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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

CHARLES P. COPELAND, COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION, and COPELAND WEALTH MANAGEMENT, A REAL ESTATE CORPORATION,

Defendant.

CASE NO.: 11-08607-R-DTB

JOINDER OF CERTAIN LIMITED PARTNERS OF CP 2, 5, 7, 16 AND 17 IN OBJECTION TO RECEIVER'S FEE APPLICATION; AND RECOMMENDATION FOR APPOINTMENT OF AN INDEPENDENT EXAMINER

[Filed Concurrently with [Proposed] Order.]

Hearing Date: April 2, 2012
Hearing Time: 10:00 a.m.
Courtroom: 8
Judge: Hon. Manuel Real

TRIAL DATE SET: No Date Set

The purpose of this Joinder is to support the objections of the secured creditor and other limited partners to the application for fees by the Receiver on the ground that the objections frame the ultimate conflict of interest that exists between the Receiver and his retainers on the one hand, and on the other hand the secured

creditors and limited partners of certain partnerships whose interests are at risk of being forcefully liquidated or otherwise diverted by the Receiver in order to pay his fees.

This Joinder concludes with the recommendation for the appointment of an independent examiner to provide the court with an objective report on the status of each partnership, including a cash flow summary of all of the partnerships, a summary assessment of each partnership to reflect whether it is solvent or not, and an assessment of any obligations each partnership may have outstanding to the receivership. This report should prevent litigation over the Receiver's unsupported attempt to force liquidation of all of the partnerships in light of the fact that many of them should not even be in this receivership. By this joinder and the proposed order filed concurrently herewith, these joining parties seek the following order:

- An order that the Receiver cannot pay itself or professionals that it hires from funds from Copeland Properties 2, 5, 7, 16, and 17 or from any income that said partnerships generate and that the Receiver may not comingle funds of said partnerships with funds with Copeland Wealth Management or any other entity under the instant Receivership. (See Proposed Order filed concurrently herewith.)
- It goes without saying that the basis of the above proposed order is to prevent the Receiver from commingling un-comingled funds in order to pay the Receiver's fees/costs at the expense of partnerships that have no business even being in this receivership. The joining partners herein understand that the SEC's purported goal is to address victims of Defendants, however, a far worse wrong may be committed if the SEC via a Receiver is permitted to be the "co-mingler" of un-comingled funds.
- The joining partnerships herein respectfully recommend that that Court appoint an independent examiner as discussed below.

The reasons for this Joinder and the recommendation for an independent examiner are spelled out by topic below.

1. THE RECEIVER'S CONFLICT OF INTEREST IS MANIFEST.

This receivership has been in place for nearly four months and the Receiver has failed to provide this court with an objective assessment of each partnership's solvency and its assets and liabilities. The Receiver now seeks to obtain payment of $70,000 from the Copeland Realty bank account, which will effectively eliminate any liquidity in the Copeland Realty entity. The Receiver has now hired law and accounting firms and has his own staff to pay, so the critical concern is that the Receiver will be periodically seeking to draw funds from the operation of partnerships that should not even be in the receivership. Although until a proper assessment of each partnership is done as to solvency, assets and liabilities, it is clear from the data the receiver has included in his past reports and filings that a number of the partnerships are either insolvent or barely making mortgage payments. Thus, under the Receiver's vague "plan" the burden of paying the receiver's fees and those of his retainers will ultimately fall on those solvent limited partnerships that produce positive cash flow.

Certain partnerships that have objected in the past to their forced presence in the receivership are CP 10, through Mirau, Edwards, Cannon, Lewin and Tooke and CP 2, 5, 7, 16 and 17, represented by Newmeyer & Dillion. The limited partners of these partnerships believe that their partnerships are solvent and have no material obligations to the receivership but will be stripped of their cash flow and force-liquidated to pay the Receiver's fees and those of his retainers because the Receiver will want to get paid and pay his professionals even if it means taking money from partnerships that do not even belong in the receivership.

The conflict that exists in every case where a commercial receiver is appointed almost inevitably leads to an expensive recovery process and a forced liquidation akin to a bankruptcy.

Inasmuch as the Receiver must follow bankruptcy law to the highest degree possible to order the claims of creditors, whenever there are allegations of fraud, the receivers uniformly seek to have the case treated as though it were some form of Ponzi scheme as is happening here. (Receiver's Response to Order on Receiver's Application and Report filed March 5, 2012.) That Ponzi, or "Ponzi-like scheme" theory is an attempt by the receiver to obtain self-serving discretion that may enable the receiver to indiscriminately liquidate every asset he can grab and create a pot from which his fees and those of his retainers are paid first at the detriment of partners who rely on distributions for retirement from partnerships that have no business being in the receivership. Because the certain limited partners of the above-listed partnerships are objecting to their forced inclusion in this receivership on the ground that each is properly registered and managed legal entity with no material obligations to the receivership, the conflict is clear.

If the Receiver were to be ordered to release the solvent partnerships, he fears he may face difficulty in recovering enough other assets to pay his fees and those of his retainers. This conflict of interest is purely financial and it exists in every receivership where the independent existence of innocent legal entities is threatened. As we are positioned now, resolving the conflict requires an independent evaluation to avoid the prejudice that occurs when one party elevates its financial interest above others.

2. <u>THE RECEIVER HAS BEEN PRACTICING LAW WITHOUT A LICENSE</u>.

On February 6, 2012, this court ordered the Receiver to

> Within thirty (30) days . . . report findings on the validity of any notes receivable held by all limited partnerships as simply creditor and provide justification for continued inclusion . . . in the Receivership.
>
> Within sixty (60) days . . . the Receiver is required to report his findings as to the validity of complex notes receivable and payable between and among other limited partnership entities and the fixed income funds and

> justification for continued inclusion . . . in the Receivership on the grounds that the cross transactions amount to actual commingling such that the entities require a Receiver to unwind.

A copy of that order is attached as Exhibit 1 hereto. The order was specific, yet the Receiver did not honor it. The receiver was required to file reports addressing the specifics in the order of court. Rather, in his response filed March 5, 2012, the Receiver, acting in his own name without counsel, filed an adversary pleading and then, without disclosing it to the other parties, presented a summary order to the court that reads as though all issues regarding the objections of the certain limited partners had been resolved and the Receiver is in full control of every asset, every partnership and every fund in the order submitted to this court.

Attached hereto as Exhibit 2 is an article from a professional receivers group newsletter in which this Receiver advertises. The article posits the question by a receiver who finds few assets in his receivership from which to pay his fees and seeks legal advice as to whether the receiver himself may act as his own counsel. The decision of *In Re Shattuck,* 411, B.R. 378, 384 [2009 WL 2252326 **3-4] (10th Cir. BAP.), in the article attached as Exhibit 2 makes it clear that a receiver may not act as his own counsel where the receivership consists of entities that must be represented by counsel under state and local rules. As in the case of *In Re Shattuck*, cited in the article at Exhibit 2, this receivership consists of partnerships and corporations and those entities require licensed attorneys to represent them in court. This is not a gray area. It is quite clear from the attached article at Exhibit 2 and the case law cited therein that the Receiver's pleadings and the order he submitted to the court were improper. We respectfully request that the court strike both the Receiver's responsive pleading and the subsequent order that was surreptitiously submitted without the knowledge of those who were directly affected by the receivership.

Further, these certain joining limited partners respectfully request the court

order the Receiver to post all pleadings and orders of this court on his website. This court's order, contained in Exhibit 1 hereto, has been in the Receiver's possession and he knows his obligations under it, yet he posted only the court's minute order which provided no details of the order. The result is that the creditors and limited partners who rely on the Receiver's website as a source of information have been kept in the dark about the duty of the Receiver to validate the debts and investments of each partnership under the court's order.

3. THE INSTANT CASE IS NOT EVEN CLOSE TO A PONZI SCHEME AS TO THE LIMITED PARTNERSHIPS, IT IS A BREACH OF FIDUCIARY DUTY AND UNAUTHORIZED FUNDS TRANSFER CASE

Despite the SEC's unproven Ponzi allegations (Copeland Consented) and the Receiver's unqualified adoption of them, this is not a Ponzi scheme. Unlike the infamous Madoff and Stanford Ponzi schemes that resulted in bankruptcy and federal court receivership respectively, this case is distinguishable in all respects from a pure Ponzi scheme. A Ponzi scheme has no assets behind it. It is all hot air and constant recruiting of new investors whose money is paid to old investors, all of whom accept the truth of the scheme without seeing proof of the investments.

In this case, based on a reading of the receiver's reports and exhibits taken from Charles Copeland's accounting firm, as well as interviews of certain limited partners, Copeland Realty as general partner for over 14 separate limited partnerships, under written partnership agreements, properly registered in California and current in all of their tax and other regulatory filings. A few were just tax deferred exchange entities, the remaining limited partnerships each own a single, discrete commercial real estate asset. Most of the partnerships have commercial mortgage debt against them and those debts must be paid. At least as to these objecting limited partners, each partnership was initially established with sufficient additional capital to provide an equity cushion above the mortgage debt.

Mr. Charles Copeland, acting through his Copeland Realty Corporation as general partner of each partnership had control of the segregated partnership bank accounts and performed all of the accounting. What is clear from a direct reading of the general ledgers of all of the partnerships, provided by the receiver, as well as the financial statements of the partnerships, is that Mr. Copeland, at various times, took cash assets from certain partnerships and loaned that cash to other partnerships or made investments in other partnerships, all of which were under his control. Those transfers were made with real money and Mr. Copeland dutifully kept a record of his actions, however inappropriate they were. As in many cases where a single person or entity has complete control of the income from many investment partnerships as a fiduciary, and some of partnerships begin to falter in the face of economic downturn, money is often transferred without authority to support the failing investments. That is wrong but it does not constitute a Ponzi scheme. And, as the Receiver noted in his response to this court's order, CP 3, CP 4 and CP 6 were allowed to fail. (p. 7)

In the adversary pleading filed by the Receiver in response to the court's order that he validate these cross-transactions, the Receiver cherry-picked certain transfers made in the CP 10 and CP 5 partnerships and described them as proof of Mr. Copeland operating the "Copeland piggy bank." If that is evidence of this Receiver's forensic skill, an independent examiner should be appointed immediately.

What the Receiver did in his pleading was to mischaracterize the transfers as evidence that Mr. Copeland was pulling cash assets out of all of the partnerships for improper and personal purposes, leaving the investor partners victims of Ponzi scheme. What the Receiver did not reveal to the court is that in all but the receivable and payable debts and investments most recently listed on each partnership's financial statement, which the Receiver did attach to his pleading, the general ledger reflects that most of the cash loans Mr. Copeland extracted from

various partnerships in years prior to 2009 were later repaid to the partnerships, especially in the case of CP 5. Those repayments generally balanced the books and are clear from a reading of the general ledger, but the Receiver did not reveal that fact to the court because it debunked the "Copeland piggy bank" and Ponzi scheme argument – an argument he desperately clings to so he can keep all of the assets under his control for forced liquidation.

4. WHAT THE RECEIVER SHOULD HAVE REPORTED TO THE COURT BY NOW.

Every receiver who has been in business for a while knows how to quickly evaluate the solvency and recoverability of assets in a receivership so as to estimate the worth of the assignment. This appears to be the only receivership this Receiver is managing according to his website www.ethreeadvisors.com. While it is possible the Receiver took this case in order to have an active one on his website, accepting the risks that he might not be paid very much from recoveries, that is unlikely. In the last four months, this Receiver could have but did not do the following:

(a) Summarize the cash flow status of each partnership against debt and expenses so as to reflect whether it is solvent or not.

(b) Segregate the records of each partnership so that it may be separately evaluated and make those records available to the limited partners.

(c) Debrief Charles Copeland in detail to learn the facts and reasons behind his misappropriations of funds from various partnerships for the benefit of other partnerships. This information alone will allow the Receiver to more speedily evaluate both the solvency and the legal interests outstanding for each partnership.

(d) Identify and segregate the bank records related to each partnership. Each partnership is reported to have had only one bank account and the general ledger can rather rapidly be compared to the bank records to validate the incoming investment funds from the limited partners, identify the wire transfers and other transfer funds to different limited partnerships and to other people, including

Copeland Realty, for its management fees.

(e) Validate the loans made by the four or five fixed income funds to specific partnerships and determine the purpose for each. No loans were made to CP 2, CP 5, CP 7, CP 16 or CP 17. One of the allegations by the SEC in its complaint against Mr. Copeland and his entities is that the investors in the fixed income funds were duped into believing that creditworthy corporate and individual debt would be created and held by these funds. That may have been correct in part, but the accounting attached to the Receiver's reports shows that Fixed Income Funds loans were also made to certain identified partnerships (but not CP 2, CP 5, CP 7, CP 16 and CP 17). In such cases, those loans are an asset which may be recovered if the bank records show the funds were received by the partnerships. If the partnerships that received those funds are solvent, then it is a simple matter to negotiate resolution of the debt obligations. If no funds were received by the partnerships identified herein from the fixed income funds, then there is no basis for forcing those partnerships into the receivership on the false ground that they were beneficiaries of the fixed income fund Ponzi scheme as alleged by the SEC.

(f) It is also noteworthy that in Exhibit 3, of the funds loaned out by all of the fixed income funds, approximately 50%, some $2,866,767, went to one partnership alone, CP 4, and that partnership failed. While that partnership failure may be an unfortunate turn of events, it is not the result of a Ponzi scheme that infects every partnership sought to be kept in this receivership. It is an isolated transaction – not a justification for treating everyone alike in this receivership.

5. RECOMMENDATION THAT THE COURT APPOINT AN INDEPENDENT EXAMINER.

An independent examiner will speedily assess the key facts necessary for this court to determine the path this receivership should take and whether any of the limited partnerships should be held in the receivership under forced liquidation. Because Mr. Copeland kept detailed ledgers and financial statements and the bank

account records are available, this is not a complex case to assess. The plan the Receiver claims to be pursuing is not a plan at all – it is by design an improper forced liquidation. An independent examiner's report will provide this court with the basis for directing the proper activities of the Receiver.

The court is requested to appoint an independent examiner of the stature of Mr. Ronald Durkin of Clifton Gunderson LLP. Indeed, an examiner like Mr. Durkin, a former FBI agent and CPA who has worked with major accounting firms like KPMG and has performed numerous examinations under U.S. District court order, is the appropriate person to bring this court a speedy and objective report from which to resolve the concerns of the certain limited partners and keep this receivership from destroying the value of solvent and innocent partnerships from which many retired limited partners depend for their support.

Respectfully submitted:

Dated: March 28, 2012

NEWMEYER & DILLION LLP

By: _____

Francis E. Quinlan
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Attorneys for the Joining Limited Partners of COPELAND PROPERTIES TWO, LP; COPELAND PROPERTIES FIVE, LP; COPELAND PROPERTIES SEVEN, LP; COPELAND PROPERTIES 16, L.P.; COPELAND PROPERTIES 17, L.P.

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EXHIBIT 1

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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

CHARLES P. COPELAND, COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION, and COPELAND WEALTH MANAGEMENT, A REAL ESTATE CORPORATION,

Defendant.

CASE NO.: 11-08607-R-DTB

ORDER ON RECEIVER'S APPLICATION AND REPORT

Hearing Date: February 6, 2012
Hearing Time: 10:00 a.m.
Courtroom: 8, 2nd Flr.
Judge: Hon. Manuel Real

FILE DATE: October 18, 2011
TRIAL DATE SET: No Date Set

On February 6, 2012 at 10:00 a.m., the Court heard the Receiver's Application and Report at a hearing in Courtroom No. 8 at the U.S. District Court – Central District in Los Angeles, California.

After reviewing the papers submitted by the parties and after entertaining oral argument, the Court rules as follows:

1. Within thirty (30) days of the date of this Order, the Receiver is required to report findings on the validity of any notes receivable held by all limited

partnerships as a simple creditor and provide justification for continued inclusion of such limited partnerships in the Receivership. Should the Receiver not report and offer justification for continued inclusion, the subject limited partnerships will be entitled to an order of court relieving the Receiver from further duty as general partner in favor of a newly elected general partner. Any new general partners are required to file notice of such election naming each new general partner. The Court will retain jurisdiction of undiscovered claims by the Receiver against the released limited partnerships.

2. Within sixty (60) days of the date of this Order, the Receiver is required to report his findings as to the validity of complex notes receivable and payable between and among other limited partnership entities and the fixed income funds and justification for continued inclusion of such limited partnerships in the Receivership on the grounds that the cross transactions amount to actual commingling such that the equities require a Receiver to unwind. Should the Receiver not report and offer such justification for continued inclusion, the subject limited partnerships shall be entitled to an order of court relieving the Receiver from further duty as general partner in favor of new general partners elected by the limited partners. New general partners are required to file notice of such election naming the new general partner. The Court will retain jurisdiction of undiscovered claims by the Receiver against released limited partnerships.

IT IS SO ORDERED.

Date: _Feb. 6, 2012__

Hon. Manuel L. Real

EXHIBIT 2

Ask the Receiver

BY PETER A. DAVIDSON[1]

Q I have been a receiver for quite some time and know how the system works. I have a case without much money currently in it. Instead of hiring counsel, can I file pleadings in the bankruptcy court or the district court, on behalf of the receivership estate, or do I need to employ counsel to do so?

A A new appellate decision calls into question the ability of a receiver, and, in fact a bankruptcy trustee, to file pleadings and represent the estate (receivership or bankruptcy) in federal court. The case holds that only attorneys can appear and sign pleadings on behalf of the estate, which as most attorneys know is the requirement for corporations or partnerships. The case, In re Shattuck[2], decided by the 10th Circuit Bankruptcy Appellate Panel, arose out of a state court receiver for an LLC filing a motion in the bankruptcy court to dismiss the debtors' chapter 13 case on the ground that the debtors did not meet the eligibility limits under Section 109(e) of the Bankruptcy Code due to the fact that the debtors owed the receivership estate in excess of $800,000.00. The receiver filed the motion to dismiss on his own, without the assistance of counsel. The receiver was not an attorney.

The debtors moved to strike the receiver's motion on the ground that because the receiver was not a licensed attorney he had no authority to file pleadings on behalf of the LLC, citing a District Court of Colorado local rule which is similar, but not exactly the same as, local rules for the district courts in California. The rule provided that: "Only *pro se* individual parties and members of this court's bar may appear or sign pleadings, motions or other papers". The receiver asserted that he was appointed receiver for the LLC by the state court and was appointed to be receiver as an individual and, as an individual, he was appearing *pro se*.

The bankruptcy court overruled the motion to strike the receiver's objection on the basis that it felt it had discretion to allow non-lawyers to file pleadings and appear in court on behalf of an entity. The court determined that the debtors' liabilities exceeded the limits of Section 109(e) and ordered their bankruptcy case dismissed.

On appeal the BAP reversed, citing 28 U.S.C. § 1654 which provides: "In all courts of the United States the parties may plead and conduct their own cases personally or by counsel as, by the rules of such courts, respectively, are permitted to manage and conduct causes therein." It held it is "well settled" that a lay

Continued on page 13...

Continued from page 11.

person, while allowed to represent himself or herself, may not represent the interests or rights of anyone else. The court held that the statue does not permit artificial entities, such as corporations, partnerships, associations, LLC's, trusts or estates to prosecute or defend in federal court except through an attorney, admitted to practice in that particular court. The BAP cited a number of authorities in support of its ruling including Rowland v. Cal. Men's Colony, 506 U.S. 194, 201-202 (1993) where the Supreme Court stated: "It has been the law for the better part of two centuries ... that a corporation may appear in the federal courts only through licensed counsel. As the courts have recognized, the rationale for that rule applies equally to all artificial entities ... the lower courts have uniformly held that 28 U.S.C. § 1654, providing that 'parties may plead and conduct their own cases personally or by counsel,' does not allow corporations, partnerships or associations to appear in federal court otherwise than through a licensed attorney".

As to the receiver's contention that he was appearing as an individual, the court dismissed that argument because, "as an individual", the receiver had no personal claim against the debtors. The receiver was not advocating his personal rights, but was acting in a representative capacity on behalf of the receivership estate of the LLC. Because the LLC could not appear in federal court, except through counsel, neither could the receiver. The receiver argued, in addition, that his position as receiver was analogous to that of a trustee of an estate. The BAP held, however, that if a trustee is not a licensed attorney he too lacks the legal capacity to appear and represent an estate in federal court, citing a number of authorities including 9th Circuit and California district court opinions to that affect. These cases state a party may only represent themselves "where they are representing themselves alone, asserting their own personal rights or interests exclusively. If an individual purporting to appear pro se is not the actual 'beneficial owner of the claims being asserted,' they are not viewed as a party conducting their 'own case personally' within the meaning of the statute.[3]

Import of the Decision

While this decision comes from the Tenth Circuit its reasoning appears sound. It has long been the rule in the district and bankruptcy court that only individuals can represent themselves without an attorney. The decision merely applies this long standing rule to a receivership estate, and arguably a bankruptcy estate, both artificial entities. Whether the district courts and bankruptcy courts in California will follow the decision, and possibly apply it to bankruptcy trustees, remains to be seen.

The BAP seemed to feel that if the receiver had been an attorney himself, he would have been permitted to appear and file pleadings on behalf of the receivership estate. While the BAP may have allowed this, the fact that a receiver or a bankruptcy trustee is also an attorney should not empower them to appear on behalf of an estate in federal court unless they have been employed, by either the receivership or the bankruptcy court, to act as an attorney in the case. Generally, receivers and bankruptcy trustees, while they may be attorneys, are not acting in that capacity, and they are not compensated as attorneys.

Both state court rules and bankruptcy rules allow receivers or trustees to be employed as counsel for the estate, although bankruptcy courts are often reluctant to allow a trustee to act as counsel in the case. It appears, therefore, the best course of action for receivers and bankruptcy trustees, when filing pleadings or appearing in district or bankruptcy court (which is merely a division of the district court) is to employ counsel for such purposes. Failure to do so may not only result in the pleading or complaint being stricken, but could subject the receiver to criminal liability for the unauthorized practice of law. Business and Professions Code Section 6125 provides: "No person shall practice law in California unless the person is an active member of the State Bar". Section 6126(a) provides that any person practicing law who is not an active member of the State Bar is guilty of a misdemeanor, and can be liable for civil penalties and possibly contempt of court.

[1] Peter A. Davidson is a Partner of Ervin Cohen & Jessup LLP a Beverly Hills law firm. His practice includes representing receivers and acting as a receiver in state and federal court.

[2] ___B. R. ___, 2009 WL2252326 (10th Cir. BAP July 29, 2009).

[3] Alpha Land Company v. Little, 238 F.R.D. 497 (E.D. Cal. 2006).

Peter Davidson

EXHIBIT 3

EXHIBIT 3
LOANS BY FIXED INCOME FUNDS TO LIMITED PARTNERSHIPS

COPELAND FIXED INCOME ONE

CP-4	$2,866,767.24
CP-12	$180,397.00
CP-9	$212,828.14
CP-15	$25,000.00
Total:	**$3,284,992.38**

COPELAND FIXED INCOME TWO

CP-9	$900,000.00
CP-12	$62,165.89
CP-9	$186,375.00
CP-15	$23,400.00
Total:	**$1,171,940.89**

COPELAND FIXED INCOME THREE

CP-9	$105,900.00
CP-12	$435,750.00
CP-15	$241,050.00
CP-10	$31,179.90
Total:	**$813,879.90**

Grand Total:	**$5,270,813.17**

CERTIFICATE OF SERVICE

I, Joanne Kenney, hereby certify that on March 28, 2012, the attached document was electronically transmitted to the Clerk of the Court using the CM/ECF System which will send a Notice of Electronic Filing to the following CM/ECF registrants:

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I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on March 28, 2012, at Newport Beach, California.

/s/ Joanne Kenney
Joanne Kenney

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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

CHARLES P. COPELAND, COPELAND WEALTH MANAGEMENT, A FINANCIAL ADVISORY CORPORATION, and COPELAND WEALTH MANAGEMENT, A REAL ESTATE CORPORATION,

Defendant.

CASE NO.: 11-08607-R-DTB

[PROPOSED] ORDER PROHIBITING RECEIVER FROM USING CP-2, 5, 7, 16, AND 17 FUNDS TO PAY COSTS AND FEES OF RECEIVER.

[Filed Concurrently with Joinder in Objection to Receiver's Fee Application and Recommendation for Appointment of Independent Examiner]

Hearing Date: April 2, 2012
Hearing Time: 10:00 a.m.
Courtroom: 8
Judge: Hon. Manuel Real

TRIAL DATE SET: No Date Set

The Court having considered the First Interim Application for Approval and Payment of Fees and Costs of Receiver Thomas C. Hebrank filed on or about February 21, 2012, and having read and considered opposition and supplemental briefing by certain limited partners of Copeland Properties 2, 5, 7, 16, and 17, the Court finds good cause to order as follows:

To the extent that the Receiver is permitted by this Court to pay itself or professionals that it hires, the source of said payment as well as future applications of payments by the Receiver shall not be funds from Copeland Properties 2, 5, 7, 16 and 17 or from any income that said partnerships generates and further the Receiver may not commingle funds from Copeland Properties 2, 5, 7, 16, and 17 with funds from Copeland Wealth Management or any other entity under the instant Receivership.

SO ORDERED.

Date: _____

_____
Hon. Manuel L. Real

CERTIFICATE OF SERVICE

I, Joanne Kenney, hereby certify that on March 28, 2012, the attached document was electronically transmitted to the Clerk of the Court using the CM/ECF System which will send a Notice of Electronic Filing to the following CM/ECF registrants:

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William P Tooke	wtooke@mechlaw.com
Francis E Quinlan	frank.quinlan@ndlf.com

I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on March 28, 2012, at Newport Beach, California.

/s/ Joanne Kenney
Joanne Kenney