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9 Attorneys for Permanent Receiver
10 Thomas C. Hebrank

11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

13 SECURITIES AND EXCHANGE
14 COMMISSION,

15 Plaintiff,

16 v.

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

24 Defendants.

CASE NO. 2:11-cv-08607-R-DTB

**REPLY TO SECURED
CREDITOR'S OPPOSITION TO
RECEIVER'S MOTION FOR
ORDER (A) DIRECTING
DISTRIBUTION OF FUNDS IN
ESCROW ACCOUNT; (B)
DIRECTING THE RETURN OF
FUNDS BY LENDER; AND (C)
DIRECTING PAYMENT BY
LENDER OF ATTORNEY'S FEES**

DATE: March 18, 2013
TIME: 10:00 a.m.
DEPT. 8, 2nd Floor

Judge: Hon. Manuel L. Real

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TABLE OF AUTHORITIES

CASES

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Hassen Imports, 256 B.R. 916, 924 (9th Cir. B.A.P. 2000)8

In re Zamani, 390 B.R. 680, 688 (Bankr. N.D. Cal. 2008)8

1 Thomas C. Hebrank ("Receiver"), permanent receiver for Copeland
2 Wealth Management, a Financial Advisory Corporation, and Copeland
3 Wealth Management, a Real Estate Corporation, and their subsidiaries and
4 affiliates ("Receivership Entities"), submits this Reply to SBMS 2000-C3
5 Landmark Center, LLC's ("Lender") Opposition to his Motion for Order (A)
6 Directing the Distribution of Funds in Escrow Account; (B) Directing the
7 Return of Funds by Lender; and (C) Directing Payment by Lender of
8 Attorney's Fees ("Motion").
9

10 I.

11 **INTRODUCTION**

12 The Lender's Opposition is a prime example of "Big Firm" rhetoric and
13 inflated "Big Firm" fees. Lender manufactured a problem and now wants to
14 deplete the Receivership Estate in order to solve it. The Receiver was forced
15 to incur unnecessary costs to bring the subject Motion on February 15, 2013,
16 simply because Lender did not comply with the Motion for Order Approving
17 sale of Property owned by Copeland Properties 18, LP (the "Sale Order")
18 [Dkt. No. 126.] Lender and Lender's counsels' strong arm tactics used to
19 prolong the closing of escrow, in violation of the Sale Order, was a blatant
20 attempt to maximize default interest and drive up legal fees and costs. The
21 Court should not tolerate this type of behavior.

22 The Court gave the Receiver the right to sell the Property free and clear
23 of liens, with Lender's lien attaching to the sale proceeds after escrow closed.
24 (Declaration of John H. Stephens ("Stephens Decl."), ¶ 2.) Pursuant to the
25 terms of the Sale Order, upon closing, the Receiver was to pay the Lender's
26 undisputed lien amount through escrow and if the Lender disputed the lien

27 /////

28 /////

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1 payoff, it could bring a motion after escrow closed. As described in detail in
2 the Motion, Lender did not comply with the Sale Order.

3 On or about February 25, 2013, Lender filed an Opposition to the
4 Motion (“Opposition”). Lender argues that the Receiver’s Motion is
5 premature and that any dispute that the Receiver has with Lender’s Claim
6 should be resolved through the claim procedure process.¹ (Opposition, p.2.)
7 Again, Lender attempts to deflect blame and responsibility onto the Receiver
8 and Receiver’s counsel. As clearly indicated in the Sale Order, if the Lender
9 disputed the lien payoff, it could bring the appropriate motion after escrow
10 closed, which it refused to do. Lender’s Opposition also argues that it is
11 legally entitled to the full amount of its claim, including all accrued default
12 interest, totaling approximately \$570,715.64, and points to the Ninth Circuit
13 decision in *GE Capital Corp. v. Future Media Prods.*, 547 F.3d 956 (9th Cir.
14 2008). As discussed below, the facts in this case are distinguishable from
15 the *Future Media* case and this Court, should apply the Ninth Circuit’s
16 reasoning in *Great W. Bank & Trust v. Entz-White Lumber and Supply, Inc.*
17 (*In re Entz-White Lumber and Supply, Inc.*), 850 F.2d 1338 (9th Cir. 1988) and
18 hold that the Lender is not entitled to payment of default interest or other
19 penalties if its default has been cured.

20 II.

21 **ARGUMENT**

22 **A. Opposition is Filled with Misstatements and Mischaracterizations**

23 Lender and Lender’s counsel’s attempts to shift blame onto the
24 Receiver and Receiver’s counsel is consistent with their past practices in this
25 case. Lender’s Opposition alleges that the Receiver did not contact the
26

27 ¹ Receiver received a copy of Lender’s Proof of Claim on February 18, 2013, after the Motion had been
28 filed. The Opposition claims that Lender submitted its Claim on February 15, 2013, the same day the
Receiver filed his Motion.

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1 Lender prior to filing the Motion, in accordance with Local Rule of Court 7-
2 3. This statement could not be further from the truth. As discussed at
3 length in the Motion, after the Sale Order was entered on October 3, 2012,
4 Receiver’s counsel and Lender’s counsel engaged in lengthy discussions
5 about the default interest and third party fees dispute. After numerous
6 email exchanges and conference calls, and with the sale of the Property in
7 increasing jeopardy, the Receiver was forced to do what was necessary to
8 close escrow, knowing that he may need to seek Court relief if a resolution
9 could not be reached.

10 After escrow closed, on January 23, 2013, Receiver’s counsel, John
11 H. Stephens sent Lender’s counsel, Philip Wang, an email with a letter
12 attached (“01/23/13 email”). The letter stated that the default interest and
13 the Lender’s claim for third party expenses were still in dispute and the
14 Receiver needed to see source documents that supported the third party
15 expenses. The letter also requested the status of the Lender’s claim.
16 (Stephens Decl., ¶ 5; Notice of Lodgment (“NOL”) Ex. 1, emphasis added.)
17 On January 25, 2013, Mr. Wang acknowledged receipt of the 01/23/13 email
18 and said that he would confer with his client and get back to Mr. Stephens.
19 (Stephens Decl., ¶ 6; NOL Ex. 2, emphasis added.) Mr. Stephens did not
20 receive any further response from Mr. Wang and as a result, the Receiver
21 was forced to file this Motion.

22 Additionally, page 6 of the Opposition, Lender’s counsel, Marcus O.
23 Colabianchi claims in subsequent discussions with Mr. Stephens after the
24 hearing on the sale motion, Receiver’s counsel provided him with information
25 on the proposed title/escrow company and the buyer’s attorney. Mr.
26 Colabianchi’s statement is completely false and Mr. Stephens did not provide
27 him with that information. (Stephens Decl., ¶ 7.) As detailed in the
28 Declaration of Stephen Bolles, filed with the Motion, Mr. Colabianchi

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1 contacted the title officer directly to inform him that Duane Morris, LLP would
2 have to “pre-approve the payoff figure as furnished by the receiver.” [Dkt. No.
3 213.]

4 **B. Lender Has Failed to Present Evidence in Support of Its Claim**

5 Prior to filing the Motion, the Receiver, by and through his counsel,
6 repeatedly requested that the Lender provide a payment history for the
7 Note and all source documents that support the Lender’s claim for third
8 party expenses. (Declaration of Thomas C. Hebrank (“Hebrank Decl.”), ¶
9 3.) On February 18, 2013, after the Motion was filed, the Receiver received
10 the Lender’s Claim in the approximate amount of \$597,114.36 (“Claim”). A
11 breakdown of the Lender’s Claim is attached as pages 2 and 3 of the
12 Claim. (Hebrank Decl., ¶ 4; NOL Ex. 3, emphasis added.)

13 Lender’s Claim includes a line item for “Third Party Expenses” in the
14 amount of \$106,429.17. (Hebrank Decl., ¶ 5; NOL Ex. 3, emphasis added.)
15 The Claim attaches several invoices for third party expenses and face pages
16 of invoices for Lender’s legal fees and costs. The face pages only list a total
17 amount due and include absolutely no summary of the legal work provided,
18 the allocation of legal work and the attorneys’ hourly rate. Despite repeated
19 requests, the Lender has still not provided a clear itemization and
20 explanation of its claimed expenses.

21 The Receiver is informed and believes that CP18 was, at all times,
22 current on payments to Lender when the Note allegedly matured by its terms
23 on November 1, 2010. (Hebrank Decl., ¶ 6.) After the Note matured and
24 while CP18 was in bankruptcy, the Lender continued to receive and accept
25 payments on the Note by collecting rent directly from the tenant on the
26 Property. After the Receiver was put in place as Receiver, he made
27 payments to the Lender at the Note rate of interest, which the Lender
28 accepted. (*Id.*) The Lender has not suffered any financial loss or hardship

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1 and in fact, has been fully paid all principal and accrued Note interest at the
2 rate of 8.43%.

3 The Lender's Claim includes line items for Note rate interest due for
4 November 2012 to December 7, 2012 in the amount of \$62,649.00. The
5 Lender's Claim also includes line items for default rate interest due at the
6 rate of 13.43% through December 7, 2012 in the amount of \$582,114.36.
7 Lender's Claim includes a line item for additional estimated attorneys' fees
8 incurred after closing date in the amount of \$15,000.00. Lender has
9 provided no explanation or documentation in support of this line item.

10 Lender's claim fails to provide a payment history or any evidence in
11 support of third party fees and costs or attorneys' fees. Providing face
12 sheets from legal invoices, which only include the total amount of fees for a
13 specific month, are not sufficient since it does not describe the nature of the
14 legal work, the attorney billing rate or reason why such fees were
15 incurred. Lender's demand that Receiver pay third party expenses prior to
16 closing escrow, without providing any evidence in support of these
17 expenses is, at best, a blatant attempt to shake down the Receiver and at
18 worst, intentionally fraudulent. The Receiver was forced to pay the balance
19 of Lender's Note and interest, plus third party expenses, or risk losing the
20 buyer in a sale that would bring in almost \$2.5 million to the Receivership
21 Estate. Lender's Claim seeks \$121,429.17 in third party expenses and
22 attorneys' fees,² but fails to provide adequate information to support its
23 Claim. Receiver reserves his rights to object to the validity of Lender's
24 claim.

25 //

26 _____

27 ² At the hearing on Receiver's Motion Approving the Sale of the CP18 Property, Lender reported to the
28 Court that its attorneys' fees were approximately \$66,460.00. This amount has now almost doubled, yet
there are no billing records to support this Claim.

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1 **C. Entz-White Bars Lender’s Claims for Default Interest and Penalties**

2 Lender incorrectly argues that *Entz-White* is not applicable and
3 instead, this Court should be guided by the Ninth Circuit's decision in
4 *Future Media*. *Entz-White* established that a secured creditor is not entitled
5 to payment of default or other penalties if a plan of reorganization cures the
6 default on its loan, and this holding remains the law of the Ninth Circuit.
7 Because the Bankruptcy Code allows debtors to “cure” defaults under a
8 Chapter 11 Plan, the *Entz-White* court permitted the Debtor to nullify the
9 default rate. Lender’s Opposition references Local Rule of Court 66-8,
10 which states that a receiver shall administer the estate as nearly as
11 possible in accordance with the practice in the administration of the estates
12 in bankruptcy. Clearly, this Court recognizes that there are parallels
13 between a bankruptcy estate and a receivership estate.

14 In this case, while CP18 was in an active bankruptcy case, the
15 Receiver was appointed and tasked with preserving, maintaining or
16 liquidating assets for the benefit of all claims of the Receivership estate.
17 The Receiver was not afforded the ability to file a Chapter 11 Plan, rather
18 the administration of assets was and is being dealt with through this SEC
19 action. To the extent that there are bankruptcy code provisions applicable
20 to the Receiver, this Court should use its discretion and find that default
21 interest and third party expenses sought by the Lender are not recoverable
22 under *Entz-White*. Once the Receiver determined that the sale of the
23 Property would yield substantial funds to the Receivership Estate, the
24 Receiver negotiated the sale and received Court approval to sell the
25 property free and clear of liens. As detailed in the Receiver's Motion,
26 Lender put the sale of the Property in jeopardy by delaying the closing of
27 escrow and refusing to release its deed of trust, unless the Receiver left
28 \$582,114.36 of default interest and \$15,000.00 of "additional attorney's

1 fees" in escrow. Lender also demanded payment of the Note balance and
 2 third party expenses, without even providing a payment history or
 3 supporting documentation for the expenses.

4 A District Court has broad powers and wide discretion that it may
 5 utilize "in fashioning relief in an equity receivership proceeding." *Securities*
 6 *and Exchange Commission v. Basis Energy & Affiliated Resources, Inc.*,
 7 273 F.3d 657, 688 (6th Cir. 2001), internal citation omitted. The discretion
 8 "derives from the inherent powers of an equity court to fashion relief..." *Id.*,
 9 internal citation omitted. The debtor in *Future Media* defaulted on its
 10 obligation approximately seven months after entering into a loan agreement
 11 with its creditor and additional events of default occurred thereafter. 547
 12 F.3d 956 at 958. Following the default, the secured creditor demanded the
 13 additional 2% default rate differential. The facts in this case are completely
 14 different.

15 Lender received full payment of its principal and non-default rate
 16 interest due under the loan, which in essence "cured" the default under the
 17 Loan. In fact, even after the Note allegedly matured by its terms and while
 18 CP18 was in bankruptcy, the Lender continued to receive and accept
 19 payments on the Note by collecting rent directly from the tenant on the
 20 Property. After the Receiver was put in place, the Receiver made payments
 21 to the Lender at the Note rate of interest. The Lender has suffered
 22 absolutely no financial hardship and has been paid in full. The Debtor in
 23 *Entz-White* cured the secured creditor's default through its Chapter 11 Plan
 24 and curing a default "means taking care of the triggering event and
 25 returning to pre-default conditions." Following his appointment, the
 26 Receiver made all payments to the Lender at the Note rate of interest and
 27 paid the Lender's claim in full upon the closing of escrow, so arguably any
 28 "default" was cured and the Lender was returned to pre-default conditions.

1 **D. Even if Entz-White Is Inapplicable, Lender is Still Not Entitled to**
 2 **Default Interest**

3 The *Future Media* court distinguished the particular facts before it
 4 held that the *Entz-White* rule may not be applicable to a cure of default
 5 outside of a plan and remanded the case to allow the bankruptcy court to
 6 decide the viability of the default rate. 547 F.3d 956 at 961. The Ninth
 7 Circuit Bankruptcy Appellate Panel routinely requires creditors to
 8 demonstrate the reasonableness and the compensatory nature of the default
 9 interest rate before the court will allow the higher default rate. *In re Yett*, 306
 10 B.R. 287 (9th Cir. B.A.P. 2004); *Hassen Imports*, 256 B.R. 916, 924 (9th Cir.
 11 B.A.P. 2000). In order to show that a secured creditor is entitled to a higher
 12 default rate, “it is not enough for a creditor to show that the default rate of
 13 interest is within a generally accepted range of interest rates. Rather, the
 14 creditor must provide tangible proof of loss; ‘formulaic or hypothetical’
 15 statements are insufficient. If the creditor fails to satisfy this evidentiary
 16 burden, the court will only allow the basic contract rate of interest.” *In re*
 17 *Zamani*, 390 B.R. 680, 688 (Bankr. N.D. Cal. 2008) (citations omitted.)

18 Here, the Lender has not established how the default rate was chosen
 19 and has not established that the default interest it seeks is compensatory.
 20 The Lender received all monthly payments under the Note at the contract
 21 rate, first by CP18 and eventually from the Receiver. Upon closing of the
 22 sale, the Lender received full payment of its Note balance, including unpaid
 23 principal balance and interest at the non-default rate, plus third party
 24 expenses, which the Receiver continues to dispute. Even if *Entz-White* is
 25 not applicable to this case, the Lender has not satisfied its evidentiary
 26 burden with respect to the requested default interest and its Claim must be
 27 reduced to disallow any default interest.

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III.

CONCLUSION

Lender’s attempt to delay escrow, which resulted in a drastic increase of the amount of demanded default interest and legal fees, deprived the Receiver of substantial funds to which the Receivership Estate is entitled. Lender has suffered no financial hardship and as a court of equity, this court should only allow the basic contract rate of interest. Receiver respectfully requests that the Court enter an order directing the distribution to Receiver of the funds held in the second escrow; the return by Lender of funds paid for purported third party expense; the payment by Lender of Receiver’s legal fees; and, such other relief as the Court deems appropriate.

DATED: March 4, 2013

MULVANEY BARRY BEATTY LINN & MAYERS LLP

By: /s/ John H. Stephens
Everett G. Barry, Jr.
John H. Stephens
Patrick L. Prindle
Attorneys for Receiver
Thomas C. Hebrank

HEBCO.124.354658.1

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9 Attorneys for Permanent Receiver
10 Thomas C. Hebrank

11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

13 SECURITIES AND EXCHANGE
14 COMMISSION,

15 Plaintiff,

16 v.

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

24 Defendants.

CASE NO. 2:11-cv-08607-R-DTB

**NOTICE OF LODGMENT IN
SUPPORT OF REPLY TO
OPPOSITION TO MOTION FOR
ORDER (A) DIRECTING
DISTRIBUTION OF FUNDS IN
ESCROW ACCOUNT; (B)
DIRECTING THE RETURN OF
FUNDS BY LENDER; AND (C)
DIRECTING PAYMENT BY
LENDER OF ATTORNEY'S FEES**

DATE: March 18, 2013
TIME: 10:00 a.m.
DEPT. 8, 2nd Floor

Judge: Hon. Manuel L. Real

25 Mulvaney Barry Beatty Linn & Mayers, counsel for Thomas C.
26 Hebrank, as the Court-appointed Permanent Receiver, hereby lodges
27 true and correct copies of the following documents in support of his
28 Motion For Order (A) Directing Distribution of Funds in Escrow Account;

//////

1 (B) Directing Return of Funds by Lender; and, (C) Directing Payment by
2 Lender of Attorney's Fees, as follows:

3 Exhibit 1: 01/23/13 emailed letter from John Stephens to Phillip
4 Wang.

5 Exhibit 2: 01/25/13 email exchange between John Stephens and
6 Phillip Wang.

7 Exhibit 3: Breakdown of Lender's Claim received by the Receiver
8 on February 18, 2013.

9
10 Dated: March 4, 2013

MULVANEY BARRY BEATTY LINN &
MAYERS LLP

11
12 By: /s/ John H. Stephens
13 Everett G. Barry, Jr.
14 John H. Stephens
15 Patrick L. Prindle
16 Attorneys for Receiver
17 Thomas C. Hebrank

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27 HEBCO.124.355135.1

“EXHIBIT 1”

Cynthia A. Jennings

To: pwang@duanemorris.com
Cc: John H. Stephens
Subject: Copeland Properties 18, L.P.
Attachments: HEBCO-124 Ltr to Wang 01.23.13.pdf

Mr. Wang,

Attached please find correspondence, dated January 23, 2013, from Attorney John H. Stephens regarding Copeland Properties 18, L.P.

Please contact me if you encounter any issues opening the attachment.

Hard copy to follow in today's mail.

Cindy Jennings, Legal Assistant
Mulvaney Barry Beatty Linn & Mayers LLP
401 West A St., 17th Floor
San Diego CA 92101
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**Mulvaney Barry Beatty
Linn & Mayers LLP**
Attorneys At Law

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(1922 – 2010)

January 23, 2013

Phillip Wang, Esq.
Duane Morris LLP
One Market Plaza, Spear Tower
Suite 2200
San Francisco, CA 94105-1127

Via U.S. First Class Mail and Email
pwang@duanemorris.com

Re: Copeland Properties 18, L.P.

Dear Mr. Wang:

I have not heard from you since we exchanged phone messages several weeks ago concerning the disputed "default interest" remaining in escrow following the sale of CP18's North Carolina Property and the lender's claim for "third party expenses." As you know, the receiver, Tom Hebrank wants to see source documents that support the third party expenses.

We would like to resolve these remaining issues as soon as possible so please let us know the status of the lender's claim. Additionally, Tom Hebrank does not believe the lender is entitled to any default interest but, in answer to your question, he will consider a proposal to resolve all issues if he can see the source documents.

Very truly yours,



John H. Stephens

JHS:caj

“EXHIBIT 2”

John H. Stephens

From: Wang, Phillip K. <PWang@duanemorris.com>
Sent: Friday, January 25, 2013 11:27 AM
To: John H. Stephens
Subject: RE: Copeland Properties 18, L.P.

John – thank you for your follow up. I will confer with my client and get back to you. Regards, Phil

From: Cynthia A. Jennings [<mailto:CJennings@mulvaneybarry.com>]
Sent: Wednesday, January 23, 2013 2:57 PM
To: Wang, Phillip K.
Cc: John H. Stephens
Subject: Copeland Properties 18, L.P.

Mr. Wang,

Attached please find correspondence, dated January 23, 2013, from Attorney John H. Stephens regarding Copeland Properties 18, L.P.

Please contact me if you encounter any issues opening the attachment.

Hard copy to follow in today's mail.

Cindy Jennings, Legal Assistant
Mulvaney Barry Beatty Linn & Mayers LLP
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**Mulvaney
Barry**
Mulvaney Barry Beatty
Linn & Mayers LLP
Attorneys At Law

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“EXHIBIT 3”

UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION		(For Receiver's use only) PROOF OF CLAIM NO. _____	
SEC v. Charles P. Copeland, et al. Case No. 2:11-cv-08607-R-DTB		Submit your Proof of Claim and supporting documentation to the Receiver: (1) in person or by courier service, hand delivery, or mail addressed to Thomas C. Hebrank, E3 Advisors, 501 West Broadway, Suite 800, San Diego, CA 92101; or (2) by electronic mail, as an attachment in portable document form (.pdf) to hryan@thee3advisors.com	
1. CLAIMANT INFORMATION: Name: <u>Marcus O. Colabianchi</u> Address: <u>Duane Morris LLP, 1 Market, Spear Tower</u> City, State, Zip: <u>#2200, San Francisco, CA 94105-1127</u> Telephone: <u>415-957-3000</u> Account Number (if any): _____		2. ENTITY WITH WHOM CLAIM WAS INCURRED (SUBMIT SEPARATE CLAIMS AGAINST EACH ENTITY): <u>Copeland Properties 18, L.P.</u> List here all other entities against which Claimant has filed a separate Proof of Claim: _____ _____	
3. BASIS FOR CLAIM (CHECK ALL APPLICABLE): Investment in _____ Other Investment _____ Services performed _____ <input checked="" type="checkbox"/> Money loaned _____ Taxes _____ Your SSN: _____ From _____ to _____ (dates) Other: <u>Monies loaned</u> (describe or provide additional information on attached sheet)		4. SECURED CLAIM: Secured Party. Check this box if you contend your claim is subject to a security interest. Attach copies of all documents that evidence the claim of secured status, including promissory notes, mortgages, security agreements, and evidence of perfection of lien. BRIEF DESCRIPTION OF COLLATERAL: <input checked="" type="checkbox"/> Real Estate _____ <input type="checkbox"/> Motor Vehicle _____ Other <u>See Attached</u> (please describe) ASSERTED VALUE OF COLLATERAL: \$ 597,114.36	
5. TOTAL AMOUNT OF CLAIM: \$ _____			
6. DATE(S) DEBT WAS INCURRED: _____		7. IF COURT JUDGMENT, DATE OBTAINED: _____	
8. IF LEGAL ACTION PENDING, DATE COMMENCED, COURT NAME, AND CASE NO.: _____			
9. SUPPORTING DOCUMENTATION: Please attach to your Proof of Claim Form copies of all documents available to you that support your claim, including but not limited to, copies of personal checks, cashiers checks, wire transfer advices, and other documents evidencing the claim, copies of contracts, a chronological accounting of all money received from any receivership entity or the receiver, copies of all agreements, promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, evidence of perfection of lien, and other documents evidencing the amount and basis of the Proof of Claim. DO NOT SEND ORIGINAL DOCUMENTS. If such documentation is not available, please attach an explanation of why the documents are unavailable.			
10. VERIFICATION OF CLAIMS: All Proofs of Claim submitted are subject to verification by the Receiver and approval by the Court. It is important to provide complete and accurate information to facilitate this effort. Claimants may be asked to supply additional information to complete this process.			
11. CONSENT TO JURISDICTION: By submitting your Proof of Claim, you consent to the jurisdiction of the United States District Court Central District of California, Western District for all purposes and agree to be bound by its decisions, including, without limitation, a determination as to the validity and amount of any claims asserted against the Receivership Entities. In submitting your Proof of Claim, you agree to be bound by the actions of the United States District Court Central District of California, Western District even if that means your claim is limited or denied.			
12. DATED: February <u>15</u> , 2013		13. SIGNATURE: Sign and print the name and title, if any, of all claimants or other persons authorized to submit this claim (attach a copy of power of attorney, death certificate, or other document as needed). Pursuant to 28 U.S.C. § 1746, I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct and that any supporting documentation provided is also true and correct. Signature: <u>[Signature]</u> Printed Name: <u>Marcus O. Colabianchi</u> Title: <u>Attorneys for SBMS 2000 C3 Landmark Center, LLC</u>	

SCHEDULE TO CLAIM

Securities and Exchange Commission v. Charles P. Copeland, et al.

Case No. 2:11-cv-08607-R-DTB

In the United States District Court

For the Central District of California, Western Division

Creditor: SBMS 2000-C3 Landmark Center, LLC

Claim is Asserted Against: Copeland Properties 18, L.P.

I. INTRODUCTION:

This Schedule supplements the information stated in the accompanying Claim, and shall constitute part of the Claim.

II. THE BASIS AND COLLATERAL OF THE CLAIM

Secured Creditor SBMS 2000-C3 Landmark Center, LLC ("Secured Creditor") holds a secured claim against Copeland Properties 18, L.P. (the "Debtor") based on the following:

On October 3, 2000, Wendover Greensboro, Ltd. ("Wendover"), as borrower, executed a Promissory Note (the "Note") in the principal amount of \$7,100,000.00 in favor of Continental Wingate Capital Corporation ("Continental"), as lender. A true and accurate copy of the Note is attached hereto and incorporated herein as Exhibit A.

The Note is secured by, among other things, a certain Deed of Trust, Assignment of Leases and Rents and Security Agreement (the "Deed of Trust") given by Wendover to James S. Hassan as trustee for the benefit of Continental, recorded on October 3, 2000, in Book 5091, Page 0004, Guilford County Registry. A true and accurate copy of the Deed of Trust is attached hereto and incorporated herein as Exhibit B. The property subject to the Deed of Trust is, as more particularly described in the Deed of Trust, the real property and improvements located at 6103 Landmark Center Boulevard, Greensboro, North Carolina 27407, which is commonly referred to as the Garden Ridge Property, and all rents and profits generated therefrom (collectively, the "Property").

On April 11, 2002, Continental, as assignor, executed an Assignment of Deed of Trust, Assignment of Leases and Rents and Security Agreement, for the benefit of the assignee, Wells Fargo Bank Minnesota, N.A., as trustee for the registered holders of Salomon Brothers Mortgage Securities VII, Inc. Commercial Mortgage Pass-Through Certificates, Series 2000-C3 (the "Trust"), recorded in Book 5485, Page 0426 of the Guilford County Registry, a true and accurate copy of which is attached and incorporated as Exhibit C.

On March 2, 2007, pursuant to an Assignment and Assumption Agreement with Holder's Consent by and among Wendover, the Debtor, and Charles P. Copeland, Donald E. Copeland, Bruce Taber and Maureen Taber, as recorded in Book 6685, Page 1238 in the Guilford County Registry, the Debtor, as assuming borrower, assumed all of Wendover's rights, obligations and interests under the loan documents, including, but not limited to, the Note dated October 3, 2000

in the principal amount of \$7,100,000.00, and deed of trust of the same date as thereafter assigned, a true and accurate copy of which is attached and incorporated as **Exhibit D**.

The Trust, as assignor, executed an Assignment of Deed of Trust, Assignment of Leases and Rents and Security Agreement and Other Loan Documents, for the benefit of the assignee, Secured Creditor, as recorded on April 4, 2011, in Book 7228, Page 2645 of the Guilford County Registry, a true and accurate copy of which is attached and incorporated as **Exhibit E**.

The Debtor defaulted under the Loan Documents for, among other things, failing to make payments when the loan matured in September 2010. As a result of the default, by letter dated April 29, 2011, Secured Creditor accelerated the debt, and informed the Debtor of its intent to enforce the attorneys' fees provisions of the Loan Documents if payment was not received within five days of the letter. A true and correct copy of the April 29, 2011, letter is attached hereto and incorporated herein as **Exhibit F**.

III. SALE OF THE PROPERTY

In or about November 2012, THOMAS C. HEBRANK ("Receiver"), the Court-appointed permanent receiver entered into an agreement to sell the Property. Specifically, the Receiver proposed to sell the Property (the "Sale") under a Purchase and Sale Agreement to the proposed buyer, National Retail Properties, LP, for a purchase price of \$8,550,000. A sale of the Property had been approved by the United States District Court for the Central District of California ("Court") in its Order granting Receiver's Motion for Order (A) Approving Sale of Real Property Free and Clear of Liens; (B) Authorizing the Receiver to Pay Certain Liens and Claims From the Sale Proceeds entered on October 3, 2012 ("Order"). The Sale was scheduled to close escrow on November 30, 2012 but actually closed escrow on December 7, 2012 ("Closing Date").

In connection with the Sale, the Receiver and Secured Creditor entered into two separate agreements: (1) Agreement Regarding Receiver's Proposed Sale Of Property ("Agreement"), and (2) Escrow Agreement. Copies of these two agreements are attached hereto as **Exhibits G and H**.

On the Closing Date, the Secured Creditor received \$5,244,241.77 from escrow pursuant to the parties' Agreement.

IV. THE AMOUNT OF THE CLAIM

Attached hereto as **Exhibit I** is a Payoff Statement calculated as of November 21, 2012 ("Payoff Statement"). Additional interest accrued between the Payoff Statement and the closing date at the per diem rate of \$1,201.14 for note rate interest and \$712.42 for default rate interest.

The total amount owed as of the date of this Claim pursuant to the Loan Documents and applicable law, is equal to at least \$597,114.36¹ which is broken-down as follows:

¹ This amount is calculated as of the Closing Date for the sale of the Property on December 7, 2012 and does not include amounts such as certain accrued but unbilled fees that may have been incurred on and after November 1, 2012. Certain other costs and charges as of the date of the Payoff Statement may not have been calculated and

Description	Amount
Unpaid Principal Balance in Payoff Statement	\$5,129,404.62
Note Rate Interest due for November 2012	\$54,241.02
Additional Note Rate Interest from November 30, 2012 through December 7, 2012	\$8,407.98
Third Party Expenses in Payoff Statement	\$106,429.17
Default Rate Interest in Payoff Statement	\$570,715.64
Additional Default Rate Interest from November 22, 2012 through December 7, 2013	\$11,398.72
Additional Estimated Attorneys' Fees Incurred After Closing Date	\$15,000
<i>Subtotal</i>	<i>\$5,895,597.15</i>
Less Amounts Received From Sale of Property	(\$5,244,241.77)
Less Monthly Interest Payment	(\$54,241.02)
Total	\$597,114.36

V. THE CLASSIFICATION OF THE CLAIM

Secured Creditor's claim is secured against the proceeds from the sale of the Property. In fact, the Escrow Agreement signed by the Receiver and Secured Creditor has the amounts that the parties could not agree upon in connection with closing the sale of the Property which amounts are being held in escrow pursuant to the parties' agreement.

VI. SUPPORTING DOCUMENTATION

The supporting documentation for this claim includes the following documents, true and accurate copies of which are attached hereto, and incorporated herein, by reference:

- | | |
|-----------|--|
| Exhibit A | Promissory Note date October 3, 2000 (with allonges) |
| Exhibit B | NC Deed of Trust dated October 3, 2000 |

therefore are not included in the above figure, and additional amounts continue to accrue such as ongoing interest at the regular and default rates, ongoing attorneys' fees, and other costs, expenses and charges that are payable under the Loan Documents. Secured Creditor reserves all rights to amend this Claim to assert said additional amounts.

Exhibit C	Deed of Trust Assignment dated April 11, 2002
Exhibit D	Assignment and Assumption Agreement dated March 2, 2007
Exhibit E	Deed of Trust Assignment dated April 4, 2011
Exhibit F	Demand Letter dated April 29, 2011
Exhibit G	Agreement Regarding Receiver's Proposed Sale Of Property
Exhibit H	Escrow Agreement
Exhibit I	Payoff Statement as of November 21, 2012
Exhibit J	Invoices for Third Party Expenses
Exhibit K	Face Pages of Invoices for Legal Fees

V. RESERVATION OF RIGHTS

Secured Creditor reserves the right to amend this Claim and to file further pleadings and documents from time to time, including without limitation (i) to restate liquidated and unliquidated components of this Claim; (ii) to claim all amounts due in respect of any interest, fees, costs or charges, including without limitation professional fees; (iii) to reflect additional claims; or (iv) for any other reason should it deem it appropriate.

This Claim is submitted under the compulsion of the requirement to do so before the applicable bar date, or other deadline, and is filed to protect Secured Creditor from forfeiture of claims by reason of not acting prior to any such deadline. Filing of this Claim is not and shall not be deemed or construed as (a) an election of remedies; (b) a waiver of any rights regarding collateral or any rights or claims against the Debtor or any other person, including without limitation rights or claims against guarantors, officers, directors, partners, or stockholders; or (c) the waiver of any other right or claim, or the consent to any other matter.

Secured Creditor also reserves the right to submit further documentation that supports the amounts set forth herein.

1 Everett G. Barry, Jr. (SBN 053119)
 2 John H. Stephens (SBN 82971)
 3 Patrick L. Prindle (SBN 87516)
 4 MULVANEY BARRY BEATTY LINN & MAYERS LLP
 5 401 West A Street, 17th Floor
 6 San Diego, CA 92101-7994
 7 Telephone: 619-238-1010
 8 Facsimile: 619-238-1981
 9 Attorneys for Permanent Receiver
 10 Thomas C. Hebrank

11 UNITED STATES DISTRICT COURT
 12 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

13 SECURITIES AND EXCHANGE
 14 COMMISSION,

15 Plaintiff,

16 v.

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

24 Defendants.

CASE NO. 2:11-cv-08607-R-DTB

**DECLARATION OF JOHN H.
 STEPHENS IN SUPPORT OF
 REPLY TO SECURED
 CREDITOR'S OPPOSITION TO
 RECEIVER'S MOTION FOR
 ORDER (A) DIRECTING
 DISTRIBUTION OF FUNDS IN
 ESCROW ACCOUNT; (B)
 DIRECTING THE RETURN OF
 FUNDS BY LENDER; AND (C)
 DIRECTING PAYMENT BY
 LENDER OF ATTORNEY'S FEES**

DATE: March 18, 2013
 TIME: 10:00 a.m.
 DEPT. 8, 2nd Floor

Judge: Hon. Manuel L. Real

25 I, John H. Stephens, declare as follows:

26 1. I am an attorney licensed to practice in the State of California
 27 and admitted before this Court. I am one of the attorneys representing
 28

MULVANEY BARRY BEATTY LINN & MAYERS
A LIMITED LIABILITY PARTNERSHIP
SEVENTEENTH FLOOR
401 WEST A STREET
SAN DIEGO, CALIFORNIA 92101-7944
TELEPHONE 619 238-1010
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1 the Court-appointed permanent receiver, Thomas C. Hebrank
2 (“Receiver”). I submit this declaration in support of the Receiver’s Reply
3 to Secured Creditor’s Opposition to Motion for Order (A) Directing
4 Distribution of Funds in Escrow Account; (B) Directing the Return of
5 Funds by Lender; and, (C) Directing Lender to Pay Receiver’s Attorney’s
6 fees (the “Motion”). I have personal knowledge of the following facts
7 and, if called as a witness, would testify to them.

8 2. The Receiver was forced to bring this Motion because SBMS
9 2000-C3 Landmark Center, LLC (“Lender”) did not comply with the Motion
10 for Order Approving sale of Property owned by Copeland Properties 18, LP
11 (the “Sale Order”). The Court gave the Receiver the right to sell the
12 Property free and clear of liens, with Lender’s lien attaching to the sale
13 proceeds after escrow closed. Pursuant to the terms of the Sale Order,
14 upon closing, the Receiver was to pay the Lender’s undisputed lien amount
15 through escrow and if the Lender disputed the lien payoff, it could bring a
16 motion after escrow closed. As described in detail in the Motion, Lender
17 did not comply with the Sale Order.

18 3. On or about February 25, 2013, Lender filed an Opposition to
19 the Motion (“Opposition”).

20 4. In Footnote 1 of the Opposition, Lender complains “that the
21 Receiver did not contact Secured Creditor prior to filing the Motion on
22 February 15, 2013 in accordance with Local Rule of Court 7-3 entitled
23 ‘Conference of Counsel Prior to Filing of Motions.’” This statement is
24 incorrect.

25 5. On January 23, 2013, my assistant sent attorney Philip Wang
26 an email with a letter that I wrote to Mr. Wang attached. The letter stated
27 that the default interest and the Lender’s claim for third party expenses
28

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1 were still in dispute and the Receiver needs to see source documents that
2 support the third party expenses. The letter also requests the status of
3 the Lender’s claim. (A copy of my 01/23/13 email is attached to the
4 Notice of Lodgment (“NOL”) as Exhibit 1, emphasis added.)

5 6. On January 25, 2013, Mr. Wang acknowledged receipt of my
6 01/23/13 email and said that he will confer with his client and get back to
7 me. (A copy of Mr. Wang’s 01/25/13 email is attached to the NOL as
8 Exhibit 2, emphasis added.) I did not receive any further response from
9 Mr. Wang and as a result, the Receiver proceeded with filing the Motion.

10 7. On page 6 of the Opposition, Lender’s counsel, Marcus O.
11 Colabianchi claims in our subsequent discussions after the hearing on the
12 sale motion, I provided him with information on the proposed title/escrow
13 company and the buyer’s attorney. Mr. Colabianchi’s statement is
14 completely false and I did not provide him with that information. As detailed
15 in the Declaration of Stephen Bolles, filed with the Motion, Mr. Colabianchi
16 directly contacted the title officer to inform him that Duane Morris, LLP
17 would have to “pre-approve the payoff figure as furnished by the receiver.”

18 8. Lender and Lender’s counsel’s attempts to shift blame onto the
19 Receiver and Receiver’s counsel is consistent with their past practices in
20 this case.

21 I declare under penalty of perjury under the laws of the State of
22 California that the foregoing is true and correct, and that this Declaration
23 was executed on March 4, 2013, in San Diego, California.

24 /s/ John H. Stephens
25 John H. Stephens

26 HEBCO.124.354965.1

1 Everett G. Barry, Jr. (SBN 053119)
2 John H. Stephens (SBN 82971)
3 Patrick L. Prindle (SBN 87516)
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7 Telephone: 619-238-1010
8 Facsimile: 619-238-1981

9 Attorneys for Permanent Receiver
10 Thomas C. Hebrank

11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

13 SECURITIES AND EXCHANGE
14 COMMISSION,

CASE NO. 2:11-cv-08607-R-DTB

15 Plaintiff,

PROOF OF SERVICE

16 v.

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

24 Defendants.

25 I, Cindy Jennings, declare that I am over the age of 18 years and
26 not a party to the action. I am employed in the County of San Diego,
27 California, within which county the subject service occurred. My
28 business address is 401 West A Street, 17th Floor, San Diego,
California, 92101-7994.

On March 4, 2013, I served the following documents:

- 1) **REPLY TO SECURED CREDITOR’S OPPOSITION TO RECEIVER’S MOTION FOR ORDER (A) DIRECTING DISTRIBUTION OF FUNDS IN ESCROW ACCOUNT; (B) DIRECTING THE RETURN OF FUNDS BY LENDER; AND (C) DIRECTING PAYMENT BY LENDER OF ATTORNEY’S FEES;**

MULVANEY BARRY BEATTY LINN & MAYERS
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2) NOTICE OF LODGMENT IN SUPPORT OF REPLY TO OPPOSITION TO MOTION FOR ORDER (A) DIRECTING DISTRIBUTION OF FUNDS IN ESCROW ACCOUNT; (B) DIRECTING THE RETURN OF FUNDS BY LENDER; AND (C) DIRECTING PAYMENT BY LENDER OF ATTORNEY’S FEES;

3) DECLARATION OF JOHN H. STEPHENS IN SUPPORT OF REPLY TO SECURED CREDITOR’S OPPOSITION TO RECEIVER’S MOTION FOR ORDER (A) DIRECTING DISTRIBUTION OF FUNDS IN ESCROW ACCOUNT; (B) DIRECTING THE RETURN OF FUNDS BY LENDER; AND (C) DIRECTING PAYMENT BY LENDER OF ATTORNEY’S FEES;

BY ELECTRONIC NOTICE VIA THE ECF SYSTEM.

I electronically filed the document(s) listed above with the Clerk of the Court by using the CM/ECF system. Participants in the case who are registered CM/ECF users will be served by the CM/ECF system. Participants in the case who are not registered EM/ECF users will be served by mail or by other means permitted by the court rules.

FEDERAL. I hereby certify that I am employed in the office of a member of the Bar of the United States Bankruptcy Court for the Southern District of California, at whose direction this service was made.

Executed on March 4, 2013, at San Diego, California.

/Cindy Jennings
Cindy Jennings

1 Everett G. Barry, Jr. (SBN 053119)
2 John H. Stephens (SBN 82971)
3 Patrick L. Prindle (SBN 87516)
4 MULVANEY BARRY BEATTY LINN & MAYERS LLP
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9 Attorneys for Permanent Receiver
10 Thomas C. Hebrank

11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

13 SECURITIES AND EXCHANGE
14 COMMISSION,

15 Plaintiff,

16 v.

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

24 Defendants.

CASE NO. 2:11-cv-08607-R-DTB

**DECLARATION OF THOMAS C.
HEBRANK IN SUPPORT OF
REPLY TO LENDER'S
OPPOSITION TO MOTION FOR
ORDER (A) DIRECTING
DISTRIBUTION OF FUNDS IN
ESCROW ACCOUNT; AND, (B)
DIRECTING THE RETURN OF
FUNDS BY LENDER**

DATE: March 18, 2013
TIME: 10:00 a.m.
DEPT. 8, 2nd Floor

Judge: Hon. Manuel L. Real

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

26 1. I am the Court appointed permanent receiver for Copeland
27 Wealth Management, a Financial Advisory Corporation ("CWM
28 Financial"), Copeland Wealth Management, a Real Estate Corporation
"CWM Realty"), and their subsidiaries and affiliates (collectively, the

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FACSIMILE 619 238-1981

1 “Receivership Entities”). The following statement includes facts within
2 my personal knowledge, and if called as a witness I could and would
3 testify under oath and in a manner consistent with the statements
4 hereafter set forth. I submit this declaration in support of my Reply to
5 Secured Creditor’s Opposition to Motion for Order (A) Directing
6 Distribution of Funds in Escrow Account; (B) Directing the Return of
7 Funds by Lender; and, (C) Directing Lender to Pay Receiver’s Attorney’s
8 fees (the “Motion”). I have personal knowledge of the following facts
9 and, if called as a witness, would testify to them.

10 2. On or about February 25, 2013, Lender filed an Opposition to
11 the Motion (“Opposition”).

12 3. Prior to filing the Motion, I, by and through my counsel,
13 repeatedly requested that the Lender provide me with a payment history
14 for the Note and all source documents that support the Lender’s claim for
15 third party expenses. I did not receive the requested information, which
16 is still deficient, until after the Motion was filed.

17 4. On February 18, 2013, I received the Lender’s Proof of Claim
18 in the approximate amount of \$597,114.36 (“Claim”). A breakdown of
19 the Lender’s Claim is attached as pages 2 and 3 of the Claim. (A copy of
20 the breakdown of the Lender’s Claim is attached to the Notice of
21 Lodgment (“NOL”) as Exhibit 3, emphasis added.)

22 5. Lender’s Claim includes a line item for “Third Party Expenses”
23 in the amount of \$106,429.17. The Claim attaches several invoices for
24 third party expenses and face pages of invoices for Lender’s legal fees.
25 The face pages only list a total amount due and include absolutely no
26 summary of the legal work provided, the allocation of legal work and the
27 attorneys’ hourly rate. Despite repeated requests, the Lender has still not
28

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1 provided a clear itemization and explanation of its claimed expenses.
2 6. I am informed and believe that CP18 was, at all times, current
3 on payments to Lender when the Note allegedly matured by its terms on
4 November 1, 2010. After the Note matured and while CP18 was in
5 bankruptcy, the Lender continued to receive and accept payments on the
6 Note by collecting rent directly from the tenant on the Property. After I
7 was put in place as Receiver, I made payments to the Lender at the Note
8 rate of interest, which the Lender accepted. The Lender has not suffered
9 any financial loss or hardship and in fact, has been fully paid all principal
10 and accrued Note interest at the rate of 8.43%.

11 7. The Lender's Claim includes line items for Note rate interest
12 due for November 2012 to December 7, 2012 in the amount of
13 \$62,649.00. The Lender's Claim also includes line items for default rate
14 interest due through December 7, 2012 in the amount of \$582,114.36.

15 8. Lender's Claim also includes a line item for additional
16 estimated attorneys' fees incurred after closing date in the amount of
17 \$15,000.00. Lender has provided no explanation or documentation in
18 support of this line item.

19 9. I reserve my rights to object to the validity of the Lender's
20 Claim.

21 I declare under penalty of perjury under the laws of the State of
22 California that the foregoing is true and correct, and that this Declaration
23 was executed on March 1st, 2013 in San Diego, California.

24
25 By: 
26 Thomas C. Hebrank, Permanent Receiver

27 WFBRM.337.355072.1

28

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

11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

13 SECURITIES AND EXCHANGE
14 COMMISSION,

CASE NO. 2:11-cv-08607-R-DTB

15 Plaintiff,

PROOF OF SERVICE

16 v.

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

24 Defendants.

25 I, Cindy Jennings, declare that I am over the age of 18 years and
26 not a party to the action. I am employed in the County of San Diego,
27 California, within which county the subject service occurred. My
28 business address is 401 West A Street, 17th Floor, San Diego,
California, 92101-7994.

On March 4, 2013, I served the following documents:

- 1) **DECLARATION OF THOMAS C. HEBRANK IN SUPPORT OF
REPLY TO SECURED CREDITOR'S OPPOSITION TO
RECEIVER'S MOTION FOR ORDER (A) DIRECTING
DISTRIBUTION OF FUNDS IN ESCROW ACCOUNT; (B)**

**DIRECTING THE RETURN OF FUNDS BY LENDER; AND (C)
DIRECTING PAYMENT BY LENDER OF ATTORNEY’S FEES;**

BY ELECTRONIC NOTICE VIA THE ECF SYSTEM.

I electronically filed the document(s) listed above with the Clerk of the Court by using the CM/ECF system. Participants in the case who are registered CM/ECF users will be served by the CM/ECF system. Participants in the case who are not registered EM/ECF users will be served by mail or by other means permitted by the court rules.

FEDERAL. I hereby certify that I am employed in the office of a member of the Bar of the United States Bankruptcy Court for the Southern District of California, at whose direction this service was made.

Executed on March 4, 2013, at San Diego, California.

/Cindy Jennings
Cindy Jennings

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