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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

LOUIS V. SCHOOLER and FIRST  
FINANCIAL PLANNING  
CORPORATION, dba Western  
Financial Planning Corporation,

Defendants.

Case No. 3:12-cv-2164-GPC-JMA

**ORDER APPROVING  
RECEIVER’S SEVENTH  
INTERIM REPORT**

**(ECF NO. 547)**

Having reviewed the Receiver’s Seventh Interim Report, the Court **APPROVES**  
the same and **HEREBY ORDERS** that:

1. Western’s land parcels, as identified in Exhibit D to the Receiver’s Seventh Interim Report, shall be listed for sale with a licensed broker. If and when reasonable offers are made on the parcels, the Receiver shall seek approval of such sales via noticed motion.
2. Schooler is reminded that he is prohibited from interfering, directly or indirectly, with the Receiver’s performance of his duties. The Court notes that the letter Schooler apparently sent to investors, attached as Exhibit C to the Receiver’s Seventh Interim Report, demonstrates, in the Court’s

1 view, an effort by Schooler to guide and influence the actions and  
2 perceptions of investors in these proceedings. These apparent efforts  
3 weigh against a finding of investor independence and in favor of a finding  
4 that investors have relied, and continue to rely, on Schooler to make  
5 decisions regarding their investments.

6 3. The partnership administrators, Alice Jacobson and Beverly Schuler, are  
7 independent contractors hired to manage the GPs' day-to-day operations.  
8 It is unknown whether Jacobson's and Schuler's agreements with the GPs  
9 permit them to bill the GPs for reimbursement of rent and utilities. If that  
10 is the case, the parties are invited to file supporting documentation with  
11 the Court, at which point the Court will determine whether the GPs should  
12 be billed for Jacobson's and Schuler's rent and utilities. For now,  
13 Jacobson and Schuler are permitted to either work from office space  
14 provided by the Receiver or make their own arrangements without  
15 reimbursement from the GPs.

16 4. As set forth in the Receiver's Seventh Interim Report, investors in the  
17 following GPs shall vote to determine whether to (a) extend the term of  
18 their GP to a date in 2019, or (b) terminate the GP and sell their property  
19 interest after such property interest has been listed and marketed by a  
20 licensed broker:

- 21 a. Reno View
- 22 b. Reno Vista
- 23 c. Reno Partners
- 24 d. Valley Vista
- 25 e. Bratton View
- 26 f. Honey Springs
- 27 g. Jamul Meadows
- 28 h. Lyons Valley


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i. Hidden Hills

5. The partnership terms of the Tecate South and Twin Plant GPs shall be extended to 2019, such that they are co-terminus with the Prosperity GP and can vote collectively whether to extend or terminate at that time.
6. Duffy, Kruspodin & Company LLP (Duffy) shall be engaged to prepare the 2013 state and federal tax returns for the GPs and the associated K-1s for investors. The two former Western employees who historically helped gather, organize, and provide data to Duffy for purposes of preparing the tax returns and K-1s shall be engaged on an hourly basis to perform those same functions.
7. Finally, the Receiver shall continue to preserve and protect the assets of the receivership estate as otherwise recommended.

**IT IS SO ORDERED.**

DATED: February 25, 2014

  
HON. GONZALO P. CURIEL  
United States District Judge