Section 1.4 until such time as the balance of the Holdback Amount has been restored to $100,000. On the second anniversary of the Closing Date, Buyer shall pay any remaining balance of the Holdback Amount to the Trust. Buyer's rights of set off against the Holdback Amount are in addition to the set off rights of Buyer under Sections 1.4 and 7.6.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the Seller Disclosure Schedule, Seller represents and warrants to Buyer as of the date hereof, and as of the Closing Date, as follows:

Section 2.1 Title to Transferred Assets. Buyer will acquire the Transferred Assets free and clear of any Encumbrances other than the Transferred Liabilities.

Section 2.2 Organization and Related Matters. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of California. Seller has the requisite corporate power and authority necessary to carry on its business as it is now being conducted and to own, lease and operate all of its properties and assets. Seller is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned, leased or operated by it makes such qualification or licensing necessary. Seller has provided or made available to Buyer or their representatives true and correct copies of its Organizational Documents, all as in effect on the date hereof, and Seller is not in violation of any provision of its Organizational Documents.

Section 2.3 Authority; Authorization. Seller has all requisite power and authority and capacity to execute and deliver this Agreement and the Ancillary Agreements to which it is a party, to perform Seller's obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by Seller of each of this Agreement and such Ancillary Agreements have been, and the consummation by Seller of the transactions contemplated hereby and thereby have been, duly and validly authorized and approved by all necessary actions of Seller. This Agreement has been, and at the Closing each of such Ancillary Agreements will be, duly and validly executed and delivered by Seller and (assuming due authorization, execution and delivery by Buyer) this Agreement constitutes, and upon their execution at the Closing such Ancillary Agreements will constitute, legal, valid and binding obligations of Seller enforceable against Seller in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization,

moratorium and similar laws affecting creditors' rights and remedies generally and except as the availability of equitable remedies may be limited by equitable principles of general applicability.

Section 2.4 No Violation. Neither the execution, delivery or performance of this Agreement and the Ancillary Agreements to which it is a party by Seller, nor the consummation by Seller of the transactions contemplated hereby or thereby, nor compliance by Seller with any of the terms or provisions hereof or thereof binding upon them will, with or without the giving of notice, the termination of any grace period or both: (i) violate, conflict with, or result in a breach or default under any provision of Buyer's Organizational Documents; or (b) result in a violation or breach by Seller of, conflict with, constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation, payment or acceleration) under any of the terms, conditions or provisions of any Contract or other instrument or obligation to which Seller is a party, or by which Seller may be bound, in each case which would have a material adverse effect on the value of the Transferred Assets or the ability of Seller to consummate the transaction contemplated by this Agreement.

Section 2.5 Legal Proceedings. Other than with respect to only Seller and Charles P. Copeland in connection with only the matters expressly set forth in that certain letter from the Los Angeles Regional Office of the Securities Exchange Commission to C. Lawrence Copeland, dated June 22, 2011, there are no legal, administrative, arbitral or other proceedings (including disciplinary proceedings), claims, suits, actions or governmental or regulatory investigations or inquiries of any nature (collectively, "Proceedings") that (a) are pending or, to the Knowledge of Seller, threatened against or relating to, Seller or any of its Affiliates, shareholders, officers or employees or any of their respective properties, assets or businesses, or (b) challenge the validity or propriety of the transactions contemplated by this Agreement or under the Ancillary Agreements, and there is no injunction, order, judgment, decree or regulatory restriction imposed upon Seller or any of its properties, assets or businesses that would restrict the right of Seller to consummate the transactions contemplated by this Agreement in the normal course. There are no criminal Proceedings pending or, to the Knowledge of Seller, threatened against or relating to, Seller or any of its Affiliates, shareholders, officers or employees.

Section 2.6 Consents and Approvals. Other than the requirement to obtain the consent of Seller's clients, Seller is not required to obtain any consent or approval of or make any filing, declaration or registration with any Governmental Authority or any third party in connection with (i) the execution and delivery of this Agreement or the Ancillary Agreements or (ii) the consummation of the transactions contemplated hereby or thereby.

Section 2.7 Compliance with Applicable Law.

(a) Seller has complied and is in compliance with all Applicable Law with respect to the Transferred Assets and the Transferred Liabilities. Seller has not received any notice asserting any violation by Seller of any Applicable Law with respect to the Transferred Assets and the Transferred Liabilities.

(b) Seller has made available to Buyer complete and correct copies of all (i) investigation, examination, audit or inspection reports provided by any Governmental Authority in respect of Seller, (ii) written responses to any such reports made by Seller and (iii) other

correspondence relating to any investigation, examination, audit or inspection of Seller by any Governmental Authority.

(c) Seller has at all times, as required by the Advisers Act, adopted a written policy regarding insider trading, a policy regarding the conduct and reporting of personal trading and conflicts of interest by its advisory representatives, a privacy policy, a proxy voting policy and an anti-money laundering policy. Such policies comply with the requirements of Applicable Law, including without limitation Section 204A of the Advisers Act. There have been no violations of the policies of Seller with respect to personal trading or avoiding conflicts of interest.

(d) Seller has at all times, as required by the Advisers Act maintained records which accurately reflect transactions in reasonable detail, and accounting controls, policies and procedures sufficient to ensure that such transactions are recorded in a manner which permits, to the extent applicable, the preparation of financial statements in accordance with applicable regulatory requirements, if any.

(e) Seller is not and has not been (i) a bank, trust company, broker-dealer, commodity pool operator, commodity trading advisor, real estate broker, insurance company or insurance broker within the meaning of any Applicable Law, (ii) required to be registered, licensed or qualified as a bank, trust company, commodity broker-dealer, commodity pool operator, commodity trading advisor, real estate broker, insurance company or insurance broker under any Applicable Law or (iii) subject to any liability or disability by reason of any failure to be so registered, licensed or qualified. Seller has not received notice of, and is not aware of any basis for, any pending legal proceeding concerning any failure to obtain any bank, trust company, commodity broker-dealer, commodity pool operator, commodity trading advisor, real estate broker, insurance company or insurance broker registration, license or qualification.

Section 2.8 Disclosure. Seller has made available to Buyer all the information that Buyer has requested for deciding whether to acquire the Transferred Assets, assume the Transferred Liabilities, enter into this Agreement and the Ancillary Agreements and consummate the transactions contemplated by this Agreement and the Ancillary Agreements. Neither any information provided to Buyer by Seller, or any of Seller's shareholders, officers or employees, nor any representation or warranty of Seller contained in this Agreement or any Ancillary Agreement, as qualified by the Company Disclosure Schedule, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF BUYER

Except as set forth in the Buyer Disclosure Schedule, Buyer represents and warrants to Seller as of the date hereof, and as of the Closing Date, as follows:

Section 3.1 Organization and Related Matters. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Buyer has the

requisite corporate power and authority necessary to carry on its business as it is now being conducted and to own, lease and operate all of its properties and assets. Buyer is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the nature of the business conducted by it or the character or location of the properties and assets owned, leased or operated by it makes such qualification or licensing necessary. Buyer has provided or made available to Seller or their representatives true and correct copies of its Organizational Documents, all as in effect on the date hereof, and Buyer is not in violation of any provision of its Organizational Documents.

Section 3.2 Authority; Authorization. Buyer has all requisite power and authority to execute and deliver this Agreement and the Ancillary Agreements to which it will be a party at the Closing, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by Buyer of each of this Agreement and the Ancillary Agreements to which it will be a party at the Closing has been, and the consummation by it of the respective transactions contemplated hereby and thereby have been, duly and validly authorized and approved by all necessary actions of Buyer. This Agreement has been, and at the Closing each of the Ancillary Agreements will be, duly and validly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by each other party hereto and thereto) this Agreement constitutes, and upon its execution at the Closing each Ancillary Agreement will constitute, legal, valid and binding obligations of Buyer enforceable against Buyer in accordance with its respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally and except as the availability of equitable remedies may be limited by equitable principles of general applicability.

Section 3.3 No Violation. Neither the execution, delivery or performance of this Agreement and the Ancillary Agreements to which it is a party by Buyer, nor the consummation by Buyer of the transactions contemplated hereby or thereby, nor compliance by Buyer with any of the terms or provisions hereof or thereof binding upon them will, with or without the giving of notice, the termination of any grace period or both: (i) violate, conflict with, or result in a breach or default under any provision of Buyer's Organizational Documents; or (b) result in a violation or breach by Buyer of, conflict with, constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation, payment or acceleration) under any of the terms, conditions or provisions of any Contract or other instrument or obligation to which Buyer is a party, or by which Buyer may be bound.

Section 3.4 Legal Proceedings. There are no Proceedings that (a) are pending or, to the Knowledge of Buyer, threatened against or relating to, Buyer or any of its properties, assets or businesses, or (b) as of the date hereof, challenge the validity or propriety of the transactions contemplated by this Agreement or under the Ancillary Agreements, and there is no injunction, order, judgment, decree or regulatory restriction imposed upon Buyer or any of its properties, assets or businesses that would restrict the right of Buyer to consummate the transactions contemplated by this Agreement in the normal course.

ARTICLE IV
COVENANTS

Section 4.1 Expenses. Each party to this Agreement shall bear the fees, costs and expenses of its legal, accounting and financial advisors incurred in connection with the negotiation and preparation of this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby and thereby.

Section 4.2 Further Assurances. Each party to this Agreement shall, and shall cause its Affiliates to, at the request of any other party, at any time and from time to time following the Closing Date, execute and deliver to the requesting party such further instruments and take such other actions as may be reasonably necessary or appropriate in order to confirm and assure the rights of the parties hereunder and under the Ancillary Agreements, or otherwise to carry out the provisions, intents and purposes of this Agreement and the Ancillary Agreements. Each party to this Agreement shall cooperate with each other and use their commercially reasonable efforts to cause each of the Clients to become clients of Buyer upon the Closing.

Section 4.3 Efforts of Parties to Close. During the period from the date of this Agreement continuing through the Closing, each party hereto agrees to use commercially reasonable efforts to fulfill or obtain the fulfillment of the conditions precedent to the consummation of the transactions contemplated by this Agreement and each Ancillary Agreement, as applicable, as promptly as practicable, including the execution and delivery of any documents, certificates, instruments or other papers that are reasonably required for the consummation of such transactions. During the period from the date of this Agreement and continuing through the Closing, except as required by Applicable Law or with the prior written consent of the other party to this Agreement, no party to this Agreement shall take any action or fail to take any action within its reasonable control intended or reasonably expected to (x) result in any conditions to the Closing set forth in Article V not being satisfied or (y) result in a violation of any provision of this Agreement in any material respect.

Section 4.4 Protection of Acquired Goodwill.

(a) Each of Charles P. Copeland and C. Lawrence Copeland (the "Principals") agrees that, for a period of five (5) years from the Closing Date, he shall not:

(i) Enter, directly or indirectly, into the employment of, or render, directly or indirectly, any services (whether as a director, officer, agent, employee representative, independent contractor, consultant, solicitor, finder or advisor or any other similar relationship or capacity), to any Person (such person is referred to as a "Competitor") that competes with, or carries on, in Arizona, California, Colorado, Nevada, New Mexico, Oregon, Texas and/or Utah (and all counties and cities located therein) (the "Territory"), a similar business to any business carried on by Seller during the twenty four (24) months prior to the Closing Date;

(ii) Engage, directly or indirectly, in any such business in the Territory as a Competitor;

(iii) Become interested, directly or indirectly, in any such Competitor as an individual, proprietor, franchisee, partner, joint venturer, stockholder, principal, member, investor, trustee or any other similar other relationship or capacity;

(iv) Directly or indirectly, by sole action or in concert with others, solicit, induce or influence, or seek to solicit, induce or influence, any Person who is engaged by Buyer as an employee, agent, independent contractor or otherwise, to leave the employ of Buyer;

(v) Directly or indirectly, by sole action or in concert with others, solicit, induce or influence, or seek to solicit, induce or influence, any customer or client of Buyer to do business with any Competitor or to cease doing business with, or reduce the amount of business it does, with Buyer; or

(vi) Use, divulge, furnish or make accessible to any Person (other than at the written request of Buyer) any secret, confidential or proprietary knowledge or information of Buyer including, but not limited to, any trade secrets, financial information, customer or client lists, marketing methods, data, properties, specifications, personnel, organization or internal affairs of Buyer.

(b) The agreements contained in this Section 4.4 shall be construed as a series of separate covenants, one for each activity of the Principal, each capacity in which the Principal is prohibited from competing, and each part of the Territory.

(c) The Principals intend that this Section 4.4 satisfy the terms of, and be enforceable in accordance with California Business and Professions Code Section 16601, which authorizes any stockholder of a corporation that sells all or substantially all of its operating assets, together with its goodwill, to agree with the buyer to refrain from carrying on a similar business within a specified geographic area in which the corporation's business has been carried on. Each Principal recognizes that the territorial and time restrictions set forth herein are reasonable, not burdensome and are properly required by law for the adequate protection of Buyer, and that Seller has carried on its business throughout the Territory. If such territorial or time restrictions or any other provision contained herein shall be deemed to be illegal, unenforceable or unreasonable by a court of competent jurisdiction, each Principal agrees and submits to the reduction and/or modification of such territorial and/or time restriction or other provision to such an area or period as such court shall deem reasonable and necessary to render such restrictions enforceable.

(d) Each Principal acknowledges that (a) the covenants and the restrictions contained in this Section 4.4 are a material factor to Buyer's execution of this Agreement and are necessary and required for the protection of Buyer, (b) such covenants relate to matters that are of a special, unique and extraordinary character that gives each of such covenants a special, unique and extraordinary value, and (c) a breach of any of such covenants will result in irreparable harm and damages to Buyer in an amount difficult to ascertain and which cannot be adequately compensated by a monetary award. Accordingly, in addition to any of the relief to which Buyer may be entitled at law or in equity, Buyer shall be entitled to temporary and/or permanent injunctive relief from any breach or threatened breach by a Principal of the provisions of this

Section 4.4 without proof of actual damages that have been or may be caused to Buyer by such breach or threatened breach.

ARTICLE V
CONDITIONS TO THE CONSUMMATION OF THE TRANSACTION

Section 5.1 Mutual Conditions. The obligations of each party to this Agreement to consummate the transactions contemplated hereby shall be subject to the satisfaction of each of the following conditions:

(a) (i) no order, injunction or decree issued by any Governmental Authority of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the transactions contemplated hereby shall be in effect and (ii) no statute, rule, regulation, order, injunction or decree shall have been enacted, entered, promulgated or enforced (or is being sought) by any Governmental Authority which prohibits, restricts or makes illegal (or would prohibit, restrict or make illegal if enacted, entered, promulgated or enforced) the consummation of the transactions contemplated hereby; and

(b) all consents, waivers, authorizations and approvals legally required from any Governmental Authority or any other Person to consummate the transactions contemplated hereby shall have been obtained and shall remain in full force and effect as of the Closing Date.

Section 5.2 Conditions to the Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated hereby shall be subject to the satisfaction of each of the following conditions, any of which may be waived in writing by Buyer:

(a) each of the representations and warranties of Seller set forth in this Agreement or in any Ancillary Agreement shall be true and correct in all material respects;

(b) Seller shall have performed and complied in all material respects with its agreements, covenants, obligations, consents and conditions required by this Agreement and the Ancillary Agreements to be performed or complied with by it at or prior to the Closing;

(c) there shall not be instituted or pending any action or proceeding by or before any Governmental Authority (i) seeking to restrain, prohibit or otherwise interfere with the ownership or operation by Buyer of the Transferred Assets, (ii) seeking to prevent consummation of the transactions contemplated by, or the performance by Buyer or Seller of their respective obligations under this Agreement or the Ancillary Agreements or (iii) seeking to cause any of the transactions contemplated by, or the performance by Buyer or Seller of their respective obligations under this Agreement or the Ancillary Agreements to be rescinded following consummation;

(d) Buyer shall have received certificates of good standing of Seller in its jurisdiction of organization and the various foreign jurisdictions in which it is qualified, copies of Seller's Organizational Documents and copies of corporate actions of Seller authorizing Seller to enter into this Agreement and the Ancillary Agreements and consummate the transactions contemplated hereby and thereby;

(e) neither Buyer nor Seller shall have received any verbal, written or electronic communication from any Governmental Authority indicating that (i) such Governmental Authority objects to or otherwise questions the propriety of any of the transactions contemplated by this Agreement or any Ancillary Agreement, (ii) such Governmental Authority has initiated or intends to initiate any Proceeding against any shareholder, officer or employee of Seller other than Charles P. Copeland, or (iii) such Governmental Authority has initiated or intends to initiate any criminal Proceeding against any shareholder, officer or employee of Seller; and

(f) Seller shall have obtained written consents to the assignment to Buyer of asset management agreements between Seller and Clients representing not less than $50 million of asset under Seller's management (disregarding any Clients whose asset management agreement, as assigned to Buyer, provides for annualized investment management fees of less than 0.50% of such Client's assets under management with Buyer); and

(g) C. Lawrence Copeland, in his capacity as an officer of Seller and on behalf Seller, shall have delivered to Buyer a certificate dated as of the Closing Date confirming the satisfaction of the conditions contained in Sections 5.2(a), (b), (e) and (f).

Section 5.3 Conditions to the Obligations of Seller. The obligations of Seller to consummate the transactions contemplated hereby shall be subject to satisfaction of each of the following conditions, which may be waived in writing by Seller:

(a) each of the representations and warranties of Buyer set forth in this Agreement or in any Ancillary Agreement shall be true and correct in all material respects;

(b) Buyer shall have performed and complied in all material respects with the agreements, covenants, obligations and conditions required by this Agreement to be performed or complied with by it at or prior to the Closing;

(c) there shall not be instituted, pending or threatened any action or proceeding by or before any Governmental Authority (i) seeking to restrain, prohibit or otherwise interfere with the ownership or operation by Buyer of the Transferred Assets, (ii) seeking to prevent consummation of the transactions contemplated by, or the performance by the Buyer or Seller of their respective obligations under this Agreement or the Ancillary Agreements or (iii) seeking to cause any of the transactions contemplated by, or the performance by the Buyer or Seller of their respective obligations under this Agreement or the Ancillary Agreements to be rescinded following consummation;

(d) Seller shall have received certificates of good standing of buyer in its jurisdiction of organization and the various foreign jurisdictions in which it is qualified and certified copies of Buyer's Organizational Documents; and

(e) an officer of Buyer, in his capacity as an officer of Buyer and on behalf Buyer, shall have delivered to Seller a certificate dated as of the Closing Date confirming the satisfaction of the conditions contained in Sections 5.3(a) and (b).

ARTICLE VI
TERMINATION

Section 6.1 Termination.

(a) This Agreement may be terminated prior to the Closing as follows:

(i) by written consent of both of the parties hereto;

(ii) by any of the parties hereto, if any order of any Governmental Authority permanently restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby shall have become final and non-appealable;

(iii) by Seller, if there shall be a breach by Buyer of any representation or warranty or any covenant or agreement contained in this Agreement which would result in a failure of a condition set forth in Section 5.1 or 5.3 and which breach cannot be cured or has not been cured (to the extent necessary to avoid a failure of such a condition) prior to the Termination Date;

(iv) by Buyer, if there shall be a breach by Seller of any representation or warranty or any covenant or agreement contained in this Agreement which would result in a failure of a condition set forth in Section 5.1 or 5.2 and which breach cannot be cured or has not been cured (to the extent necessary to avoid a failure of such a condition) prior to the Termination Date; or

(v) by any of the parties hereto, if the Closing does not occur by the close of business on November 30, 2011 (the "Termination Date"); provided, that notwithstanding the foregoing, no party hereto may terminate this Agreement pursuant to this clause (v) if it is in material breach of any of its obligations or representations, warranties, covenants or agreements contained in this Agreement and such breach is a principal reason the Closing has not occurred by such date.

(b) The termination of this Agreement shall be effectuated by the delivery by the party terminating this Agreement to each other party of a written notice of such termination. If this Agreement so terminates, it shall become null and void and have no further force or effect, except as provided in Section 6.2.

Section 6.2 Survival after Termination. If this Agreement is terminated in accordance with Section 6.1 hereof and the transactions contemplated hereby are not consummated, this Agreement shall become void and of no further force and effect, without any liability on the part of any party hereto, except for the provisions of Article IV and Article VII. Notwithstanding the foregoing, nothing in this Section 6.2 shall relieve any party to this Agreement of liability for any fraud or willful breach of this Agreement.

ARTICLE VII
INDEMNIFICATION

Section 7.1 Indemnification by Seller. From and after the Closing, subject to the terms of this Article VII, Seller shall indemnify and hold harmless Buyer and each of its Affiliates, and their respective directors, officers, members, partners, managers, agents and employees (collectively, the "Buyer Indemnified Parties"), from, against and in respect of any and all damage, loss, liability and expense, whether or not involving a third-party claim (including, without limitation, reasonable expenses of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding) (collectively, "Damages"), incurred or suffered by the Buyer Indemnified Parties, arising out of or relating to:

(a) any misrepresentation or breach of any warranty, covenant or agreement made or to be performed by Seller pursuant to this Agreement or in any Ancillary Agreement;

(b) the operation of Seller and their Affiliates' businesses before or after the Closing;

(c) any Proceeding involving the Seller or any Affiliate, client, shareholder, officer or employee of Seller; or

(d) any request from any Governmental Authority for information related to the Seller, any Affiliate of Seller, any client, shareholder, officer or employee of Seller or any of their Affiliates, or any of the transactions contemplated by this Agreement or any of the Ancillary Agreements.

Section 7.2 Indemnification By Buyer. From and after the Closing, subject to the terms of this Article VII, Buyer shall indemnify and hold harmless Seller and each of their Affiliates, and their respective directors, officers, members, partners, managers, agents and employees (collectively, the "Seller Indemnified Parties"), from, against and in respect of any and all Damages incurred or suffered by the Seller Indemnified Parties, arising out of or relating to:

(a) any misrepresentation or breach of any warranty, covenant or agreement made or to be performed by Buyer pursuant to this Agreement or in any Ancillary Agreement; or

(b) the failure of Buyer to assume full responsibility for any of the Transferred Liabilities.

Section 7.3 Indemnification Procedures.

(a) The party seeking indemnification (the "Indemnified Party") shall give prompt notice to the party against whom indemnification is sought (the "Indemnifying Party") of the assertion of any claim, or the commencement of Proceeding for which indemnification may be sought under this Article VII, which notice shall include (i) a description of the facts and circumstances giving rise to such alleged breach, (ii) a description of the specific representations, warranties, covenants and obligations alleged to have been breached and (iii) a description and reasonable estimate of Damaged actually incurred or expected to be incurred.

(b) Promptly after receipt by the Indemnified Party of notice of the commencement of any Proceeding against it, such Indemnified Party will give notice to the Indemnifying Party of the commencement of such claim, but the failure to notify the Indemnifying Party will not relieve the Indemnifying Party of any liability that it may have to any Indemnified Party, except to the extent that the Indemnifying Party demonstrates that the defense of such action is prejudiced by the Indemnifying Party's failure to give such notice.

(c) If any Proceeding is brought against an Indemnified Party and it gives notice to the Indemnifying Party of the commencement of such Proceeding, the Indemnifying Party will be entitled to participate in such Proceeding and, to the extent that it wishes (unless (i) the Indemnifying Party is also a party to such Proceeding and the Indemnified Party determines in good faith that joint representation would be inappropriate or (ii) the Indemnifying Party fails to provide reasonable assurance to the Indemnified Party of its financial capacity to defend such Proceeding and provide indemnification with respect to such Proceeding), to assume the defense of such Proceeding with counsel satisfactory to the Indemnified Party and, after notice from the Indemnifying Party to the Indemnified Party of its election to assume the defense of such Proceeding, the Indemnifying Party will not, as long as it diligently conducts such defense, be liable to the Indemnified Party under this Article VII for any fees of other counsel or any other expenses with respect to the defense of such Proceeding, in each case subsequently incurred by the Indemnified Party in connection with the defense of such Proceeding, other than reasonable costs of investigation. If the Indemnifying Party assumes the defense of a Proceeding, (i) no compromise or settlement of such claims may be effected by the Indemnifying Party without the Indemnified Party's consent; and (ii) the Indemnified Party will have no liability with respect to any compromise or settlement of such claims effected without its consent. If notice is given to an Indemnifying Party of the commencement of any Proceeding and the Indemnifying Party does not, after the Indemnified Party's notice is given, give timely notice to the Indemnified Party of its election to assume the defense of such Proceeding within 10 Business Days after receipt of the Indemnified Party's notice, the Indemnifying Party will be bound by any determination made in such Proceeding or any compromise or settlement effected by the Indemnified Party.

Section 7.4 Calculation of Damages. An Indemnified Party shall not be entitled to recover any amount due hereunder more than once in respect of the same Damage. In calculating any amount due hereunder in respect of Damages, Damages shall be reduced by any amounts actually recovered by the Indemnified Party under third party insurance policies or third party indemnification obligations or other rights of recovery with respect to such Damages, net of any deductible or any other expense incurred by the Indemnified Party in obtaining such recovery, other than any such recovery under any self insurance.

Section 7.5 Set-Off. Buyer shall be entitled to off-set or set-off any payment due to any Buyer Indemnified Party pursuant to this Article VII against any other payment to be made to any Person pursuant to this Agreement or otherwise.

Section 7.6 Exclusive Remedy. Following the Closing, this Article VII shall provide the sole and exclusive remedy for any and all claims under this Agreement, except (i) in the case of common law fraud or (ii) with respect to matters for which the remedy of specific performance, injunctive relief or other non-monetary equitable remedies are available.

ARTICLE VIII
MISCELLANEOUS

Section 8.1 Amendments; Waiver. This Agreement may not be amended, altered or modified, and no provision hereof may be waived, except by written instrument executed by Seller and Buyer. No waiver shall constitute a waiver of, or estoppel with respect to, any subsequent or other inaccuracy, breach or failure to strictly comply with the provisions of this Agreement.

Section 8.2 Entire Agreement. This Agreement (including the Schedules and Annexes hereto, the Ancillary Agreements and any other annexes, schedules, certificates, lists and documents referred to herein or therein, and any documents executed by any of the parties simultaneously herewith or pursuant hereto), constitutes the entire agreement of the parties hereto, except as expressly provided herein, and supersedes all prior agreements and understandings, discussions, negotiations and communications, written and oral, among the parties with respect to the subject matter hereof.

Section 8.3 Survival of Representations, Warranties and Covenants. All representations and warranties in this Agreement or in any instrument executed and delivered in fulfillment of the requirements of this Agreement shall survive the Closing until the date which is 24 months following the Closing Date; provided, however, that the representations and warranties set forth in Sections 2.1, 2.3 and 3.2 shall survive indefinitely or until the latest date permitted by Applicable Law.

Section 8.4 Interpretation. When a reference is made in this Agreement to Articles, Sections, Schedules or Annexes, such reference shall be to an Article of, Section of, Schedule to or Exhibit to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The phrases "the date of this Agreement," "the date hereof" and terms of similar import, unless the context otherwise requires, shall be deemed to refer to the date set forth in the first paragraph of this Agreement. The inclusion of any information in any section of the Seller Disclosure Schedule or the Buyer Disclosure Schedule or other document delivered by any of the parties pursuant to this Agreement shall not be deemed to be an admission or evidence of the materiality of such item, nor shall it establish a standard of materiality for any purpose whatsoever. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by all parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

Section 8.5 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so

broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

Section 8.6 Notices. Unless otherwise provided herein, all notices and other communications hereunder shall be in writing and shall be deemed given and received (a) if delivered in person, on the date delivered, (b) if transmitted by facsimile (provided receipt is confirmed by telephone), on the date sent or (c) if delivered by an express courier, on the second Business Day after mailing, to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to Seller:

Copeland Wealth Management, a Financial Advisory Corporation
25809 Business Center Drive, Suite F
Redlands, CA 92374
Facsimile: (909) 799-8566
Attention: C. Lawrence Copeland

with a copy to:

Locke Lord Bissell & Liddell LLP
500 Capitol Mall, Suite 1800
Sacramento, CA 95814
Facsimile: (916) 930-2501
Attention: Scott E. Bartel, Esq.

If to Buyer:

Elevage Partners, LLC
1005 Jefferson Street
Napa, CA 94559
Facsimile: (707) 252-2822
Attention: Jeffery D. Powell

with a copy to:

Spolin Silverman Cohen & Bosserman LLP
Manhattan Towers
1230 Rosecrans Avenue, Suite 600
Manhattan Beach, CA 90266
Facsimile: (310) 586-2455
Attention: Theodore J. Cohen, Esq.

Section 8.7 Binding Effect; Persons Benefiting; No Assignment. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns and any transferee of all or substantially all of the assets of such party and its Subsidiaries taken as a whole. No provision of this Agreement is intended or shall be construed to confer upon any entity or Person other than the parties and their respective successors and

permitted assigns any right, remedy or claim under or by reason of this Agreement or any part hereof. This Agreement may not be assigned by either of the parties without the prior written consent of the other party.

Section 8.8 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement, it being understood that all of the parties need not sign the same counterpart. Delivery of executed counterparts of this Agreement by facsimile or other electronic means shall have the same force and effect as the delivery of originals hereto.

Section 8.9 Governing Law; Arbitration. This Agreement, the legal relations between the parties and the adjudication and the enforcement thereof, shall be governed by and interpreted and construed in accordance with the substantive laws of the State of California without regard to applicable choice of law provisions thereof. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in San Francisco, California before one arbitrator who shall be a retired judge. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. Judgment on the Award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

ELEVAGE PARTNERS, LLC

By: _____
Jeffery D. Powell, Manager

_____
Charles P. Copeland

_____
C. Lawrence Copeland

COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION

By: _____
C. Lawrence Copeland, President

COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION, TRUSTEE OF THE COPELAND INVESTOR RESTITUTION TRUST

By: _____
C. Lawrence Copeland, President

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

ELEVAGE PARTNERS, LLC

By: _____
Jeffery D. Powell, Manager

Charles P. Copeland

C. Lawrence Copeland

COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION

By: _____
C. Lawrence Copeland, President

COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION, TRUSTEE OF THE COPELAND INVESTOR RESTITUTION TRUST

By: _____
C. Lawrence Copeland, President

Schedule A – Transferred Assets

Investment Management Agreements

Seller shall assign to Buyer the investment management agreements (the "Transferred Investment Management Agreements") with Seller's clients that are listed on the attached Assets Report.

Assets Report

CWM

Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
	Ellington	MO			0.60%	0.15%	FD		5,745.30		5,392.47
			TD					229,356.26		209,953.58	
			TD					348,679.06		334,218.81	
			TD					34,558.59		32,900.00	
			TD					66,337.49		60,221.04	
			TD	REDACTED				278,619.29		261,452.19	
								451,492.05		451,492.05	
REDACTED								276,352.74		276,352.74	
	Redlands	CA			Fee Schedule		BILL		2,562.03		2,408.26
			TD					256,203.47		240,826.10	
					Fee Schedule		BILL		202.62		191.56
			TD					6,952.90		6,620.74	
			S					5,855.10		5,506.33	
			TD					1,599.09		1,522.70	
			S					5,855.10		5,506.33	
					0.00%	0.00%	EMP		-		-
			S					44,651.37		42,670.20	
	Brooklyn	NY			Fee Schedule		FD		2,384.78		2,330.31
			S					238,478.29		233,031.36	
	Redlands	CA			0.75%	0.188%	BILL		1,511.95		1,373.21
			CR					163,091.82		149,887.97	
								38,501.03		33,206.58	
	Redlands	CA			1.00%	0.25%	FD		1,730.46		1,616.00
			TD					173,045.62		161,599.58	
					Fee Schedule		W/O		40.85		38.64
			S					4,085.11		3,863.97	
	Redlands	CA			Fee Schedule		FD		2,288.05		2,155.70
			S					7,688.99		7,272.75	
			S					31,625.02		29,886.88	
			S					189,490.50		178,410.68	

Assets Report

CWM

Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
REDACTED	Yucaipa	CA		REDACTED	Fee Schedule		FD		2,781.93		2,619.39
			S					278,193.23		261,938.72	
	Redlands	CA			Fee Schedule		FD		602.78		557.58
			CR					21,980.76		20,332.79	
			S					38,297.47		35,425.60	
	Highland	CA			1.00%	0.25%	FD		402.24		385.32
			S					21,285.59		20,133.32	
			S					7,099.33		7,200.53	
			S					11,838.84		11,197.96	
	Redlands	CA			0.50%	0.125%	FD		2,418.91		2,303.06
			S					19,739.11		17,919.12	
			S					464,042.37		442,692.79	
	Loma Linda	CA			1.00%	0.250%	W/O		65.52		75.52
			S					6,552.16		7,552.16	
								2,346,576.48		2,346,576.48	
	Redlands	CA			[redacted]	0.175%	FD		207.57		196.16
			S					29,652.32		28,022.84	
								96,000.00		96,000.00	
	Redlands	CA			Fee Schedule		FD		1,806.14		1,694.66
			TD					73,917.27		67,929.21	
			TD					84,764.41		81,063.33	
			S					21,932.20		20,473.27	
	Highland	CA			1.25%	0.313%	FD		185.13		183.79
			S					14,810.54		14,702.90	
								110,000.00		110,000.00	
	Highlands Ranch	CA			0.50%	0.125%	BILL		141.87		131.32
			S					20,644.75		18,940.53	
			S					2.85		2.85	
			S					3,350.82		3,180.18	
			S					2,495.05		2,359.99	
			S					1,881.37		1,779.52	

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
	Gallatin	TN			Fee Schedule		FD		3,349.88		3,118.16
								334,987.68		311,815.89	
	West New York	NJ			Fee Schedule		FD		5,048.42		4,609.82
			S					110,813.70		103,259.55	
			S					106,295.61		96,804.55	
			S					289,346.92		260,918.19	
			S					94,500.00		94,500.00	
			S					905,221.50		905,221.50	
	Claremont	CA			0.50%	0.125%	FD		2,658.67		2,547.12
			S					189,276.88		175,764.75	
			S					30,846.05		28,803.36	
			S					250,658.65		243,751.41	
			S					660.34		660.34	
			CR					60,291.94		60,443.49	
			S					100,000.00		100,000.00	
			S					136,400.00		136,400.00	
	Highland	CA			Fee Schedule		FD		1,669.11		1,540.52
			TD					166,911.00		154,052.47	
	Redlands	CA			Fee Schedule		W/O		274.99		249.38
			S					27,498.59		24,938.14	
	Redlands	CA			Fee Schedule		FD		1,121.77		1,044.18
			S					112,176.66		104,417.50	
	Helendale	CA			Fee Schedule		FD		633.75		599.44
			S					63,375.21		59,944.47	
	Riverside	CA			Fee Schedule		FD		379.47		357.56
			S					14,230.64		13,248.24	
			S					11,842.91		11,201.81	
			S					11,873.35		11,306.08	
	Yucaipa	CA			Fee Schedule		FD		393.59		372.92
			TD					39,359.00		37,292.18	

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
	Yucaipa	CA			0.50%	0.125%	FD		1,450.23		1,351.09
			TD					24,953.50		23,846.36	
			TD					21,193.55		20,326.36	
			TD					30,558.70		28,410.01	
			TD					179,091.51		165,631.82	
			TD					34,248.28		32,003.70	
REDACTED	Anaheim	CA		REDACTED	Fee Schedule		FD		348.27		334.86
			TD					4,925.48		4,746.50	
								27,103.19		26,189.15	
								2,798.01		2,550.29	
	Loma Linda	CA			Fee Schedule		FD		742.75		750.31
								53,059.28		53,815.52	
								17,724.75		17,724.90	
								3,490.75		3,490.78	
	Fontana	CA			Fee Schedule		FD		1,264.10		1,193.01
			S					126,410.03		119,300.66	
	Mentone	CA			Fee Schedule		FD		370.04		351.91
			S					37,003.62		35,191.35	
	Redlands	CA			Fee Schedule		FD		2,333.33		2,162.14
			S					14,776.19		13,926.61	
			S					14,592.00		13,751.60	
			S					136,027.61		122,865.45	
								67,936.91		65,670.37	
	Glendora	CA			0.75%	0.188%	FD		448.56		416.97
			S					59,808.65		55,595.69	
	Yucaipa	CA			1.25%	0.313%	FD		293.87		272.92
			S					23,509.39		21,833.56	
	Los Osos	CA			Fee Schedule		FD		694.96		654.22
			S					69,496.27		65,422.37	

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
	Highland	CA			Fee Schedule		FD		190.83		177.53
			TD					8,616.70		8,012.16	
			TD					5,232.95		4,870.49	
			TD					5,232.95		4,870.49	
REDACTED	Highland	CA		REDACTED	0.50%	0.125%	BILL		1,383.39		1,301.48
			S					35,340.92		33,309.21	
			S					71,581.83		66,088.58	
			S					169,755.91		160,898.36	
	Davis	CA			Fee Schedule		FD		432.32		400.36
			S					43,231.53		40,035.63	
	Spokane	WA			Fee Schedule		FD		400.08		428.22
			S					40,008.19		42,822.47	
	Cottage Grove	OR			Fee Schedule		FD		1,047.29		991.22
			TD					104,728.92		99,121.78	
	Yucaipa	CA			Fee Schedule		FD		6,048.68		5,820.08
			TD					276,994.48		270,539.87	
			TD					4,455.72		4,211.76	
			TD								
			TD					358,373.20		334,591.92	
	Highland	CA			1.00%	0.25%	W/O		129.52		122.50
			S					12,951.56		12,250.44	
	Redlands	CA			0.45%	0.113%	FD		3,683.72		3,480.90
			S					2,111.94		1,997.61	
			S					8,232.73		7,787.06	
			S					8,455.13		7,997.42	
			TD					81,516.09		75,903.72	
			TD					62,089.55		60,731.69	
			CR					656,199.56		619,115.32	
								160,000.00		160,000.00	
	Yucaipa	CA			Fee Schedule		FD		2,751.58		2,559.52
			S					99,882.18		93,195.26	

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
			S					2,266.80		2,027.49	
			S					173,009.43		160,729.36	
								80,000.00		80,000.00	
REDACTED	Redlands	CA			Fee Schedule		FD		3,640.32		3,157.10
			S					61,641.08		29,762.03	
			S	REDACTED				119,104.67		110,992.88	
			CR					134,513.66		130,439.43	
			S					48,773.04		44,515.46	
	Redlands	CA			Fee Schedule		FD		3,072.41		2,910.93
			S					132,979.83		126,972.19	
			S					174,261.31		164,120.81	
	Beaumont	CA			0.50%	0.125%	FD		483.59		468.76
			TD					24,298.07		21,732.95	
			TD					61,389.63		60,992.44	
			TD					-		565.20	
			TD					11,030.41		10,461.61	
			TD					227,000.00		227,000.00	
	Waban	MA			Fee Schedule		FD		697.13		644.34
			TD					17,127.24		15,548.08	
			TD					12,113.59		11,329.74	
			TD					22,860.43		21,234.40	
			TD					15,533.54		14,369.59	
			TD					2,078.34		1,951.78	
								64,000.00		64,000.00	
								148,000.00		148,000.00	
	Huntington Beach	CA			2.00%	0.50%	W/O		21.64		20.47
			S					1,082.00		1,023.43	
	Kennewick	WA			Fee Schedule		FD		5,580.87		5,358.25
			S					4,515.10		4,270.68	
			S					173,082.92		166,646.34	
			S					291,539.40		274,551.23	
			S					108,311.50		102,298.25	

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
REDACTED	Boca Raton	FL		REDACTED	1.00%	0.250%	W/O		23.06		21.81
			S					2,305.93		2,181.10	
	Oak Hills	CA			0.80%	0.20%	FD		6,220.10		5,806.53
			S					437,579.11		407,211.38	
			S					174,340.50		162,945.01	
			S					165,593.04		155,660.19	
	Banning	CA			0.80%	0.20%	FD		2,093.10		1,943.65
			S					71,598.19		65,386.21	
			S					75,545.45		70,819.68	
			S					98,872.80		92,507.11	
			S					15,621.56		14,243.83	
	El Centro	CA			0.50%	0.125%	W/O		319.42		302.10
			S					1,657.77		1,568.03	
			S					2,027.63		1,911.56	
			S					1,613.53		1,526.18	
			S					29,315.91		27,728.92	
			S					29,266.96		27,682.62	
			S					2.27		2.27	
	Littleton	CO			0.50%	0.125%	FD		141.20		123.82
			TD					28,239.92		24,763.48	
	Redlands	CA			Fee Schedule		FD		939.16		1,769.84
			CR					83,538.12		78,858.38	
			S					10,377.85		98,126.06	
	Redlands	CA			1.00%	0.25%	FD		1,423.46		1,337.84
			S					92,895.20		87,676.06	
			S					3,968.98		3,754.13	
			S					41,513.23		38,599.58	
			S					3,968.98		3,754.13	
	San Bernardino	CA			0.50%	0.125%	FD		4,206.67		3,905.74
			S					11,311.20		10,452.70	
			TD					830,023.25		770,696.05	
			TD					598,898.79		598,898.79	

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
			TD					400,000.00		400,000.00	
	Yucaipa	CA			0.75%	0.188%	FD		816.90		767.99
			TD					108,919.72		102,399.08	
REDACTED	Yucaipa	CA			0.75%	0.188%	FD		1,427.68		1,335.18
			TD					190,357.58		178,023.48	
	Loma Linda	CA		REDACTED	0.50%	0.125%	FD		13,614.90		13,039.76
			S					532,201.68		472,567.17	
			S					2,190,778.93		2,135,384.57	
								878,691.73		882,032.76	
								710,685.00		710,685.00	
								400,000.00		400,000.00	
					0.50%	0.125%	FD		2,513.68		2,513.68
			S					502,735.81		502,735.81	
	Redlands	CA			Fee Schedule		FD		531.96		492.98
			S					10,822.75		10,238.61	
			CR					11,154.92		10,483.02	
			S					31,218.60		28,576.54	
	Redlands	CA			0.80%	0.20%	FD		3,783.52		3,498.35
			TD					472,940.08		437,294.17	
	Redlands	CA			0.80%	0.20%	FD		4,552.22		4,257.83
			TD					569,027.76		532,228.56	
	San Bernardino	CA			0.15%	0.038%	BILL		100.55		95.09
			V					67,035.75		63,396.23	
	Lake Arrowhead	CA			0.25%	0.063%	FD		724.20		685.67
			S					289,681.74		274,266.24	
			S					374,000.00		374,000.00	
	Lake Arrowhead	CA			0.50%	0.125%	Bill		168.75		165.30
			S					0.42		0.42	
			S					33,750.04		33,060.48	

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
REDACTED	Irvine	CA		REDACTED	Fee Schedule		FD		3,849.91		3,556.20
			TD					39,158.01		37,029.77	
			TD					345,832.76		318,590.06	
								135,000.00		135,000.00	
								72,450.00		72,450.00	
	Riverside	CA			Fee Schedule		FD		3,677.45		3,580.24
			S					367,745.10		358,024.10	
	Kennewick	WA			0.75%	0.188%	FD		129.61		115.24
			S					536.87		507.81	
			S					622.84		600.09	
			S					16,121.77		14,257.79	
	Beaumont	CA			Fee Schedule		FD		2,121.45		1,976.66
			S					103,193.22		94,619.21	
			CR					50,779.85		47,586.89	
			S					3,746.36		2,543.62	
			S					17,906.00		17,494.54	
			S					8,471.75		8,013.14	
			S					28,048.03		27,408.94	
	Escondido	CA			0.80%	0.20%	FD		1,096.31		1,029.38
			S					137,038.91		128,672.29	
	Highland	CA			0.75%	0.19%	FD		1,984.87		1,894.14
			S					1.00		1.00	
			S					264,649.00		252,551.53	
								40,431.86		41,657.44	
								285,253.16		285,253.16	
	San Bernardino	CA			Fee Schedule		FD		1,786.09		1,731.02
			CR					158,475.98		154,437.57	
			S					10,066.49		9,142.53	
			S					10,066.49		9,521.55	
			S					28,281.93		28,282.20	
	Seaside	CA			0.00%	0.00%	EMP		-		-

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
			TD					973.11		973.12	
			TD					20,756.69		20,336.71	
								35,000.00		35,000.00	
REDACTED	Yucaipa	CA			1.25%	0.313%	FD		950.68		884.97
			S					76,054.41		70,797.84	
	Big Pine Keys	FL		REDACTED	0.25%	0.063%	FD		1,552.99		1,599.27
			S					106,023.78		62,214.76	
			S					586,366.92		606,764.47	
			S					968.97		916.58	
			S					11,238.02		10,629.66	
								5,825.07		5,509.74	
								3,264,965.94		3,264,965.94	
								104,958.32		99,321.83	
			S					10,972.40		10,379.05	
			S					5,825.07		5,509.74	
			S					86,713.85		90,751.04	
			S					86,239.57		90,276.76	
								368,212.23		368,212.23	
	Bend	OR			0.00%	0.00%	W/O				
			S					6,523.42		6,523.48	
			S					61,921.93		57,576.88	
	Redlands	CA			Fee Schedule		FD		5,079.77		4,818.41
			TD					510,636.44		481,840.82	
	Kennewick	WA			1.00%	0.25%	FD		143.00		136.21
			TD					14,300.19		13,620.87	
	Flagstaff	AZ			0.40%	0.10%	FD		3,389.68		3,172.16
			S					400,848.03		372,080.15	
			S					316,237.94		299,665.60	
			S					130,333.14		121,294.82	
			S					454,473.85		454,473.85	
	Redlands	CA			0.50%	0.125%	W/O		103.23		94.70
			S					20,645.12		18,940.90	

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
REDACTED	Redlands	CA		REDACTED	Fee Schedule		FD		12,816.79		12,594.23
			S					3,875.55		3,656.17	
			S					117,109.30		110,879.70	
			S					3,875.55		3,656.17	
			S					155,317.39		143,942.23	
			F					1,167,537.42		1,155,405.01	
			S					443,983.11		418,519.01	
								145,250.00		145,250.00	
	Corona	CA			Fee Schedule		FD		4,328.01		4,107.96
			S					265,850.44		252,388.92	
			S					25,767.45		25,139.10	
			S					141,183.19		133,267.58	
	Evanston	WY			0.75%	0.19%	FD		3,721.53		3,546.45
			S					496,203.81		472,859.82	
					Fee Schedule		BILL		46.81		
			TD					4,680.95		-	
	Redlands	CA			Fee Schedule		BILL		2,150.67		2,164.99
			TD					85,528.79		79,231.87	
			TD					129,538.06		137,267.22	
	Redlands	CA			Fee Schedule		BILL		2,509.96		2,210.74
			TD					145,376.21		120,971.75	
								14,112.05		13,441.77	
			TD					91,507.62		86,660.61	
	Redlands	CA			Fee Schedule		W/O		43.57		41.52
			TD					4,356.78		4,152.39	
	Yucaipa	CA			Fee Schedule		W/O		73.63		73.42
			TD					4,414.97		4,208.26	
			TD					2,948.36		3,133.71	
	Redlands	CA			Fee Schedule		FD		1,847.58		1,777.72
			S					104,639.87		100,648.29	

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
			S					80,117.85		77,124.12	
								130,000.00		130,000.00	
	Palm Springs	CA			1.00%	0.25%	Bill		617.31		591.53
			S					61,730.52		59,152.62	
								80,000.00		80,000.00	
								215,000.00		215,000.00	
	Beaumont	CA			Fee Schedule		FD		236.83		221.45
			S					9,201.39		8,391.56	
			S					5,616.79		5,312.73	
			S					8,864.35		8,440.84	
	Beaumont	CA			0.50%	0.125%	FD		5,252.10		5,022.94
			TD					704,856.42		663,022.58	
			TD					9,049.06		8,616.72	
			TD					34,342.19		33,544.12	
			TD					15,047.59		14,328.67	
			TD					287,124.45		285,075.67	
								80,000.00		80,000.00	
	Redlands	CA			Fee Schedule		FD		2,711.98		2,557.18
			TD					271,197.61		255,718.30	
	Loma Linda	CA			Fee Schedule		FD		9,235.60		9,048.80
			S					1,097,119.67		1,059,760.61	
	Roseburg	OR			Fee Schedule		FD		3,281.65		3,052.32
			S					328,164.54		305,231.87	
					Fee Schedule		FD		5,550.72		5,266.63
			S					573,429.74		535,550.29	
								2,125,617.03		2,084,223.18	
	Loma Linda	CA			Fee Schedule		FD		1,579.86		850.41
			S					75,204.15		69,270.67	
			S					82,213.94		15,233.60	
			S					567.56		536.83	

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
					Fee Schedule		FD		161.05		757.30
			TD					16,105.45		75,730.13	
	Redlands	CA			0.50%	0.125%	FD		11,737.80		11,218.52
			S					60,532.40		57,940.12	
			S					2,287,028.25		2,185,764.51	
	Yucaipa	CA			1.00%	0.25%	FD		2,252.43		2,108.92
								225,242.86		210,892.27	
	Upland	CA			Fee Schedule		FD		177.24		1698.27
			S					177,724.47		169,827.34	
	Loma Linda	CA			1.00%	0.25%	W/O		33.55		31.74
			S					1,677.60		1,586.78	
			S					1,677.60		1,586.78	
	Banning	CA			0.50%	0.125%	FD		3,484.55		3,303.03
			S					0.09		0.09	
			S					537,193.86		510,698.86	
			S					159,715.52		149,906.86	
								140,000.00		140,000.00	
	LaVerne	CA			1.00%	0.25%	W/O		9.65		9.19
			TD					964.71		918.62	
	Riverside	CA			Fee Schedule		FD		18,893.48		18,222.75
			TD					224,308.37		206,480.27	
			TD					1,269,436.60		1,177,244.48	
			TD					2,663,645.28		2,505,374.05	
			TD					475,000.00		475,000.00	
			TD					480,000.00		480,000.00	
			TD					330,803.00		330,803.00	
								217,933.45		217,933.45	
								345,600.00		345,600.00	
	Yucaipa	CA			0.80%	0.20%	FD		1,003.95		939.59
			S					50.71		50.71	
			S					54,919.91		51,719.50	

REDACTED

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
			S					59,441.21		54,438.06	
			S					11,132.77		11,291.43	
								480,000.00		480,000.00	
								412,500.00		412,500.00	
REDACTED	Hemet	CA		REDACTED	0.90%	0.225%	FD		742.49		739.45
			TD					76,241.57		76,243.09	
			S					6,256.77		5,918.07	
	Beaumont	CA			Fee Schedule		FD		1,411.68		1,331.31
			TD					18,247.55		16,959.65	
			TD					105,883.88		100,355.81	
			TD					17,036.62		15,815.06	
	Longmont	CO			Fee Schedule		FD		5,036.57		4,755.46
			S					303,565.52		285,102.58	
			S					201,310.34		190,443.18	
								35,000.00		35,000.00	
	Grand Terrace	CA			Fee Schedule		FD		619.87		587.81
			TD					7,833.29		7,445.23	
			TD					54,153.47		51,336.15	
	Sacramento	CA			0.80%	0.20%	FD		6,223.43		5,859.94
			CR					157,532.10		150,295.37	
			S					93,398.11		86,437.52	
			CR					416,289.05		391,022.65	
			S					110,710.09		104,737.12	
	Rancho Cucamonga	CA			Fee Schedule		BILL		2,513.86		2,394.01
			CR					8,127.39		7,550.75	
			TD					15,140.73		13,971.78	
			TD					3,711.54		3,445.09	
			TD					52,158.87		47,990.32	
			TD					3,383.77		3,222.14	
			TD					30,723.87		29,722.19	
			TD					3,877.07		3,595.27	
			TD					134,263.08		129,903.19	

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
	Riverside	CA			Fee Schedule		FD		398.60		377.02
			S								
			S					39,859.55		37,701.80	
REDACTED	Fullerton	CA			Fee Schedule		FD		2,774.74		2,578.76
			CR					70,429.49		66,105.70	
			S	REDACTED				48,356.52		44,477.36	
			S					74,431.46		69,329.18	
			S					44,678.43		40,599.56	
			S					39,578.06		37,363.70	
	Mentone	CA			Fee Schedule		W/O		8.70		8.23
			S					250.78		237.20	
			S					619.21		585.69	
	Encinitas	CA			Fee Schedule		FD		15,823.57		15,352.31
			S					1,142,572.59		1,068,509.36	
			S					114,866.13		114,992.06	
			S					10,123.59		123.59	
			S					1,661,864.61		1,557,298.11	
	Redlands	CA			Fee Schedule		FD		348.45		400.66
			S					33,962.99		31,948.73	
			S					881.74		8,117.23	
	Anaheim Hills	CA			Fee Schedule		FD		1,898.25		1,830.91
			S					164,995.92		160,902.47	
			S					24,828.96		22,188.98	
	Anaconda	MT			Fee Schedule		FD		630.97		568.99
			TD					62,184.53		55,985.89	
			TD					912.83		912.84	
								20,195.00		20,195.00	
								18,830.00		18,830.00	
	Rialto	CA			Fee Schedule		FD		338.88		320.02
			S					28,625.55		27,044.68	
			S					5,262.65		4,957.00	

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
	San Bernardino	CA			1.00%	0.25%	FD		1,915.27		1,785.96
			TD					186,005.33		173,201.21	
			TD					5,522.08		5,395.18	
REDACTED	King City	CA		REDACTED	Fee Schedule		FD		4,037.44		3,762.73
								138,224.99		138,569.98	
			CREF					213,986.17		200,441.03	
			TD					189,757.70		175,831.71	
	Oro Valley	AZ			Fee Schedule		FD		2,092.66		1,963.69
			TD					209,266.06		196,369.02	
	San Dimas	CA			0.75%	0.19%	FD		1,066.02		994.12
			S					142,135.69		132,549.36	
	Riverside	CA			0.45%	0.113%	W/O		0.36		3.23
			S					79.42		717.09	
								110,000.00		110,000.00	
								35,000.00		35,000.00	
					0.45%	0.113%	FD		2,510.62		2,321.97
			S					98,029.57		90,757.52	
			S					11,020.35		8,520.35	
			S					388,556.96		359,711.30	
			S					60,308.96		57,003.47	
								110,000.00		110,000.00	
	Redlands	CA			1.00%	0.25%	FD		932.45		881.87
			S					5,684.17		5,376.47	
			S					36,304.61		35,302.51	
			S					8,348.00		7,896.09	
			S					42,908.03		39,612.32	
	Hesperia	CA			1.00%	0.25%	W/O		14.26		13.70
			S					1,426.41		1,369.78	
	Kennewick	WA			0.80%	0.20%	FD		270.57		226.86
			S					33,821.81		28,357.84	

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
	Temecula	CA			1.15%	0.288%	FD		1,135.08		1,046.90
			TD					7,271.75		7,244.23	
			TD					91,431.05		83,790.94	
								10,150.00		10,150.00	
								16,100.00		16,100.00	
REDACTED	Loma Linda	CA		REDACTED	Fee Schedule		FD		14,002.80		13,620.70
			S					1,957,737.87		1,848,522.56	
			S					293,196.29		275,044.30	
					1.00%	0.25%	FD		3,340.98		3,107.73
			S					334,098.42		310,773.08	
	Riverside	CA			Fee Schedule		FD		4,780.43		4,491.76
			TD					38,601.04		36,614.05	
			TD					100,141.22		98,089.63	
			TD					339,300.61		314,472.15	
	Redlands	CA			0.50%	0.125%	W/O		140.87		141.26
			S					28,174.33		28,252.98	
	Redlands	CA			Fee Schedule		FD		9,270.51		8,951.72
			TD					436,392.68		407,772.48	
			TD					479,040.55			
			TD					188,669.68		632,572.25	
	Redlands	CA			1.00%	0.25%	FD		10,726.85		10,131.09
			S					904,684.81		845,109.38	
								168,000.00		168,000.00	
	San Bernardino	CA			Fee Schedule		FD		587.40		557.92
			TD					30,889.08		29,336.84	
			TD					27,850.71		26,454.66	
	Banning	CA			0.50%	0.125%	FD		624.04		568.48
			S					124,808.22		113,696.62	
			S								

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
	Banning	CA			Fee Schedule		W/O		36.96		34.97
			S								
			S					3,696.42		3,496.84	
REDACTED	Redding	CA			Fee Schedule		FD		310.00		293.15
			S					8,123.14		7,683.41	
			V	REDACTED				22,877.29		21,631.29	
	Redlands	CA			######	#####	BILL		4,000.00		4,000.00
			S					29,256.82		26,559.29	
			TD					41,363.68		40,522.83	
			S					2,384,733.28		2,255,617.75	
			CR					71,572.57		71,752.48	
			CR					79,493.19		70,000.04	
			CR					79,614.79		79,894.14	
			CR					214,698.56		201,766.49	
			S					28,951.12		26,281.77	
			F					295,106.34		347,329.81	
			S					7,936.47		7,411.72	
	Redlands	CA			2.00%	0.50%	FD		436.08		412.48
			S					21,804.15		20,623.81	
	Yucaipa	CA			Fee Schedule		FD		4,676.07		4,347.41
			S					18,321.12		17,329.33	
			S					7,972.68		7,551.95	
			S					1,373.34		1,373.35	
			S					439,939.37		408,486.79	
	Centralia	IL			0.60%	0.15%	FD		10,629.29		10,247.98
			TD					259,624.05		244,224.04	
			TD					1,011,888.77		980,897.40	
								322,921.85		316,744.87	
								94,224.58		86,986.53	
			TD					24,658.78		23,484.93	
			TD					24,658.78		23,484.93	
			TD					22,980.14		21,826.66	
			TD					10,590.80		10,347.47	

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
REDACTED	Alta Loma	CA		REDACTED	1.00%	0.25%	W/O		98.55		93.22
			S					9,855.38		9,321.87	
	Yucaipa	CA			Fee Schedule		FD		632.06		587.73
			S					63,205.62		58,773.09	
	Carmel	IN			0.50%	0.125%	FD		1,598.43		1,502.68
			TD					83,881.07		79,032.85	
			TD					235,804.03		221,503.96	
	San Bernardino	CA			Fee Schedule		FD		2,439.08		2,234.77
			S					10,937.63		11,758.60	
			S					232,970.84		211,718.60	
								80,000.00		80,000.00	
	Loma Linda	CA			0.60%	0.15%	FD		1,964.94		1,816.62
			S					327,490.53		302,769.42	
								714,603.13		714,603.13	
	Yucaipa	CA							1718.50		1,638.44
								87,149.32		81,398.97	
								84,700.45		82,444.99	
	Kernville	CA			1.00%	0.25%	W/O		334.11		319.59
			TD					33,411.12		31,959.32	
								85,007.56		85,007.56	
					Fee Schedule		W/O		12.42		11.75
			S					1,242.32		1,175.07	
	Mission Viejo	CA			0.40%	0.10%	FD		1,587.07		1,478.30
			S					92,822.69		83,334.12	
			CR					18,473.09		18,537.63	
			S					285,472.46		267,702.36	
	San Luis Obispo	CA			0.50%	0.125%	FD		1,572.08		1,466.53
			S					6,707.79		6,344.68	

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
			S					1,085.05		876.97	
			S					6,768.80		6,402.37	
			S					299,855.31		279,681.96	
REDACTED								72,000.00		72,000.00	
	Yucaipa	CA		REDACTED	Fee Schedule		FD		1,826.30		1,728.53
			S					103,393.12		99,196.85	
			S					19,574.19		18,176.84	
			S					33.19		33.19	
			S					59,629.03		55,445.85	
	Pinon Hills	CA			Fee Schedule		W/O		78.27		74.04
			S					3,913.65		3,701.79	
			S					3,913.65		3,701.79	
	Riverside	CA			0.50%	0.125%	FD		11,649.74		11,024.26
			TD					406,256.34		382,407.92	
			TD					114,511.48		106,396.84	
			TD					1,809,180.34		1,716,047.16	
	Solvang	CA			0.25%	0.063%	FD		6,072.02		5,844.79
			TD					2,428,809.69		2,337,917.90	
	Redlands	CA			1.25%	0.313%	FD		6,233.73		5,827.12
			TD					498,698.34		466,169.65	
	Redlands	CA			Fee Schedule		W/O		38.07		10.34
			S					875.14		875.15	
[redacted]			S	[redacted]				2,931.43		158.70	
								120,000.16		120,000.16	
								104,000.00		104,000.00	
	Redlands	CA			Fee Schedule		FD		582.18		532.46
			S					48,320.22		43,884.58	
			S					9,897.71		9,361.91	
	Carlsbad	CA			Fee Schedule		FD		257.80		243.82
								25,780.28		24,382.13	

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
	Rialto	CA			Fee Schedule		FD		917.23		868.32
			S					18,324.53		18,585.70	
			S					73,398.06		68,245.88	
REDACTED	Redlands	CA		REDACTED	0.50%	0.125%	FD		63.59		60.75
			S					12,718.92		12,150.12	
	Redlands	CA			Fee Schedule		FD		5,454.83		5,182.84
			S					58,832.51		54,165.24	
			S					459,735.74		431,751.61	
			S					39,377.92		35,909.59	
			S					2,698.05		2,551.99	
								125,000.00		125,000.00	
	Redlands	CA			Fee Schedule		FD		467.56		446.80
			S					46,756.05		44,679.84	
			S					2,321.66		2,321.66	
	Redlands	CA			Fee Schedule		FD		3,545.01		3,350.91
			TD					220,340.32		207,627.86	
			TD					40,252.99		39,385.15	
			TD					53,663.21		50,448.57	
			TD					40,244.44		37,629.43	
	Redlands	CA			Fee Schedule				16,656.36		16,167.94
			S				BILL	1,221,715.11		1,158,638.23	
			S				FD	459,014.61		430,142.03	
			S				FD	1,581,812.40		1,478,394.88	
	Blythe	CA			Fee Schedule		FD		496.73		475.74
			TD					13,383.54		12,582.50	
			TD					4,920.46		4,741.48	
			TD								
			TD					26,946.49		26,036.16	
			TD					4,622.75		4,213.47	
	Lebanon	OR			Fee Schedule		FD		614.22		590.71
			S					61,421.51		59,071.17	

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
	Newport Beach	CA			0.25%	0.063%	FD		14,513.71		13,663.92
			S					2,990,785.58		2,830,915.90	
			S					253,446.68		240,329.62	
			S					7,410.00		6,006.94	
			S					2,553,840.33		2,388,315.85	
								215,000.00		215,000.00	
								374,584.33		374,584.33	
								475,000.00		475,000.00	
								105,000.00		105,000.00	
								80,000.00		80,000.00	
								80,000.00		80,000.00	
	San Diego	CA			0.50%	0.125%	FD		4,102.20		3,812.81
			S					3,034.14		2,869.89	
			S					3,034.32		2,870.06	
			S					446,617.35		409,757.73	
			S					367,755.14		347,063.61	
	San Bernardino	CA			0.15%	0.038%	BILL		32,933.21		31,004.85
			V					21,955,472.58		20,669,898.30	
	Highland	CA			0.50%	0.125%	FD		57.29		57.29
			S					11,457.52		11,457.56	
	Redlands	CA			Fee Schedule		FD		1,168.92		1,096.00
			S					116,892.03		109,599.83	
	Redlands	CA			Fee Schedule		FD		3,017.95		2,812.48
			V					71,384.67		65,482.06	
			S					72,483.29		67,805.27	
			CR					37,272.31		34,549.95	
			S					45,403.80		43,137.92	
			S					55,118.45		52,040.31	
			S					18,120.93		16,302.33	
			S					2,011.76		1,930.57	
								52,500.00		52,500.00	
	Loma Linda	CA			Fee Schedule		FD		3,800.23		3,682.11

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Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
			S					380,022.96		368,211.24	
					1.00%	0.25%	W/O		1.09		1.04
			S					109.47		103.55	
REDACTED	Fullerton	CA		REDACTED	Fee Schedule		BILL		4,196.42		3,949.00
			TD					30,753.39		29,519.17	
			TD					27,116.69		25,224.36	
			CR					216,646.23		200,781.01	
			CR					145,126.82		139,375.93	
	Bend	OR			Fee Schedule		FD		1,165.59		1,102.97
								5,886.75		5,564.10	
								104,729.52		99,122.34	
								5,933.57		5,610.92	
	Murrieta	CA			Fee Schedule		FD		3,149.14		2,930.67
			S					314,914.39		293,066.92	
					Fee Schedule		FD		117.77		135.71
			S					11,776.76		13,571.06	
								220,000.00		220,000.00	
	Yucaipa	CA			0.50%	0.125%	FD		2,389.57		2,275.52
			S					32,395.89		30,466.69	
			S					108,057.78		102,537.26	
			S					337,460.48		322,100.52	
	Yucaipa	CA			0.50%	0.125%	FD		1,584.09		1,491.25
			CR					46,067.48		46,526.76	
			S					270,750.62		251,722.36	
	Big Sky	MT			0.50%	0.125%	FD		3,117.44		2,952.83
								78,225.48		73,961.69	
			S					283.48		283.86	
								544,978.33		516,320.50	
								150,500.00		150,500.00	
	Riverside	CA			Fee Schedule		FD		5,382.30		5,121.50

Assets Report

CWM

Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
			TD					263,237.63		249,580.56	
			TD					4,283.95		4,076.12	
			TD					283,451.59		262,543.44	
REDACTED	Phelan	CA		REDACTED	0.75%	0.19%	FD		1,308.01		1,282.07
			S					34,024.46		34,509.42	
			S					126,084.45		122,757.39	
			TD					5,837.30		6,177.35	
			TD					8,454.50		7,498.02	
			S								
	Hendersonville	TN			0.90%	0.225%	FD		4,754.83		4,526.83
			TD					470,860.37		451,759.18	
			TD					22,537.78		16,366.00	
			TD					34,916.66		34,856.00	
	Loma Linda	CA			2.00%	0.50%	BILL		9,734.86		9,181.81
			TD					486,743.20		459,090.35	
	Redlands	CA			1.50%	0.375%	BILL		16,016.73		15,047.09
			S					1,067,782.12		1,003,139.60	
								90,000.00		90,000.00	
	Loma Linda	CA			Fee Schedule		BILL		283.25		267.89
			TD					124,305.62		123,807.19	
			TD					28,324.63		26,789.09	
	Huntersville	NC			Fee Schedule		FD		50.11		47.44
			TD					5,011.32		4,743.62	
								120,000.00		120,000.00	
	Colton	CA			1.00%	0.25%	FD		404.99		382.74
			TD					1,083.73		1,001.80	
			TD					39,414.91		37,272.12	
	Laguna Woods	CA			Fee Schedule		FD		1,044.17		981.21
			S					101,133.24		95,014.20	
			S					3,284.25		3,106.71	

Assets Report

CWM

Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
REDACTED	Salinas	CA		REDACTED	Fee Schedule		FD		2,332.12		2,200.26
			TD					60,175.65		55,396.14	
			TD					58,600.93		55,553.71	
			TD					114,435.22		109,076.34	
	Upland	CA			1.00%	0.25%	W/O		285.96		270.47
			S					15,797.56		14,942.38	
			S					12,798.49		12,104.20	
	Bloomington	CA			Fee Schedule		FD		1,464.83		1,327.36
								12,798.49		7,962.80	
			TD					133,684.25		124,772.74	
	Redlands	CA			0.80%	0.20%	FD		9,150.65		9,525.48
			TD					350,544.72		327,364.13	
			TD					67.46		67.46	
			F					793,219.06		863,253.32	
								80,000.00		80,000.00	
	Washington	DC			Fee Schedule		FD		722.44		681.26
			TD					72,243.82		68,125.50	
								72,000.00		72,000.00	
								71,666.67		71,666.67	
								45,496.98		45,496.98	
								45,616.08		45,616.08	
	Redlands	CA			Fee Schedule		FD		2,020.34		1,979.17
			TD					202,033.78		197,916.73	
								71,666.67		71,666.67	
								45,496.98		45,496.98	
								45,616.08		45,616.08	
	Richland	WA			Fee Schedule		FD		3,364.89		3,135.74
			TD					164,347.48		153,972.18	
			TD					163,005.31		150,675.93	
			TD					9,135.87		8,925.93	
								74,400.00		74,400.00	
								93,000.00		93,000.00	

Assets Report

CWM

Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
REDACTED	Colton	CA		REDACTED	0.15%	0.038%	BILL		992.33		937.20
			TD					307,378.80		301,206.32	
			V					636,297.85		601,751.85	
			V					25,252.71		23,046.35	
	Yucaipa	CA			1.00%	0.25%	FD		164.95		160.02
			TD					12,628.77		12,321.03	
			TD					3,866.05		3,681.44	
								54,250.00		54,250.00	
	Cathedral City	CA			0.50%	0.125%	FD		281.13		262.89
			TD					22,711.85		21,296.16	
			TD					33,513.72		31,281.88	
	Chino Hills	CA			Fee Schedule		W/O		148.61		139.76
			S					4,010.57		3,771.67	
			S					4,041.70		3,800.94	
			S					6,808.56		6,402.98	
	Redlands	CA			1.25%	0.313%	FD		3,255.26		3,003.82
			S					260,420.79		240,305.60	
	Yucaipa	CA			Fee Schedule		FD		253.86		240.24
			TD								
			TD					25,386.26		24,024.02	
								35,000.00		35,000.00	
	Riverside	CA			1.00%	0.25%	FD		808.58		755.17
			TD					2,611.36		2,486.59	
			TD					2,611.36		2,486.59	
			TD					43,578.53		40,242.86	
			TD					6,017.14		5,689.73	
			TD					8,050.84		7,610.58	
			TD					3,814.65		3,606.24	
			TD					14,173.73		13,394.16	
	Menifee	CA			0.60%	0.15%	FD		2,811.48		2,689.60
			S					222,367.93		206,571.30	

Assets Report

CWM

Client Name	City	State		Account #	Fee	Q Fee	Method	Balance 7/31/2011	Fee	Balance 8/31/2011	Fee
			CR					150,030.17		150,407.29	
			S					96,181.22		91,287.37	
REDACTED	Yucaipa	CA			Fee Schedule		FD	639,005.25	6,390.05	593,236.42	5,932.36
	Yucaipa	CA	TD	REDACTED	0.00%	0.00%	W/O	113,501.67	-	108,597.95	-
	Loma Linda	CA			1.00%	0.25%	BILL		8,179.45		7,635.12
			S								
			S								
			S					804,654.37		750,941.58	
			S					6,156.51		5,823.24	
			S					7,133.72		6,747.55	
	Loma Linda	CA			1.00%	0.25%	FD		316.35		317.11
			S					20,097.85		18,818.26	
										1,980.12	
			S					7,427.75		7,025.66	
			S					4,109.48		3,887.01	
	Loma Linda	CA			1.00%	0.25%	W/O		158.51		148.03
			S					15,851.14		14,803.09	
	Chino Hills	CA			1.00%	0.25%	Bill		1,456.23		1,369.96
			TD					145,622.68		136,995.77	
					Fee Schedule		FD		293.15		278.72
			TD					24,596.60		23,261.10	
			TD					4,678.53		4,571.01	
			TD					39.74		39.74	
								129,796,465.24	585,306.02	124,064,281.74	556,878.82

Schedule B – Transferred Liabilities

Buyer shall assume all of Seller's obligations under the Transferred Investment Management Agreements (as listed on Schedule A hereto) that are required to be performed by Seller after the Closing. Except as set forth in the immediately preceding sentence, Buyer shall not assume or be responsible in any way for any of Seller's liabilities or other obligations whatsoever.

Schedule C – Seller Disclosure Schedule

This is the Disclosure Schedule of Copeland Wealth Management, a Financial Advisory Corporation and Copeland Wealth Management, a Financial Advisory Corporation in its capacity as Trustee of the Copeland Investor Restitution Trust (jointly and severally the "Seller") to the Asset Purchase Agreement dated September 30, 2011 (the "Agreement") by and among Elevage Partners, LLC, Charles P. Copeland, C. Lawrence Copeland, Copeland Wealth Management, a Financial Advisory Corporation, and Copeland Wealth Management, a Financial Advisory Corporation, as Trustee of the Copeland Investor Restitution Trust.

Disclosures made in this Disclosure Schedule are itemized to correspond to the subsections of Article II of the Agreement to which they relate, and any information disclosed herein under any subsection number shall be deemed to be disclosed only with respect to such subsection. Unless otherwise indicated, the terms contained in this Disclosure Schedule shall have the same meaning as the terms defined in the Agreement.

Subsection 2.5(a) Legal Proceedings.

The Seller discloses the following Proceedings that are pending or, to the Knowledge of Seller, threatened against or relating to, Seller or any of its Affiliates, shareholders, officers or employees or any of their respective properties, assets or businesses:

1. The deficiencies and violations specified and or alleged in the examination letter from the Securities and Exchange Commission, dated June 22, 2011 and attached hereto as Attachment 1 (the "Examination Letter").

2. The deficiencies and violations specified and or alleged in the proposed Complaint for Violation of the Federal Securities Laws, undated and attached hereto as Attachment 2 (the "Complaint").

3. The restraints, restrictions, prohibitions, and penalties specified and or contemplated in the proposed Consent of Defendants and Judgment of Permanent Injunction, undated and attached hereto as Attachment 3 (the "Consent").

4. The claims, causes of action, allegations, and demands contained in the demand letter from the law firm of McCune Wright, dated August 22, 2011 and attached hereto as Attachment 4 (the "Demand Letter").

5. The claims, causes of action, allegations, and demands contained in the complaint filed in Case No. RIC 10024942 filed December 30, 2010 and attached hereto as Attachment 5 (the "Shelton Complaint").

Section 2.7 Compliance with Applicable Law.

The Seller discloses the following:

1. The deficiencies and violations specified and or alleged in the Examination Letter.

2. The deficiencies and violations specified and or alleged in the Complaint.

3. The restraints, restrictions, prohibitions, and penalties specified and or contemplated in the Consent.

4. The claims, causes of action, allegations, and demands contained in the Demand Letter.

5. The claims, causes of action, allegations, and demands contained in the Shelton Complaint.

Attachment 1 – Examination Letter

United States
Securities and Exchange Commission

David M. Rosen
Attorney
Office of Enforcement

11th Floor
5670 Wilshire Blvd.
Los Angeles, CA 90036

(323) 965-3847
Fax (323) 965-4513

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
LOS ANGELES REGIONAL OFFICE
11TH FLOOR
5670 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90036-3648

June 22, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

C. Lawrence Copeland, Chief Executive Officer and Chief Compliance Officer
Copeland Wealth Management,
a Financial Advisory Corporation
25809 Business Center Drive, Suite F
Redlands, California 92374

WITH COPY TO:
Charles P. Copeland, President
Copeland Wealth Management,
a Financial Advisory Corporation
25809 Business Center Drive, Suite F
Redlands, California 92374

Re: Copeland Wealth Management, a Financial Advisory Corporation
SEC File No. 801-61704

Dear Mr. Copeland:

The staff conducted an examination of Copeland Wealth Management, a Financial Advisory Corporation ("**Registrant**") which evaluated compliance with certain provisions of the federal securities laws. The examination identified the deficiencies and weaknesses that are described in this letter. The staff discussed these matters with you, Charles Copeland, and Jeanne Minnerly, during an exit interview on June 21, 2011, and you expressed a willingness to make appropriate corrective actions.

I. Misleading and Deceptive Conduct - Section 10(b) of the Securities Exchange Act and Rule 10b-5 thereunder, Section 17(a) of the Securities Act, and Section 206 of the Advisers Act

Section 10(b) of the Securities Exchange Act of 1934 (the "**Exchange Act**") and Rule 10b-5 thereunder prohibit any person from making any untrue statement of material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading in connection with the purchase or sale of any

security. Similarly, Section 17(a) of the Securities Act of 1933 (the "**Securities Act**") prohibits any person from obtaining money or property by means of any untrue statement or omission of a material fact in the offer or sale of any securities. In addition, Rule 10b-5 and Section 17(a), together state that it is unlawful for any person, directly or indirectly, to (1) employ any device, scheme, or artifice to defraud, or (2) engage in any act, transaction, practice, or course of business which operates or would operate as a fraud or deceit upon any person or purchaser.

Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 (the "**Advisers Act**") state that it is unlawful for any investment adviser to, directly or indirectly, (1) employ any device, scheme, or artifice to defraud any client or prospective client and (2) engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client. These sections impose a federal fiduciary duty on an investment adviser with respect to its clients (See *SEC v. Capital Gains Research Bureau, Inc.*, 375 U.S. 180, 189-92 (1963)). As a fiduciary, an investment adviser is held to the highest standards of conduct and has an affirmative duty of utmost good faith to act solely in the best interests of its clients. Among the specific obligations that flow from an adviser's fiduciary duty is the duty to make full and fair disclosure of all material facts to clients, including the duty to disclose conflicts of interests with its clients that the adviser may have. Full and fair disclosure of conflicts of interest is particularly important so that the client can make an informed decision whether to enter into or continue an advisory relationship with the adviser, or take some action to protect himself against the conflict.

A. Fixed Income Funds

1. Improper Loans to Affiliates

The examination disclosed that from 2003 through 2009, Registrant and Copeland Wealth Management, a Real Estate Corporation ("**Copeland Realty**") formed 23 funds: (i) two private equity limited partnerships (each, a "**Private Equity Fund**" and collectively, the "**Private Equity Funds**"); (ii) three "fixed income" limited partnerships (each, a "**Fixed Income Fund**" and collectively, the "**Fixed Income Funds**"); and (iii) 18 real estate limited partnerships (each, a "**Real Estate Fund**" and collectively, the "**Real Estate Funds**"). The staff's examination disclosed that the substantial majority of investors in the Private Equity Funds, Fixed Income Funds, and Real Estate Funds (each, a "**Private Fund**" and collectively, the "**Private Funds**") are current or former investment advisory clients of Registrant.

The staff's examination also disclosed that the Fixed Income Funds received investor capital contributions of approximately $14 million and, without disclosure of the material risks and conflicts of interests involved, the Fixed Income Funds deployed essentially all of their capital to make loans to: (i) Registrant, Copeland Realty, and The Copeland Group, a Consulting and Accountancy Corporation ("**Copeland Accountancy**"); (ii) the Private Funds or their underlying holdings; (iii) entities in which principals of Copeland Wealth have an equity or profit interest

("**Principal Holdings**"); (iv) clients of Registrant or Copeland Accountancy; and (v) family members of principals of Registrant, Copeland Realty, or Copeland Accountancy (collectively, "**Copeland Wealth**"). Based on data provided by Registrant, as of August 31, 2010, the staff found note receivable balances shown on the general ledgers of the Fixed Income Funds totaling over $11 million.

The staff is particularly concerned that in several instances it appears that the money loaned from the Fixed Income Funds to the Real Estate Funds was used to pay management fees to Copeland Realty or to make distributions to investors in the Real Estate Funds (including Copeland Realty) totaling at least $258,000. Additionally, it appears that at least $402,000 of the money that was loaned to one accounting client was used to pay accounting fees to Copeland Accountancy. As discussed below, the staff noted several instances in which loans from a Fixed Income Fund were used to fund an investor withdrawal in another Fixed Income Fund.

These loans appear to have resulted in significant principal losses and interruptions of income in the Fixed Income Funds. For example: (1) the value of Copeland Fixed Income One, L.P. ("**CFI One**") has been written down by 65% on Registrant's holdings largely due to the failure of a $2.9 million loan to Copeland Properties Four, L.P. ("**CP 4**"); (2) the failure of Copeland Properties Six, L.P. ("**CP 6**") appears to have resulted in principal write-offs of over $307,000 in the Fixed Income Funds; (3) Reynolds Mason Industries, Inc. ("**RMI**"), a holding of Copeland Private Equity One, L.P. ("**CPE One**"), declared bankruptcy in 2009 with unpaid principal balances totaling $616,000 still owed to the Fixed Income Funds; and (4) failure to collect interest and principal payments from affiliated entities and accounting clients has resulted in frequent interruptions in distribution payments to investors in the Fixed Income Funds, particularly CFI One and Copeland Fixed Income Three, L.P. ("**CFI Three**").

The staff notes that by making the loans discussed above, without disclosure to or approval from the limited partners, Copeland Realty appears to have violated several provisions of the limited partnership agreements for each of the Fixed Income Funds, including: (i) provisions that require approval from 67% of the limited partners for any transaction in which the general partner has an actual conflict of interest and (ii) provisions that the general partner may not use directly or indirectly the assets the Fixed Income Funds for any purpose other than conducting the business of such Fixed Income Fund for the full and exclusive benefit of the partners thereof.

In light of the foregoing, Registrant's conduct appears to be inconsistent with Section 206 of the Advisers Act. Similarly, Registrant and Copeland Realty's conduct appears to be inconsistent with Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act.

2. "Real Estate Backed and Corporate Loans"

The limited partnership agreements for each of the Fixed Income Funds state that the purpose of the funds is to "engage in the business of owning real estate backed loans and corporate loans and any activities that are related or incidental to that business." Additionally, the staff's review of investor correspondence disclosed letters to the investors in the Fixed Income Funds that represented that certain loans were "backed by a deed."

However, the examination disclosed that, with the notable exception of the second priority mortgage on the building owned by CP 4 (the "**CP 4 Junior Mortgage**"), the majority of the "real estate backed loans" consisted of unsecured and unrecorded loans to the Real Estate Funds. Charles Copeland represented to the staff that most of these loans were documented solely by entries in the general ledgers of the Fixed Income Funds and the Real Estate Funds. Charles Copeland explained to the staff that the loans to the Real Estate Funds were not secured by the properties owned by the Real Estate Funds because their mortgage agreements prohibited them from securing additional indebtedness against the properties. Charles Copeland informed the staff that, although not secured by real property, he considered these loans to be "real estate backed" because Copeland Realty was the general partner of the partnerships and could direct the loan repayments to the Fixed Income Funds.

Further, even the loans specifically identified in investor correspondence as being "backed by a deed" were not recorded or secured. For example, the staff noted that in a letter from Charles Copeland and Donald Copeland to the investors of CFI One dated September 2009, loans to both Copeland Properties Twelve, L.P. ("**CP 12**") and Copeland Properties 15, L.P. are identified as being "backed by a deed." However, Charles Copeland acknowledged to the staff, "that is not a true statement."

Accordingly, the staff has concerns that representations by Charles Copeland and Donald Copeland that the Fixed Income Funds would own "real estate backed loans" and that certain loans were "backed by a deed" were false and misleading in light of the circumstances under which they were made. Therefore, Registrant's conduct appears to be inconsistent with Section 206 of the Advisers Act. Similarly, Registrant and Copeland Realty's conduct appears to be inconsistent with Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act.

3. "Guaranteed" Investments

The staff's email review disclosed that you represented to advisory clients that were prospective investors in the Fixed Income Funds that "the notes in the Fund are guaranteed by our Firm." The staff's email review and interviews with Charles Copeland appear to indicate that he made similar representations to investors and prospective investors regarding guarantees. However, neither Registrant nor its principals have executed any written guarantees in favor of the Fixed

Income Funds in connection with the notes held by the Fixed Income Funds. To the contrary, several of the notes held by the Fixed Income Funds, including the $2.9 million CP 4 Junior Mortgage, have already defaulted or been written-off as losses without repayment by Registrant or either of its affiliates. Accordingly, Registrant's holdings report and investor statements currently reflect that investments in CFI One have been written down by 65%, while Copeland Fixed Income Two, L.P. ("**CFI Two**") and CFI Three have each been decreased by 10%.

The staff notes that Charles Copeland represented to the staff that "it's my intention that nobody loses principal" on investments in the Fixed Income Funds and that he will attempt to return the principal to investors in the Fixed Income Funds as capital becomes available to him in the form of Copeland Realty's share of capital distributions and performance fees from the sale of the underlying real property holdings of the Real Estate Funds. However, Charles Copeland informed the staff that he anticipates that a mortgage lender to one of the Real Estate Funds will obtain a deficiency judgment of approximately $1 million against Copeland Realty in the near future, which may result in Copeland Realty declaring bankruptcy. Further, Copeland Wealth owes almost $1.4 million to the Fixed Income Funds, most of which is owed by Copeland Realty. Finally, with regard to guaranteeing investments in the Fixed Income Funds, Charles Copeland acknowledged, "I may have crossed the line there."

In light of the foregoing, it appears that you and Charles Copeland misrepresented that the notes in the Fixed Income Funds were "guaranteed." As a result, Registrant's conduct appears to be inconsistent with Section 206 of the Advisers Act. Similarly, Registrant and Copeland Realty's conduct appears to be inconsistent with Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act.

4. Redemption Practices

The examination disclosed that Copeland Realty, as the general partner of the Fixed Income Funds, used funds from CFI Two to fund investor redemptions in CFI One and similarly used funds from CFI Three to fund investor redemptions in CFI One and CFI Two. In several instances the funds used to finance these redemptions consisted of new investor capital invested in a Fixed Income Fund and then transferred to another Fixed Income Fund on the same day or the next day. The staff also noted transactions in which funds were paid directly from one Fixed Income Fund to or for the benefit of an investor in another Fixed Income Fund. The staff noted at least six instances from April 2007 to September 2008 in which funds totaling at least $772,000 were loaned from one Fixed Income Fund to another Fixed Income Fund in transactions structured as described above.

Additionally, the staff's email review disclosed that Registrant may have misrepresented the liquidity of the Fixed Income Funds. In particular, the staff noted emails from several investors that stated that they had been told that their funds could be returned in various time frames ranging from two or three months to a year if they needed them. For example, in an email to an

advisory client who was a prospective investor in CFI Two, dated February 25, 2008, you wrote, "We expect you to keep the funds invested 3-5 years, but if you need to get out we will give our best effort to return the investments within 90 days." However, as early as January 2009, investor redemption requests were no longer being honored and investors were subsequently informed that early capital withdrawal was prohibited and that any future withdraws would take place pursuant to the partnerships' dissolutions.

In light of the foregoing, it appears that new investor capital investments in the Fixed Income Funds were improperly diverted in order to facilitate redemptions in earlier partnerships. Although Registrant had knowledge of the intended use of these investments by virtue of Charles Copeland's common control and ownership of Registrant and Copeland Realty, such use does not appear to have been disclosed to investors, the substantial majority of whom are (or were) advisory clients of Registrant. Additionally, Registrant appears to have misrepresented the liquidity of the Fixed Income Funds. As a result, Registrant's conduct appears to be inconsistent Section 206 of the Advisers Act. Similarly, Registrant and Copeland Realty's conduct appears to be inconsistent with Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act.

B. The Real Estate Funds

1. Improper Loans to Affiliates

The examination disclosed that Copeland Realty, as the general partner of the Real Estate Funds, may have misappropriated client assets by causing the Real Estate Funds to improperly loan money to: (i) other Private Funds, including other Real Estate Funds, (ii) Rancho Mirage Surgery Center, LLC (the "**Surgery Center**"), (iii) Copeland Realty, and (iv) clients of Copeland Accountancy. Charles Copeland represented to the staff that the majority of these loans were unsecured, unrecorded, and documented solely by entries in the general ledgers of the Private Funds. The majority of the loans made to other Private Funds or the Surgery Center appear to have been made in order to pay: (a) operational expenses, including property tax or mortgage payments, (b) distributions to investors, and (c) management fees to Copeland Realty. Charles Copeland represented to the staff that the loans to Copeland Realty were generally made to facilitate real estate purchases by other Real Estate Funds.

The staff notes that these loans, which were not disclosed to or approved by the limited partners, appear to violate several provisions of the limited partnership agreements for each of the Real Estate Funds, including: (i) provisions that require approval from 67% of the limited partners for any transaction in which the general partner has an actual or potential conflict of interest; (ii) provisions that the general partner may not use directly or indirectly the assets of each Real Estate Fund for any purpose other than conducting the business of such Real Estate Fund for the full and exclusive benefit of the partners thereof; and (iii) provisions of the limited partnership

agreement and the Real Estate Fund offering materials that state the purpose of the Real Estate Funds is real property ownership.

Although Registrant had knowledge of the practices described above by virtue of Charles Copeland's common control and ownership of Registrant and Copeland Realty, such practices do not appear to have been disclosed to investors, the substantial majority of whom are (or were) advisory clients of Registrant. As a result, Registrant's conduct appears to be inconsistent with Section 206 of the Advisers Act. Similarly, Registrant and Copeland Realty's conduct appears to be inconsistent with Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act.

2. Pooled Investment Account (the "Put Fund")

The examination disclosed that Registrant managed a "pooled investment" account for Copeland Realty that consisted of commingled funds from 14 of the Real Estate Funds and at least one advisory client, who was also an employee of Copeland Realty at one time. The Put Fund was invested primarily put options and appears to have suffered losses of over $810,000 from the inception of the account in July 2006 to March 2009 when the account was liquidated.

Registrant represented to the staff that funds totaling approximately $3.6 million from three lease buyout payments in two of the Real Estate Funds were transferred into the Put Fund. However, the examination disclosed that a large portion of these funds appear to have not been returned to the Real Estate Funds from which they were taken. For example, the staff's review disclosed that on November 6, 2007, Copeland Properties Nine, L.P. ("**CP 9**") received a lease buyout payment of $1 million from IBM and transferred this money into the Put Fund on the same day. Additionally, during interviews with the staff in November 2010, Charles Copeland represented that although not reflected on the general ledger of CP 9, Copeland Realty had also received a previous payment directly from IBM, which was invested in the Put Fund and used to help fund other unspecified investments. Registrant subsequently provided the staff with documentation indicating that approximately $1.1 million of this prior payment, which totaled $1.2 million, was deposited into the Put Fund on February 9, 2007.

The examination disclosed that the Put Fund made payments to CP 9 totaling approximately $630,000 from March 2007 through February 2008, leaving an apparent unreturned balance of over $1.4 million. During interviews with the staff in November 2010, Charles Copeland acknowledged that Copeland Realty was "behind" on the "rent payments" by about $500,000 and represented to the staff that he would provide an accounting thereof. This accounting, which the staff received on May 25, 2011, indicates that Copeland Realty returned a total of $365,000 to CP 9 from November 2010 through April 2011 and states that: "[t]hrough April 2011[Copeland Realty] has returned $1,951,731.21 of the $2,220,684.34 that it held for investment. The remaining $268,953.13 should be returned this year."

The staff notes that at the time of the staff's examination CP 9 was no longer making investor distributions and had been marked down 10% on Registrant's investor statements and holdings reports, which do not disclose the existence of the Put Fund. The staff also notes that after CP 9 received its last payment from the Put Fund in February 2008, it received 31 loans from the Fixed Income Funds from April 2008 through June 2009 totaling $424,528, and as of August 31, 2010, had notes payable to other Private Funds totaling $1,577,480 in principal.

The staff's review also disclosed that CP 4 received $1,535,000 from a lease buyout payment by Siemens in September 2006. Charles Copeland represented to the staff that the buyout proceeds were invested in the Put Fund and that all these funds were returned to CP 4 prior to the building owned by the partnership being placed in receivership in July 2010. However, it appears that $475,000 from this lease buyout was immediately loaned to Copeland Accountancy. Additionally, the staff's review determined that following the Siemens lease buyout, the Put Fund made 19 payments to CP 4 totaling $953,000. The staff was unable to confirm that the remaining $582,000 in buyout proceeds had been returned based on the documentation it received. The staff notes that the building owned by CP 4 has now been foreclosed on by the first priority mortgage lender resulting in significant losses in CFI One, which purchased the CP 4 Junior Mortgage.

The staff notes that by transferring funds from the Real Estate Funds into the Put Fund without disclosure to or approval from the limited partners, Copeland Realty appears to have violated several provisions of the limited partnership agreements for each of the Real Estate Funds, including: (i) provisions that require approval from 67% of the limited partners for any transaction in which the general partner has an actual or potential conflict of interest; (ii) provisions that the general partner may not use directly or indirectly the assets of each Real Estate Fund for any purpose other than conducting the business of such Real Estate Fund for the full and exclusive benefit of the partners thereof; and (iii) provisions of the limited partnership agreement and the Real Estate Fund offering materials that state the purpose of the Real Estate Funds is real property ownership.

Pursuant to an advisory agreement with Copeland Realty, Registrant was entitled to receive a "1.00% fee plus 20% of returns above 11% *annually*" for managing the Put Fund. The staff's review of management and performance fees for the Put Fund disclosed that Registrant received $24,424 in performance fees and $15,879.97 in management fees, and that these fees were charged on a *monthly* basis from September 2006 through June 2007. However, the staff's performance review determined that the Put Fund incurred losses of approximately $128,000 from its inception in July 2006 through July 2007. Accordingly, Registrant was not entitled to receive performance fees during this period and therefore overcharged the Put Fund $24,424 in performance fees.

In light of the foregoing, it appears that Registrant breached its fiduciary duties under Sections 206(1) and 206(2) of the Advisers Act by facilitating the misappropriation and commingling of

advisory client assets invested in the Real Estate Funds and investing such assets in a manner inconsistent with the investment objectives and limited partnership agreements of the Real Estate Funds. Similarly, Registrant and Copeland Realty's conduct appears to be inconsistent with Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act. Finally, it appears that Registrant charged performance fees to the Put Fund on a monthly basis, rather than annually as required by the advisory contract, resulting in unearned performance fees of $24,424, which raises additional concerns under Section 206.

3. Undisclosed Commissions

Registrant represented to the staff that Copeland Realty received commissions or similar compensation totaling $2,271,895 relating to purchases and sales of real property by the Real Estate Funds. Specifically, Copeland Realty received (i) cash commissions totaling $670,895 and (ii) limited partnership interests in lieu of cash totaling $1,601,000 in five of the Real Estate Funds. The staff noted that Copeland Realty subsequently sold $1,106,000 of these limited partnership interests to investors in the Real Estate Funds.

However, the examination disclosed that with the exception of a commission relating to CP 9, for which the limited partnership agreement disclosed that the general partner would receive a 10% limited partnership interest (discussed below), the existence and amount of the commissions discussed above were not disclosed to investors, the majority of whom are (or were) advisory clients of Registrant.

The limited partnership agreement for CP 9 provides for Copeland Realty to receive a 10% limited partnership interest in exchange for contributing "its option to purchase the land and building." The examination disclosed that the purchase option consisted solely of a purchase and sale agreement negotiated by Copeland Realty. The limited partnership agreement for CP 9 also states that the initial capital contributions of the limited partners will be $2.6 million. However, Copeland Realty represented to the staff that it received a limited partnership interest of $401,000, which appears to represent a limited partnership interest $141,000 greater than what was disclosed in the limited partnership agreement. The staff notes that the partnership's schedule K-1s reflect that the actual limited partner initial capital contributions received in CP 9 were $2,814,000. However, even based on this figure, it appears that Copeland Realty received an interest $120,000 greater than what the capital contributions would have merited.

Finally, the staff notes that four of the investors in CP 12 have filed a lawsuit against Copeland Wealth and its principals alleging, among other things, that "[Copeland Wealth] had received undisclosed secret commissions and payments in connection with the CP 12 Partnerships."

In light of the foregoing, the staff has concerns that Copeland Realty may have misled investors in the Real Estate Funds by: (i) failing to disclose approximately $1,870,895 in commissions; (ii) failing to disclose the actual amount of its commission in CP 9; and (iii) characterizing its

commission in CP 9 as a fee for "contributing the purchase option on the property." Registrant appears to have breached its fiduciary duties under Sections 206(1) and 206(2) of the Advisers Act by failing to disclose the matters described above to advisory clients. Similarly, Registrant and Copeland Realty's conduct appears to be inconsistent with Section 10(b) of the Exchange Act and Rule 10b-5 thereunder and Section 17(a) of the Securities Act.

4. Management Fees

The examination disclosed that Copeland Realty overcharged management fees to Copeland Properties 18, L.P. ("**CP 18**") totaling $128,020 as of August 31, 2010. The limited partnership agreements of CP 18 provides that Copeland Realty is entitled to annual management fees equal to 0.5% of limited partner *initial capital contributions*, provided that the limited partners have first received annual distributions equal to 6% of limited partner initial capital contributions. However, it appears that beginning in July 2009, Copeland Realty, which had not previously received management fees from CP 18, began charging CP 18 management fees equal to 0.5% of the *property purchase price* of $9.1 million rather than the limited partner *initial capital contributions* of $2,450,000 listed in the limited partnership agreement. As a result, Copeland Realty was charging management fees of $3,792 per month instead of only $1,021 per month as provided by the limited partnership agreement. Additionally, Copeland Realty retroactively charged the partnership for unpaid management fees from April 2007 to July 2009 and retroactively accrued interest on these fees.

Charles Copeland represented to the staff that he was unaware of this issue and that it was likely the result of Copeland Realty using the wrong form of limited partnership agreement. Accordingly, he represented to the staff that it was his intention to submit a request to the limited partners of CP 18, seeking: (i) approval to amend the limited partnership agreement to provide that future management fees will be based on the property purchase price; and (ii) ratification of the excess management fees already charged to CP 18 under the existing limited partnership agreement. Charles Copeland also acknowledged to the staff that if the limited partners do not approve the amendment of the partnership agreement and ratify the excess management fees then Copeland Realty will be responsible for returning the excess management fees. Additionally, Charles Copeland acknowledged to the staff that the limited partnership agreement for CP 18 did not provide the general partner with the authority to charge interest on unpaid management fees. It would raise concerns under Section 206 if the steps discussed above are not taken, including disclosure to advisory client investors in CP 18.

C. Perez Family Survivors Trust

The staff has concerns that while serving as co-trustee of the Perez Family Survivors Trust, Charles Copeland may have abused his responsibilities by providing over $500,000 in client funds to three Private Funds. Specifically, Charles Copeland caused the Perez Family Survivors Trust to: (i) loan $105,000 to Copeland Properties Ten, L.P. ("**CP 10**"), which was used to pay

CP 10's mortgage, investor distributions, and management fees; (ii) make loans totaling $300,000 to CP 12, $240,000 of which went directly to CP 12's mortgage lender to make a loan payment; and (iii) contribute $100,000 to CFI Three, $53,100 of which was subsequently loaned from CFI Three to Copeland Realty. Charles Copeland represented to the staff that each of these actions was discussed and pre-approved by the other two co-trustees, who were also beneficiaries of the estate, and Registrant provided the staff with: (a) promissory notes signed by the beneficiaries of the trust and (b) subscription documents executed by the co-trustees. The staff's review of these documents disclosed that Charles Copeland signed each of the promissory notes from CP 10 and CP 12 as a personal guarantor.

Notwithstanding the apparent approval of these investments by the two co-trustees or the beneficiaries, the staff has concerns that material risks and conflicts of interest were not disclosed to the co-trustees and beneficiaries. The staff notes that at the time the loans to CP 12 were made, CP 12 was experiencing significant operational difficulties, including: (i) failure to lease out much of its space; (ii) failure to collect rent from its affiliated tenants (Serenity, in which Copeland Wealth has a proprietary interest, and the Surgery Center, which was itself suffering operational difficulties); and (iii) difficulty acquiring take-out financing for its maturing construction loan.

The staff also notes that Copeland Wealth and its principals are currently defendants in a lawsuit brought by investors in CP 12, a failed Private Fund that you informed the staff has filed for bankruptcy. These circumstances raise serious doubts as to CP 12's ability to repay the remaining $238,000 balance on its loan from the trust. Further, CFI Three is currently paying intermittent distributions, has been written down by 10% on Registrant's holdings statements, and holds notes receivable from failed or failing entities with unpaid principal balances of over $1 million.

Finally, the staff's review also disclosed emails in which two of the beneficiaries of the Perez Family Survivors Trust expressed their frustration with the lack of disclosure regarding the trust's Private Fund investments and notes. In a letter to Charles Copeland dated June 26, 2010, one of the beneficiaries wrote: "the lack of response to my request for disclosures impeded my ability to make an informed and well based decision regarding the type of risk with respect to consideration of commercial notes, limited liability partnerships and commissions earned."

In light of the foregoing, Registrant's conduct raises concerns under Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, Section 17(a) of the Securities Act, and Section 206 of the Advisers Act.

II. Section 206 and Rule 206(4)-8

Sections 206(1) and 206(2) of the Advisers Act impose a fiduciary duty on an investment adviser with respect to its clients. (See SEC v. Capital Gains Research Bureau, Inc., 375 U.S. 180, 189-

92 (1963)). As a fiduciary, an adviser is held to the highest standards of conduct and must act in the best interests of its clients. Among the specific obligations that flow from an adviser's fiduciary duty is a duty to provide full and fair disclosure of all material facts and employ reasonable care to avoid misleading clients and prospective clients. Generally, a fact is material if there is a substantial likelihood that a reasonable investor in making an investment decision would consider it as having significantly altered the total mix of information available. (See also Basic, Inc. v. Levinson, 485 U.S. 224, 231-32 (1988) and TSC Industries, Inc. v. Northway, Inc., 426 U.S. 438, 449 (1976)). Furthermore, Rule 206(4)-8 prohibits an investment adviser to a pooled investment vehicle from (1) making any untrue statement of material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading to any investor or prospective investor in the pooled investment vehicle or (2) otherwise engaging in any act, practice, or course of business that is fraudulent, deceptive, or manipulative with respect to any investor or prospective investor in the pooled investment vehicle.

A. Private Equity Funds – Use of Sale Proceeds

The examination disclosed that Registrant is the general partner of Copeland Private Equity Two, L.P.("**CPE Two**"). In June 2010, CPE Two sold its interest in the Surgery Center to an unaffiliated group of physicians for $2 million and agreed to assume all of the Surgery Center's existing liabilities. However, at the time of the sale, the Surgery Center had liabilities of approximately $3.6 million, including (i) approximately $1.5 million in unpaid back rent owed to CP 12, which owns the building where the Surgery Center is located and (ii) $1,675,000 in loans from Private Funds, advisory clients, and investors in CPE Two. CPE Two received two payments totaling $1 million in June and August 2010 and agreed to carry back a five-year promissory note, a copy of which the staff has requested but not yet received, at 7% interest for the remaining $1 million. These purchase proceeds, including the right to receive payments under the promissory note were used to settle the liabilities of the Surgery Center while the equity investors in CPE Two suffered a total loss.

Charles Copeland informed the investors in the Surgery Center that $500,000 would be paid to CP 12 in full settlement of the unpaid rent, while the remaining $1.5 million would be used to settle the remaining debts of the Surgery Center. However, this money was not divided equally amongst the unsecured creditors. Fourteen equity investors in CPE Two that made loans to the Surgery Center were informed by Charles Copeland that as "owner creditors," they would be subordinated to "non-owner creditors." Therefore, owner creditors, who had made loans totaling $915,000, would recover an estimated $240,000 from the "residual" sale proceeds. Conversely, non-owner creditors would receive almost a full recovery on loans of $1,116,000, $786,000 of which were loans made by five Private Funds and $230,000 of which were made by two advisory/accounting clients.

Charles Copeland informed the "owner creditors" that the debt repayment was structured as described above, so that if any creditor chose legal action instead of settling as proposed, then their distribution from a bankruptcy court would be similar. In an email response to an investor regarding the different debtor classes, Charles Copeland stated: "I had a two hour car ride with a bankruptcy attorney to San Diego for another client and discussed our situation with him. He is the source of the class of debtor info, but since I didn't pay for the advice I can't quote his name. All loans to owners that are also creditors are a class of debt in bankruptcy."

The staff has concerns that this arrangement does not reflect bankruptcy law absent evidence of wrongdoing on the part of the owner creditors.

In light of the foregoing, the staff has concerns that Registrant may have breached its fiduciary duties to CPE Two and advisory clients under Section 206 by favoring the Private Funds over CPE Two's investors. Additionally, Registrant's possible misrepresentations regarding the status of investor creditors under bankruptcy law raises concerns under Rule 206(4)-8. The staff notes that Registrant had multiple conflicts of interests relating to this transaction, including: (i) Copeland Realty is the general partner of CP 12, which was owed $1.5 million by the Surgery Center and eventually received $500,000; (ii) the Private Funds were owed $786,000 by the Surgery Center and were essentially paid in full; and (iii) the loans to the Surgery Center by the Private Funds appear to have violated the limited partnership agreements of the Private Funds which may have motivated Registrant to direct the repayment of these loans.

B. Private Equity Funds – Redemption Practices

The examination disclosed that as the general partner of CPE One, Registrant allowed one of the investors in CPE One to transfer $50,000 (half of his $100,000 investment) out of CPE One and into CPE Two in or around July 2008. In response to the staff's inquiries regarding the circumstances of the investor's transfer out of CPE One, Charles Copeland informed the staff that at some point in 2008, he "advised [the investor] that things were less than perfect in CPE One and we are doing CPE Two." Charles Copeland also stated that other investors were not offered the opportunity to transfer their interests out of CPE One. However, in a letter dated June 2, 2008, Charles Copeland informed the other investors: "My current best assessment of the overall venture is that we should achieve a 10%+ annual return per year by the end of year four."

Accordingly, by (i) informing one, but not the other investors, about material changes in the projected performance of CPE One and (ii) allowing the one, but not the other investors, to transfer his interest out of CPE One on the basis of this material information, Registrant's conduct raises serious concerns with respect to Section 206 under the Advisers Act and Rule 206(4)-8 thereunder. The staff notes that CPE One, which suffered an 80% loss, ultimately performed better than CPE Two, which suffered a 100% loss.

III. Rule 206(4)-2 - Custody

Rule 206(4)-2 under the Advisers Act (the "**Custody Rule**") provides that it is a fraudulent, deceptive, or manipulative act, practice or course of business for a registered investment adviser to have custody of client funds or securities unless certain requirements are met. For purposes of the Rule, "custody" means holding, directly or indirectly, client funds or securities, or having the authority to obtain possession of them, including any capacity (such as general partner of a limited partnership or a managing member of a limited liability company) that gives the investment adviser or any of its supervised persons legal ownership of, or access to, client funds or securities.

Recent amendments to Rule 206(4)-2 became effective on March 12, 2010. (See *Custody of Funds or Securities of Clients by Investment Advisers*, Advisers Act Release No. 2968 (December 30, 2009) available at http://www.sec.gov/rules/final/2009/ia-2968.pdf) ("Release 2968"). The staff evaluated Registrant's compliance with the provisions of both the "**Former Custody Rule**," which were in effect prior to March 12, 2010, and the provisions of the "**Amended Custody Rule**," which became effective as of March 12, 2010.

The Former Custody Rule required an investment adviser with custody of client securities or funds to maintain those assets in a separate account with a qualified custodian and (i) either have a reasonable belief that the qualified custodian sends statements to the client on at least a quarterly basis or (ii) the adviser may send statements to the client on a quarterly basis, but would be required to have an independent public accountant conduct a surprise examination of those funds and securities at least annually. An adviser was not required to comply with the statement delivery requirements of the rule with respect to the account of a limited partnership, limited liability company, or another type of pooled investment vehicle that was audited at least annually and distributed its audited financial statement prepared in accordance with GAAP to all limited partners within 120 days of its fiscal year-end (the "**Audit Requirement**"). Furthermore, the Former Custody Rule provided an exemption for investment advisers that also act as general partners for real estate partnerships. Footnote 16 of Advisers Act Release No. 2176 (September 30, 2003), available at http://www.sec.gov/rules/final/ia-2176.htm, states, "In such circumstances, the rule does not apply to the assets of the real estate partnership unless the partnership is an advisory client of the investment adviser."

The Amended Custody Rule requires an investment adviser with custody of client securities or funds to maintain those assets in a separate account with a qualified custodian and have a reasonable basis, after due inquiry, for believing that the qualified custodian sends an account statement, at least quarterly, to each client for which it maintains funds or securities. The Amended Custody Rule eliminates the alternative to the requirement under which an adviser can send quarterly account statements to clients if it undergoes a surprise examination by an independent public accountant at least annually. The Amended Custody Rule, however, contains a special provision for privately issued securities. If ownership of the securities is recorded only

on the books of the issuer, in the name of the client, and transfer of ownership is subject to prior consent of the issuer or holder, then the client may receive copies of subscription or partnership agreements that are not maintained with a custodian. The Amended Custody Rule requires registered advisers with custody of client assets to undergo a surprise examination of those assets by an independent public accountant. An investment adviser required to obtain a surprise examination must enter into a written agreement with an independent public accountant that provides that the first examination will take place by December 31, 2010. (See Release 2968). Investment advisers that have custody of client funds or securities because the adviser or a related person is a general partner, managing member, or holds a comparable position for a pooled investment vehicle, may still comply with the Amended Custody Rule by fulfilling the Audit Requirement provided, however, that the audit must be conducted by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board (the **"PCAOB"**) in accordance with its rules (the **"PCAOB Audit Requirment"**).

A. Private Equity Funds

The examination disclosed that Registrant is the general partner of the Private Equity Funds. As the general partner of the Private Equity Funds, Registrant is deemed to have custody of the funds' assets under the Former Custody Rule. However, the examination disclosed that Registrant made no attempt to comply with the Custody Rule. Specifically, the Private Equity Funds did not undergo a surprise examination by an independent public accountant, nor were audited financial statements prepared in accordance with GAAP and distributed to the limited partners. Additionally, it appears that only the assets of clients using individual retirement accounts to fund their investments were held at a qualified custodian; other investors were advised not to have their assets held in custody at a qualified custodian because of the fees charged by the custodians to hold these "alternative assets." Registrant's principals represented to the staff that they were not aware that the Custody Rule applied to the Private Equity Funds. This conduct is inconsistent with the requirements of Rule 206(4)-2 under the Advisers Act.

Registrant represented to the staff that as of June 1, 2010 both of the Private Equity Funds were liquidated. However, with respect to CPE Two, the staff notes that although the partnership's interests in the Surgery Center were liquidated, CPE Two continues to hold the $1 million promissory note that it received as a portion of the proceeds from the sale of the Surgery Center. This promissory note and the payments received thereunder are assets of the partnership which Registrant continues to hold in custody. Therefore Registrant remains subject to the requirements of the Custody Rule.

Under the Amended Custody Rule, Registrant is still subject to the surprise examination requirement. Alternatively, Registrant may comply with the Amended Custody Rule by fulfilling the PCAOB Audit Requirement, in which case, Registrant would be exempt from the qualified custodian requirement because of the privately issued securities provision. However,

the examination disclosed that Registrant has not undertaken either of the above alternatives with respect to CPE Two from March 12, 2010 to present. This conduct is inconsistent with the requirements of Rule 206(4)-2 under the Advisers Act.

B. Fixed Income Funds

The examination disclosed that Charles Copeland, one of Registrant's owners, also owns a majority interest in Copeland Realty, which is the general partner to the Fixed Income Funds. The sole assets of the Fixed Income Funds are notes receivable from: (i) Copeland Wealth; (ii) the Private Funds; (iii) entities owned or controlled by principals of Copeland Wealth; and (iv) clients of Registrant or Copeland Accountancy. Because Copeland Realty is the general partner of the Fixed Income Funds and has common ownership with Registrant, Registrant is deemed to have custody of advisory client assets invested in the Fixed Income Funds under both the Former Custody Rule and the Amended Custody Rule.

Under the Former Custody Rule, Registrant could have maintained the assets of the Fixed Income Funds in a separate account with a qualified custodian, so long as (i) Registrant had a reasonable belief that the qualified custodian sent statements to the client on at least a quarterly basis or (ii) Registrant sent statements to the client on a quarterly basis and had an independent public accountant conduct a surprise examination of those funds and securities at least annually. However, Registrant would not have been required to comply with the statement delivery requirements of the rule with respect to the Fixed Income Funds if each of the Fixed Income Funds fulfilled the Audit Requirement. Registrant represented to the staff that it made no attempt to comply with the above requirements and that it was not aware that it was subject to the Custody Rule.

Under the Amended Custody Rule, Registrant would still be subject to the surprise examination requirement. Alternatively, Registrant may comply with the Amended Custody Rule by fulfilling the PCAOB Audit Requirement, in which case, Registrant would be exempt from the qualified custodian requirement because of the privately issued securities provision. However, the examination disclosed that Registrant has not undertaken either of the above alternatives with respect to the Fixed Income Funds from March 12, 2010 to present. This conduct is inconsistent with the requirements Rule 206(4)-2 under the Advisers Act.

C. Real Estate Funds

The examination disclosed that Charles Copeland, one of Registrant's owners, also owns a majority interest in Copeland Realty, which is the general partner to the Real Estate Funds. The assets of the Real Estate Funds generally consist of real property and notes receivable from Copeland Wealth, the Private Funds or their holdings, and in some cases, accounting clients of Copeland Wealth. The Real Estate Funds have never been audited. Because Copeland Realty is

the general partner of the Real Estate Funds and has common ownership with Registrant, Registrant is deemed to have custody of advisory client assets invested in the Real Estate Funds.

The staff noted, however, that the Former Custody Rule provided an exemption from adherence to the Custody Rule for investment advisers that also act as general partners for real estate partnerships (the "**Real Estate Partnership Exemption**"). The staff noted that the Real Estate Partnership Exemption is also applicable to the Amended Custody Rule.

Under the Real Estate Partnership Exemption, *if applicable*, the Custody Rule would not apply to Registrant with regard to the assets held by the Real Estate Funds. However, even under the Real Estate Partnership Exemption, because of the affiliation and common control between Copeland Realty and Registrant, Registrant would be deemed to have custody of clients' interests in the Real Estate Funds, which are privately issued securities. As a result, Registrant would be subject to the surprise examination requirement and the scope of the examination would need to include verifying clients' interests in the limited partnerships.

However, the examination disclosed that althought the primary asset of the Real Estate Funds was real property, the Real Estate Funds also held other assets, including securities. For example, the examination disclosed that: (i) from approximately July of 2006 to April 2009, 14 of the Real Estate Funds held assets in the Put Fund, which was invested in publicly traded equity securities and options; (ii) each of the Real Estate Funds has held or currently holds notes receivable from a variety of entities, including Copeland Wealth, Private Funds, holdings of Private Funds, and accounting clients of Copeland Accountancy; (iii) certain Real Estate Funds have held or currently hold investments in the limited partnership interests of other Real Estate Funds. In light of the foregoing, the Real Estate Partnership Exemption is not applicable to the Real Estate Funds under the Former Custody Rule or the Amended Custody Rule.

Under the Former Custody Rule, Registrant could have maintained the assets of the Real Estate Funds in a separate account with a qualified custodian, so long as (i) Registrant had a reasonable belief that the qualified custodian sent statements to the client on at least a quarterly basis or (ii) Registrant sent statements to the client on a quarterly basis and had an independent public accountant conduct a surprise examination of those funds and securities at least annually. However, Registrant would not have been required to comply with the statement delivery requirements of the rule with respect to the Real Estate Funds if each of the Real Estate Funds fulfilled the Audit Requirement. Registrant represented to the staff that it made no attempt to comply with the above requirements and that it was not aware that it was subject to the Custody Rule. This conduct is inconsistent with the requirements Rule 206(4)-2 under the Advisers Act.

Under the Amended Custody Rule, Registrant would still be subject to the surprise examination requirement. Alternatively, Registrant may comply with the Amended Custody Rule by fulfilling the PCAOB Audit Requirement, in which case, Registrant would be exempt from the qualified custodian requirement because of the privately issued securities provision. However,

the examination disclosed that Registrant has not undertaken either of the above alternatives with respect to the Real Estate Funds from March 12, 2010 to present. This conduct is inconsistent with the requirements Rule 206(4)-2 under the Advisers Act

D. Trust Accounts

During the examination period, Registrant or its principals acted as the trustee or co-trustee (with the authority to remit checks, wire funds, and otherwise make disbursements) to four client accounts, and therefore had custody under Rule 206(4)-2. However, the examination disclosed that Registrant made no attempt to comply with the Custody Rule with respect to these trust accounts. Rather, following the announcement of the examination, Charles Copeland purportedly relinquished his role as trustee or co-trustee of the four advisory client accounts and represented to the staff that his reason for doing so was to avoid the requirements of the Custody Rule. Nevertheless, Registrant had custody before Charles Copeland's resignation and was therefore subject to the requirements of the Custody Rule. Registrant's conduct prior to Charles Copeland's resignation as trustee or co-trustee for certain accounts is inconsistent with the requirements of Rule 206(4)-2 under the Advisers Act.

E. San Bernardino Medical Group Pension Plan

The examination disclosed that Registrant has custody of certain assets of the San Bernardino Medical Group pension plan (the "**San Bernardino MG plan**"). Specifically, you are an authorized signer on an account held at The Vanguard Group, Inc. ("**Vanguard**") which contains assets that are added or withdrawn from the San Bernardino MG plan. As an authorized signer, you have access to move or withdraw funds. Registrant has never undergone a surprise examination of these assets by an independent public account.

Under the Former Custody Rule, Registrant could have maintained the assets of the San Bernardino MG plan at a qualified custodian, such as Vanguard, so long as Registrant had a reasonable belief that the qualified custodian sent statements to the client on at least a quarterly basis. Accordingly, it appears that Registrant may have complied with the Former Custody Rule.

However, the Amended Custody Rule requires registered advisers with custody of client assets to undergo a surprise examination of those assets by an independent public accountant that is registered with, and subject to regular inspection by, the PCAOB. An investment adviser required to obtain a surprise examination must have entered into a written agreement with an independent public accountant that provided, among other things, that the first examination would take place by December 31, 2010. However, the examination disclosed that Registrant did not enter into such an agreement and has not undergone a surprise examination of these assets. This conduct is inconsistent with the requirements of Rule 206(4)-2 under the Advisers Act.

Registrant's complete disregard of the requirements of the Custody Rule with respect to the assets of the Private Funds, trust accounts, and the San Bernardino MG plan raises concerns regarding Registrant's willingness to comply with federal securities laws, especially in light of Registrant's Form ADV disclosure that "we custody assets for some of our clients." As a result, Registrant should take steps to retroactively comply with the Custody Rule for at least the past two years (*i.e.*, 2009 and 2010).

IV. Rule 206(4)-7 – Inadequate Compliance Program

Rule 206(4)-7 of the Advisers Act requires advisers to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act, and to designate a chief compliance officer to be responsible for administering their policies and procedures. Each adviser should first identify conflicts and other compliance factors creating risk exposure for the firm and its clients in light of the firm's particular operations, and then design policies and procedures that address those risks. The Commission expects that an adviser's policies and procedures, at a minimum, should address a standard set of operations to the extent that they are relevant to the adviser. (See *Compliance Programs of Investment Companies and Investment Advisers*, Advisers Act Release No. 2204 (December 17, 2003) ("**Compliance Rule Release**") available at http://www.sec.gov/rules/final/ia-2204.htm.) Advisers must review these policies and procedures at least annually for their adequacy and the effectiveness of their implementation, and designate a chief compliance officer to be responsible for administering their policies and procedures.

A. Policies and Procedures Not Tailored to Registrant's Business

Registrant has a written compliance manual (the "**Compliance Manual**"), which contains policies and procedures that were adopted to comply with the requirements of Rule 206(4)-7. In general, the staff found that the Compliance Manual contains boiler-plate language and was not tailored to Registrant's operations. Additionally, the Compliance Manual that Registrant provided to the staff contains several sections with bracketed instructions or choices for alternative policies, which the compliance consultant presumably expected Registrant to complete and/or delete. For example, the section on initial public offerings contains bracketed red text, which states, "[List IPO allocation policy]"; however, no policy is listed. Similarly, the section on trade aggregation states, "Policy: The Firm does not aggregate or block trades" and "Policy: The Firm aggregates and blocks trades." These two contradictory policies are separated by "**-OR-**" [sic]; presumably, Registrant was supposed to choose one of the two alternatives and delete the other. The Compliance Manual includes several other sections that are internally contradictory or clearly inapplicable to Registrant's activities (e.g., electronic communications storage, proxy voting, GIPS, composites, and satellite offices). Additionally, while the Compliance Manual, which is dated 2009, references a business continuity plan and states that such plan is provided in a separate document, the staff's email review disclosed that Registrant received its business continuity plan (in template form) after the examination was announced.

Failure to implement an adequate Compliance Manual that reflects all of the critical elements enumerated in the Compliance Rule Release is inconsistent with requirements of Rule 206(4)-7 under the Advisers Act.

B. Failure to Conduct Adequate Annual Review of Compliance Program

Additionally, the examination disclosed that Registrant's annual review of its policies and procedures appeared insufficient. For example, Registrant did not conduct an annual review in 2009, and the annual review for 2010 was not commenced until after the staff announced the examination. Further, Registrant failed to identify several areas in which it was not in compliance with the Compliance Manual. For example, the Compliance Manual contains detailed policies for the tracking and documenting offering documents and investor eligibility to invest in the Private Funds, including requirements to maintain records with the date that offering documents were sent to prospective investors and a number associated with each prospective investor and the corresponding offering documents. However, Registrant was not able to provide these records to the staff. With respect to CPE Two, Registrant provided the staff with multiple versions of offering memoranda but represented to the staff that these documents were never distributed to investors. Contrary to these representations, the staff's email review disclosed that some of these documents were, in fact, distributed to investors.

Failure to conduct a comprehensive annual review of its compliance policies and procedures resulted in Registrant's non-compliance with Rule 206(4)-7.

C. Failure to Conduct Best Execution Review

Sections 206(1) and 206(2) of the Advisers Act impose a federal fiduciary duty on an investment adviser with respect to its clients and a duty of full and fair disclosure of all material facts. (See SEC v. Capital Gains Research Bureau, Inc., 375 U.S. 180, 189-92 (1963)). As a fiduciary, an investment adviser is held to the highest standards of conduct and must act in the best interests of its clients. Among the specific obligations that flow from an adviser's fiduciary duty is a duty to seek best execution for client securities transactions where the adviser is in a position to direct brokerage transactions. (See Advisers Act Release No. 232, In the Matter of Kidder, Peabody & Co., Inc. (October 16, 1968) and Exchange Act Release No. 8128, In the Matter of Delaware Management Company, Inc. (July 19, 1967)). Advisers are not obligated to get the lowest possible commission cost, but rather, they should determine whether transactions represent the best qualitative execution for their clients. In selecting a broker-dealer, advisers should consider the full range and quality of the services offered, including the value of the research provided, the execution capability, the commission rate charged, the broker-dealer's financial responsibility, and its responsiveness to the adviser. Investment advisers should periodically and systematically evaluate the execution performance of the broker-dealers used to execute clients' transactions. (See Exchange Act Release No. 23170 (April 23, 1986)).

Registrant's Compliance Manual includes written policies and procedures that require it to review its trading and brokerage practices "both on an informal contemporaneous basis and a formal periodic and systematic basis. As part of the evaluations, [Registrant] will consider the quality and cost of services available from alternative broker/dealers, market makers, and market centers. [Registrant] shall document its reviews in a written format." Although, Registrant represented that it reviews brokerage costs periodically, it does not engage in a systematic best execution review.

Registrant should periodically and systematically evaluate the execution performance of the broker-dealers used to execute clients' transactions and maintain supporting documentation of its review in accordance with the Compliance Manual. Departure from this fiduciary standard is contrary to the requirements of Section 206, inconsistent with the Compliance Rule Release and Rule 206(4)-7, and not in accordance with Registrant's Compliance Manual.

V. Rule 204-2 – Books and Records

Rule 204-2 under the Advisers Act requires that investment advisers make and keep true, accurate, and current books and records relating to their investment advisory business. Among the required records are originals of all written communications received and copies of all written communications sent by the adviser that relate to investment recommendations, the receipt, disbursement or delivery of funds or securities, and the placing or execution of any order to purchase or sell any security. Investment advisers providing investment supervisory or management services must also make and keep true, accurate, and current records showing separately for each client the securities purchased and sold, and the date, amount, and price of each such purchase and sale. All required records must be maintained in an easily accessible place for not less than five years (the first two years in an appropriate office of the investment adviser). Rule 204-2(g) states that if records are maintained electronically, they should be promptly provided to the staff upon request.

The examination disclosed that Registrant did not maintain executed copies of subscription documents and limited partnership agreements for all advisory clients invested in the Private Funds. Additionally, in some instances the staff was provided two different limited partnership agreements and/or sets of signature pages for the same partnership. Additionally, Registrant informed the staff that Registrant had received no complaints; however, the staff's review of emails and other investor correspondence disclosed numerous complaints. These recordkeeping practices do not comply with the requirements of Rule 204-2 under the Advisers Act.

VI. Rule 204A-1 - Code of Ethics

Rule 204A-1 of the Advisers Act requires registered investment advisers to establish, maintain and enforce a written code of ethics. Rule 204A-1 specifies certain provisions that, at a minimum, must be included in an adviser's code of ethics (See Advisers Act Release No. 2256

(July 2, 2004)), including the requirement that access persons submit quarterly transactions reports and initial and annual holdings reports relating to their investment activities. With respect to the holdings reports, Rule 204A-1 requires that access persons submit a report (i) no later than 10 days after becoming an access person, and the information must be current as of 45 days before the individual became an access person and (ii) at least once each 12-month period thereafter, on a date the adviser selects, and the information must be current as of 45 days before the report is submitted.

Registrant has adopted a code of ethics that includes the provisions required by Rule 204A-1, including requirements that access persons submit initial and annual holdings reports and submit written annual certifications of their receipt of the code of ethics. The examination disclosed, however, that access persons did not submit initial and annual holdings reports as required by Rule 204A-1 and the code of ethics. Failure to comply with these requirements is inconsistent with Rule 204A-1 under the Advisers Act.

VII. Rule 204-3 – Written Disclosure Statement

Rule 204-3 requires investment advisers to provide to prospective clients and annually offer to current clients a written disclosure statement. A registered adviser may comply with this requirement either by providing a copy of Part II of its Form ADV which complies with Rule 204-1(b) or a written document containing at least the information then so required by Part II of Form ADV. Each year, advisers must also deliver or offer (in writing) to deliver the disclosure document to each current client, at no charge to the client.

The examination disclosed that the disclosure statement that Registrant provides to new clients and annually offers to existing clients: (i) contains inaccuracies and (ii) does not contain the information that is required to be disclosed in Form ADV, Part II. For example, the disclosure statement does not correctly identify Registrant's name, or its SEC File number. Rather, the disclosure statement identifies: "The Copeland Group Financial Advisors is registered with the California Department of Corporations as an Investment Advisory corporation."

Additionally, the disclosure statement does not contain all of the information regarding review of accounts that is required to be disclosed in Item 11 of Form ADV, Part II. Finally, the disclosure statement does not include the disclosures required on Schedule F of Form ADV, Part II, including disclosure of Registrant's conflicts of interest relating to "participation or interest in client transactions" with respect to the Private Funds. As a result, Registrant is not in compliance with the requirements of Rule 204-3 under the Advisers Act.

VIII. Rule 204-1 – Form ADV

Registered investment advisers are required to amend their registration forms (Form ADV) at least annually, within 90 days of their fiscal year end and more frequently if required by the

instructions to the form. Updates to Part 1A of Form ADV must be filed annually through FINRA's *Investment Adviser Registration Depository* ("**IARD**"). In addition to making annual filings, advisers must *promptly* file an amendment to its Form ADV whenever certain information contained in its Form ADV becomes inaccurate. Although Part II is not currently required to be delivered to the Commission, it must be maintained and amended as necessary in accordance with Rule 204-1 under the Advisers Act for presentation to current and prospective clients. Form ADV filing requirements are specified in Rule 204-1 under the Advisers Act and in the General Instructions to Form ADV.

The Commission recently adopted amendments to Part 2 of Form ADV, requiring advisers to provide new and prospective clients with a narrative brochure and brochure supplements written in plain English. The amendments are designed to provide new and prospective advisory clients with clearly written, meaningful, current disclosure of the business practices, conflicts of interest, and background of the investment adviser and its advisory personnel. Advisers must file their brochures electronically using the IARD system. Currently registered advisers that had a fiscal year end of December 31, 2010, were required to file an annual updating amendment with the new brochure or brochures that met the requirements of the amended form by March 31, 2011. Advisers must also deliver to existing clients a brochure and brochure supplement that meet the requirements of the amended Form ADV. (See *Amendments to Form ADV*, Advisers Act Release No. 3060 (dated July 28, 2010) available at http://www.sec.gov/rules/final/2010/ia-3060.pdf). The effective date of this Release was October 12, 2010.

Registrant's most recent Form ADV contained omissions and/or inaccuracies with respect to the following items:

Part II:

- **Item 1.B.** Registrant indicates that it does not call any of its services financial planning or some similar term. However, in Item 5.G. of Part 1, Registrant indicates that it provides financial planning services. These disclosures should be reconciled so that Registrant's responses to Part 1 and Part II are consistent and accurately represent Registrant's services.
- **Item 8.D.** This item should be updated to reflect that Registrant or a related person is the general partner in a partnership in which clients are solicited to invest (*i.e.*, the Fixed Income Funds and the Real Estate Funds).
- **Item 9.A.** This item should be updated to reflect that Registrant or a related person buys securities for itself from or sells securities it owns to clients. For example, Copeland Realty has bought or sold partnership interests from or to limited partners in the Real Estate Funds.

- **Schedule F.** This schedule should be updated to reflect the changes to Items 8.D. and 9.A. discussed above. Additionally, the discussion of Item 8.C. should be updated to include a description of Registrant and its principals' relationship with Copeland Realty.

IX. Possible Unregistered Investment Adviser - Other Matter

In light of all the information presented above regarding various aspects of Copeland Realty's business, it appears that Copeland Realty may be performing certain investment-related activities, including advising others as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, without being registered as an investment adviser with either the State of California or the Commission.

* * * * *

The staff is bringing the deficiencies and weaknesses described above and discussed in our exit interview to your attention for immediate corrective action, without regard to any other action(s) that may result from the examination. The deficiencies and weaknesses identified above are based on the staff's examination and are not findings or conclusions of the Commission. Also, references to deficiencies or weaknesses are made in the context of an examination by the staff, are not the result of an adjudicative process, and do not constitute conclusive findings of fact for the purpose of liability. You should not assume: that the firm's activities discussed in this letter do not constitute deficiencies or weaknesses under any other federal securities law or other applicable rules and regulations not discussed above; or that the firm's activities not discussed in this letter are in full compliance with federal securities laws or other applicable rules and regulations.

Note that the descriptions of the law and related interpretations in this letter may be paraphrased, abbreviated, or incomplete. You can find complete information related to these regulatory requirements on our website at http://www.sec.gov/divisions.shtml.

Please respond in writing within thirty days of the date of this letter, describing the steps you have taken or intend to take with respect to each of these matters described above. In addition, a copy of your reply, together with copies of any enclosures, should be sent to the following person:

Thomas Grignol, Staff Accountant
U.S. Securities and Exchange Commission
Office of Compliance Inspections and Examinations
100 F Street, N.E.
Mail Stop 7030
Washington, D.C. 20549 – 7030

Thank you for your cooperation. If you have any questions, please contact Yanna Stoyanoff at (323) 965-3236 or Joshua Bauder at (323) 965-3330.

Very truly yours,

Charles T. Liao
Assistant Regional Director

By: _____
Yanna Stoyanoff, Branch Chief
Investment Management Examinations

Attachment 2 – Complaint

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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

EASTERN DIVISION

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, vs. CHARLES P. COPELAND, COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION, and COPELAND WEALTH MANAGEMENT, A REAL ESTATE CORPORATION; Defendants.	Case No. **COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS**

Plaintiff Securities and Exchange Commission ("Commission") alleges:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1) and 22(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77t(b), 77t(d)(1) & 77v(a), Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27(a) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §§ 78(u)(d)(1), 78u(d)(3)(A), 78u(e) & 78aa(a), and Sections 209(d), 209(e)(1) and 214(a) of the

Investment Advisers Act of 1940 ("Advisers Act"), 15 U.S.C. §§ 80b-9(d), 80b-9(e)(1) & 80b-14(a). Defendants have, directly or indirectly, made use of the means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange in connection with the transactions, acts, practices and courses of business alleged in this Complaint.

2. Venue is proper in this district pursuant to Section 22(a) of the Securities Act, 15 U.S.C. § 77v(a), Section 27 of the Exchange Act, 15 U.S.C. § 78aa(a), and Section 214(a) of the Advisers Act, 15 U.S.C. § 80b-14(a), because certain of the transactions, acts, practices and courses of conduct constituting violations of the federal securities laws occurred within this district, Defendant Charles P. Copeland resides in this district, and Defendants Copeland Wealth Management, A Financial Advisory Corporation and Copeland Wealth Management, A Real Estate Corporation are located in this district.

SUMMARY

3. This matter involves fraud and breach of fiduciary duty by Charles P. Copeland, a certified public accountant, through registered investment adviser Copeland Wealth Management, A Financial Advisory Corporation ("CWM") and unregistered investment adviser Copeland Wealth Management, a Real Estate Corporation ("Copeland Realty") (collectively referred to as the "Defendants"). From 2003 through May 31, 2011, the Defendants raised over $60 million from over 100 investors, including many of Charles Copeland's tax clients, by selling interests in 23 limited partnerships operated by CWM and Copeland Realty. Throughout the offer and sale of the limited partnerships, the Defendants made material misrepresentations and omissions in the offer, sale and/or purchase of 21 of the 23 limited partnerships regarding: (1) the use of investor funds, (2) conflicts of interest, (3) guaranteed returns, (4) the unauthorized trading of put options, and (5) the payment of undisclosed real estate commissions and other related compensation.

4. Defendant Charles Copeland violated ~~and is violating~~ the antifraud provisions of Section 17(a) of the Securities Act, 15 U.S.C. § 17(a); Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, both as a primary violator, and as a control person of CWM and Copeland Realty pursuant to Section 20(a) of the Exchange Act, 15 U.S.C. § 78t(a); and Sections 206(1) and 206(2) of the Advisers Act, 15 U.S.C. §§ 80b-6(1) & 80b-6(2).

5. Defendants CWM and Copeland Realty have violated and are violating the antifraud provisions of Section 17(a) of the Securities Act, 15 U.S.C. § 17(a), Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, 15 U.S.C. §§ 80b-6(1) & 80b-6(2).

6. By this action, the Commission seeks permanent injunctions prohibiting future such violations, a receiver over CWM and Copeland Realty and their subsidiaries and affiliates, and an order prohibiting the destruction of documents, disgorgement of the Defendants' ill-gotten gains, and civil penalties.

THE DEFENDANTS

7. **Charles P. Copeland,** age 64, resides in Redlands, California located in San Bernardino County. Charles Copeland is CWM's founder, 33% part-owner and president. Charles Copeland is also the 67% owner, founder and secretary of Copeland Realty and 50% owner, founder and director of Copeland Accountancy.

8. **Copeland Wealth Management, A Financial Advisory Corporation** ("CWM") is a California corporation with its principal place of business in Redlands, California located in San Bernardino County. CWM is registered with the Commission as an investment adviser under the name Copeland Wealth Management. As of May 31, 2011, CWM had approximately $144 million in assets under management comprised of $123 million invested primarily in mutual funds and $21 million invested primarily in real estate and real estate

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related loans through partnerships managed by Copeland Realty. CWM has approximately 770 advisory accounts.

9. **Copeland Wealth Management, a Real Estate Corporation** ("Copeland Realty") is a California corporation with its principal place of business in Redlands, California located in San Bernardino County. Charles Copeland is part-owner, founder and secretary of Copeland Realty. Copeland Realty acts as the general partner for 21 partnerships with 191 limited partners that have invested in real estate and real estate related loans. Copeland Realty is not registered with the Commission in any capacity.

RELATED ENTITY

10. **The Copeland Group, a Consulting and Accountancy Corporation**, ("Copeland Accountancy") is a California corporation with its principal place of business in Redlands, California. Copeland Accountancy is a privately-held accounting firm whose services include income tax preparation and real estate related services. Copeland Accountancy is equally owned by Charles Copeland and another individual. Most of the clients of CWM and Copeland Realty are existing clients of Copeland Accountancy and were referred by Copeland Accountancy. Copeland Accountancy is not registered with the Commission in any capacity.

BACKGROUND

11. Charles Copeland is the co-owner, founder, officer, and director of the three companies involved in this matter: (1) The Copeland Group, a Consulting and Accountancy Corporation ("Copeland Accountancy") - a public accounting firm that specializes in income tax preparation and real estate related services; (2) Copeland Wealth Management ("CWM") - a registered investment adviser with approximately $144 million in assets under management as of May 31, 2011; and (3) Copeland Wealth Management, a Real Estate Corporation ("Copeland Realty") – an unregistered investment adviser and the general partner for 21 limited

partnerships with approximately $48 million in initial capital contributions from CWM's 155 advisory clients and 36 non-advisory clients.

12. For approximately 20 years, Charles Copeland has provided income tax and accounting services to clients. During the course of providing such services, he developed a relationship with many of his clients who generally trusted him with their financial and accounting matters. Since 2003, Charles Copeland has operated CWM, an investment advisory business. CWM and Charles Copeland recommended to advisory clients that they invest in the limited partnerships operated by Copeland Realty. As a result, CWM's advisory clients invested approximately $48.4 million in 21 limited partnerships operated by Copeland Realty. As of May 31, 2011, the fair market value of advisory clients' interests in the limited partnerships was approximately $32 million, representing a loss of principal of $16 million or 33%.

13. An additional $9.6 million was invested in the 21 limited partnerships by non-advisory clients. As of May 31, 2011, the fair market value of the non-advisory clients' investments in the limited partnerships was approximately $7.2 million, representing a loss of principal of $2.4 million, or 25%. The general partner (Copeland Realty) contributed an additional $4.1 million to the 21 limited partnerships.

14. The limited partnership interests in the 23 limited partnerships are investment contracts and therefore securities pursuant to the federal securities laws.

CWM AND COPELAND REALTY OFFERINGS

15. From approximately 2003 through May 31, 2011, Charles Copeland on behalf of CWM and Copeland Realty raised approximately $65 million in three types of limited partnerships involving both advisory and non-advisory clients: (1) Private Equity Partnerships – investments in privately-held companies, such as a surgery center; (2) Fixed Income Partnerships (the "Fixed Income Funds") – engaged in "the business of owning real estate backed loans and corporate loans

and any activities that are related or incidental to that business;" and (3) Real Estate Limited Partnerships (the "Real Estate Funds") – to purchase and lease commercial property such as office buildings.

The following is a list of the 23 partnerships:

General Partner & Fund	Number of Partners	Total Contributions
CWM	**18**	**$3,305,000**
Copeland Private Equity One, L.P. ("**CPE One**")	4	1,050,000
Copeland Private Equity Two, L.P. ("**CPE Two**")	14	2,255,000
Copeland Realty	**192**	**$62,041,910**
Copeland Fixed Income One, L.P. ("**CFI One**")	23	6,080,203
Copeland Fixed Income Two, L.P. ("**CFI Two**")	23	4,704,329
Copeland Fixed Income Three, L.P. ("**CFI Three**")	18	3,410,753
Copeland Properties One, L.P. ("**CP 1**")	10	2,664,070
Copeland Properties Two, L.P. ("**CP 2**")	9	2,883,119
Copeland Properties Three, L.P. ("**CP 3**")	8	2,522,710
Copeland Properties Four, L.P. ("**CP 4**")	9	4,697,136
Copeland Properties Five, L.P. ("**CP 5**")	15	6,001,674
Copeland Properties Six, L.P. ("**CP 6**")	3	2,925,000
Copeland Properties Seven, L.P. ("**CP 7**")	8	1,254,888
Copeland Properties Eight, L.P. ("**CP 8**")	4	1,575,550
Copeland Properties Nine, L.P. ("**CP 9**")	12	3,673,713
Copeland Properties Ten, L.P. ("**CP 10**")	12	3,533,372
Copeland Properties Eleven, L.P. ("**CP 11**")	-	-
Copeland Properties Twelve, L.P. ("**CP 12**")	12	4,388,075
Copeland Properties 13, L.P. ("**CP 13**")	-	-
Copeland Properties 14, L.P. ("**CP 14**")	-	-
Copeland Properties 15, L.P. ("**CP 15**")	3	1,350,234

General Partner & Fund	Number of Partners	Total Contributions
Copeland Properties 16, L.P. ("**CP 16**")	4	1,731,086
Copeland Properties 17, L.P. ("**CP 17**")	4	4,818,860
Copeland Properties 18, L.P. ("**CP 18**")	15	3,827,138
Grand Total	**210**	**$65,346,910**

16. There is substantial investor overlap among the limited partnerships. In total, the investors consist of approximately 100 individuals and entities. In addition, CP 11, CP 13 and CP 14 were merged into other partnerships. Consequently, the number of limited partners and their capital contribution are reflected in other partnerships in the above table.

FALSE AND MISLEADING STATEMENTS

A. Fixed Income Funds: Misrepresentations Regarding the Use of Funds and Undisclosed Conflicts of Interest

17. From 2006 through 2010, the Fixed Income Funds raised approximately $14 million from 70 investors. The limited partnership agreements ("LPAs") for the Fixed Income Funds restricted the use of funds to two specific purposes – real estate and corporate loans. For example, the LPAs for the Fixed Income Funds indicate the partnership may own "real estated [sic] backed loans and corporate loans" including "acquir[ing] loans and trust deeds." However, throughout the offering, Charles Copeland on behalf of Copeland Realty continued to raise additional funds and then used the funds in the Fixed Income Funds for purposes other than real estate and corporate loans. For example, the Fixed Income Funds lent $1,553,252 to CWM's advisory clients and Copeland Accountancy clients and lent $128,000 to Copeland Realty for management fees for the Real Estate Funds and distributions to limited partners in the Real Estate Funds.

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18. In addition, the LPAs for the Fixed Income Funds required the pre-approval by the limited partners for any transaction that involved a conflict of interest by the general partner (i.e., Copeland Realty). However, Charles Copeland through Copeland Realty directed the Fixed Income Funds to lend the vast majority of the $14 million raised to affiliated entities without obtaining any pre-approval or disclosing this conflict of interest to the Fixed Income Funds' limited partners.

19. Specifically, the following table shows the undisclosed loans made to affiliates:

Recipients of Undisclosed Loans made by Fixed Income Funds as of 5/31/2011	**Principal Balance**
Copeland Property Real Estate Funds	$8,419,269
Accounting Clients of Copeland Accountancy	$3,109,500
Copeland Realty and Companies Affiliated with Charles Copeland	$2,790,040
Loans to Nonpublic Companies that were also Owned by the Private Equity Funds	$1,526,686
Advisory Clients of CWM and Copeland Accountancy Clients	$1,553,252
Loans among Fixed Income Funds	$1,161,688
Copeland Family Members	$111,000
Total	**$18,671,435**

20. The loans from the Fixed Income Funds to the Real Estate Funds allowed the Real Estate Funds to pay their operational expenses as well as continue their distribution payments, essentially a Ponzi-like scheme in which new investor funds were paid to existing investors.

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B. Fixed Income Funds: Charles Copeland Misrepresents that Investments are "Guaranteed"

21. During 2008, Charles Copeland also sent e-mails to CWM's advisory clients falsely representing that investments in the Fixed Income Funds were "guaranteed." However, virtually all of the $14 million raised by the Fixed Income Funds was lent to companies or individuals affiliated with Charles Copeland, some of which are insolvent and thus unable to pay back these loans.

C. Real Estate Funds: Misrepresentations Regarding the Use of Funds and Undisclosed Conflicts of Interest

22. The LPAs for the Real Estate Funds stated "[t]he partnership will engage in the business of real property ownership and any activities that are related." However, from 2003 through May 2011, Charles Copeland through Copeland Realty continued to raise additional funds and then used the real estate partnerships funds for purposes other than owning real estate, including using approximately $1.8 million for unsecured loans from one real estate fund to another and approximately $500,000 for loans to accounting and advisory clients. Similar to the LPAs for the Fixed Income Funds, the LPAs for the Real Estate Funds required the pre-approval by the limited partners for any transaction that involved a conflict of interest by the general partner (i.e. Copeland Realty), which was not received. Consequently, Charles Copeland commingled and loaned funds to affiliates without the knowledge or consent of the limited partners in contradiction of the representations in the LPAs.

D. Real Estate Funds: The Put Fund and Copeland Realty's Role as an Investment Adviser

23. From approximately 2006 through 2008, Copeland Realty transferred approximately $5.7 million from 14 of the Real Estate Partnerships to CWM to trade put options, a speculative investment that has nothing to do with real estate. Specifically, Charles Copeland directed the transfer of limited partnership investments and lease payment buyouts to CWM. For example, Copeland Realty

received approximately $3.6 million from three lease payment buyouts for property owned by Funds CP 4 and CP 9. Under the terms of the LPAs, the Real Estate Funds were restricted to using the money from the buyouts to operate the properties owned or distribute the buyout payments to limited partners as a return of capital or distribution. Instead, from 2006 through 2008, Charles Copeland authorized the transfer of these monies to CWM to trade put option contracts. CWM sold "uncovered' put equity options; that is, CWM received a cash payment (called a premium) and in return agreed to purchase a specific amount of common stock at a specified price and date. As a result of this unauthorized trading strategy, the 14 Real Estate Funds lost approximately $800,000 of the $5.7 million invested.

24. Although Copeland Realty did not registered with the Commission as an investment adviser, it acted as an investment adviser under the federal securities laws.

E. Real Estate Funds: Real Estate Commissions and Other Compensation Received by Copeland Realty

25. From 2003 until 2008, at the direction of Charles Copeland, Copeland Realty received real estate commissions and other compensation of approximately $2.4 million in connection with the purchase and sale of real estate by the Real Estate Funds. Specifically, Copeland Realty received: (i) cash commissions totaling $756,570 and (ii) limited partnership interests in lieu of cash totaling $1,601,000 in five of the Real Estate Funds. Copeland Realty converted the limited partnership interests to cash by selling them to investors. However, with the exception of compensation relating to Fund CP 9, Copeland Realty and Charles Copeland failed to disclose the commissions and other compensation to the limited partners in the Real Estate Funds.

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FIRST CLAIM FOR RELIEF

FRAUD IN THE OFFER OR SALE OF SECURITIES

Violations of Section 17(a) of the Securities Act

(Against All Defendants)

26. The Commission realleges and incorporates by reference paragraphs 1 through 25 above.

27. Defendants Charles Copeland, CWM and Copeland Realty, and each of them, by engaging in the conduct described above, directly or indirectly, in the offer or sale of securities by the use of means or instruments of transportation or communication in interstate commerce or by use of the mails:

a. with scienter, employed devices, schemes, or artifices to defraud;

b. obtained money or property by means of untrue statements of a material fact or by omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

c. engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

28. By engaging in the conduct described above, Defendants Charles Copeland, CWM and Copeland Realty violated, and unless restrained and enjoined will continue to violate, Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

SECOND CLAIM FOR RELIEF

FRAUD IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES

Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder

(Against All Defendants)

29. The Commission realleges and incorporates by reference paragraphs 1 through 25 above.

///

30. Defendants Charles Copeland, CWM and Copeland Realty, and each of them, by engaging in the conduct described above, directly or indirectly, in connection with the purchase or sale of a security, by the use of means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange, with scienter:

a. employed devices, schemes, or artifices to defraud;

b. made untrue statements of a material fact or omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or

c. engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons.

31. By engaging in the conduct described above, Defendants violated, and unless restrained and enjoined will continue to violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

32. Defendant Charles Copland was also a control person of CWM because he possessed, directly or indirectly, the power to direct or cause the direction of the management and policies of CWM. Accordingly, pursuant to Section 20(a) of the Exchange Act, 15 U.S.C. § 78t(a), Defendant Copeland is also liable.

THIRD CLAIM FOR RELIEF

FRAUD WHILE ACTING AS AN INVESTMENT ADVISER

Violations of Sections 206(1) and 206(2) of the Advisers Act

(Against All Defendants)

33. The Commission realleges and incorporates by reference paragraphs 1 through 25 above.

34. Defendants Charles Copeland, CWM and Copeland Realty, and each of them, by engaging in the conduct described above, directly or indirectly, while acting as investment advisers, by use of the mails or means or instrumentalities of interstate commerce:

a. with scienter, employed devices, schemes, or artifices to defraud clients or prospective clients; or

b. engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon clients or prospective clients.

35. By engaging in the conduct described above, Defendants Charles Copeland, CWM and Copeland Realty violated, and unless restrained and enjoined will continue to violate, Sections 206(1) and 206(2) of the Advisers Act, 15 U.S.C. §§ 80b-6(1) & 80b-6(2).

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court:

I.

Issue findings of fact and conclusions of law that the Defendants committed the alleged violations.

II.

Issue orders, in a form consistent with Fed. R. Civ. P. 65(d), permanently enjoining Defendants Charles Copeland, CWM and Copeland Realty and their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from violating Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b) and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5; and Sections 206(1) and 206(2) of the Advisers Act, 15 U.S.C. §§ 80b-6(1) & 80b-6(2).

///

III.

Issue in a form consistent with Fed. R. Civ. P. 65, an order appointing a receiver over CWM and Copeland Realty and their subsidiaries and affiliates and prohibiting each of the Defendants from destroying documents.

IV.

Order Defendants Charles Copeland, CWM and Copeland Realty to disgorge all ill-gotten gains from their illegal conduct, together with prejudgment interest thereon.

V.

Order Defendants Charles Copeland, CWM and Copeland Realty to pay civil penalties under Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3), and Section 209 of the Advisers Act, 15 U.S.C. § 80b-9.

VI.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

VII.

Grant such other and further relief as this Court may determine to be just and necessary.

DATED: October ___, 2011

_____
David M. Rosen
Attorney for Plaintiff
Securities and Exchange Commission

Attachment 3 – Judgment of Permanent Injunction

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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

EASTERN DIVISION

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, vs. CHARLES P. COPELAND, COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION, and COPELAND WEALTH MANAGEMENT, A REAL ESTATE CORPORATION, Defendants.	Case No. **CONSENT OF DEFENDANTS CHARLES P. COPELAND, COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION, AND COPELAND WEALTH MANAGEMENT, A REAL ESTATE CORPORATION**

1. Defendants Charles P. Copeland ("Charles Copeland"), Copeland Wealth Management, A Financial Advisory Corporation ("CWM") and Copeland Wealth Management, a Real Estate Corporation ("Copeland Realty") (collectively, "Defendants") have waived service of summons and the complaint in this action, entered general appearances, and admitted the Court's jurisdiction over Defendants and over the subject matter of this action.

2. Without admitting or denying the allegations of the complaint (except as to personal and subject matter jurisdiction, which Defendants Charles Copeland, CWM and Copeland Realty admit), Defendants Charles Copeland, CWM and Copeland Realty hereby consent to the entry of the Judgment in the form attached hereto (the "Judgment") and incorporated by reference herein, which, among other things, permanently restrains and enjoins Defendants Charles Copeland, CWM and Copeland Realty from violations of Section 17(a) of the Securities Act of 1933 (the "Securities Act"), 15 U.S.C. §77q(a), Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. § 78j(b) , and Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5, and Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 ("Advisers Act"), 15 U.S.C. §§ 80b-6(1) and 80b-6(2).

3. Defendants agree that the Court shall order disgorgement of ill-gotten gains, prejudgment interest thereon, and a civil penalty against each Defendant pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] and Section 209(e)(1) of the Advisers Act [15 U.S.C. § 80b-9(e)(1)]. Defendants further agree that the amounts of disgorgement and civil penalties shall be determined by the Court upon motion of the Commission, and that prejudgment interest shall be calculated from April 1, 2011, based on the rate of interest equal to the weekly average one-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System, in accordance with 28 U.S.C. § 1961. Defendants further

agree that, in connection with the Commission's motion for disgorgement and/or civil penalties, and at any hearing held on such a motion: (a) Defendants will be precluded from arguing that they did not violate the federal securities laws as alleged in the Complaint; (b) Defendants may not challenge the validity of this Consent or the Judgment; (c) solely for the purposes of such motion, the allegations of the Complaint shall be accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence, without regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the Commission's motion for disgorgement and/or civil penalties, the parties may take discovery, including discovery from appropriate non-parties.

4. Defendants agree that they shall not seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made pursuant to any insurance policy, with regard to any civil penalty amounts that any of the Defendants pay pursuant to the Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors. Defendants further agree that they shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax for any penalty amounts that Defendants pay pursuant to the Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors.

5. Defendants waive the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

6. Defendants waive the right, if any, to a jury trial and to appeal from the entry of the Judgment.

7. Defendants enter into this Consent voluntarily and represent that no

threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to induce Defendants to enter into this Consent.

8. Defendants agree that this Consent shall be incorporated into the Judgment with the same force and effect as if fully set forth therein.

9. Defendants will not oppose the enforcement of the Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waive any objection based thereon.

10. Defendants waive service of the Judgment and agree that entry of the Judgment by the Court and filing with the Clerk of the Court will constitute notice to Defendants of its terms and conditions. Defendants further agree to provide counsel for the Commission, within thirty days after the Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that Defendants have received and read a copy of the Judgment.

11. Consistent with 17 C.F.R. § 202.5(f), this Consent resolves only the claims asserted against Defendants in this civil proceeding. Defendants acknowledge that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Defendants waive any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Defendants further acknowledge that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that

are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Defendants understand that they shall not be permitted to contest the factual allegations of the complaint in this action.

12. Defendants understand and agree to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegation in the complaint or order for proceedings." 17 C.F.R. § 202.5. In compliance with this policy, Defendants agree: (i) not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis; and (ii) that upon the filing of this Consent, Defendants hereby withdraw any papers filed in this action to the extent that they deny any allegation in the complaint. If any Defendant breaches this agreement, the Commission may petition the Court to vacate the Judgment and restore this action to its active docket. Nothing in this paragraph affects Defendants': (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

13. Defendants hereby waive any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs expended by Defendants to defend against this action. For these purposes, Defendants agree that Defendants are not the prevailing parties in this action since the parties have reached a good faith settlement.

14. Defendants agree that the Commission may present the Judgment to the Court for signature and entry without further notice.

15. Defendants agree that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Judgment.

DATED: _____, 2011

_____
Charles P. Copeland

On _____, 2011, _____, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.

_____
Notary Public
Commission expires:

Copeland Wealth Management, A Financial Advisory Corporation

DATED: _____, 2011

By: _____

On _____, 2011, _____, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent with full authority to do so on behalf of Copeland Wealth Management, A Financial Advisory Corporation as its _____.

_____
Notary Public
Commission expires:

Copeland Wealth Management, a Real Estate Corporation

DATED: _____, 2011 By: _____

On _____, 2011, _____, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent with full authority to do so on behalf of Copeland Wealth Management, a Real Estate Corporation as its _____.

_____
Notary Public
Commission expires:

Approved as to form:

_____
Scott E. Bartel, Esq.
Attorney for Defendants
Charles P. Copeland and
Copeland Wealth Management, A Financial Advisory Corporation

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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

EASTERN DIVISION

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, vs. CHARLES P. COPELAND, COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION, and COPELAND WEALTH MANAGEMENT, A REAL ESTATE CORPORATION, Defendants.	Case No. **[PROPOSED] JUDGMENT OF PERMANENT INJUNCTIOIN AND OTHER RELIEF AS TO DEFENDANTS CHARLES P. COPELAND, COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION, AND COPELAND WEALTH MANAGEMENT, A REAL ESTATE CORPORATION**

Plaintiff Securities and Exchange Commission having filed a Complaint and Defendants Charles P. Copeland ("Charles Copeland"), Copeland Wealth Management, A Financial Advisory Corporation ("CWM") and Copeland Wealth Management, a Real Estate Corporation ("Copeland Realty") (collectively, "Defendants") having entered a general appearance; consented to the Court's jurisdiction over Defendants and the subject matter of this action; consented to entry of this Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants Charles Copeland, CWM and Copeland Realty, and their agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

(a) to employ any device, scheme, or artifice to defraud;

(b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or

(c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

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II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants Charles Copeland, CWM and Copeland Realty, and their agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the "Securities Act"), 15 U.S.C. § 77q(a), in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

(a) to employ any device, scheme, or artifice to defraud;

(b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Charles Copeland, CWM and Copeland Realty, and their agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 ("Advisers Act"), 15 U.S.C. §§ 80b-6(1) & 80b-6(2), by the use of the mails or any means or instrumentalities of interstate commerce:

(a) to employ any device, scheme, or artifice to defraud any client or prospective client; or

(b) to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client.

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants shall each pay disgorgement of ill-gotten gains, prejudgment interest thereon, and a civil penalty pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3), and Section 209(e)(1) of the Advisers Act, 15 U.S.C. § 80b-9(e)(1). The Court shall determine the amounts of the disgorgement and civil penalties upon motion of the Commission. Prejudgment interest shall be calculated from April 1, 2011, based on the rate of interest equal to the weekly average one-year constant maturity Treasury yield, as published by the Board of Governors of the Federal Reserve System, in accordance with 28 U.S.C. § 1961. In connection with the Commission's motion for disgorgement and/or civil penalties, and at any hearing held on such a motion: (a) Defendants will be precluded from arguing that they did not violate the federal securities laws as alleged in the Complaint; (b) Defendants may not challenge the validity of the Consent or this Judgment; (c) solely for the purposes of such motion, the allegations of the Complaint shall be accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence, without regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the Commission's motion for disgorgement and/or civil penalties, the parties may take discovery, including discovery from appropriate non-parties.

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V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Thomas C. Hebrank, is appointed as permanent receiver of Defendants CWM and Copeland Realty and their subsidiaries and affiliates, with full powers of an equity receiver, including, but not limited to, full power over all funds, assets, collateral, premises (whether owned, leased, occupied, or otherwise controlled), choses in action, books, records, papers and other property belonging to, being managed by or in the possession of or control of Defendants CWM and Copeland Realty and their subsidiaries and affiliates, and that such receiver is immediately authorized, empowered and directed:

(a) to have access to and to collect and take custody, control, possession, and charge of all funds, assets, collateral, premises (whether owned, leased, occupied, or otherwise controlled), choses in action, books, records, papers and other real or personal property, wherever located, of or managed by Defendants CWM and Copeland Realty and their subsidiaries and affiliates, with full power to sue, foreclose, marshal, collect, receive, and take into possession all such property;

(b) to have control of, and to be added as the sole authorized signatory for, all accounts of the entities in receivership, and all accounts over which any of their employees or agents have signatory authority, at any bank, title company, escrow agent, financial institution or brokerage firm which has possession, custody or control of any assets or funds of Defendants CWM and Copeland Realty and their subsidiaries and affiliates, or which maintains any accounts over which Defendants CWM and Copeland Realty and their subsidiaries *and affiliates, and/or any of their officers, employees or agents have* signatory authority;

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(c) to conduct such investigation and discovery as may be necessary to locate, account for and recover all of the assets of or managed by (and to account for and pursue recovery of the losses of Defendants CWM and Copeland Realty and their subsidiaries and affiliates), and to engage and employ attorneys, accountants and other persons to assist in such investigation and discovery;

(d) to take such action as is necessary and appropriate to preserve and take control of and to prevent the dissipation, concealment, or disposition of any assets of or managed by Defendants CWM and Copeland Realty and their subsidiaries and affiliates;

(e) to make an accounting, as soon as practicable, to this Court and the Commission of the assets and financial condition of Defendants CWM and Copeland Realty and the assets under their management, and to file the accounting with the Court and deliver copies thereof to all parties;

(f) to make such payments and disbursements from the funds and assets taken into custody, control and possession or thereafter received by him or her, and to incur, or authorize the making of, such agreements as may be necessary and advisable in discharging his or her duties as permanent receiver;

(g) to employ attorneys, accountants and others to investigate and, where appropriate, to institute, pursue, and prosecute all claims and causes of action of whatever kind and nature which may now or hereafter exist as a result of the activities of present or past employees or agents of Defendants CWM and Copeland Realty and their subsidiaries and affiliates;

(h) to have access to, monitor, and redirect all mail (including email and facsimile) of Defendants CWM and Copeland Realty and their

subsidiaries and affiliates, in order to review such mail which he or she deems relates to their business and the discharging of his or her duties as permanent receiver;

(i) to operate and control the content of information posted on any Internet web site maintained by Defendants CWM and Copeland Realty and their subsidiaries and affiliates; and

(j) to exercise all of the lawful powers of Defendants CWM and Copeland Realty and their subsidiaries and affiliates, and their officers, directors, employees, representatives, or persons who exercise similar powers and perform similar duties.

VI.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants CWM and Copeland Realty and their agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, and any other persons who are in custody, possession or control of any assets, collateral, books, records, papers or other property of or managed by any of the entities in receivership in this action, shall forthwith give access to and control of such property to the permanent receiver.

VII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that neither Defendants CWM or Copeland Realty nor any agent, servant, employee, or attorney of Defendants CWM or Copeland Realty shall take any action or purport to take any action, in the name of or on behalf of Defendants CWM or Copeland Realty without the written consent of the permanent receiver or *order of this Court.*

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VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, except by leave of this Court, during the pendency of this receivership, all clients, investors, trust beneficiaries, note holders, creditors, claimants, lessors, and all other persons or entities seeking relief of any kind, in law or in equity, from Defendants CWM and Copeland Realty or their subsidiaries or affiliates, and all persons acting on behalf of any such investor, trust beneficiary, note holder, creditor, claimant, lessor, consultant group, or other person, including sheriffs, marshals, servants, agents, employees, and attorneys, are hereby restrained and enjoined from, directly or indirectly, with respect to these persons and entities:

(a) commencing, prosecuting, continuing or enforcing any suit or proceeding (other than the present action by the Commission) against any of them;

(b) using self-help or executing or issuing or causing the execution or issuance of any court attachment, subpoena, replevin, execution or other process for the purpose of impounding or taking possession of or interfering with or creating or enforcing a lien upon any property or property interests owned by or in the possession of Defendants CWM and Copeland Realty; and

(c) doing any act or thing whatsoever to interfere with taking control, possession or management by the permanent receiver appointed hereunder of the property and assets owned, controlled or managed by or in the possession of Defendants CWM and Copeland Realty, or in any way to interfere with or harass the permanent receiver or his or her attorneys, accountants, employees, or agents or to interfere in any manner with the discharge of the permanent receiver's duties and responsibilities hereunder.

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IX.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, except as otherwise ordered by this Court, Defendants Charles, Copeland, CWM and Copeland Realty, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, including the other entities in receivership, and those persons in active concert or participation with any of them, who receive actual notice of this Judgment, by personal service or otherwise, and each of them, be and hereby are restrained and enjoined from, directly or indirectly: destroying, mutilating, concealing, transferring, altering, or otherwise disposing of, in any manner, any documents, which includes all books, records, computer programs, computer files, computer printouts, contracts, correspondence, memoranda, brochures, or any other documents of any kind in their possession, custody or control, however created, produced, or stored (manually, mechanically, electronically, or otherwise), pertaining in any manner to Defendants CWM and Copeland Realty, and their subsidiaries and affiliates. Nothing in this paragraph shall prevent the permanent receiver from disposing of documents in compliance with applicable law upon the termination of the receivership by the Court at the conclusion of this case.

X.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent of Defendants Charles Copeland, CWM and Copeland Realty are incorporated herein with the same force and effect as if fully set forth herein, and that Defendants shall comply with all of the undertakings and agreements set forth therein.

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XI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Judgment.

Dated: _____, 2011

_____
UNITED STATES DISTRICT JUDGE

Attachment 4 – Demand Letter

McCuneWright LLP
ATTORNEYS AT LAW

Richard D. McCune, Jr.
David C. Wright
Kristy M. Arevalo
Eddie Jae K. Kim
* Michele M. Vercoski
◊ Elaine S. Kusel

* Also Admitted in New Jersey & New York
◊ Of Counsel & Admitted in New York

August 22, 2011

***Via* Personally Delivered**

Copeland Group
25809 Business Center Dr., #F
Redlands, CA 92374

Re: Dr. Harold Racine

Dear Mssrs. Charles Copeland, Donald Copeland and David Copeland:

By way of introduction, our firm represents individuals and classes in complex litigation matters involving significant financial harm. We obtained a class action verdict of $203 million against Wells Fargo Bank last year due to their fraudulent practices.

I have been retained to represent Dr. Harold Racine in regard to the loss of virtually his entire retirement savings, as a direct result of the loss in investments you placed him in by virtue of the fiduciary position you held with Dr. Racine as his accountant and investment counselor. Putting the best face on it, it was clearly negligent, and a misuse of your professional and fiduciary position with Dr. Racine, to place his entire retirement funds in three real estate partnerships identified as Copeland Properties Limited Partnerships four, nine and ten. This was done with the full knowledge of his age, financial position and health issues. Not only was it indefensible to not diversify his investments beyond real estate, but the three real estate ventures were risky even for real estate investments. These were commercial properties in high economic risk areas that were already experiencing economic downturn. This lack of diversity was further exacerbated by the fact these were limited partnerships which were not fluid, and Dr. Racine had virtually no control over the investment, management, distribution or reporting related to the investments.

As stated, that is putting the best face on it. Putting the worst face on it, you used your professional and fiduciary position with Dr. Racine to put him in these investment vehicles for your own financial self-interest and gain. This while knowing, or with callous indifference to the fact, that Dr. Racine was likely to lose the majority of his retirement in these investments. Yet, in contrast to the risk to Dr. Racine, the various Copeland entities were guaranteed profit from the investments, including wealth management fees, accounting fees, partnership management fees, real estate commissions, disproportionate profit in the limited partnerships and unearned equity interests.

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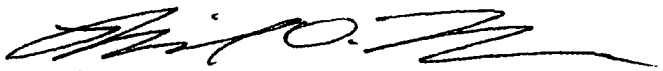
Whichever face is put on it, following the rapid devaluation of these investments, there seemed to be an effort to conceal the losses in the reporting that failed to accurately report the diminished value of the property.

On behalf of Dr. Racine, demand is hereby made for the return of non-distributed investment and reasonable attorney fees. We would need an accounting by you of the investments and distributions, but based on information we have, that would be approximately $420,000 ($290,800 in investments). If we do not have a certified check for that amount by the end of business on Friday, August 26, 2011, we will file a complaint seeking restitution, non-economic damages and punitive damages against each of you individually as well as the companies. We are still investigating whether that should be a single complaint or a class action, and whether the allegations should include RICO allegations.

I hope you choose to remedy this unfortunate matter. I remain,

Very truly yours,

McCuneWright LLP



Richard D. McCune

RDM:ams

Attachment 5 – Shelton Complaint

SUMMONS
(CITACION JUDICIAL)

SUM-100

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE
DEC 30 2010
A. Sanchez

NOTICE TO DEFENDANT:
(AVISO AL DEMANDADO):
CHARLES COPELAND, an individual; C. LAWRENCE COPELAND, an individual DONALD E. COPELAND, an individual; THE COPELAND GROUP, A CONSULTING AND ACCOUNTANCY CORPORATION, A California Corporation; COPELAND WEALTH MANAGEMENT, INC. a California Corporation;
Remaining Defendants are listed on the attached sheet

YOU ARE BEING SUED BY PLAINTIFF:
(LO ESTÁ DEMANDANDO EL DEMANDANTE):
HENRY SHELTON, an individual; MARK CARPENTER, an individual; BARBARA CARPENTER, an individual; RONALD L. MITHCELL, an individual, BONNIE MITCHELL, an individual; WILLIAM CONLEY, an individual; and MARION CONLEY, an individual.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.courtinfo.ca.gov/selfhelp/espanol/), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.courtinfo.ca.gov/selfhelp/espanol/) o poniéndose en contacto con la corte o el colegio de abogados locales.

The name and address of the court is:
(El nombre y dirección de la corte es):
SUPERIOR COURT OF CALIFORNIA, COUNTY OF RIVERSIDE
4050 Main Street

Riverside, CA 92501
Historic Courthouse

CASE NUMBER:
(Número del Caso): INC100249

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:
(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):
GREGORY J. SHERWIN 310-473-6338 310-473-8508
FIELDS FEHN & SHERWIN
11755 WILSHIRE BOULEVARD, 15TH FLOOR
Los Angeles, CA 90025

DATE: DEC 30 2010 Clerk, by _____, Deputy
(Fecha) *(Secretario)* *(Adjunto)*

(For proof of service of this summons, use Proof of Service of Summons *(form POS-010).)*
(Para prueba de entrega de esta citatión use el formulario Proof of Service of Summons, *(POS-010)).*

(SEAL)

NOTICE TO THE PERSON SERVED: You are served
1. [X] as an individual defendant.
2. [ ] as the person sued under the fictitious name of *(specify):*
3. [ ] on behalf of *(specify):*

under: [ ] CCP 416.10 (corporation) [ ] CCP 416.60 (minor)
[ ] CCP 416.20 (defunct corporation) [ ] CCP 416.70 (conservatee)
[ ] CCP 416.40 (association or partnership) [ ] CCP 416.90 (authorized person)
[ ] other *(specify):*

4. [X] by personal delivery on *(date):*

Form Adopted for Mandatory Use
Judicial Council of California
SUM-100 [Rev. January 1, 2004]

SUMMONS

Legal Solutions Plus

Code of Civil Procedure §§ 412.20, 465

Attachment to Summons

Continuation of list of Defendants:

COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION, a California Corporation; COPELAND WEALTH MANAGEMENT, A Real Estate Corporation, a California Corporation; JANET IHDE, M.D., an individual; DAVID CONSTON, M.D., an individual; RANCHO MIRAGE SURGERY CENTER, LLC, a limited liability company; IHDE CONSTON, INC., a California Corporation; and DOES 1 to 10, inclusive.

SUPERIOR COURT OF CALIFORNIA, COUNTY OF RIVERSIDE
4050 Main Street
Riverside, CA 92501
www.riverside.courts.ca.gov

NOTICE OF ASSIGNMENT TO DEPARTMENT FOR CASE MANAGEMENT PURPOSES AND CASE MANAGEMENT CONFERENCE (CRC 3.722)

SHELTON VS COPELAND

CASE NO. RIC 10024942

This case is assigned to the Honorable Judge John D. Molloy in Department 04 for case management purposes.
The Case Management Conference is scheduled for 06/30/11 at 8:30 in Department 04.

(Bad Mnemonic)
Case Management Conference Hearing

The plaintiff/cross-complainant shall serve a copy of this notice on all defendants/cross-defendants who are named or added to the complaint and file proof of service.

Any disqualification pursuant to CCP Section 170.6(2) shall be filed in accordance with that section.

CERTIFICATE OF MAILING

I certify that I am currently employed by the Superior Court of California, County of Riverside, and that I am not a party to this action or proceeding. In my capacity, I am familiar with the practices and procedures used in connection with the mailing of correspondence. Such correspondence is deposited in the outgoing mail of the Superior Court. Outgoing mail is delivered to and mailed by the United States Postal Service, postage prepaid, the same day in the ordinary course of business. I certify that I served a copy of the foregoing notice on this date, by depositing said copy as stated above.

Dated: 12/30/10

Court Executive Officer/Clerk

By: _____
ANNA B SANCHEZ, Deputy Clerk

ac:cmc;cmcb;cmch;cmct;cmcc
cmccb;cmcch;cmcct

H Thomas Fehn - SBN 43341
Gregory J. Sherwin - SBN 69395
Orly Davidi - SBN 260241
FIELDS, FEHN & SHERWIN
11755 Wilshire Boulevard, 15th Floor
Los Angeles, CA 90025-1521
Telephone: (310) 473-6338

Attorneys for Plaintiffs,
Henry Shelton, Mark and Barbara Carpenter,
Ronald L. and Bonnie Mitchell, William Connolly and
Marion Conley

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

HENRY SHELTON, an individual;
MARK CARPENTER, an individual;
BARBARA CARPENTER, an individual;
RONALD L MITCHELL, an individual;
BONNIE MITCHELL, an individual;
WILLIAM CONLEY, an individual; and
MARION CONLEY, an individual;

Plaintiffs,

v.

CHARLES COPELAND, an individual;
C. LAWRENCE COPELAND, an individual;
DONALD E. COPELAND, an individual;
THE COPELAND GROUP, A CONSULTING AND ACCOUNTANCY CORPORATION, a California Corporation;
COPELAND WEALTH MANAGEMENT, INC. a California Corporation;
COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION, a California Corporation;
COPELAND WEALTH MANAGEMENT, A Real Estate Corporation, a California Corporation;
JANET IHDE, M.D., an individual;
DAVID CONSTON, M.D., an individual;
///
///

Case No.: RIC 1002494 2

COMPLAINT FOR FRAUD; ACCOUNTING; BREACH OF FIDUCIARY DUTY AND NEGLIGENCE

[GENERAL CIVIL ACTION]

RANCHO MIRAGE SURGERY CENTER, LLC, a limited liability company;
IHDE CONSTON, INC., a California Corporation;
and DOES 1 to 100, inclusive,

Defendants.

Plaintiffs, for their complaint against Defendants, allege:

THE PARTIES

1. Plaintiff Henry Shelton ("Shelton") is an individual residing in the County of San Bernardino, state of California. Shelton is 77 years old and retired.

2. Plaintiffs Mark and Barbara Carpenter ("the Carpenters") are individuals who are husband and wife, residing in the County of San Bernardino, state of California.

3. Plaintiffs Ronald L. and Bonnie Mitchell (the "Mitchells") are individuals, who are husband and wife, residing in the County of San Bernardino, state of California.

4. Plaintiffs William and Marion Conley ("the Conleys") are individuals who are husband and wife, residing in the County of San Bernardino, state of California. William Conley is a retired airline pilot and Marion Conley is a retired schoolteacher. They are 82 years old.

5. Defendant Charles P. Copeland ("Chuck Copeland") is a certified public accountant residing and doing business in the County of San Bernardino, California.

6. Defendant C. Lawrence Copeland ("Lawrence Copeland") is an investment advisor residing and doing business in the County of San Bernardino, California. Lawrence Copeland is the son of Chuck Copeland.

7. Defendant Donald E Copeland ("Don Copeland") is a real estate broker residing and doing business in the County of San Bernardino, California. Don Copeland is the son of Chuck Copeland.

8. Defendant The Copeland Group, a Consulting and Accountancy Corporation ("The Copeland Group"), is a corporation duly organized and existing under the laws of the state of California. The Copeland Group has its principal office in the County of San Bernardino, California. It does business as The Copeland Group Financial Advisors.

9. Defendant Copeland Wealth Management, Inc. ("CWM") is a corporation duly organized and existing under the laws of the state of California. CWM has its principal office in the County of San Bernardino, California.

10. Defendant Copeland Wealth Management, a Financial Advisory Corporation (" Copeland Financial Advisory") is a corporation duly organized and existing under the laws of the state of California. Copeland Financial Advisory has its principal office in the County of San Bernardino, California.

11. Defendant Copeland Wealth Management, a Real Estate Corporation ("Copeland Real Estate") is a corporation duly organized and existing under the laws of the state of California. Copeland Real Estate has been conducting the business which is the subject of this action in the County of Riverside, California.

12. Defendant Janet Ihde, M.D. ("Dr. Ihde") is an individual doing business in the County of Riverside, California.

13. Defendant David Conston, M.D.("Dr. Conston") is an individual doing business in the County of Riverside, California.

14. Defendant Ihde Conston, Inc. ("ICI") is a corporation that was organized under the laws of the state of California, and was at the relevant times doing business in the County of Riverside, California. The corporate status of ICI is currently suspended.

15. Defendant Rancho Mirage Surgery Center, LLC (the "Surgery Center LLC") is a limited liability company, organized and existing under the laws of the state of California, and is and was doing business in the county of Riverside, California. Plaintiffs are informed and believe, and upon their information and belief allege that the Surgery Center is owned and/or controlled by some or all of the other defendants.

16. Plaintiffs are ignorant of the true names and capacities of defendants sued herein as DOES 1 through 100, inclusive, and therefore sue these defendants by such fictitious names. Plaintiffs are informed and believe, and upon their information and belief allege, that each of the fictitiously named defendants is responsible in some manner for the occurrences herein alleged, and that Plaintiffs' damages as herein alleged were proximately caused by their conduct. Plaintiffs will amend this complaint to allege their true names and capacities when ascertained.

17. Plaintiffs are informed and believe, and upon their information and belief allege, that at all relevant times, each of the defendants was acting as the agent of each of the others, and in taking the actions alleged herein, was acting within the course and scope of such agency.

COMMON ALLEGATIONS OF FACT

18. Defendant Chuck Copeland and his two sons, Don and Lawrence, own and operate a group of companies that purport to provide professional accounting, tax, investment advisory and real estate services. After garnering the trust of their clients, they have systematically solicited investments from them in a series of real estate syndicates through material misrepresentations and omissions. In steering their clients to these real estate ventures, the Copeland Defendants have acted negligently and in breach of various fiduciary duties that they owed as professional tax, accounting, financial investment and real estate advisors. The Plaintiffs all fell prey to these practices and invested more than a million dollars in a purported limited partnership known as Copeland Properties 12 ("CP12"). The Copeland Defendants enlisted the aid of others in their scheme including the doctor defendants who became purported general partners of CP12, either individually or through corporations that they own, control or operate.

19. The supposed business of CP12, as represented by Defendants, was to purchase a plot of land in Rancho Mirage, California, and to construct a medical building which would be operated by the Copeland Defendants and occupied principally by the

doctor defendants for a period of ten years, during which the building would produce substantial income for the investors. The partnership property would then be sold at an anticipated handsome profit.

20. Through their incompetence, mismanagement and self-dealing, the Defendants have squandered the Plaintiffs' investments and have run the partnership's project into the ground causing the Plaintiffs to lose their entire investment.

21. Defendant Chuck Copeland is a CPA. His son, Lawrence Copeland, is a registered Investment Advisor Representative, and his son, Don Copeland, is a real estate broker. Together, the Copeland family promote their respective businesses under various business entities which include at least the following: The Copeland Group, CWM, Copeland Financial Advisory, and Copeland Real Estate. Collectively, these individuals and corporations will be referred to in this complaint as "the Copeland Defendants."

22. The Copeland Defendants market themselves as a one-stop shop, delivering financial services to a customer base consisting largely of retirees and others planning for their retirement. As stated on their website, "we know that earning the trust of our clients, giving advice effectively, and building long-term business relationships allows our clients great peace of mind while achieving their [financial] goals." The Copeland Group claims that it is not just an ordinary certified public accounting firm, but is a "practice that has become the trusted advisor to hundreds of business owners, professionals, and individual investment clients in . . . planning for and assisting clients with the transition into retirement and achieving other life goals."

23. Plaintiffs William and Marion Conley have been tax accounting clients of Chuck Copeland for 15 years. (Before that, Chuck Copeland was also the CPA for Marion Conley's parents.) The Conleys have also been investment advisory clients of Lawrence Copeland since 2006, after Chuck Copeland stated that his firm could manage the Conleys' investment accounts for a lower management fee than they were then paying. In 2005, Chuck Copeland solicited the Conleys to invest in CP 12. Because of

///

their long-standing professional relationship. and the representations detailed below, the Conleys invested $100,000 into CP 12 in July 2006.

24. Plaintiff Shelton became a tax client of Chuck Copeland in 2005, following the death of his wife. In connection with providing tax and accounting advice, Chuck Copeland recommended that Plaintiff Shelton sell some existing rental properties that he owned and place the proceeds in a limited partnership that he was forming for the purpose of owning and operating a medical building. In reliance upon the professional relationship that had developed between them, and the representations detailed below, Plaintiff Shelton invested $675,000 into CP 12, in October 2006. These funds represented the substantial majority of Plaintiff Shelton's retirement assets

25. Plaintiffs Mark and Barbara Carpenter were introduced to Chuck Copeland through their partners in a real estate partnership. Chuck Copeland became the accountant for the partnership and prepared its tax returns since approximately 2000. In 2006, Chuck Copeland also recommended that the Carpenters invest in a medical building limited partnership that he was forming. Because of their long-standing professional relationship, and the representations detailed below, the Carpenters invested $100,000 into CP 12 in November 2006.

26. Plaintiffs Ron L. Mitchell was introduced to Chuck Copeland by the Carpenters. Plaintiff Mitchell, who is himself a CPA, also knew of Chuck Copeland because of his visibility in the Redlands' community as a CPA. Because of the representations detailed below, and his trust in Chuck Copeland as a fellow CPA, Plaintiff Ron L. Mitchell and his wife, Bonnie, invested $200,000 in CP 12 in May 2006.

27. In promoting the CP 12 investment opportunity, the Copeland Defendants orally or impliedly represented to each of the Plaintiffs that the following material facts were true at the time the representations were made:

a. The investment opportunity would be conducted through a limited partnership in which the investors would become limited partners, and the investment would be overseen by the Copeland Defendants, who would act

as a general partner for the partnership and as fiduciaries to the Plaintiffs;

b. The other general partners of the partnership would include two doctors who had agreed to lease more than 50% of the building that was to be constructed by the partnership, at a fair market rental rate;

c. The money raised from the partnership investors would be used to purchase the real estate upon which the medical building was to be constructed, and not for any other purpose;

d. The Copeland Defendants had successfully formed and managed a number of similar building projects that were providing high rates of return and large projected capital profits;

e. The investors in the new project could expect a 10% rate of return on their invested money for a period of 10 years, at which point the partnership would sell the real estate for an anticipated 300% profit;

f. An investment in the partnership was suitable for each of the Plaintiffs in light of their financial condition, their risk tolerance, their future financial needs and goals, and their overall investment objectives;

g. The doctor defendants would also purchase limited partnership interests in the partnership on the same terms and conditions as the other limited partners.

28. The sale of the CP 12 limited partnership interests by the Copeland Defendants was not accompanied by any offering memorandum other than some marketing information presented to the Plaintiffs. Accordingly, there was almost no disclosure of material facts concerning the investment. Because of this, the defendants failed to make disclosure of, at least, the following material facts that existed at the time the Plaintiffs made their investments in the limited partnership vehicle:

a. The Copeland Defendants had multiple conflicts of interest in their sale of partnership interests to the Plaintiffs, and in their management of the partnership business;

b. The Copeland Defendants were using the purchase of the land for the benefit of other partnerships that they managed without any benefit to the investors in the CP 12 partnership;

c. The Copeland Defendants needed money from the CP 12 partnership to finance non-partnership obligations, including obligations of other partnerships in which the Defendants held some interest;

d. The Copeland Defendants had no intention of fully accounting to the limited partners of the CP 12 partnership for their actions taken as general partners of the partnership:

e. The Copeland Defendants were systematically co-mingling funds belonging to various partnerships and entities in which they held some interest;

f. The Copeland Defendants intended to use money raised from the Plaintiffs and other investors in the CP 12 limited partnership for purposes other than the purchase of the land upon which the partnership building was to be constructed;

g. There were no binding agreements obligating the doctor defendants (or anyone else) to lease more than 50% of the partnership building.

29. The Plaintiffs were each induced by the Defendants to invest money in the CP 12 limited partnership in reliance upon the representations of material fact set forth in paragraph 27 above and without knowing the true facts set forth in paragraph 28 above. The Plaintiffs' reliance upon each of these facts and omissions was reasonable and justified in light of their pre-existing relationships with the Copeland Defendants, and because of their status as professionals.

30. The true facts concerning the CP 12 partnership, at the time that Plaintiffs were induced to invest their money were as follows:

a. There was no legally enforceable commitment by the doctor defendants (or by anyone else) to lease any office space in the building once it was constructed;

b. The Copeland Defendants intended to use money raised from the Plaintiffs for purposes other than the purchase of the land that was to be owned by the CP 12 partnership, and to benefit other partnerships and business interests that they owned or managed;

c. The success of the other investments managed by the Copeland Defendants was greatly exaggerated, and the Copeland Defendants were in need of new money into their enterprise to keep their financial empire afloat;

d. The Copeland Defendants had no reasonable basis for making the financial projections that they gave to the Plaintiffs in connection with the CP 12 partnership;

e. The Copeland Defendants recommended a risky investment in the CP 12 partnership that was unsuitable for each of the Plaintiffs in light of their respective financial conditions. their risk tolerance. their future financial needs and goals, and their investment objectives;

f. The Defendants had numerous undisclosed conflicts of interest that prevented them from exercising their fiduciary duties as general partners of the CP 12 limited partnership in an impartial manner for the benefit of the Plaintiffs and the other limited partners;

g. The Copeland Defendants had no intention of providing full and complete accounting information to the limited partners which would allow the Plaintiffs to monitor their investment;

h. Dr. Ihde was given a limited partnership interest in the CP 12 partnership without making the required capital contribution;

i. Dr. Ihde had no intention of paying a fair market rent for space that she ultimately occupied in the building owned by the partnership;

j. Neither of the doctor Defendants intended to fulfill their fiduciary obligations as general partners of CP 12, or to resolve the gross conflicts of interest that existed between themselves and the CP 12 partnership.

31. Had Plaintiffs known the true facts set forth above they would not have invested in the CP 12 partnership.

32. The Defendants have all abused their fiduciary and professional responsibilities to the Plaintiffs in at least the following respects:

a. The Defendants have received undisclosed secret commissions and payments in connection with the CP 12 partnership, including undisclosed real estate commissions in connection with the partnership's purchase of land used for the partnership business;

b. The Defendants have failed to account to the Plaintiffs and other investors for the business that they have managed and controlled as general partners of CP 12;

c. The Defendants have commingled partnership property with funds belonging to other investments managed or controlled by them, making it difficult for Plaintiffs to trace what has happened to that money;

d. The Defendants had used partnership money and property for non-partnership purposes;

e. The doctor defendants have been allowed to use the partnership property without paying rent, accumulating rental obligations to the partnership of more than $1.5 million, and then in further breach of their fiduciary obligations, compromising the amount owed to a fraction of the rental obligation;

33. The Defendants have totally mismanaged the construction and operation of the partnership building, have failed to obtain take-out financing for the construction loan that was obtained to construct the building, have failed to rent the office space, and have failed to enforce the leases that have been entered into. As a consequence of the Defendants' actions and omissions, the building is now in foreclosure, and the Plaintiffs have lost all of their investment in the partnership.

///

34. The true facts concerning the affairs of the partnership have only recently been discovered by the Plaintiffs because there has been a continuing failure by the Defendants to account for their actions as general partners of the CP 12 partnership and by the continuing assurances that the Defendants have given concerning the partnership business.

FIRST CAUSE OF ACTION

(For Fraud against All Defendants)

35. Plaintiffs repeat and incorporate by this reference the allegations set forth in paragraphs 1 through 34 above, as if the same were set forth in full at this point.

36. When Defendants made the representations set forth above, they knew them to be false, and these representations were made by Defendants with the intent to defraud and deceive the Plaintiffs and with the intent to induce Plaintiffs to invest their money in the CP 12 limited partnership. Furthermore, Defendants omitted to state to Plaintiffs material facts concerning the CP 12 partnership, as set forth above, and suppressed such facts with the intention to induce Plaintiffs to act in the manner herein alleged in reliance thereon.

37. Plaintiffs, at the time the misrepresentations were made, and at the time the failures to disclose or suppression of facts occurred, and at the time Plaintiffs took the actions herein alleged, were ignorant of the truth of the facts that were misrepresented and of the existence of the facts which Defendants suppressed and failed to disclose. If Plaintiffs had been aware of the existence of the true facts and of the facts not disclosed by Defendants, Plaintiffs would not have invested in the CP 12 partnership and would not have suffered the damages that they have incurred through the loss of their investment.

38. By reason of the foregoing, and defraud and deceit of the Defendants alleged herein, Plaintiffs have lost the amounts that they invested in the CP 12 partnership.

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39. The above described conduct of Defendants was an intentional misrepresentation, deceit, or concealment of a material fact known to the Defendants with the intention on the part of the Defendants of thereby depriving Plaintiffs of property or legal rights or otherwise causing injury, and was despicable conduct that subjected Plaintiffs to unjust hardship in conscious disregard of Plaintiffs' rights, so as to justify an award of exemplary and punitive damages against the Defendants.

SECOND CAUSE OF ACTION

(For an Accounting Against All Defendants)

40. Plaintiffs repeat and incorporate by this reference the allegations set forth in paragraphs 1 through 32 above, as if the same were set forth in full at this point.

41. The Defendants are all either general partners of the CP 12 limited partnership, or are engaged together in a common enterprise or joint venture to operate and manage the partnership so that each is responsible for the actions and omissions of the others, as agents.

42. The Defendants have assumed sole possession and control of the business and assets of CP 12 and have controlled, operated and conducted the operation of the building to the exclusion of Plaintiffs and without making any adequate accounting to Plaintiffs of the income or disbursements, or of the net profits or losses realized by the partnership.

43. The CP 12 partnership has never been dissolved and no proper accounting has been made of the partnership business to the Plaintiffs, other than misleading and incomplete information that has only recently been provided. Without a full and proper accounting from the Defendants, Plaintiffs do not know the full extent of any self-dealing, secret profits and other benefits received by the Defendants, nor are they able to quantify the damages that they have suffered as a result of the mismanagement and waste of partnership assets by the Defendants.

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44. Plaintiffs have made repeated demands upon Defendants for a full accounting, but Defendants have failed, refused and neglected to make the same, and continue to fail, refuse, and neglect to do so.

THIRD CAUSE OF ACTION

(For Breach of Fiduciary Duty against All Defendants)

45. Plaintiffs reallege and incorporate by reference paragraphs 1 through 44 above, as if each were fully set forth at this point.

46. By reason of the foregoing, the Defendants have breached the fiduciary duties that they owe to the Plaintiffs as partners in a joint business venture, and Plaintiffs have been damaged in an amount that is presently unknown, and said amount will not be fully known until there has been a full accounting between the parties.

47. The above described conduct of Defendants was an intentional breach of the fiduciary duties owed to the Plaintiffs with the intention on the part of the Defendants of thereby depriving Plaintiffs of property or legal rights or otherwise causing injury, and was despicable conduct that subjected Plaintiffs to unjust hardship in conscious disregard of Plaintiffs' rights, so as to justify an award of exemplary and punitive damages against the Defendants.

FOURTH CAUSE OF ACTION

(For Breach of Fiduciary Duty against the Copeland Defendants)

48. Plaintiffs reallege and incorporate by reference paragraphs 1 through 45 above, as if each were fully set forth at this point.

49. The Copeland Defendants, as professional tax preparers. accounting and financial advisors, and real estate professionals developed a position of trust and confidence over the Plaintiffs, whereby Plaintiffs placed full faith and credit and trust in them. By reason of these professional relationships, a fiduciary duty was owed by the Copeland Defendants to each of the Plaintiffs.

50. By reason of the facts alleged above, the Copeland Defendants have breached the fiduciary duties that they owed to the Plaintiffs all to the damage of the Plaintiffs in the amount that they invested in the CP 12 partnership.

51. The above described conduct of the Copeland Defendants was an intentional breach of the fiduciary duties owed to the Plaintiffs with the intention on the part of the Defendants of thereby depriving Plaintiffs of property or legal rights or otherwise causing injury, and was despicable conduct that subjected Plaintiffs to unjust hardship in conscious disregard of Plaintiffs' rights, so as to justify an award of exemplary and punitive damages against the Defendants.

FIFTH CAUSE OF ACTION

(For Professional Negligence against the Copeland Defendants)

52. Plaintiffs reallege and incorporate by reference paragraphs 1 through 32 above, as if each were fully set forth at this point.

53. The Copeland Defendants as trusted professional financial advisors to the Plaintiffs owed the Plaintiffs a duty of care to only recommend to the Plaintiffs investments that were suitable for them in light of their financial condition, their risk tolerance, their future financial needs and goals, and their overall investment objectives.

54. In recommending the CP 12 partnership to the Plaintiffs, the Copeland Defendants acted negligently, since the investment was not suitable for the Plaintiffs, or any of them, in light of their financial condition, their risk tolerance, their future financial needs and goals, and their overall investment objectives.

55. Because of the negligent advice given to them by the Copeland Defendants, the Plaintiffs agreed to invest in the CP 12 partnership.

56. By reason of the foregoing negligent conduct of the Copeland Defendants, Plaintiffs have been damaged in the amount of money that they invested in the partnership, as set forth above.

WHEREFORE, Plaintiffs pray for judgment against Defendants as follows:

1. For damages by reason of Defendants' fraud in the amount of at least $1,075,000.00;
2. For a full accounting between the parties, determining the amounts, if any, that Defendants owe to the partnership business;
3. For damages for Defendants' breaches of fiduciary duty in an amount to be determined, after a full accounting has been had;
4. For punitive damages in an amount to be determined by the trier of fact, for Defendants' fraud and breaches of fiduciary duty;
5. For damages for Defendants' negligence in the amount of at least $1,075,000.00;
6. For interest on the amounts owed to Plaintiffs;
7. For costs of suit incurred herein; and
8. For such other and further relief as the court deems just and proper.

FIELDS, FEHN & SHERWIN
H THOMAS FEHN
GREGORY J. SHERWIN
ORLY DAVIDI

DATED: December 28, 2010

By _____
GREGORY J. SHERWIN
Attorneys for Plaintiffs

Schedule D – Buyer Disclosure Schedule

Not applicable.

Exhibit A - Definitions

"Advisers Act" shall mean the Investment Advisers Act of 1940, as amended.

"Affiliate" shall mean any individual, partnership, corporation, entity or other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Person specified, but such term shall not include any private investment fund.

"Agreement" shall have the meaning set forth in the preamble hereto.

"Ancillary Agreements" shall mean all other agreements, documents, instruments and certificates to be executed and delivered in connection with the transactions contemplated by this Agreement.

"Applicable Law" shall mean any domestic or foreign federal, state or local statute, law (whether statutory or common law), ordinance, rule, administrative interpretation, regulation, order, consent, writ, injunction, directive, judgment, decree, policy, guideline or other requirement or any agreement with any Governmental Authority applicable to and legally binding on Seller.

"Applicable Percentage" shall mean, with respect to any calendar quarter during the Earnout Period, either: (i) 40%, in the event that the Combined Net Revenue for such calendar quarter is greater than or equal to $75,000; (ii) 35%, in the event that the Combined Net Revenue for such calendar quarter is greater than or equal to $50,000 but less than $75,000; or (iii) 30%, in the event that the Combined Net Revenue for such calendar quarter is less than $50,000.

"Business Day" shall mean any day that is not a Saturday, a Sunday or a day on which banks in the city of San Francisco, California are authorized or required to close for regular banking business.

"Buyer" shall have the meaning set forth in the preamble hereto.

"Buyer Disclosure Schedule" shall mean Schedule C.

"Buyer Indemnified Parties" shall have the meaning set forth in Section 7.1.

"Clients" shall mean each of the clients of Seller as of the date of this Agreement.

"Closing" shall have the meaning set forth in Section 1.3.

"Closing Date" shall have the meaning set forth in Section 1.3.

"Combined Net Revenue" shall mean the sum of Net Revenue plus Net Solicitation Revenue (as defined in the Solicitation Agreement).

"Competitor" shall have the meaning set forth in Section 4.4(a)(i).

"Contracts" shall mean any contract, agreement, indenture, note, bond, loan, letter of credit, security, pledge, guarantee, instrument, lease, conditional sale contract, purchase or sales order, mortgage, license, franchise, insurance policy, undertaking, commitment or other enforceable arrangement or agreement, to which the applicable Person is a party or by which the applicable Person or any of its properties or assets is bound.

"Copeland" shall have the meaning set forth in the preamble hereto.

"Damages" shall have the meaning set forth in Section 7.1.

"Earnout Period" shall have the meaning set forth in Section 1.4.

"Employment Agreement" shall have the meaning set forth in Section 1.2(a)(i).

"Encumbrance" shall mean any lien, pledge, mortgage, security interest, claim, charge, easement or other encumbrance or adverse claim of any kind or nature whatsoever (whether absolute or contingent), other than with respect to the Transferred Liabilities.

"Existing Clients" shall have the meaning set forth in Section 1.4.

"Governmental Authority" shall mean any United States or foreign government, any state or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including the Securities and Exchange Commission, or any other authority, agency, department, board, commission or instrumentality of the United States, any State of the United States or any political subdivision thereof, including any municipality or other local governmental authority, or any foreign jurisdiction, and any court, tribunal or arbitrator(s) of competent jurisdiction, and any United States or foreign governmental or non-governmental self-regulatory organization, agency or authority (including the NYSE and the NASD).

"Holdback Amount" shall have the meaning set forth in Section 1.5.

"Holdback Period" shall have the meaning set forth in Section 1.5.

"Indemnified Party" shall have the meaning set forth in Section 7.3(a).

"Indemnifying Party" shall have the meaning set forth in Section 7.3(a).

"Installment" shall have the meaning set forth in Section 1.4.

"Knowledge" or "Known" shall mean, with respect to Buyer or Seller, those facts that are actually known by the senior officers of Buyer or Seller, as the case may be.

"Material Adverse Effect" shall mean a material adverse effect on the value of the Transferred Assets, other than any change, effect, event or occurrence to the extent resulting from (a) changes in legal or regulatory conditions to the extent generally affecting the investment advisory and/or asset management industry, or (b) changes in the economy and/or financial

markets affecting the Existing Clients and/or the value of the securities and other investments in which the Existing Clients are invested.

"Net Revenue" shall mean with respect to any calendar quarter, investment management fees actually received by Buyer from Existing Clients less: (a) any amounts payable to investment advisers, brokers, finders, solicitors or similar intermediaries, who are not Affiliates of Buyer, with respect to such investment management fees; (b) the amount of any investment management fees that Buyer waives, refunds, rebates or otherwise credits or returns to any Existing Client; (c) any investment management fees that relate to assets under management, with respect to any Existing Client, to the extent that such fees are calculated on assets under management that exceed 108% of the assets under management of Buyer, with respect to such Existing Client, on the date such Existing Client became a client of Buyer (as adjusted for any contributions or withdrawals by such Existing Client); and (iv) any investment management fees received from any Existing Client where the aggregate Net Income applicable to such Existing Client (as adjusted pursuant to (a), (b) and (c) above) is less than $500 for the applicable calendar quarter.

"Organizational Documents" shall mean, with respect to any Person that is a corporation, its articles or certificate of incorporation or memorandum and articles of association, as the case may be, and bylaws; with respect to any Person that is a partnership, its certificate of partnership and partnership agreement; with respect to any Person that is a limited liability company, its certificate of formation and limited liability company or operating agreement; with respect to any Person that is a trust or other entity, its declaration or agreement of trust or constituent document; and any comparable organizational documents; in each case, as has been amended or restated.

"Person" shall mean any individual, corporation, company, partnership (limited or general), limited liability company, joint venture, association, trust or other business entity.

"Principals" shall have the meaning set forth in Section 4.4(a).

"Proceedings" shall have the meaning set forth in Section 2.5.

"Purchase Price" shall have the meaning set forth in Section 1.4.

"Seller" shall have the meaning set forth in the preamble hereto.

"Seller Disclosure Schedule" shall mean Schedule B.

"Seller Indemnified Parties" shall have the meaning set forth in Section 7.2.

"Solicitation Agreement" shall have the meaning set forth in Section 1.2(a)(i).

"Termination Date" shall have the meaning set forth in Section 6.1(a)(v).

"Territory" shall have the meaning set forth in Section 4.4(a)(i).

"Transferred Assets" shall have the meaning set forth in the Recitals hereto.

"Transferred Investment Management Agreements" shall have the meaning set forth on Schedule A.

"Transferred Liabilities" shall have the meaning set forth in the Recitals hereto.

"Trust" shall have the meaning set forth in the preamble hereto.

Exhibit B –Form of Solicitation Agreement

SOLICITATION AGREEMENT

This Solicitation Agreement (this "Agreement"), dated September [___], 2011, is entered into by and between Elevage Partners, LLC, a Delaware limited liability company (the "Advisor"), and Copeland Wealth Management, a Financial Advisory Corporation, a California corporation, in its capacity as Trustee of the Copeland Investor Restitution Trust (the "Solicitor").

In consideration of the mutual covenants herein, the Advisor and the Solicitor agree as follows:

1. From time to time, the Solicitor may refer to the Advisor persons previously unknown to the Advisor ("Potential Clients") that the Solicitor believes may desire to engage the Advisor to provide financial planning or other investment advisory services. The Advisor shall at all times have the exclusive right to determine the financial planning or advisory fee with, or to provide financial planning or investment advisory services to, any Potential Client. The Advisor retains the exclusive right, in its sole and absolute discretion, for any reason or for no reason, to accept or reject as clients any Potential Clients Solicitor introduces to Advisor. At the time of any solicitation activities hereunder, the Solicitor shall provide each prospective client with copies, which the client may keep, of the following documents:

   (a) The solicitor's disclosure document as required by Rule 206(4)-3 under the Investment Advisers Act of 1940 (the "Advisers Act"), substantially in the form of Exhibit A hereto (the "Solicitation Disclosure"); and

   (b) Part II of the Advisor's most recent report on Form ADV (or such other written disclosure statement meeting the requirements of Rule 206(4)-3 as the Advisor may choose to use from time to time).

   The Solicitor shall obtain each Prospective Client's signed acknowledgement of receipt of the foregoing documents and shall promptly forward a signed copy of such acknowledgement to the Advisor. Each Potential Client with which the Advisor, in its sole and absolute discretion, elects to enter into an agreement to provide financial planning or other investment advisory services is herein referred to as an "Accepted Client."

3. Solicitor shall perform its services hereunder in a manner consistent with the instructions of the Advisor and the provisions of the Advisers Act, all applicable Rules (the "Rules") of the Securities and Exchange Commission (the "SEC"), and with the state laws, rules and regulations of Solicitor's state of residence and of each state in which Solicitor solicits Potential Clients (collectively, "State Laws").

4. The Solicitor represents and warrants that:

   (a) The Solicitor has obtained and filed any necessary consent, approval, authorization or order necessary, including registration as an investment adviser, if necessary, under any Rules, State Laws, and judicial or regulatory order or

directive required by federal law or any state or other jurisdiction where (a) Solicitor communicates with Potential Clients, or (b) any Potential Clients reside. All such required consents, authorization, approvals or orders, including Solicitor's registration as an investment adviser, if necessary, shall remain in full force and effect throughout the term of this Agreement;

(b) The Solicitor is not (A) subject to any SEC order issued under Section 203(f) of the Advisers Act or (B) has been convicted within the last ten years of any felony or misdemeanor involving conduct described in Section 203(e)(2) of the Advisers Act, or (C) has been found by the SEC to have engaged, or has been convicted of engaging in, any of the conduct specified in paragraphs (1), (5) or (6) of Section 203(e) of the Advisers Act or (D) is subject to an order, judgment or decree described in Section 203(e)(4) of the Advisers Act; and

(c) The Solicitor is not subject to any statutory disqualifications under any state or federal regulation or rule, nor is the Solicitor currently subject of any investigations or proceeding that could result in statutory disqualification.

The Solicitor agrees to immediately notify the Advisor upon learning of any fact or the occurrence of any event, which would render any representation hereunder untrue or constitute a violation of any warranty or covenant hereunder.

5. In consideration of the referral of Potential Clients to the Advisor the Advisor shall pay to Solicitor the fees set forth on Schedule A hereto with respect to each Accepted Client (the "Referral Fees"). Provided that the Solicitor remains qualified to receive the Referral Fees and provided that the payment of the Referral Fees is not prohibited by any law or regulation, the Solicitor shall continue to be entitled to receive the Referral Fees, with respect to each Accepted Client, for the period set forth on Schedule A hereto. The Solicitor's fee hereunder shall be a percentage of the financial planning or investment advisory fee charged to each Accepted Client by the Advisor, as documented in the agreement between such Accepted Client and the Advisor (each an "Advisory Agreement"). The Solicitor's fee shall be paid solely from the Advisor's financial planning or investment advisory fee, and shall not result in any additional charge to the Accepted Client. The Advisor's obligation to pay Solicitor the foregoing fee is contingent upon (i) the Advisor having first received the financial planning or investment advisory fee from such Accepted Client, (ii) the Advisor having first received the original signed acknowledgement of receipt of the documents referred to in Sections 1(a) and (b), with respect to such Accepted Client and (iii) the Solicitor's continuous compliance with applicable state and federal laws, rules and regulations, and the terms of this Agreement. The Solicitor agrees to refund to the Advisor any compensation paid to the Solicitor in any instance in which it has been paid compensation for fees which have been refunded by the Advisor or have not been collected by the Advisor. The Solicitor has no authority to collect or receive payment in its own name for any fees payable under any Advisory Agreement. All payments for investment advisory services of the Advisor shall be made payable to the Advisor. The Advisor shall have no obligation to institute legal proceedings against any client for failure to pay the Advisor its fees.

6. Solicitor shall not accept a fee for any pension or employee benefit plan for which Solicitor serves as a fiduciary in violation of Section 406(b) of the Employee Retirement Income Security Act of 1974, as amended.

7. The Solicitor shall comply with the Advisers Act, the Rules, and all other applicable state and federal laws and all rules and regulations thereunder. The Solicitor shall conduct him/herself in a professional manner at all times when acting as a Solicitor on the Advisor's behalf.

8. The Solicitor is an independent contractor and not an employee or partner of the Advisor under any definition established by common law, for insurance (unemployment, health, or otherwise), or state or federal income tax purposes. The Solicitor shall not hold him/herself out in any capacity, with respect to the Advisor, other than as "Solicitor."

9. Except for the Solicitation Disclosure and Part II of the Advisor's most recent report on Form ADV, the Solicitor shall not provide prospective clients with any other marketing and/or performance-related documentation relative to the Advisor without prior written consent from the Advisor.

10. The Solicitor shall maintain the Advisor, the Potential Clients and the Accepted Clients' Confidential Information in confidence and shall prevent the disclosure of the same to others except to the extent that it is necessary or desirable to make disclosure of such information to clients or prospective clients. The Solicitor shall comply with all of the terms of the Advisor's privacy policy, as amended form time to time, with respect to information relating to the Advisor's clients. The Advisor shall promptly provide the Solicitor with the Advisor's privacy policy and any amendments thereto. The term "Confidential Information" means any information disclosed or otherwise made available by the Advisor, a Potential Client or an Accepted Client to the Solicitor except information which the Solicitor can show: (a) at the time of the disclosure was in the public domain; or (b) after the disclosure became part of the public domain by publication or otherwise through no fault of the Solicitor; or (c) was developed by the Solicitor and in its possession prior to the disclosure of the same by the Advisor, a Potential Client or an Accepted Client; or (d) was received by the Solicitor from a third party who had a lawful right to disclose the same to the Solicitor and who did not require the Solicitor to hold the same in confidence.

11. The Solicitor shall maintain for a period of five years from the end of the fiscal year during which a document is created all documents created pursuant to this Agreement (including any client contracts, client questionnaires, and copies of client statements). The Solicitor shall provide copies of such documents to the Advisor within 48 hours after any request is made by the Advisor.

12. The Solicitor shall indemnify and hold harmless the Advisor and its representatives, officers, employees and other agents from any and all claims, damages, loss or liability (including reasonable attorney's fees) arising out of the Solicitor's breach of this agreement or violation of the Advisers Act or any other applicable federal or state law or regulation.

13. The Solicitor may not assign any rights under this Agreement or delegate any duties under this Agreement. Any such attempted or purported assignment or delegation of this Agreement shall be null and void.

14. This Agreement shall have an initial term commencing on the date hereof and ending on **[INSERT DATE THAT IS THE LAST DAY OF THE 20 CALENDAR QUARTER PERIOD]** (the "Initial Term"). After the end of the initial Term, this Agreement may be terminated for any reason at any time by either party by thirty (30) days written notice to the other party. The Advisor may terminate this Agreement immediately, without notice, if any of the representations and warranties made by the Solicitor becomes false or if the Solicitor breaches this Agreement. The Advisor's obligation to pay referral fees with respect to clients referred by the Solicitor to the Advisor prior to termination shall continue after termination as provided in Schedule A hereto, unless the termination is the result of any such representation or warranty being or becoming false, or of such breach.

15. This Agreement shall be construed and enforced under and be governed in all respects by the laws of the State of California, without regard to the conflict of laws principles thereof.

16. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in San Francisco, California, before one arbitrator, who shall be a retired judge. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. Judgment on the Award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The arbitrator may, in the Award, allocate all or part of the costs of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party.

17. This Agreement contains the entire agreement of the parties and supersedes all prior negotiations, correspondence, understandings and agreements between the parties, regarding the subject matter hereof. Neither this Agreement nor any provision hereof may be amended, changed, waived, discharged or terminated, except by an instrument in writing signed by both parties.

18. If any provision of this Agreement is held by a court to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall be unaffected by such holding. If the invalidation of any such provision materially alters the agreement of the parties, then the parties shall immediately adopt new provisions to replace those which were declared invalid.

19. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term

or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

20. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

ELEVAGE PARTNERS, LLC

By: _____
Jeffery D. Powell, Manager

COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION, TRUSTEE OF THE COPELAND INVESTOR RESTITUTION TRUST

By: _____
C. Lawrence Copeland, President

Schedule

Referral Fees
(Section 5)

The Referral Fees shall be equal to the Applicable Percentage of the Net Solicitation Revenue actually received by the Advisor from Accepted Clients referred to the Advisor by the Solicitor, with respect to the management of the Accepted Clients' assets during the 20 calendar quarter period commencing with the date of this Agreement (the "Referral Period"). The Referral Fees shall be payable in 20 quarterly installments, each payable within 60 days after the end of each calendar quarter during the Referral Period in an amount equal to the Applicable Percentage of the Net Solicitation Revenue actually received by the Advisor during such calendar quarter. In the event that the Advisor waives, refunds, rebates or otherwise credits or returns any Net Solicitation Revenue it has received from any Accepted Client, the amount of any future Referral Fee installments due to the Solicitor shall be reduced by the amount of Purchase Price, if any, previously paid to the Solicitor with respect to such Net Solicitation Revenue.

As used herein, the following terms shall have the following meanings:

"Applicable Percentage" shall mean, with respect to any calendar quarter during the Referral Period, either: (i) 40%, in the event that the Combined Net Revenue for such calendar quarter is greater than or equal to $75,000; (ii) 35%, in the event that the Combined Net Revenue for such calendar quarter is greater than or equal to $50,000 but less than $75,000; or (iii) 30%, in the event that the Combined Net Revenue for such calendar quarter is less than $50,000.

"Combined Net Revenue" shall mean the sum of Net Solicitation Revenue plus Net Revenue (as defined in the Asset Purchase Agreement, dated September [___], between the parties hereto).

"Net Solicitation Revenue" shall mean with respect to any calendar quarter, investment management fees actually received by the Advisor from Accepted Clients less: (a) any amounts payable to investment advisers, brokers, finders, solicitors or similar intermediaries with respect to such investment management fees; (b) the amount of any investment management fees that the Advisor waives, refunds, rebates or otherwise credits or returns to any Accepted Client; (c) any investment management fees that relate to assets under management, with respect to any Accepted Client, to the extent that such assets under management exceed 108% of the assets under management of the Advisor, with respect to such Accepted Client on the date such Accepted Client became a client of the Advisor (as adjusted for any contributions or withdrawals by such Accepted Client); and (d) any investment management fees received from any Accepted Client where the aggregate Net Income applicable to such Accepted Client (as adjusted pursuant to (a), (b) and (c) above) is less than $500 for the applicable calendar quarter.

Exhibit A

Solicitation Disclosure
(Section 1(a))

Solicitor's Disclosure Statement

This statement is being provided to describe the relationship between Copeland Wealth Management (the "Solicitor") and Elevage Partners, LLC (the "Advisor") pursuant to which the Solicitor will be compensated for providing client solicitation services to the Advisor.

The Solicitor is an independent contractor that is not an affiliate of the Advisor. The Advisor has acquired certain investment advisory agreements and related assets from the Solicitor and continues to pay the earnout portion of the purchase price to the Solicitor (in addition to the Referral Fees).

Under the agreement between the Solicitor and the Advisor, the Advisor has agreed to compensate the Solicitor for its solicitation services, subject to certain limitations, by the payment of cash solicitation fees (the "Referral Fees") as follows. The Referral Fees shall be equal to between 30% and 40% (with such percentage determined by the aggregate amount of fees earned by the Advisor from clients referred to it by the Solicitor and from clients whose investment advisory agreements have been transferred from the Advisor from the Solicitor) of the net revenue earned by the Advisor, during the period from **[INSERT DATE OF THE SOLICITATION AGREEMENT]** to **[INSERT DATE THAT IS THE LAST DAY OF THE 20 CALENDAR QUARTER PERIOD]**, by managing the assets of clients referred to the Advisor by the Solicitor.

The Referral Fees will be paid by the Advisor and will not result in any additional charge to any of the Advisor's clients.

Acknowledgment of Receipt

The undersigned acknowledges receipt of Form ADV Part II for Elevage Partners, LLC (or a substitute brochure), as well as a copy of this Disclosure Statement describing the arrangements between Copeland Wealth Management (the "Solicitor") and Elevage Partners, LLC.

Name of Prospective Client:

_____

Signature _____ Date_____

Print Name and title: _____

Exhibit C – Form of Employment Agreement

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement"), dated September [___], 2011, is entered into by and between Elevage Partners, LLC, a Delaware limited liability company (the "Company"), and C. Lawrence Copeland, an individual ("Employee"), whose address for notices and other communications is 12831 Yucaipa Creek Pl., Yucaipa, CA 92399, with reference to the following:

A. Employee has expertise in the Company's business.

B. Employee wishes to provide services to the Company and the Company wishes to employ Employee for such purpose.

C. In connection with his employment, Employee will be provided with trade secrets and other commercially sensitive confidential information of the Company.

Accordingly, the Company and Employee agree as follows:

1. **TERM**. On the terms and subject to the conditions set forth in this Agreement, the Company hereby employs Employee, and Employee accepts such employment, on an "at will" basis commencing on the date of this Agreement and ending when Employee's employment is terminated pursuant to Section 4 (the "Term").

2. **DUTIES**.

2.1 **Title and Duties**. The Company agrees to cause Employee to be appointed as the Company's Wealth Management Advisor, or such other title as is determined by the Company in its sole discretion during the Term. Employee shall perform such duties for the Company as the Company may assign to him from time to time.

2.2 **Exclusive Services**. At all times during the Term, Employee shall devote all of Employee's business time, attention and energies exclusively to the business and affairs of the Company.

3. **COMPENSATION**.

3.1 **Base Salary**. The Company shall pay Employee an annual salary of $90,000 per annum (the "Base Salary"), pro rated for any partial year. The Company shall pay the Base Salary in such installments and on such schedule as the Company may from time to time implement, but not less frequently than once a month. At no time may the Company reduce the Base Salary.

3.2 **Bonuses**.

3.2.1 During the Term, the Company shall pay to Employee quarterly bonus payments (the "Copeland Client Quarterly Bonus") equal to 8% of any Net Revenue (as defined below) received by the Company from former clients of Copeland Wealth Management

3.2.2 During the Term, the Company shall pay to Employee quarterly bonus payments (the "New Client Quarterly Bonus") equal to 10% of any Net Revenue received by the Company from clients other than Copeland Clients assigned to Employee by the Company during each calendar quarter of the Term, as determined by the Company from time to time in its sole and absolute discretion.

3.2.3 The New Client Quarterly Bonus and the Copeland Client Quarterly Bonus shall each be payable as to each calendar quarter during the Term (but not with respect to any partial calendar quarter during the Term) within 60 days after the end of the calendar quarter, provided that Employee must remain an Employee of the Company on the payment date.

3.2.4 The Company shall pay Employee a one-time bonus equal to $35,000 (the "Anniversary Bonus") if, and only if, Employee remains an employee of the Company on the first anniversary of the date of this Agreement and Copeland Clients continue to generate Net Revenue for the Company that is greater than or equal to **[INSERT AMOUNT THAT IS 90% OF THE NET REVENUE AS OF THE CLOSING DATE]** with respect to the calendar quarter ending on **[INSERT LAST CALENDAR QUARTER ENDING PRIOR TO THE ANNIVERSARY OF THE AGREEMENT]**.

3.2.5 As used herein, "Net Revenue" shall mean, with respect to any client during a calendar quarter, investment management fees actually received by the Company from such client less: (a) any amounts payable to investment advisers, brokers, finders, solicitors or similar intermediaries, who are not affiliates of the Company, with respect to such investment management fees; (b) the amount of any investment management fees that the Company waives, refunds, rebates or otherwise credits or returns to any such client; (c) any investment management fees that relate to assets under management, with respect to any such client, to the extent that such fees are calculated on assets under management that exceed 108% of the assets under management of the Company, with respect to such client on the date such client became a client of the Company (as adjusted for any contributions or withdrawals by such client); and (d) any investment management fees received from any client where the aggregate Net Income applicable to such client (as adjusted pursuant to (a), (b) and (c) above) is less than $500 for the applicable calendar quarter. The Company shall at all times have the exclusive right to determine the financial planning or advisory fee with, or to provide financial planning or investment advisory services to, any client. Employee has no authority to collect or receive payment in its own name for any fees payable by any client. All payments for investment advisory services of the Company shall be made payable to the Company. The Company shall have no obligation to institute legal proceedings against any client for failure to pay the Company its fees. In the event that the Company waives, refunds, rebates or otherwise credits or returns any Net Revenue it has received from any client, the amount of any future Copeland Client Quarterly Bonus or New Client Quarterly Bonus, as applicable, due to Employee shall be reduced by the amount of any Copeland Client Quarterly Bonus or New Client Quarterly Bonus, as applicable, previously paid to Employee with respect to such Net Revenue.

3.2.6 The Employee hereby assigns to Copeland Wealth Management, a Financial Advisory Corporation, a California corporation, in its capacity as Trustee of the Copeland Investor Restitution Trust (the "Trust"), the right to be receive (a) 50% of the amount

of the Copeland Client Quarterly Bonus, if any, that is otherwise payable to Employee with respect to the first three years of the Term and (b) 50% of the amount of the Anniversary Bonus, if any. The Company shall pay such amounts to the Trust as they would have been payable to Employee and any such payment to the Trust shall be deemed to have been paid to Employee for all purposes hereunder, provided that such assignment shall be void and the Company shall not make any payment to the Trust to the extent that the Company determines, in its sole and absolute discretion, that such assignment will result in any actual or potential violation of any applicable law.

3.3 **Vacation, Perquisites and other Benefits**. During the Term, the Company shall provide Employee with all vacation, perquisites and other benefits, and permit Employee to participate in all benefit programs, and subject to all limitations, as the Company may provide generally to its other employees, but in all cases subject to the applicable benefit plan documents and to the Company's policies and procedures for such benefits, as such plans, policies and procedures may be modified, amended, terminated, or replaced by the Company from time to time.

3.4 **Expense Reimbursement**. The Company shall reimburse Employee for all reasonable and necessary expenses that Employee incurs or pays during the Term in performing his duties under this Agreement. The Company's obligation to make any such reimbursement, however, will be subject to the Company's expense approval and reimbursement policies and procedures, as in effect from time to time.

4. **TERMINATION**.

4.1 **By the Company**. The Company, in its sole and absolute discretion, may upon written notice to Employee, for any reason (whether or not for cause) or no reason at all, terminate Employee's employment under this Agreement.

4.2 **By Employee**. Employee may, upon 30 days advance written notice to the Company, terminate his employment by the Company.

4.3 **Death or Permanent Disability**. Employee's employment by the Company shall automatically terminate upon Employee's death or Disability. As used herein, "Disability" means the inability of Employee to perform the customary duties of his employment with the Company by reason of a physical or mental illness or injury, as determined and certified by a duly licensed physician selected by the Company, for 90 days or more during any 12 month period.

4.4 **Obligations upon Termination**. Following any termination of Employee's employment by the Company, neither Party will have any further obligation to the other Party under this Agreement (subject to any of Employee's or the Company's obligations that are intended to survive the termination of this Agreement) or as a result of the Company's employment of Employee, subject only to the Company's obligations under applicable law to pay Base Salary owed through the date of termination, the Company's obligation to pay Employee for unreimbursed expenses as set forth in Section 3.4, as applicable, and Employee's

rights (if any) to elect self-pay health insurance benefits in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985.

5. **PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT**. Employee agrees to be bound by the provisions of the Employee Non-Disclosure and Work-for-Hire Agreement, of even date hereto, between the Company and Employee.

6. **NOTICES**. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or: (a) personal delivery to the Party to be notified, or (b) upon written verification of receipt, having been sent by registered or certified mail, return receipt requested, postage prepaid, or by nationally recognized overnight courier at the following address or at such other address as shall be given in writing by a party to the other parties: If to the Company, to the Company's at 1005 Jefferson Street Napa, CA 94559, Attention: Chief Executive Officer; and if to Employee, to Employee's address set forth in the preamble of this Agreement.

7. **ASSIGNMENT; SUCCESSORS**.

7.1 **By the Company**. This Agreement is fully assignable by the Company to any person or entity that acquires the Company or any of its subsidiaries or into which the Company or any of its subsidiaries reorganizes, whatever the form of the acquisition or reorganization (including a merger of the Company or any of its subsidiaries or a sale of all or substantially all of the assets of the Company or any of its subsidiaries, whether in a single transaction or a series of related transactions).

7.2 **By Employee**. As to Employee, this is a personal services contract, and Employee may not assign this Agreement or any part of this Agreement without the Company's prior written consent, which consent may be given or withheld by the Company, for any reason or for no reason, acting in its sole and absolute discretion.

8. **NO CONFLICT**. Employee represents and warrants that neither Employee's execution of this Agreement nor Employee's performance under this Agreement will (a) violate, conflict with or result in a breach of any provision of, or constitute a default (or an event that, with notice or lapse of time, or both, would constitute a default) under, any contract or other obligation to which Employee is a party or by which Employee is bound, including any contract, agreement or obligation to any former employer of Employee; or (b) violate any judgment or other order applicable to Employee. Employee shall indemnify, defend and hold harmless the Company from and against any and all claims, liabilities, lawsuits, judgments, losses, costs, fees and expenses (including reasonable attorneys' fees, costs and expenses) that the Company or any of its agents, affiliates, employees, shareholders, officers or directors may suffer or incur due to Employee's breach of any of his representations and warranties set forth in this Section 8.

9. **DISPUTE RESOLUTION**. The Parties agree that all claims that the Company may have against Employee, or that Employee may have against the Company or against its officers, managers, employees or agents, in connection with this Agreement or the construction or interpretation of this Agreement, including claims arising out of or relating to Employee's

employment or termination, shall be resolved by binding arbitration pursuant to the Alternative Dispute Resolution Agreement, of even date hereto, between the Company and Employee.

10. **GENERAL**.

10.1 **Captions**. The section headings contained in this Agreement are for reference purposes only and do not in any way affect the meaning or interpretation of this Agreement.

10.2 **Entire Agreement; Policies and Procedures**.

10.2.1 This Agreement (including the Exhibit and the agreements referred to in Sections 5 and 9) sets forth the entire agreement and understanding of the Parties with regard to Employee's employment by the Company and the other subject matter hereof and supersedes all prior agreements, arrangements and understandings, written or oral, between the Parties with regard to such subject matter.

10.2.2 the Company may from time to time issue policies, rules, regulations, guidelines, procedures and other informational material, whether in the form of handbooks, memoranda, or otherwise, relating to the Company's employees, and from time to time amend those materials. Employee agrees that such materials do and will apply to Employee; *provided*, that such materials will not be construed to alter, modify or amend this Agreement (rather, if any such materials conflict with or are otherwise inconsistent with any provision of this Agreement, the provisions of this Agreement shall control).

10.3 **Amendments; Waivers**. This Agreement may be amended, modified, superseded, canceled, renewed or extended, and the terms and covenants of this Agreement may be waived, only by a written instrument executed by both Parties, or in the case of a waiver, by the Party waiving compliance. The failure of either Party at any time or times to require performance of any provision of this Agreement will not affect such Party's right at a later time to enforce such performance. No delay in exercising any rights or remedies, or waiver by either Party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances, will be deemed to be, or construed as, a further or continuing waiver of any such breach, or a waiver of the breach of any other term or covenant contained in this Agreement.

10.4 **Severability**. If any of the provisions of this Agreement is determined to be unlawful or otherwise unenforceable, in whole or in part, such determination will not affect the validity of the remainder of this Agreement, and this Agreement is to be reformed to the extent necessary to carry out its provisions to the greatest extent possible.

10.5 **Counterparts**. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and together which will constitute one and the same instrument.

10.6 **Withholding**. Notwithstanding anything in this Agreement to the contrary, all payments that the Company is required to make under this Agreement to Employee or Employee's estate or beneficiaries will be subject to the withholding of such amounts relating

to taxes as the Company may reasonably determine it should withhold pursuant to any applicable law or regulation.

10.7 **Governing Law**. California law, without regard to conflict or choice of law principles, shall govern the enforcement and interpretation of this Agreement and all claims, controversies and other disputes and proceedings concerning or arising out of this Agreement.

10.8 **Construction**. The terms "including," "include," "includes" and the like when appearing in this Agreement are not intended as terms of limitation, and, hence, are deemed to be followed by "without limitation."

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Employment Agreement as of the date first set forth above.

EMPLOYEE

_____

C. Lawrence Copeland

THE COMPANY

ELEVAGE PARTNERS, LLC

By: _____

Jeffery D. Powell, Manager

PROPRIETARY INFORMATION AND INVENTIONS AGREEMENT

This Proprietary Information and Inventions Agreement (this "Agreement") , dated as of September [___], 2011, Elevage Partners, LLC, a Delaware limited liability company (the "Company"), and C. Lawrence Copeland, an individual ("Employee"), whose address for notices and other communications is 12831 Yucaipa Creek Pl., Yucaipa, CA 92399, with reference to the following:

A. Employee is currently engaged, or will be engaged, to perform services for the Company as an employee.

B. Employee has, or will have, access to confidential information of the Company and its Affiliates as a result of such engagement.

Accordingly, for good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the Company and Employee agree as follows:

1. **DEFINITIONS**. As used in this Agreement:

"Affiliate" of the Company means any Person controlled by, controlling or under common control with the Company.

"Confidential Information" means all information of any kind, type or nature (written, stored on magnetic or other media or oral) that is compiled, prepared, devised, developed, designed, discovered or otherwise learned of by Employee in Employee's capacity as an employee of the Company, to the extent that such information relates to the Company and/or its Affiliates, including all the following: (a) all development projects, produced projects, contract terms, price lists, pricing information, sales presentations, marketing plans, trade secrets, methods, techniques, processes, and confidential trade knowledge and computer programs of the Company and/or its Affiliates; (b) Work Product (as defined below) of the Company and/or its Affiliates; (c) prospective and current customers, licensors, licensees, service providers, vendors and distributors of the Company and/or its Affiliates; (d) strategies, budgets, business plans, financial statements, projects and other financial information of the Company and/or its Affiliates; (e) know-how, financial, customer, demographic and other information concerning the methods of development and operation of the Company and/or its Affiliates; (f) research, development, designs, code, formulas, patterns, compilations, devices, current and proposed products, platforms or services, marketing, promotions, sales and other business plans of the Company and/or its Affiliates; and (g) business records, contracts and agreements of the Company or its Affiliates.

"Service Period" means any period of time during which Employee is engaged by the Company or any of its Affiliates as an employee.

"Person" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

2. **NON-DISCLOSURE**.

2.1 Employee agrees that Employee would not have access to Confidential Information but for Employee's engagement with the Company or its Affiliates as an employee.

2.2 In the performance of his or her duties for or on behalf of the Company or any of its Affiliates, Employee understands that he or she will have access to, receive and be entrusted with what Employee and the Company acknowledge are trade secrets and other Confidential Information that are the exclusive property of the Company and its Affiliates. Employee agrees that at no time from and after the date of this Agreement will he or she, directly or indirectly, disclose, reveal or permit access to all or any portion of the Confidential Information, or any tangible expressions or embodiments thereof (including any facilities, apparatus or equipment which embody or employ all or any portion of the Confidential Information), to any Person, except to Persons designated or employed by the Company or as required by the Company in connection with the performance of Employee's duties and obligations. In addition, Employee agrees not to publish or authorize or cause to be published (including by means of articles or books, whether fiction or non-fiction) any material or information that becomes available to Employee, whether or not related to the Employee's services for the Company, concerning the Confidential Information and/or any employee, agent, officer, director of the Company or its Affiliates. Employee agrees that all communications in public, even with fellow employees of the Company and/or its Affiliates, that are or reasonably could be overheard by a third party (including communications in elevators, locker rooms, bars and restaurants) constitute a breach of these provisions.

2.3 Employee agrees that he or she will not, directly or indirectly, use or exploit any Confidential Information at any time from and after the date hereof (including after termination of Employee's employment with the Company) for any purpose other than in connection with his or her employment duties and obligations to the Company or its Affiliates. Any gain or profit of any kind or nature obtained or derived by Employee from the use or exploitation of Confidential Information shall be held in trust by Employee for the express benefit of the Company and shall be remitted thereby to the Company.

2.4 If Employee is legally requested or required to disclose any Confidential Information by process of law, Employee shall promptly notify the Company in writing of such request or requirement prior to disclosure whenever practicable so that the Company may seek an appropriate protective order and/or limit the scope of the disclosure.

2.5 All records, files, drawings, documents, equipment and other tangible items, wherever located, relating in any way to Confidential Information, or otherwise to the business of the Company or its Affiliates, that Employee prepares, uses, or encounters, will be and remain the Company's sole and exclusive property and will be deemed Confidential Information. Upon termination of Employee's employment for any reason, or whenever requested by the Company, Employee shall promptly deliver to the Company any and all of the Confidential Information not previously delivered to the Company that may be or at any previous time has been in Employee's possession or under Employee's control.

3. **NON-DISPARAGEMENT**. During the Service Period and continuing thereafter, Employee agrees that Employee will not, either alone or jointly, with or on behalf of others, either directly or indirectly, make any derogatory statement concerning the Company or its Affiliates, or any agents, employees, board members, shareholders or owners of the foregoing.

4. **WORK PRODUCT**.

4.1 Employee agrees that the Company is the sole owner, in perpetuity, throughout the universe in any and all languages, of all right, title and interest in and to the results and proceeds of Employee's services performed on behalf of the Company or its Affiliates and any third party on behalf of any of the foregoing, whether prior to or after the date of this Agreement or under any employment agreement (if any) that Employee may have with the Company or any of its Affiliates, or any prior agreement or any other agreement (if any), including all material, tangible or intangible, produced, conceived, developed, acquired, obtained, created and/or furnished by or submitted to Employee prior to or during any such engagement, of any kind and nature whatsoever, including all materials, ideas, concepts, formats, suggestions, developments, arrangements, packages, programs, copyrights and other intellectual property or intangible rights (collectively, the "Work Product"). Any work produced in connection with Employee's employment is deemed "work made for hire" under the Copyright Law of the United States, and Employee recognizes and agrees that the Company is the sole author and copyright holder of such work and that the Company is acquiring the maximum rights permitted to be obtained by employers and/or purchasers of literary material. Any Work Product created and/or submitted to the Company or its Affiliates during the Service Period will automatically become the sole property of the Company or its Affiliates. Employee hereby transfers and assigns, and agrees to transfer and assign, to the Company all rights and materials related to or comprising the Work Product (including all copyrights and similar protections and renewals and extensions of copyright and any and all causes of action that may have heretofore accrued in Employee's favor for infringement of copyright). Employee represents, warrants and agrees that the Work Product is and at all times will be free and clear of any claims by Employee (or anyone claiming under Employee) of any kind or character whatsoever. Neither the suspension nor termination of Employee's engagement as an employee (for any reason) will in any way adversely affect the Company's ownership of the Work Product.

4.2 To the extent the Work Product is not created as a work-for-hire, Employee hereby agrees to transfer and assign, and does transfer and assign, to the Company all rights and materials related to or constituting Work Product (including all copyrights and similar protections and renewals and extensions of copyright and any and all causes of action that may have heretofore accrued in Employee's favor for infringement of copyright). Employee shall, at the Company' request, execute and deliver to the Company such documents or other instruments which the Company may from time to time reasonably deem necessary or desirable to evidence, maintain, perfect, protect, enforce or defend the Company' right, title and interest in and to the Work Product and to carry out the intents and purposes of this Section 4.2.

4.3 The Company may, but does not have the duty to, use, adapt and change the Work Product, or any part thereof, and to combine the same with other works, and to vend, copy, publish, reproduce, record, transmit, telecast by radio or television, perform, photograph with or without sound (including spoken words, dialogue and music synchronously recorded),

and to communicate the same by any means now known or hereafter devised, either publicly or otherwise, and for profit or otherwise, throughout the world in perpetuity. Employee waives any so-called "moral rights" that may now or hereafter be recognized, including any right (a) to approve such revisions, deletions, abridgments or other changes in the Work Product; or (b) to withdraw the Work Product from distribution. The rights granted herein include the right to make foreign versions and translations of the Work Product.

4.4 This Agreement inures not only to the Company's benefit, but also to the benefit of all parties who may hereafter acquire the right to distribute, exhibit, advertise and/or exploit any of the results or proceeds of Employee's services and/or the Work Product. The Company may release the Work Product in which Employee's services or writings appear under any company name or trademark, trade name, etc., designated by the Company.

4.5 Employee understands that California Labor Code Section 2870 allows Employee to own, and the provisions of this Section 4 do not apply to, any invention with respect to which Employee can prove: (a) was developed entirely on Employee's own time; (b) was developed without the use of any equipment, supplies, facilities or trade secret information of the Company or any of its Affiliates; (c) does not relate to the business or the actual or demonstrably anticipated research or development of the Company or any of its Affiliates; and (d) does not result from any work performed by Employee for the Company or any of its Affiliates. Employee represents and warrants that Employee has reviewed and understands the provisions of California Labor Code Section 2870.

5. **NO EMPLOYMENT RIGHTS CONFERRED**. Employee agrees and understands that nothing in this Agreement is intended to confer, or does confer, any right with respect to continuation of Employee's engagement as an employee with the Company or any of its Affiliates, nor does anything in this Agreement interfere in any way with the Company's right to terminate Employee's engagement as an employee with the Company or any of its Affiliates, subject only to the terms of any written employment agreement between the Company and Employee.

6. **PROVISIONS RELATED TO THIRD PARTIES**.

6.1 Employee represents and warrants that Employee's performance of his or her employment duties does not and will not breach any agreement to keep in confidence information acquired by Employee in confidence or in trust. Employee represents and warrants that he or she has not entered into, and Employee agrees that Employee will not enter into, any agreement, either written or oral, in conflict with this Agreement.

6.2 Employee acknowledges that the Company and its Affiliates have received and in the future will receive from third parties confidential or proprietary information ("Third Party Information") subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the Service Period and continuing thereafter, Employee will hold Third Party Information in the strictest confidence and will not disclose to anyone (other than the Company personnel who need to know such information in connection with their work for the Company) or use Third Party Information,

except in connection with Employee's work for the Company, unless expressly authorized in writing by the Company.

6.3 During the Service Period and continuing thereafter, Employee will not improperly use or disclose any confidential information or trade secrets, if any, of any former employer or any other Person to whom Employee has an applicable obligation of confidentiality, and Employee will not bring onto the premises of the Company any unpublished documents or any property belonging to any former employer or any other Person to whom Employee has an applicable obligation of confidentiality unless consented to in writing by that former employer or Person.

6.4 If Employee ceases to work as an Employee for the Company and its Affiliates, Employee hereby consents to the notification of any Person for whom or which Employee works of Employee's rights and obligations under this Agreement.

7. REMEDIES.

7.1 **Injunctive Relief**. Employee agrees that it would be difficult to calculate the extent of damages caused by, and to compensate the Company fully for damages for, any violation by Employee of the provisions of this Agreement. Accordingly, Employee agrees that the Company will be entitled to temporary, preliminary and permanent injunctive relief, without necessity of posting bond, to enforce the provisions of this Agreement, and that such relief may be granted without the necessity of proving actual damages. This right to injunctive relief will not, however, diminish the Company's right to claim and recover damages from Employee.

7.2 **Uniform Trade Secrets Act**. In the event of Employee's breach of this Agreement, the Company will have the right to invoke any and all remedies provided under the California Uniform Trade Secrets Act (California Civil Code §§3426, et seq.) or other statutes or common law remedies of similar effect.

7.3 **Non-Exclusive Remedies**. The remedies provided to the Company in this Section 7 are cumulative, and not exclusive, of any other rights or remedies that may be available to the Company.

8. MISCELLANEOUS PROVISIONS.

8.1 **Governing Law; Arbitration**. California law, without regard to conflict or choice of law principles, governs the enforcement and interpretation of this Agreement and all claims, controversies and other disputes and proceedings concerning or arising out of this Agreement. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in San Francisco, California, before one arbitrator, who shall be a retired judge. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. Judgment on the Award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The arbitrator may, in the Award, allocate all or part of the costs of the

arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party.

8.2 **Attorney Fees**. If either the Company or Employee is required to pursue legal action to enforce all or any part of this Agreement, the non-prevailing party in such action shall be responsible for all reasonable attorneys' fees and court costs incurred by the prevailing party, in addition to any other remedies allowed by law or in equity.

8.3 **Severability**. If any provision contained in this Agreement is held to be invalid, illegal or unenforceable under present or future laws, such provision shall be fully severable, and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never constituted a part hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance herefrom. Furthermore, the Company and Employee agree to negotiate in good faith to replace such illegal, invalid, or unenforceable provision with a provision as similar in terms to such illegal, invalid or unenforceable provision as would be legal, valid and enforceable, and the Company and Employee hereby agree to such replacement provision.

8.4 **Successors and Assigns**. the Company may assign this Agreement, in whole or in part, to any third party, and this Agreement and all of the rights granted hereunder shall inure to the benefit of any such successors, licensees and assigns. If such assignee assumes in writing the obligations of the Company hereunder, the Company will be relieved and discharged from its obligations hereunder; if such assignee does not assume such obligations in writing, the Company will remain secondarily liable on the obligations. Employee may not assign this Agreement or delegate any of Employee's rights, responsibilities or obligations hereunder, in whole or in part, without the Company's prior written consent, which consent the Company may grant or withhold in its sole and absolute discretion.

8.5 **Advice of Counsel**. Employee acknowledges that, in executing this Agreement, Employee has had the opportunity to seek the advice of independent legal counsel, and has read and understood all the provisions of this Agreement. This Agreement will not be construed against any party by reason of the drafting or preparation hereof.

8.6 **Survival**. The provisions of this Agreement will survive the end of the Service Period and the cessation of Employee's performance of services for or on behalf of the Company and/or any of its Affiliates and the assignment of this Agreement by the Company to any successor in interest or other assignee.

8.7 **Counterparts**. This Agreement may be executed in one or more counterparts, each of is deemed an original and all of which, taken together, are considered one and the same agreement.

8.8 **Entire Agreement**. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and may be amended only in a writing signed by both parties hereto.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Proprietary Information and Inventions Agreement as of the set forth above.

EMPLOYEE

_____

C. Lawrence Copeland

THE COMPANY

ELEVAGE PARTNERS, LLC

By: _____

Jeffery D. Powell, Manager

ALTERNATIVE DISPUTE RESOLUTION AGREEMENT

This Alternative Dispute Resolution Agreement (this "Agreement"), dated as of September [___], 2011, Elevage Partners, LLC, a Delaware limited liability company (the "Company"), and C. Lawrence Copeland, an individual ("Employee"), whose address for notices and other communications is 12831 Yucaipa Creek Pl., Yucaipa, CA 92399, with reference to the following:

A. Employee is currently employed, or will be employed, by the Company.

B. Employee and the Company desire to resolve any dispute, claim or controversy arising out of or relating to the employment agreement between the Company and Employee (the "Employment Agreement"), or any other matter directly or indirectly related to the Employee's employment by the Company.

Accordingly, for good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the Company and Employee agree to resolve any dispute, claim or controversy arising out of or relating to the Employment Agreement, or any other matter directly or indirectly related to the Employee's employment by the Company, as follows:

1. **GOOD FAITH NEGOTIATION.**

1.1 The parties will first attempt in good faith to resolve through negotiation any dispute, claim or controversy arising out of or relating to the Employment Agreement, or any other matter directly or indirectly related to the Employee's employment by the Company.

1.2 Either party may initiate negotiations by providing written notice in letter form to the other party, setting forth the subject of the dispute and the relief requested. The recipient of such notice will respond in writing within five days with a statement of its position on and recommended solution to the dispute.

1.3 If the dispute is not resolved by this exchange of correspondence, then representatives of each party with full settlement authority will meet at a mutually agreeable time and place within ten days of the date of the initial notice in order to exchange relevant information and perspectives, and to attempt to resolve the dispute.

1.4 If the dispute is not resolved by these negotiations, the matter will be submitted to JAMS, or its successor, for mediation.

1.5 The parties agree that arbitration of any matter that is the subject of good faith negotiation pursuant to this Agreement shall be stayed pending completion of such negotiation.

2. **MEDIATION FOLLOWED BY ARBITRATION.**

2.1 In the event that the dispute, claim or controversy is not resolved by good faith negotiations pursuant to Section 1, the parties agree that any and all disputes, claims or controversies arising out of or relating to the Employment Agreement, or any other matter

to JAMS, or its successor, for mediation, and if the matter is not resolved through mediation, then it shall be submitted to JAMS, or its successor, for final and binding arbitration.

2.2 Either party may commence mediation by providing to JAMS and the other party a written request for mediation, setting forth the subject of the dispute and the relief requested.

2.3 It is hereby agreed that the parties will cooperate with JAMS and with one another in selecting a mediator and in scheduling the mediation proceedings in accordance with the rules of JAMS.

2.4 The parties agree that they will participate in the mediation in good faith.

2.5 All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator or any JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

2.6 The parties agree that arbitration of any matter that is the subject of mediation before JAMS pursuant to this Agreement shall be stayed, pending such mediation, provided that either party may initiate arbitration with respect to the matters submitted to mediation by filing a written demand for arbitration at any time following the initial mediation session or 45 days after the date of filing the written request for mediation, whichever occurs first.

2.7 The mediation may continue after the commencement of arbitration if the parties so desire.

2.8 Unless otherwise agreed by the parties, the mediator shall be disqualified from serving as arbitrator in the case.

2.9 The provisions of this Section 2 may be enforced by any Court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, to be paid by the party against whom enforcement is ordered.

3. **ARBITRATION**.

3.1 In the event that the dispute, claim or controversy is not resolved by good faith negotiations pursuant to Section 1, or mediation pursuant to Section 2, the parties agree that any and all disputes, claims or controversies arising out of or relating to the Employment Agreement, or any other matter directly or indirectly related to the Employee's employment by the Company, that are not resolved by their mutual agreement, shall be submitted to final and binding arbitration before JAMS, or its successor, pursuant to JAMS' Employment Arbitration Rules & Procedures. The parties agree that all claims for employment discrimination, including,

without limitation, sexual harassment, in violation of a statute and otherwise, shall be subject to arbitration pursuant to this Agreement.

3.2 Either party may commence the arbitration process called for in this agreement by filing a written demand for arbitration with JAMS, with a copy to the other party. Arbitration before JAMS will be conducted in accordance with the provisions of JAMS' Employment Arbitration Rules and Procedures in effect at the time of filing of the demand for arbitration.

3.3 The parties will cooperate with JAMS and with one another in selecting an arbitrator (which shall be a single, neutral arbitrator, who is a retired judge) and in scheduling the arbitration proceedings.

3.4 The parties agree that they will participate in the arbitration in good faith.

3.5 It is hereby agreed that the provisions of this Section 3 may be enforced by any Court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all costs, fees and expenses, including attorneys' fees, to be paid by the party against whom enforcement is ordered.

3.6 In connection with any arbitration before JAMS, the parties covenant that they will comply with JAMS' Employment Arbitration Minimum Standards of Procedural Fairness, as amended from time to time, and being as at the date hereof:

(a) Standard No. 1: All Remedies Available. All remedies that would be available under the applicable law in a court proceeding, including attorneys fees and exemplary damages, must remain available in the arbitration. Post-arbitration remedies, if any, must remain available to an employee.

(b) Standard No. 2: Arbitrator Neutrality. The arbitrator(s) must be neutral, and an employee must have the right to participate in the selection of the arbitrator(s).

(c) Standard No. 3: Representation by Counsel. The agreement or clause must provide that an employee has the right to be represented by counsel. Nothing in the clause or procedures may discourage the use of counsel.

(d) Standard No. 4: Access to Information/Discovery. The procedures must provide for an exchange of core information prior to the arbitration. Generally this discovery should include at least (a) exchange of relevant documents, (b) identification of witnesses, and (c) one deposition for each side, i.e., of the employee and of a supervisor or other decision-maker of the employer. Additional discovery may be had where the arbitrator selected pursuant to this agreement so orders, upon a showing of need.

(e) Standard No. 5: Presentation of Evidence. At the arbitration hearing, both the employee and the employer must have the right to (a) present proof, through testimony and documentary evidence, and (b) to cross-examine witnesses.

(f) Standard No. 6: Costs and Location Must Not Preclude Access to Arbitration. An employee's access to arbitration must not be precluded by the employee's inability to pay any costs or by the location of the arbitration. The employee shall be required to pay only such amount of the JAMS and arbitrator fees and expenses as is equal to the amount the employee would have been required to pay for filing fees if the employee had brought an analogous action in the Superior Court of the county in which the arbitration takes place. All other fees and costs of JAMS or the arbitrator will be payable by the Company. JAMS will not disclose to the arbitrator any information about the fee arrangements with the employer.

(g) Standard No. 7: Mutuality. JAMS will not administer arbitrations pursuant to clauses that lack mutuality. Both the employer and the employee must have the same obligation (either to arbitrate or go to court) with respect to the same kinds of claims.

(h) Standard No. 8: Written Awards. An arbitration award will consist of a written statement signed by the Arbitrator regarding the disposition of each claim and the relief, if any, awarded as to each claim. The Arbitrator will also provide a concise written statement of the reasons for the Award, stating the essential findings and conclusions on which the award is based.

4. **NO EMPLOYMENT RIGHTS CONFERRED**. Employee agrees and understands that nothing in this Agreement is intended to confer, or does confer, any right with respect to continuation of Employee's engagement as an employee with the Company or any of its Affiliates, nor does anything in this Agreement interfere in any way with the Company's right to terminate Employee's employment with the Company or any of its Affiliates, subject only to the terms of the Employment Agreement and any other written employment agreement between the Company and Employee.

5. **MISCELLANEOUS PROVISIONS**.

5.1 **Governing Law**. California law, without regard to conflict or choice of law principles, governs the enforcement and interpretation of this Agreement and all claims, controversies and other disputes and proceedings concerning or arising out of this Agreement.

5.2 **Severability**. If any provision contained in this Agreement is held to be invalid, illegal or unenforceable under present or future laws, such provision shall be fully severable, and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never constituted a part hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance herefrom. Furthermore, the Company and Employee agree to negotiate in good faith to replace such illegal, invalid, or unenforceable provision with a provision as similar in terms to such illegal, invalid or unenforceable provision as would be legal, valid and enforceable, and the Company and Employee hereby agree to such replacement provision.

5.3 **Successors and Assigns**. This Agreement shall be binding on the parties' successors and assigns.

5.4 **Advice of Counsel**. Employee acknowledges that, in executing this Agreement, Employee has had the opportunity to seek the advice of independent legal counsel, and has read and understood all the provisions of this Agreement. This Agreement will not be construed against any party by reason of the drafting or preparation hereof.

5.5 **Survival**. The provisions of this Agreement will survive the termination of Employee's employment with the Company.

5.6 **Counterparts**. This Agreement may be executed in one or more counterparts, each of is deemed an original and all of which, taken together, are considered one and the same agreement.

5.7 **Entire Agreement**. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and may be amended only in a writing signed by both parties hereto.

NOTICE: BY SIGNING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ALL DISPUTES, CLAIMS OR CONTROVERSIES ARISING OUT OF OR RELATING TO THE EMPLOYMENT AGREEMENT, OR ANY OTHER MATTER DIRECTLY OR INDIRECTLY RELATED TO YOUR EMPLOYMENT BY THE COMPANY, DECIDED BY NEUTRAL ARBITRATION, AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THOSE MATTERS LITIGATED IN A COURT OR JURY TRIAL. BY SIGNING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL EXCEPT TO THE EXTENT THAT THEY ARE SPECIFICALLY PROVIDED FOR UNDER THIS AGREEMENT. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER FEDERAL OR STATE LAW.

[SIGNATURE PAGE FOLLOWS]

I HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMISSION OF ALL DISPUTES, CLAIMS OR CONTROVERSIES ARISING OUT OF OR RELATING TO THE EMPLOYMENT AGREEMENT, OR ANY OTHER MATTER DIRECTLY OR INDIRECTLY RELATED TO MY EMPLOYMENT BY THE COMPANY, TO NEUTRAL ARBITRATION IN ACCORDANCE WITH THIS AGREEMENT.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Alternative Dispute Resolution Agreement as of the set forth above.

EMPLOYEE

_____

C. Lawrence Copeland

THE COMPANY

ELEVAGE PARTNERS, LLC

By: _____

Jeffery D. Powell, Manager