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11 Permanent Receiver

12 UNITED STATES DISTRICT COURT
13 CENTRAL DISTRICT OF CALIFORNIA
14 WESTERN DIVISION – LOS ANGELES

15 SECURITIES AND EXCHANGE
16 COMMISSION,

17 Plaintiff,

18 v.

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

26 Defendants.

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

**REPLY IN SUPPORT OF FIRST
INTERIM APPLICATION FOR
APPROVAL AND PAYMENT OF
FEES AND COSTS TO
MULVANEY BARRY BEATTY
LINN & MAYERS LLP**

Date: July 2, 2012

Time: 10:00 a.m.

Ctrm: 8, 2nd Floor

Judge: Hon. Manuel L. Real

27 Mulvaney Barry Beatty Linn & Mayers LLP (hereafter "Mulvaney
28 Barry"), counsel for Receiver Thomas C. Hebrank (hereafter "Receiver"),
and their subsidiaries and affiliates (collectively, "Receivership Entities"),
hereby replies to the following objections:

1. Objection of Certain Limited Partners of Copeland Properties
Ten to Application For Payment By Counsel For Receiver [Dkt.
No. 80]; and

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2. Conditional Opposition by Certain Limited Partners of Copeland Properties 5, 7, 16 and 2/17 to Mulvaney Barry Beatty Linn & Mayers LLP'S First Interim Fee Application As Counsel For Permanent Receiver [Dkt. No. 83].

The objections lack merit and should be denied. The Mulvaney Barry First Interim Application should be approved and the requested payment authorized.

I. INTRODUCTION

Despite the fact that the Court's Order dated March 12, 2012 [Dkt. No. 53] expressly provides that each of the objecting limited partnerships is included in the receivership estate, the objecting parties continue to assert the opposite. Specifically, the CP-10 objection argues that "the judgment is limited solely to the named defendants, which therefore excludes CP-10." [Dkt. No. 80, Page ID #:1316]. This assertion is patently false. The Court's Order dated March 12, 2012, cogently states: ***"The following limited partnerships are included in the receivership, pursuant to the Judgment entered on October 25, 2011, as affiliates of CWM and Copeland Realty: Copeland Properties Ten, L.P."*** [Dkt. No. 53, Page ID#:990]. The continued attempts by CP-10 to disingenuously distort the record in this case should not be countenanced.

Furthermore, both objections argue that any fees and costs approved by the Court should not be authorized for payment from the assets of the objecting limited partnerships. Had they taken the time to read the First Interim Fee Application, the objectors would know that the application does not request, nor even suggest, that payment be made from assets of the objecting limited partners' partnerships. The First Interim Application clearly seeks ***"...payment on an interim basis***

1 *from available receivership estate assets in Copeland Wealth*
 2 *Management (Copeland Realty), Copeland Wealth Management*
 3 *(Copeland Financial) and or the Copeland Fixed Income Funds.”* [Dkt.
 4 No. 73, Page ID#:1174].

5 Lastly, as required the FIRST INTERIM APPLICATION FOR
 6 APPROVAL AND PAYMENT OF FEES AND COSTS TO MULVANEY
 7 BARRY BEATTY LINN & MAYERS LLP was previously submitted to the
 8 SEC for its review and comments. The SEC did not object to the
 9 Application, and filed a Notice of Non-Opposition on June 11, 2012. [Dkt.
 10 No. 77].

11 The objections should be denied, and the First Interim Application
 12 should be approved and payment authorized, as requested.

13 II.

14 THE CP-10 OBJECTION LACKS MERIT.

15 CP-10 Partners' objection is based upon a claim that “..the judgment
 16 is limited solely to the named defendants, which therefore excludes CP-
 17 10.” [Dkt. No. 80, Page ID #:1316]. This statement is simply false.
 18 Moreover, CP-10 objectors argue that because the Receiver's accounting
 19 has not yet been filed, there is no evidence that CP-10 engaged in any
 20 improper transactions. This argument is misguided.

21 The CP-10 Partners' objection is wrong on multiple levels. First, the
 22 Court has already decided that the limited partnerships are included in the
 23 Receivership. The Court's Order dated March 12, 2012, states: “The
 24 following limited partnerships are included in the receivership, pursuant to
 25 the Judgment entered on October 25, 2011, as affiliates of CWM and
 26 Copeland Realty: Copeland Properties Ten, L.P.” [Dkt. No. 53, Page
 27 ID#:990]. Second, besides being contrary to the Court's Order, the
 28 objector's argument is a non-issue in that the Receiver has not requested

that any fees and expenses be paid from the objectors' limited partnership assets. Indeed, the fee application expressly requests payment from the available assets of CWA, Copeland Realty, and/or the Copeland Fixed Income Funds. [Dkt. No. 73, Page ID#:1174]. Finally, Receiver's Report #3 was filed on June 7, 2012 [Dkt. No. 76]. That Report states that the forensic accounting report should be completed prior to June 29, 2012 [Dkt. No. 76, Page ID#:1281], in advance of the hearing on this Second Interim Application. The objection is based upon the objectors' refusal to accept the Court's March 12, 2012, Order, and their speculation as to what might, or might not, be included in the forensic accounting report expected to be filed prior to June 29, 2012. There is no factual basis for the objections and they should be denied. The Mulvaney Barry First Interim Fee Application should be approved and payment authorized as therein requested.

III.
**THE CONDITIONAL OBJECTION BY CERTAIN LIMITED PARTNERS
 OF CP-5, CP-7, CP-16, AND CP-2/17 SHOULD ALSO BE DENIED.**

Certain Limited Partners Of CP-5, CP-7, CP-16, AND CP-2/17 have filed a "conditional" objection to Mulvaney Barry's First Interim Application, to the extent such fees and costs are to be paid from the assets of CP-5, CP-7, CP-16, AND CP-2/17. As stated above, not only are the objectors' limited partnerships included in the Receivership Estate, but the subject application does not seek payment from the assets of the limited partnerships. Rather, the application specifically requests that payments be authorized from available receivership estate assets in Copeland Wealth Management (Copeland Realty), Copeland Wealth Management (Copeland Financial) and or the Copeland Fixed Income Funds.

The objection claims that "the vagueness of Mulvaney Barry's source of payment in its Application warrants this conditional opposition." [Dkt. No.

83, Page ID#:1326]. There is nothing vague about the source of the requested payment. The Application requests payment “from available receivership estate assets in Copeland Wealth Management (Copeland Realty), Copeland Wealth Management (Copeland Financial) and or the Copeland Fixed Income Funds”; the request could not be more clear. There is no factual basis for the objection, and it should be summarily denied.

IV. CONCLUSION

Based upon the foregoing, it is respectfully requested that the objections filed by CP-10 Partners and Certain Partners of CP-5, 7, 16, 2/17 be denied, and that Receiver’s First Interim Application For Approval and Payment of Fees and Costs be granted and payment authorized as requested therein. The Application requests payment of interim fees at the rate of \$295 per hour previously approved by the Court. Mulvaney Barry requests, in light of the discounted rates of applicant’s counsel, that the interim fees be approved at 75%, as requested in the First Interim Application.

Dated: June 18, 2012

MULVANEY BARRY BEATTY LINN &
MAYERS, LLP

By: /s/ Patrick L. Prindle
Patrick L. Prindle
Attorneys For Receiver
THOMAS C. HEBRANK

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