

1 Everett G. Barry, Jr. (SBN 053119)
John H. Stephens (SBN 82971)
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6 Attorneys for Thomas C. Hebrank,
Permanent Receiver
7

8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10 WESTERN DIVISION – LOS ANGELES

11 SECURITIES AND EXCHANGE
12 COMMISSION,

13 Plaintiff,

14 v.

15 CHARLES P. COPELAND,
COPELAND WEALTH
16 MANAGEMENT, A FINANCIAL
ADVISORY CORPORATION,
17 AND COPELAND WEALTH
MANAGEMENT, A REAL
18 ESTATE CORPORATION,

19 Defendants.

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

**NOTICE OF MOTION AND
MOTION FOR ORDER
APPROVING SETTLEMENT**

Date: December 17, 2012

Time: 10:00 a.m.

Ctrm: 8, 2nd Floor

Judge: Hon. Manuel L. Real

20 **TO ALL INTERESTED PARTIES:**

21 **Please Take Notice** that on December 17, 2012, at 10:00 a.m., in
22 Courtroom 8 of the above-entitled Court located at 312 N. Spring Street,
23 Los Angeles, California 90012, a hearing will be held on the Motion of
24 Thomas C. Hebrank ("Receiver"), the court-appointed Permanent
25 Receiver for Copeland Wealth Management, a Financial Advisory
26 Corporation, Copeland Wealth Management, a Real Estate Corporation,
27 and their subsidiaries and affiliates, for an Order Approving Settlement
28 with Flagstar Bank, F.S.B. ("Flagstar").

1 The Motion is based on the Memorandum of Points and Authorities
2 and the Declaration of Thomas C. Hebrank In Support Of Motion For
3 Order Approving Settlement, each filed concurrently herewith. The
4 Motion and supporting papers are available at the Receiver's website:
5 www.ethreadvisors.com, or may be reviewed at the Clerk's Office
6 located at 312 North Spring Street, Los Angeles, California 90012 during
7 normal business hours.

8 **Procedural Requirements:** If you oppose this Motion, you are
9 required to file your written opposition with the Office of the Clerk, United
10 States District Court, 312 North Spring Street, Los Angeles, California
11 90012, and serve the same on the undersigned not later than twenty-one
12 (21) days prior to the hearing.

13 IF YOU FAIL TO FILE AND SERVE A WRITTEN OPPOSITION by
14 the above date, the Court may grant the requested relief without further
15 notice.

16 **Requested Relief:** The relief requested is discussed in greater
17 detail in the Memorandum of Points and Authorities. To summarize, the
18 Receiver requests an Order approving the settlement between the
19 Receiver, on the one hand, and Flagstar, on the other hand, regarding
20 their respective interests in Copeland Properties Ten, LP ("CP 10") and
21 the assets of CP 10, including the real property owned by CP 10 located
22 at 2350 - 2500 Meijer Drive, Troy, Michigan 48084 ("Michigan Property").

23 Since his appointment as Receiver, the Receiver has managed the
24 Michigan Property, collected the rents from the Michigan Property, and
25 paid the loan payments due to Flagstar, as well as other expenses of the
26 Michigan Property. As of November 14, 2012, the Receiver is holding the
27 sum of \$437,788.79 relative to the Michigan Property ("Cash on Hand")
28 The Receiver believes that the rents, issues and profits from the

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A LIMITED LIABILITY PARTNERSHIP
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1 Michigan Property and the Cash on Hand are property of the
2 Receivership. Flagstar has asserted that the Cash on Hand held by the
3 Receiver is cash collateral securing the Flagstar Loan.

4 The settlement of this dispute involves, *inter alia*, the retention of a
5 portion of the Cash on Hand by the Receiver, with the remainder to be
6 placed in an interest bearing account, which account shall be subject to
7 further order of this Court, as more specifically detailed in the Settlement
8 Agreement and Mutual Release ("Settlement Agreement") attached as
9 Exhibit "A" to the Declaration of the Receiver filed concurrently herewith.
10 As part of the settlement, *inter alia*, the Receiver will have no further
11 interest in CP 10 and the Michigan Property, and Flagstar, CP 10, and
12 the Limited Partners of CP 10 will have no claims against the
13 Receivership estate, except as set forth in the Settlement Agreement.

14 This Motion is made following an attempt to confer with counsel
15 pursuant to L.R. 7-3.

16 **NOTICE IS HEREBY GIVEN** that a proposed Order Approving
17 Settlement, a true and correct copy of which is attached hereto as
18 **Exhibit "A"** and by this reference made a part hereof, has been lodged
19 with the above-entitled Court.

20 WHEREFORE, the Receiver requests that the Court grant the
21 relief requested herein and such other relief as may be appropriate
22 under the circumstances.

23
24 Dated: 11/14/12

MULVANEY BARRY BEATTY LINN &
MAYERS, LLP

25
26 By: /s/ Patrick L. Prindle
27 Attorneys for Thomas C. Hebrank, Receiver
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EXHIBIT A

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

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-cv-08607-R-DTB

[PROPOSED]

**ORDER APPROVING
SETTLEMENT**

Date: December 17, 2012

Time: 10:00 a.m.

Ctrm: 8, 2nd Floor

Judge: Hon. Manuel L. Real

The Court, having considered the Motion for Order Approving Settlement and supporting documentation by Mulvaney Barry Beatty Linn & Mayers, LLP (“Mulvaney Barry”), counsel for Thomas C. Hebrank (“Receiver”), the court-appointed Permanent Receiver for Copeland Wealth Management, a Financial Advisory Corporation, Copeland Wealth Management, a Real Estate Corporation, and their subsidiaries and affiliates, and any opposition thereto, and good cause appearing therefor,

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IT IS HEREBY ORDERED as follows:

1. The settlement by and between the Receiver and Flagstar Bank, F.S.B. ("Flagstar"), evidenced by that certain Settlement Agreement and Mutual Release dated November __, 2012 ("Agreement"), attached as **Exhibit "A"** to the Declaration of the Receiver in Support of Motion for Order Approving Settlement, is approved;

2. Copeland Properties Ten, LP ("CP 10") and the real property located at 2350 – 2500 Meijer Drive, Troy, Michigan 48084 ("Michigan Property") are no longer part of the Receivership estate and the Receiver abandons any further interest in and to CP 10 and to the Michigan Property, except as more specifically provided in paragraph 3.a. of the Agreement.

3. The Receivership estate shall have no further claims against CP 10, except as more specifically provided in paragraph 3.a. of the Agreement.

4. Any stay arising out of this action with respect to CP 10 and the Michigan Property is hereby vacated and lifted.

5. The Receiver and the Receivership Estate is hereby released from any and all claims by CP 10 and Flagstar, except as more specifically provided in paragraph 2.g. of the Agreement.

IT IS SO ORDERED.

Dated: _____ Judge, United States District Court

Submitted by:

MULVANEY BARRY BEATTY LINN & MAYERS LLP

By: /s/ Patrick L. Prindle

Attorneys for Thomas C. Hebrank, Permanent Receiver

HEBCO.100.328987.1

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16 COPELAND WEALTH
17 MANAGEMENT, A FINANCIAL
18 ADVISORY CORPORATION,
AND COPELAND WEALTH
ESTATE CORPORATION,

19 Defendants.

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

**SUPPLEMENTAL DECLARATION
OF THOMAS C. HEBRANK IN
SUPPORT OF MOTION FOR
ORDER APPROVING
SETTLEMENT**

Date: December 17, 2012

Time: 10:00 a.m.

Ctrm: 8, 2nd Floor

Judge: Hon. Manuel L. Real

20 I, Thomas C. Hebrank, declare as follows:

21 1. I am the court-appointed Permanent Receiver for Copeland
22 Wealth Management, a Financial Advisory Corporation (“CWM”),
23 Copeland Wealth Management, a Real Estate Corporation (“Copeland
24 Realty”), and their subsidiaries and affiliates including, but not limited to
25 Copeland Properties Ten, LP and Copeland Properties Eleven, LP
26 (collectively, the “Receivership Entities”). The following are facts within
27 my knowledge and if called as a witness I would testify to them under
28 oath.

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2. Copeland Properties Ten, LP (“CP 10”) and Copeland Properties Eleven, LP (“CP 11”) are California limited partnerships. This Court has ruled that CP 10 and CP 11 are part of the Receivership estate. The general partner of CP 10 and CP 11 is Copeland Realty.

3. On November 14, 2012 the Receiver filed a Motion for an Order Approving Settlement with respect to certain real property located 2350-2500 Meijer Drive, Troy, Michigan 48084, referred to in the Motion as the (“Michigan Property”). The Motion, inter alia, seeks approval of a Settlement Agreement and Mutual Release (“Settlement Agreement”) with Flagstar Bank with respect to the Michigan Property.

4. Attached hereto as **Exhibit “A”** is a revised redlined version of the Settlement Agreement setting forth certain immaterial changes to the Settlement Agreement as originally filed.

5. I believe that the settlement of the dispute and the terms of the Settlement Agreement are reasonable and fair, and should be accepted and approved by this Court.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this Declaration was executed in San Diego, California on November 27, 2012.

By: _____
Thomas C. Hebrank, Permanent Receiver

HEBCO.100.338979.1

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11 SECURITIES AND EXCHANGE
12 COMMISSION,

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16 MANAGEMENT, A FINANCIAL
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17 AND COPELAND WEALTH
18 MANAGEMENT, A REAL
ESTATE CORPORATION,

19 Defendants.

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

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
MOTION FOR ORDER
APPROVING SETTLEMENT**

Date: December 17, 2012

Time: 10:00 a.m.

Ctrm: 8, 2nd Floor

Judge: Hon. Manuel L. Real

20 **MEMORANDUM OF POINTS AND AUTHORITIES**

21 **I.**
22 **INTRODUCTION**

23 Thomas C. Hebrank (“Receiver”), the court-appointed Permanent
24 Receiver for Copeland Wealth Management, a Financial Advisory
25 Corporation, Copeland Wealth Management, a Real Estate Corporation,
26 and their subsidiaries and affiliates including, but not limited to, Copeland
27 Properties Ten, LP (“Receivership Entities”), hereby submits the
28 following Memorandum of Points and Authorities in support of the Motion
for an Order Approving Settlement by and between the Receiver and

1 Flagstar Bank, F.S.B. ("Flagstar").

2 II.

3 **PROCEDURAL BACKGROUND**

4 On October 18, 2011, the Securities and Exchange Commission
5 ("SEC") filed its Complaint for Violations of The Federal Securities Law,
6 and the Proposed Judgment of Permanent Injunction and Other Relief as
7 to Defendants. Docket Nos. 1 and 2. On October 25, 2011, the Court
8 entered the Judgment of Permanent Injunction and Other Relief,
9 appointing Thomas C. Hebrank as Permanent Receiver for the
10 Receivership Entities ("Order"). Docket No. 3.

11 III.

12 **STATEMENT OF FACTS**

13 Copeland Properties Ten, LP ("CP 10") is a California limited
14 partnership. (Declaration of Thomas C. Hebrank filed concurrently
15 herewith ("Hebrank Declaration" ¶ 2.) This Court has ruled that CP 10 is
16 part of the Receivership estate. (*Id.*) The General Partner of CP 10 is
17 Copeland Wealth Management ("CWM"). ("Hebrank Declaration" ¶ 3.)
18 The Limited Partners of CP 10 include the following: Vellore
19 Muraligopal/Muraligopal Investments LLC, Klaus & Lynda Kuehn,
20 Richard & Elayne Allen, Copeland Realty, Harold V. Racine, Myron &
21 Ruby Cinque, Trustees of the Cinque Family Trust, Glenn Goodwin,
22 Robert McColloch, individually and as Trustee of the Clem M. McColloch
23 Trust, Richard Paul Blandford, Rick & Blanche Higdon, Trustees of the
24 Higdon Revocable Trust, and James Powell (collectively "CP 10
25 Partners"). (*Id.*)

26 CP 10's major asset is real property located at 2350 - 2500 Meijer
27 Drive, Troy, Michigan 48084, consisting of several industrial
28 manufacturing buildings ("Michigan Property"). (Hebrank Declaration ¶

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1 4.) The Michigan Property is fully leased to Faurecia Automotive Seating,
2 Inc., a manufacturer of automotive parts. (Id.) The Michigan Property is
3 subject to a Mortgage in favor of Flagstar dated March 3, 2006,
4 evidencing a loan in the principal amount of \$9,450,000.00 ("Flagstar
5 Loan"). (Hebrank Declaration ¶ 5.) Payments under the Flagstar Loan
6 are current. (Id.)

7 Since his appointment as Receiver in this matter, the Receiver has
8 managed the Michigan Property, collected the rents from the Michigan
9 Property, and paid the loan payments due to Flagstar, as well as other
10 expenses of the Michigan Property, including a recent payment of
11 \$85,314.44 for 2012-2013 real property taxes. (Hebrank Declaration ¶ 6.)
12 As of November 14, 2012, the Receiver is holding the sum of
13 \$437,788.79 relative to the Michigan Property ("Cash on Hand").
14 (Hebrank Declaration ¶ 7.)

15 Pursuant to the Order, this Court granted authorization for the
16 Receiver to engage brokers and market the various Receivership
17 properties. (Hebrank Declaration ¶ 8.) Based on the information currently
18 available to the Receiver, the market value of the Michigan Property is
19 not sufficient to enable the Receiver to sell the Michigan Property for an
20 amount which would result in meaningful net proceeds to the
21 Receivership estate. (Hebrank Declaration ¶ 9.) The CP 10 Partners
22 wish to retain ownership and control of CP 10 and the Michigan
23 Property. (Hebrank Declaration ¶ 10.)

24 The Receiver believes that the rents, issues and profits from the
25 Michigan Property are property of the Receivership. (Hebrank
26 Declaration ¶ 11.) Flagstar has asserted that the Cash on Hand held by
27 the Receiver is cash collateral securing the Flagstar Loan. (Hebrank
28 Declaration ¶ 12.) The Receiver and Flagstar have agreed to settle their

1 respective interests in CP 10 and the CP 10 property, including the
2 Michigan Property. (Hebrank Declaration ¶ 13.) The complete terms of
3 the agreement are set forth in the Settlement Agreement and Mutual
4 Release ("Settlement Agreement"), a true and correct copy of which is
5 attached as **Exhibit "A"** to the Hebrank Declaration, and is incorporated
6 herein by this reference as though set forth at length.

7
8 **IV.**
ARGUMENT

9 "The power of a district court to impose a receivership or grant
10 other forms of ancillary relief does not in the first instance depend on a
11 statutory grant of power from the securities laws. Rather, the authority
12 derives from the inherent power of a court of equity to fashion effective
13 relief." *SEC v. Wencke*, 622 F.2d 1363, 1369 (9th Cir. 1980). The
14 "primary purpose of equity receiverships is to promote orderly and
15 efficient administration of the estate by the district court for the benefit of
16 creditors." *S.E.C. v. Hardy*, 803 F.2d 1034, 1038 (9th Cir. 1986). As the
17 appointment of a receiver is authorized by the broad equitable powers of
18 the court, any distribution of assets must also be done equitably and
19 fairly. See *S.E.C. v. Elliot*, 953 F.2d 1560, 1569 (11th Cir. 1992).

20 District courts have the broad power of a court of equity to
21 determine the appropriate action in the administration and supervision of
22 an equity receivership. See *S.E.C. v. Capital Consultants, LLC*, 397 F.
23 3d 733, 738 (9th Cir. 2005). The *Capital Consultants* Court directed:

24 A district court's power to supervise an equity
25 receivership and to determine the appropriate
26 action to be taken in the administration of the
27 receivership is extremely broad. The district
28 court has broad powers and wide discretion to
determine the appropriate relief in an equity
receivership. The basis for this broad deference
to the district court's supervisory role in equity
receiverships arises out of the fact that most
receiverships involve multiple parties and complex

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1 transactions. A district court's decision concerning
2 the supervision of an equitable receivership is
reviewed for abuse of discretion.

3 Id. (citations omitted); see also *Commodities Futures Trading Comm'n. v.*
4 *Topworth Int'l, Ltd.*, 205 F.3d 1107, 1115 (9th Cir. 1999) ("This court
5 affords 'broad deference' to the court's supervisory role, and 'we
6 generally uphold reasonable procedures instituted by the district court
7 that serve th[e] purpose' of orderly and efficient administration of the
8 receivership for the benefit of creditors.").Accordingly, the Court has
9 broad equitable powers and discretion in formulating procedures,
10 schedules, and guidelines for administration of the receivership estate
11 and disposition of receivership assets.

12 In this case, the Receiver has determined that the market value of
13 the Michigan Property is not sufficient to enable the Receiver to sell the
14 Michigan Property for an amount which would result in meaningful net
15 proceeds to the Receivership estate. (Hebrank Declaration ¶ 9.)
16 Additionally, as a result of the settlement of the Receiver's and Flagstar's
17 respective interests in CP 10 and the CP 10 property, including the
18 Michigan Property, Flagstar and CP 10, and the CP 10 Partners, will
19 have no claims against the Receiver or the Receivership estate, except
20 as more specifically provided in paragraph 2.g. of the Settlement
21 Agreement. (Hebrank Declaration ¶ 15.) Moreover, Flagstar and CP 10
22 will have no claims against the funds the Receiver will be retaining
23 pursuant to the Settlement Agreement, except as more specifically
24 provided in paragraph 2.g. of the Settlement Agreement. (Hebrank
25 Declaration, ¶ 16). Finally, except as specifically provided by the
26 Settlement Agreement, CP 10 and Flagstar shall each retain their
27 respective rights and obligations with respect to one another arising out
28 of the Flagstar Loan or the Flagstar Loan Documents. (Hebrank

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1 Declaration, ¶ 17). This makes the settlement a fair, equitable, orderly
2 and efficient administration of the Receivership estate.

3 **IV.**

4 **CONCLUSION**

5 Based upon the foregoing, all pleadings on file herein, as well as
6 such argument and evidence as may be admitted during the hearing, the
7 Receiver requests entry of an order approving the settlement with
8 Flagstar.

9
10 Dated: 11/14/2012

MULVANEY BARRY BEATTY LINN &
MAYERS, LLP

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13 By: /s/ Patrick L. Prindle
14 Attorneys for Thomas C. Hebrank, Receiver
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11 SECURITIES AND EXCHANGE
12 COMMISSION,

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15 CHARLES P. COPELAND,
COPELAND WEALTH
16 MANAGEMENT, A FINANCIAL
ADVISORY CORPORATION,
17 AND COPELAND WEALTH
ESTATE CORPORATION,
18

19 Defendants.

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

**DECLARATION OF THOMAS C.
HEBRANK IN SUPPORT OF
MOTION FOR ORDER
APPROVING SETTLEMENT**

Date: December 17, 2012

Time: 10:00 a.m.

Ctrm: 8, 2nd Floor

Judge: Hon. Manuel L. Real

21 I, Thomas C. Hebrank, declare as follows:

22 1. I am the court-appointed Permanent Receiver for Copeland
23 Wealth Management, a Financial Advisory Corporation ("CWM"),
24 Copeland Wealth Management, a Real Estate Corporation ("Copeland
25 Realty"), and their subsidiaries and affiliates including, but not limited to
26 Copeland Properties Ten, LP (collectively, the "Receivership Entities").
27 The following are facts within my knowledge and if called as a witness I
28 would testify to them under oath.

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1 2. Copeland Properties Ten, LP ("CP 10") is a California limited
2 partnership. This Court has ruled that CP 10 is part of the Receivership
3 estate.

4 3. The General Partner of CP 10 is Copeland Wealth
5 Management ("CWM"). The Limited Partners of CP 10 include the
6 following: Vellore Muraligopal/Muraligopal Investments LLC, Klaus &
7 Lynda Kuehn, Richard & Elayne Allen, Copeland Realty, Harold V.
8 Racine, Myron & Ruby Cinque, Trustees of the Cinque Family Trust,
9 Glenn Goodwin, Robert McColloch, individually and as Trustee of the
10 Clem M. McColloch Trust, Richard Paul Blandford, Rick & Blanche
11 Higdon, Trustees of the Higdon Revocable Trust, and James Powell
12 (collectively "CP 10 Partners").

13 4. CP 10's major asset is real property located at 2350 - 2500
14 Meijer Drive, Troy, Michigan 48084, consisting of several industrial
15 manufacturing buildings ("Michigan Property"). The Michigan Property is
16 fully leased to Faurecia Automotive Seating, Inc., a manufacturer of
17 automotive parts.

18 5. The Michigan Property is subject to a Mortgage in favor of
19 Flagstar dated March 3, 2006, evidencing a loan in the principal amount
20 of \$9,450,000.00 ("Flagstar Loan"). Payments under the Flagstar Loan
21 are current.

22 6. Since my appointment as Receiver, I have managed the
23 Michigan Property, collected the rents from the Michigan Property, and
24 paid the loan payments due to Flagstar, as well as other expenses of the
25 Michigan Property, including a recent payment of \$85,314.44 for 2012-
26 2013 real property taxes.

27 7. As of November 14, 2012, I am holding the sum of
28 \$437,788.79 relative to the Michigan Property ("Cash on Hand").

1 8. Pursuant to the Court's Order appointing me as Receiver,
2 this Court granted authorization for me to engage brokers and market
3 the various Receivership properties.

4 9. Based on the information currently available to me, the
5 market value of the Michigan Property is not sufficient to enable me to
6 sell the Michigan Property for an amount which would result in
7 meaningful net proceeds to the Receivership estate.

8 10. I am informed and believe that the CP 10 Partners wish to
9 retain ownership and control of the CP 10 Partnership and the Michigan
10 Property.

11 11. I believe that the rents, issues and profits from the Michigan
12 Property are property of the Receivership.

13 12. Flagstar has asserted that the Cash on Hand is cash
14 collateral securing the Flagstar Loan.

15 13. Flagstar and CP 10 have agreed to settle the respective
16 interests of the Receivership estate and the CP 10 Partners in CP 10
17 and the CP 10 property, including the Michigan Property.

18 14. The complete terms of the agreement are set forth in the
19 Settlement Agreement and Mutual Release ("Settlement Agreement"), a
20 true and correct copy of which is attached hereto as **Exhibit "A,"** and is
21 incorporated herein by this reference as though set forth at length.

22 15. As a result of the settlement, Flagstar and CP 10, and the CP
23 10 Partners, will have no claims against the Receiver or the Receivership
24 estate, except as more specifically provided in paragraph 2.g. of the
25 Agreement.

26 16. As a result of the settlement, Flagstar and CP 10 will have no
27 claims against the funds I will be retaining pursuant to the Settlement
28 Agreement, except as more specifically provided in paragraph 2.g. of the

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Agreement.

17. Except as specifically provided by the Settlement Agreement, CP 10 and Flagstar shall each retain their respective rights and obligations with respect to one another arising out of the Flagstar Loan or the Flagstar Loan Documents.

18. I believe that the settlement of the dispute and the terms of the Settlement Agreement are reasonable and fair, and should be accepted and approved by this Court.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this Declaration was executed in San Diego, California on November 14, 2012.

By: /s/ Thomas C. Hebrank
Thomas C. Hebrank, Permanent Receiver

MULVANEY BARRY BEATTY LINN & MAYERS
A LIMITED LIABILITY PARTNERSHIP
SEVENTEENTH FLOOR
401 WEST A STREET
SAN DIEGO, CALIFORNIA 92101-7944
TELEPHONE 619 238-1010
FACSIMILE 619 238-1861

HEBCO.100.328956.1

EXHIBIT A

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release ("Agreement") is made, effective as of November 14, 2012, by and among Thomas C. Hebrank, the court appointed Permanent Receiver ("Receiver") for Copeland Wealth Management, a Financial Advisory Corporation ("CWM"), Copeland Realty, a Real Estate Corporation ("CR"), and their subsidiaries and affiliates including, but not limited to, Copeland Properties Ten, LP ("Copeland Entities"), on the one hand, and Flagstar Bank, F.S.B. ("Flagstar"), on the other hand.

RECITALS

This Agreement is entered into with reference to the following facts:

A. On October 25, 2011, the Receiver was duly appointed as Permanent Receiver for the Copeland Entities by the United States District Court for the Central District of California in the action entitled Securities and Exchange Commission v. Charles P. Copeland et al., Case Number 2:11-cv-08607-R-DTB ("SEC Action"). By order of the Court filed on March 12, 2012, as Document Number 53, the Court has ruled that the limited partnerships associated with CWM and CR, including Copeland Properties Ten, LP ("CP 10") are included in the Receivership. As part of the Court's Order, the Receiver was authorized, *inter alia*, to manage the real properties owned by the Copeland Entities.

B. CP 10 is a California limited partnership. CP 10's major asset is real property located at 2350 - 2500 Meijer Drive, Troy, Michigan 48084, consisting of several industrial manufacturing buildings ("Michigan Property"). The Michigan Property is fully leased to Faurecia Automotive Seating, Inc., a manufacturer of automotive parts. The Michigan Property is subject to a Mortgage in favor of Flagstar dated March 3, 2006, evidencing a loan in the original principal amount of \$9,450,000.00 ("Flagstar Loan"). Payments under the Flagstar Loan are current.

C. The General Partner of CP10 is CWM. The Limited Partners of CP 10 include the following: Vellore Muraligopal/Muraligopal Investments LLC, Klaus & Lynda Kuehn, Richard & Elayne Allen, CR, Harold V. Racine, Myron & Ruby Cinque, Trustees of the Cinque Family Trust, Glenn Goodwin, Robert McColloch, individually and as Trustee of the Clem M. McColloch Trust, Richard Paul Blandford, Rick & Blanche Higdon, Trustees of the Higdon Revocable Trust, and James Powell (collectively "CP 10 Partners").

D. Since his appointment as Receiver, the Receiver has managed the Michigan Property, collected the rents from the Michigan Property, and paid the loan payments due to Flagstar, as well as other expenses of the Michigan Property, including a recent payment of \$85,314.44 for 2012-2013 real property taxes. As of November 14, 2012, the Receiver is holding the sum of \$437,788.79 relative to the Michigan Property ("Cash on Hand").

E. The District Court in the SEC Action granted authorization for the Receiver to engage brokers and market the various Receivership Properties. Based on the information currently available to the Receiver, the market value of the Michigan Property is not sufficient to enable the Receiver to sell the Michigan Property for an amount which would result in meaningful net proceeds to the Receivership estate.

F. The Receiver is informed and believes that the CP 10 Partners wish to retain ownership and control of CP 10 and the Michigan Property.

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G. The Receiver believes that the rents, issues and profits from the Michigan Property and the Cash on Hand are property of the Receivership. Flagstar has asserted that the Cash on Hand held by the Receiver is cash collateral securing the Flagstar Loan.

H. The parties hereto have now agreed to settle their respective interests in CP 10 and the CP 10 property, including the Michigan Property, as provided herein.

I. It is the desire of the parties to this Agreement to finally and fully terminate and cancel all relationships, controversies, claims, debts, obligations, and other matters whatsoever existing between them, or which may hereafter arise between the parties by reason of the facts and controversies of the SEC Action, except those obligations specifically created or reserved by this Agreement.

AGREEMENT AND MUTUAL RELEASE

In consideration of the foregoing facts, and the mutual covenants and agreements herein contained, all the parties hereby agree as follows:

1. Recitals. The above Recitals are incorporated into and made a part of this Agreement.

2. Terms.

a. The Receiver will retain the total amount of \$225,000.00 of the Cash on Hand.

b. The Receiver will place the remaining amount of Cash on Hand as of the date this Agreement is approved by the District Court as set forth in paragraph 3 below, including all lease payments made on the Michigan Property beginning with the December payment, (but excluding all management fees in the amount of \$5,000.00 per month) in an interest bearing account, which account shall be subject to further order of the Court. If this Agreement is not yet approved by the Court, the Receiver will timely pay the December and January mortgage payments owed to Flagstar.

c. The Receiver shall waive and release any claim arising out of the Note payable from CP 10 to Copeland Fixed Income Three in the amount of \$31,179.90.

d. The Receiver shall retain any and all rights with respect to the limited partner capital investment in CP 10 by Copeland Properties Five, LP in the amount of \$85,251.44 ("CP 5 Investment"), and any and all rights to the obligation evidenced by the Note from Vellore Muraligopal to Copeland Fixed Income Fund Three, LP dated December 22, 2008 in the amount of \$165,000.

e. The Receiver will provide the CP 10 Partners with copies of all financial documents in his possession and control relating to CP 10.

f. The Receiver will provide information to the CP 10 Partners regarding all known outstanding debts and obligations owed by CP 10 known to him.

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

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g. The Receiver will have no further interest in CP 10 and/or the Michigan Property, except for the CP 5 Investment. Flagstar and CP 10, and the CP 10 Partners, will have no claims against the Receiver or the Receivership estate, except the claims of the CP Partners as investors in connection with a distribution on investor claims in the SEC Action.

h. Flagstar and CP 10 will have no claims against the funds the Receiver will be retaining pursuant to paragraph 2(a) above, except as provided in paragraph 2.g. above.

3. Operation and Effectiveness of the Agreement. Subsequent to the execution of this Agreement by all parties, the Receiver will seek court approval of the terms of this Agreement in the SEC Action. It is specifically understood and agreed that the operation and effectiveness of this Agreement is conditioned upon, and subject to, court approval evidenced by an Order containing, inter alia, the following terms:

a. CP 10 and the Michigan Property are no longer part of the Receivership estate and, except for the CP 5 Investment, the Receiver abandons any further interest in and to CP 10 and to the Michigan Property. The Receivership estate shall have no further claims against CP 10, except for the CP 5 Investment.

b. Any stay arising out of the SEC Action with respect to CP 10 and the Michigan Property shall be vacated and lifted.

c. The Receiver and the Receivership Estate shall be released from any and all claims by CP 10, the CP 10 Partners, and Flagstar, except as provided in paragraph 2.g. above.

d. Except as specifically provided by the Agreement, CP 10, the CP 10 Partners and Flagstar shall each retain their respective rights and obligations with respect to one another arising out of the Flagstar Loan or the Flagstar Loan documents and, specifically, Flagstar does not waive and this Agreement shall have no effect regarding any defaults that may exist under the Flagstar Loan or the Flagstar Loan documents and Flagstar does not waive or release and this Agreement shall have no effect on any claim or rights Flagstar may have against, CP 10, the CP 10 Partners or any guarantor of the Flagstar Loan.

e. Conditioned upon the approval by the District Court of this Agreement, the Receiver intends to request the District Court's approval to distribute not less than the amount of \$100,000.00 to the CP 10 Partners as payment on their claims in the SEC Action.

4. Mutual Release. For valuable consideration as set forth in the succeeding paragraphs of this Agreement and the mutual covenants contained herein, the Receiver, on the one hand, and Flagstar, on the other hand, and their agents, successors, related entities, assigns, and heirs hereby mutually release and forever discharge each other and their respective assignees, transferees, employees, servants, successors, heirs, agents, attorneys, insurers, and representatives thereof from any and all claims, demands, damages, debts, liabilities, actions, causes of action, suits, contracts, controversies, agreements, accounts, reckonings, and obligations, whether in law or in equity, which parties to this Agreement, or any of them, or their successors or assigns, had, owned or held, or now have, own or hold, or hereafter may have, own or hold which arise out of the SEC Action, CP 10, or

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the Michigan Property. This release shall not affect Flagstar's rights, CP 10's rights or the CP 10 Investor's rights arising under the Flagstar Loan or the Flagstar Loan documents as among those parties.

5. Intention of the Parties. It is the intention of the parties executing this Agreement that it shall be effective as a full and final accord and satisfactory release of their respective claims, including each and every matter specifically or generally referred to herein, except as to those obligations specifically created herein. In furtherance of this intention, the parties agree as follows:

There is a risk that subsequent to the execution of this Agreement one or more parties will incur or suffer loss, damages or injuries which are in some way caused by the transactions referred to above, but which are unknown and unanticipated at the time this Agreement is signed.

The parties do hereby assume the above-mentioned risks and understand that this Agreement SHALL APPLY TO ALL UNKNOWN OR UNANTICIPATED RESULTS OF THE TRANSACTIONS AND OCCURRENCES DESCRIBED ABOVE, AS WELL AS THOSE KNOWN AND ANTICIPATED, and upon advice of legal counsel, the parties do hereby waive any and all rights under California Civil Code Section 1542, which section has been explained and reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The parties, and each of them, understand and acknowledge that the consequence of this waiver of California Civil Code Section 1542 is that even if a party should eventually suffer additional damages arising out of the matters referred to herein, that party will not be able to make any claim for those damages. Furthermore, the parties, and each of them, acknowledge that they intend these consequences even as to claims for damages that may exist as of the date of this Agreement but of which they are not presently aware. The parties acknowledge that they intend to waive even those claims which, if known, would materially affect the decision to execute this release, regardless of whether the lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

The advice of legal counsel has been obtained by all parties, and each of them, prior to signing this Agreement. All parties execute this Agreement voluntarily, with full knowledge of its significance, and with the express intention of affecting the legal consequences provided by Civil Code Section 1541, i.e., the extinguishment of all obligations.

6. Time is of the Essence. The parties agree that time is of the essence in the performance of all covenants and conditions of this Agreement.

7. No Admission. The parties acknowledge that the execution of this Agreement effects the settlement of claims which are contested and denied. The parties agree that nothing contained in this Agreement shall be construed as an admission by any party of any liability of any kind to the other party. Each party acknowledges that the other expressly denies that any of them is in any way liable or obligated to the other.

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8. Entire Agreement. The parties acknowledge that this Agreement contains the entire understanding of the parties; there are no promises, representations, warranties, or undertakings other than those expressed, implied, or referred to herein. The parties further acknowledge that they have not executed this Agreement in reliance on any promise, representation, or warranty not specifically contained or referred to herein.

9. Binding on Successors. This Agreement and the covenants and conditions contained herein shall apply to, be binding upon, and inure to the benefit of the respective heirs, administrators, executors, legal representatives, assignees, successors, and agents of the parties.

10. Severability. The parties agree that the provisions of this instrument are severable and should any provision be, for any reason, unenforceable, the balance shall, nonetheless, be of full force and effect.

11. Construction. The parties agree that this Agreement shall, in all respects, be interpreted, enforced, and governed by and under the laws of the State of California. This Agreement is to be deemed to have been jointly prepared by the parties, and any uncertainty or ambiguity existing in this Agreement shall not be interpreted against any of the other parties, but according to the application of the rules of interpretation of contracts, if any such uncertainty or ambiguity exists.

12. Attorneys' Fees. Each party to this Agreement will bear its own costs, expenses and attorneys' fees incurred in or arising out of the circumstances and dispute which are the subject of this Agreement. In the event that any party hereto shall institute any action or proceeding to enforce, construe, or interpret any rights granted hereunder, the prevailing party in such action or proceeding shall be entitled, in addition to any other relief granted by the Court or other applicable judicial body, to reasonable attorneys' fees.

13. Counterparts. This Agreement may be executed in one or more counterparts and the signature pages collated to make one document, and shall be binding and effective immediately upon the execution by and delivery to all parties of one or more counterparts. A copy of a signature by facsimile or by scan-email will be acceptable in lieu of an original signature and shall carry the same force and effect as an original signature.

14. Advice of Counsel. The parties to this Agreement have had the opportunity to seek the advice of counsel concerning this settlement and this Agreement. Further, the parties expressly represent and warrant that they have had the advice and assistance of counsel concerning this settlement and this Agreement prior to its execution.

15. Future Assurances. The parties agree to execute, acknowledge, deliver, file, and/or record such further certificates, documents, and instruments and to do all such further acts and things as may be necessary to carry out the intent and purposes of this Agreement.

16. Warranty Against Prior Assignment. The parties to this Agreement represent and warrant that they have not heretofore assigned, transferred, or purported to assign or transfer, to any other person or entity, any rights, claims, or causes of action herein released and discharged. Furthermore, each party to this Agreement shall hold each other party harmless from and against any rights, claims, or causes of action which have actually been assigned or transferred contrary to the foregoing warranties and any and all loss,

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

expenses and/or liabilities arising directly or indirectly out of the breach of any of the foregoing representations or warranties.

17. Jurisdiction. The parties agree that the District Court in the SEC Action shall retain jurisdiction of this matter until this settlement has been completed. In the event that any party hereto shall institute any action or proceeding to enforce, construe, or interpret any rights granted hereunder, said proceeding shall be brought in the SEC Action, if possible.

18. Warranty of Authority. Each individual executing this document on behalf of any party represents that he/she has been authorized by said party to execute this document, and does so execute this document on behalf of said party.

19. Disparagement. The parties agree that they will not publish or utter statements to anyone which may be understood or construed to be intended to injure or disparage any other party and, if any, its employees, officers, directors, managers, partners, trustees, beneficiaries, agents or business.

20. **Jury Trial Waiver.** **To the maximum extent permitted by applicable law, in any action pending before any court of any jurisdiction, each of the parties waives, and agrees that, it shall not have, any right to a jury trial.**

21. Choice of Venue. If there is a lawsuit arising from or related to this Agreement or from the matters referenced in the Recitals above and the SEC Action has concluded, each party hereto agrees to submit to the jurisdiction of the courts of the State of California.

22. Amendment. This Agreement may only be modified if the modification is in writing and is signed by the party against whom enforcement is sought.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates set forth adjacent to their names.

Dated: _____

Thomas C. Hebrank, Receiver for Copeland Wealth Management, a Financial Advisory Corporation, Copeland Realty, a Real Estate Corporation, and their subsidiaries and affiliates

Flagstar Bank, F.S.B.

Dated: _____

By: _____
Name: _____
Title: _____