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15 **UNITED STATES DISTRICT COURT**  
 16 **SOUTHERN DISTRICT OF CALIFORNIA**

17 SECURITIES AND EXCHANGE  
 18 COMMISSION,

19 Plaintiff,

20 v.

21 LOUIS V. SCHOOLER and FIRST  
 22 FINANCIAL PLANNING  
 23 CORPORATION d/b/a WESTERN  
 24 FINANCIAL PLANNING  
 25 CORPORATION,

26 Defendants.

Case No. 3:12-cv-02164-GPC-JMA

**EX PARTE APPLICATION FOR  
 AUTHORITY TO USE FUNDS IN  
 CERTAIN GENERAL  
 PARTNERSHIP ACCOUNTS TO  
 COVER SHORTFALL IN FUNDS  
 NECESSARY TO MAKE  
 MORTGAGE PAYMENTS,  
 PENDING RESOLUTION OF  
 APPEAL**

Ctrm: 2D  
 Judge: Hon. Gonzalo P. Curiel

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1 Thomas C. Hebrank ("Receiver"), Court-appointed receiver for First Financial  
2 Planning Corporation d/b/a Western Financial Planning Corporation ("Western"),  
3 and its subsidiaries and affiliates (collectively, "Receivership Entities"), submits this  
4 Ex Parte Application for Authority to Use Funds in Certain General Partnership  
5 Accounts to Cover Shortfall in Funds Necessary to Make Mortgage Payments,  
6 Pending Resolution of Appeal ("Application").

## 7 I. INTRODUCTION

8 Per the Court's instructions, the Receiver has continued to make payments on  
9 all loans secured by General Partnership ("GP") properties ("Mortgage Payments"),  
10 including payments on mortgages that exceed the appraised values of the properties.  
11 When the Court issued its August 16, 2013 Order, which instructs the Receiver to  
12 continue to make all Mortgage Payments and provides that the GPs will be released  
13 from the receivership, it was contemplated the GPs would remain in the receivership  
14 for only a short time. It was also contemplated Mr. Schooler would, as he  
15 represented to the Court, cover the shortfall between amounts Western collects on  
16 GP notes and Mortgage Payments owed ("Shortfall"). Docket No. 470, p. 12.

17 Since then, the Court has stayed the release of the GPs from the receivership  
18 pending resolution of the appeal and Mr. Schooler has refused to honor his pledge to  
19 cover the Shortfall. Accordingly, Western is now no longer able to timely make  
20 Mortgage Payments. If this situation is not addressed quickly, Western will default  
21 on mortgages, resulting in late fees and charges and attempts by lenders to foreclose  
22 on GP properties. Accordingly, the Receiver seeks relief on an expedited basis to  
23 address the cash shortage pending resolution of the appeal. Specifically, the  
24 Receiver asks that GPs who currently do not pay Western enough for Western to  
25 make the Mortgage Payments on their property be required to cover their share of  
26 the Shortfall from cash on hand in their bank accounts. While this solution is far  
27 from ideal, it is the most fair and equitable way of addressing the Shortfall under  
28 these difficult circumstances.

## II. BACKGROUND

1  
2 Since well before the Receiver's appointment, note payments collected from  
3 GPs have been insufficient to cover Mortgage Payments. The Shortfall fluctuates  
4 somewhat from month to month, but as the Court recently observed, the Shortfall  
5 still exists and is substantial. Docket No. 511, p. 7 (noting the current Shortfall is  
6 \$10,360).

7 Prior to the receivership, Western had virtually no operating capital, its net  
8 revenue having been paid largely to Defendant Louis Schooler. *See* Docket  
9 No. 504. Western's income from selling GP ownership units was insufficient to  
10 cover the Shortfall and its operating expenses. Accordingly, Western was  
11 dependent on Mr. Schooler to put funds back into the company. When the Receiver  
12 was appointed, sales of GP ownership units ceased, cutting off one of Western's  
13 main sources of income. During the first three months of the receivership,  
14 Mr. Schooler made two infusions of capital totaling \$170,000 to help Western pay  
15 its operating expenses and cover the Shortfall. After his attempt to have Western  
16 removed from the receivership failed, Mr. Schooler ceased putting funds back into  
17 Western.

18 The Receiver reduced Western's operating expenses substantially and  
19 obtained authority to sell automobiles and gold coins owned by Western, but these  
20 were short-term solutions to the problem - Western has no long-term ability to cover  
21 the Shortfall, let alone its operating expenses. To address the constant cash  
22 shortage, the Receiver proposed voting procedures whereby investors could either  
23 (a) vote to retain their properties and take sole responsibility for all costs associated  
24 with such properties, or (b) let the properties be sold or surrendered to the lenders  
25 and cut their losses as they stood. Docket No. 203. The Receiver emphasized that  
26 decisions needed to be made soon or Western would be unable to timely make  
27 Mortgage Payments. *Id.*

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1 The Court declined to approve the proposed voting procedures and ordered  
2 the GPs be released from the receivership on certain conditions. Docket No. 470.  
3 At that time, it was contemplated the GPs would remain in the receivership for only  
4 a short time. That recently changed when the Court stayed the release of the GPs  
5 from the receivership pending resolution of the appeal. Docket No. 513.

6 Mr. Schooler's recent actions have exacerbated Western's cash shortage,  
7 resulting in Western now being unable to timely make mortgage payments. First,  
8 the liquidation of Western's interests in the GPs has been stayed pending  
9 Mr. Schooler's appeal. Second, the LinMar Borrowers, who are controlled by  
10 Mr. Schooler, have refused to repay any portion of the loans Western made to them,  
11 instead electing to litigate with the Receiver. Third, despite repeated requests,  
12 Mr. Schooler has refused to honor his pledge to the Court to cover the Shortfall.

13 Western's only other potential source of funds is collections on loans Western  
14 previously made to the GPs to cover shortfalls in GP operational funds. These  
15 amounts, however, must be collected from investors first because the applicable GPs  
16 do not have cash on hand to repay the loans. Operational bills, which include  
17 amounts necessary to repay these loans, are being mailed to investors. What the  
18 response rate and timing of responses will be, however, is unknown. In addition,  
19 Western still has operating expenses and Court-approved receivership expenses to  
20 pay. Therefore, these collections cannot be relied on to address immediate cash  
21 needs for Mortgage Payments.

22 Although Mortgage Payments are being made only two to three weeks late at  
23 this point, the situation will only get worse as time goes on. Attached hereto as  
24 Exhibit A is a spreadsheet showing Western's projected cash flows over the next six  
25 weeks. As a result of Western's growing cash shortage, late fees and other charges  
26 will be incurred soon and lenders will likely seek relief from the litigation injunction  
27 to commence foreclosure proceedings. Unfortunately, short of Mr. Schooler  
28 changing his position on one or more of the three issues discussed above, there is no

1 solution that does not involve the GPs contributing additional funds to cover the  
2 Shortfall.

3 **III. RELIEF REQUESTED**

4 In a recent reply brief (Docket No. 508), the Receiver explained that, as it  
5 pertains to Mortgage Payments, GP note payments fall into three categories:

- 6 1. GPs that have no mortgages on their property interests. There are three  
7 GPs in this category.
- 8 2. GPs that have mortgages on their property interests and the GP note  
9 payments to Western are insufficient to make the Mortgage Payment.  
10 There are seven GPs in this category.
- 11 3. GPs that have mortgages on their property interests and the GP note  
12 payments to Western exceed the Mortgage Payment. There are three  
13 GPs in this category.

14 Docket No. 508-1, Hebrank Declaration, ¶ 5, Exhibit A.

15 It is the Mortgage Payments in category two that need to be addressed.  
16 Attached hereto as Exhibit B is the spreadsheet for category two that was previously  
17 provided to the Court, with the bank account balances for the applicable GPs added.  
18 As Exhibit B reflects, the GPs in category two all have ample funds in their bank  
19 accounts to make up their relatively modest share of the Shortfall so that category  
20 two Mortgage Payments can be timely made. Accordingly, the Receiver proposes  
21 that, until the appeal is resolved, GPs in category two pay their share of the Shortfall  
22 to Western from their accounts such that Western can timely make the Mortgage  
23 Payments on their properties. The monthly amount each GP will pay is listed on  
24 Exhibit A under the column "Monthly Shortage." For example, the four GPs that  
25 own the Washoe 4 property would each pay \$550.25 per month to Western to cover  
26 the \$2,201 Shortfall so Western can add the \$2,201 to the \$7,082 collected on GP  
27 notes and make the two Mortgage Payments for Washoe 4 totaling \$9,283.

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1 To be clear, the Receiver is not suggesting there is any connection between  
2 amounts collected from GPs and Mortgage Payments. As previously explained,  
3 there is not. Docket No. 508, pp. 6-7. Nor is the Receiver suggesting the GPs in  
4 category two are at fault in any way for the Shortfall. They are not. The Shortfall is  
5 the unfortunate result of Mr. Schooler draining Western of cash prior to the  
6 receivership, refusing to put funds back into the company, refusing to repay loans  
7 Western made to his entities, failing to honor his pledge to the Court, and going to  
8 great lengths to cut off other sources of funds such as the liquidation of Western's  
9 equity interests in the GPs. However, because the GPs in category two benefit  
10 directly from Western making the category two Mortgage Payments, the most fair  
11 and equitable solution under the circumstances is for them to collectively make up  
12 the Shortfall from cash on hand in their accounts.

13 Mr. Schooler will no doubt try to shift responsibility for the Shortfall to the  
14 fees and costs of the receivership. The Court has rejected this argument, noted the  
15 vast amounts of money Mr. Schooler paid himself prior to the receivership, and  
16 refused to give any weight to his arguments about "Western's legitimate expenses,  
17 which now include the costs of the receivership." Docket No. 511, pp. 7-8. The  
18 Court should continue to reject Mr. Schooler's specious arguments. It is  
19 Mr. Schooler's failure to honor his pledge to the Court made in July 2013 that has  
20 put the GPs in this precarious situation today. The Court has also held that  
21 Mr. Schooler may no longer purport to make arguments on behalf of the GPs. *Id.* at  
22 p. 8.

#### 23 IV. CAUSE FOR EXPEDITED RELIEF

24 As noted above, Western is currently two to three weeks behind on making  
25 Mortgage Payments. If relief is not granted promptly, Western will get further  
26 behind to the point where late fees and other charges will be incurred and lenders  
27 will seek permission to commence foreclosure proceedings. This should be avoided  
28

1 if at all possible. The relief requested herein is a temporary measure to address the  
2 immediate cash shortage pending resolution of the appeal.

3 The Receiver advised counsel for the Securities and Exchange Commission  
4 and counsel for Defendants regarding his intention to seek the relief requested  
5 herein prior to filing this application. Counsel for the Commission advised the  
6 Commission has no opposition. Counsel for Defendants had not responded as of the  
7 time of filing.

## 8 V. ARGUMENT

### 9 A. Broad Equitable Powers of the Court

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

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

24 A district court's power to supervise an equity receivership and  
25 to determine the appropriate action to be taken in the  
26 administration of the receivership is extremely broad. The  
27 district court has broad powers and wide discretion to determine  
28 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 transactions. A district  
court's decision concerning the supervision of an equitable  
receivership is reviewed for abuse of discretion.

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

8 Here, Western's only source of income - GP note payments - falls well short  
9 of covering Mortgage Payments, let alone Western's operating expenses.  
10 Mr. Schooler's appeal of the liquidation of Western's equity interests in the GPs,  
11 refusal to repay the LinMar loans, and failure to honor his pledge to cover the  
12 Shortfall has compounded the problem and now puts the GPs in imminent danger of  
13 Western defaulting on their mortgages.

14 Short of Mr. Schooler changing his position, there is no easy solution to this  
15 situation. However, because the GPs in category two (a) do not pay enough for  
16 Western to make the Mortgage Payments on their properties, (b) benefit directly  
17 from Western making such payments, and (c) have sufficient cash in their accounts  
18 to cover the Shortfall on a temporary basis, the Receiver believes having the  
19 category two GPs collectively make up the Shortfall is the most fair and equitable  
20 solution under the circumstances. Again, this is a temporary measure to address a  
21 specific cash shortage pending resolution of the appeal. If the appeal has not been  
22 resolved within nine months (a reasonable time estimate for an expedited  
23 preliminary injunction appeal), the Receiver will advise the Court as to the account  
24 balances of the category two GPs and seek further relief, as appropriate, to ensure all  
25 Mortgage Payments will be timely made.

## 26 VI. CONCLUSION

27 WHEREFORE, the Receiver requests an order authorizing him, starting in  
28 November 2013 and lasting until the stay of the Court's August 16, 2013 Order is



1 lifted, to transfer amounts necessary to cover the Shortfall from accounts for the  
2 category two GPs listed on Exhibit A to Western's accounts. In any given month,  
3 the amount transferred from each GP account shall be the GP's pro rata share of the  
4 difference between note payments made to Western by all GPs for a property and  
5 the Mortgage Payments due in that month for that property.

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Dated: November 22, 2013

ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP

By:           /s/ Ted Fates          

TED FATES  
Attorneys for Receiver  
THOMAS C. HEBRANK

**EXHIBIT INDEX**

Exhibit A	Western's Projected Cash Flows Through January 3, 2014	11
Exhibit B	Category 2 Investor Note Payments and GP Mortgage Payments With GP Account Balances	13

# EXHIBIT A

# EXHIBIT A

**Western Financial Planning Corp.**  
**Estimated Cash Flows**  
**Through 1/3/14**

	Week of 11/22/2013	Week of 11/29/2013	Week of 12/6/2013	Week of 12/13/2013	Week of 12/20/2013	Week of 12/27/2013	Week of 1/3/2014
<b>Income</b>							
Notes Receivable	36,979	500	22,181	18,556	24,703	36,979	22,181
<b>Total</b>	<b>36,979</b>	<b>500</b>	<b>22,181</b>	<b>18,556</b>	<b>24,703</b>	<b>36,979</b>	<b>22,181</b>
<b>Expenses</b>							
Mortgages Payable	30,838	31,947	6,385	39,862	30,838	31,947	6,385
Rent	-	1,000	-	-	-	1,000	-
Payroll	1,000	-	1,000	-	1,000	-	1,000
Tax Preparation	-	-	-	-	5,000	-	-
Utilities	-	500	-	-	-	500	-
IT	-	1,000	-	-	-	-	-
Office Supplies	-	-	500	-	-	-	-
<b>Total</b>	<b>31,838</b>	<b>34,447</b>	<b>7,885</b>	<b>39,862</b>	<b>36,838</b>	<b>33,447</b>	<b>7,385</b>
<b>Net Income</b>	<b>5,141</b>	<b>(33,947)</b>	<b>14,296</b>	<b>(21,306)</b>	<b>(12,135)</b>	<b>3,532</b>	<b>14,796</b>
<b>Cash on Hand</b>							
Start of the Week	26,667	(37,362)	(71,309)	(57,013)	(78,319)	(90,454)	(86,922)
Mortgage Payments Due from Prior Weeks <sup>1</sup>	69,170	-	-	-	-	-	-
<b>End of the Week</b>	<b>(37,362)</b>	<b>(71,309)</b>	<b>(57,013)</b>	<b>(78,319)</b>	<b>(90,454)</b>	<b>(86,922)</b>	<b>(72,126)</b>

<sup>1</sup> Represents Mortgage payments that are due, but have not yet been paid because of insufficient funds.

# EXHIBIT B

# EXHIBIT B

FIRST FINANCIAL PLANNING CORP  
 DBA WESTERN FINANCIAL PLANNING CORPORATION  
 TRUST DEED SCHEDULE  
 @October 31, 2013  
 Category 2 loans

G/L #	Property	Note payments for underlying real estate <sup>1</sup>				Payor	Rate	Payments Received from Partnerships			Monthly shortage	Loan Balance Overage/Shortage <sup>2</sup>	Bank Balance
		Monthly Payment	Principal Balance	Maturity Date	Loan Status			Monthly Payment	Principal Balance	Maturity Date			
<b>WASHOE 4</b>													
2395	Redfield - Reno 1st TD-Var Int	8,167	156,991	6/2015	current	Rose Vista	9.00%	2,448	67,290	7/11/2016	(550)	91,505	
2396	Redfield - 2nd TD Schafer	1,116	20,548	5/2016	current	Steamboat	9.00%	1,397	41,813	8/14/2016	(550)	88,997	
						Galena Ranch	9.00%	1,400	37,816	9/7/2016	(550)	118,788	
						Redfield Heights	9.00%	1,838	44,802	9/27/2016	(550)	114,744	
		<b>9,283</b>	<b>177,538</b>					<b>7,082</b>	<b>191,722</b>		<b>(2,201)</b>	<b>14,183</b>	
												<b>414,035</b>	
<b>SILVER SPRINGS NO</b>													
2405	SilverSprings #1-Bunkowski Tr	6,527	135,755	8/2015	current	North Springs	8.25%	1,827	72,505	10/9/2017	(1,125)	78,493	
2406	SilverSprings #1-Schafer	728	15,140	8/2015	current	Rawhide	8.25%	1,902	77,827	11/30/2017	(1,125)	80,177	
2407	SilverSprings #1-Bunkowski Tr	5,245	108,913	8/2015	current	Highway 50	8.25%	3,238	146,097	4/1/2018	(1,125)	77,335	
2408	SilverSprings #1-Schafer	582	12,113	8/2015	current	Orange Vista	8.25%	1,617	76,925	6/17/2018	(1,125)	102,545	
		<b>13,083</b>	<b>271,921</b>					<b>8,583</b>	<b>373,354</b>		<b>(4,500)</b>	<b>101,433</b>	
												<b>338,551</b>	
<b>SILVER SPRINGS SO</b>													
2410	Silver Springs #2 BCB Ventures	4,389	91,284	8/2015	current	Railroad	8.25%	1,368	37,280	10/24/2016	(645)	114,104	
2411	Silver Springs #2 Schafer	1,056	21,954	8/2015	current	Spruce Heights	8.25%	778	25,293	2/8/2017	(645)	126,000	
2412	Silver Springs #2 BCB Ventures	3,942	81,991	8/2015	current	Vista Del Sur	8.25%	3,119	118,237	5/21/2017	(645)	108,422	
2413	Silver Springs #2 Schafer	946	19,682	8/2015	current	Lahontan	8.25%	2,852	112,987	6/27/2017	(645)	124,056	
2414	Silver Springs #2 BCB Ventures		Paid in full	8/2015	current								
2415	Silver Springs #2 Schafer	364	7,571	8/2015	current								
		<b>10,697</b>	<b>222,482</b>					<b>8,117</b>	<b>293,796</b>		<b>(2,580)</b>	<b>71,314</b>	
												<b>472,583</b>	
<b>YUMA III</b>													
2422	Yuma 349.41 AC 1st TD 202-09-005	3,480	85,071	12/2015	current	Mountain View	8.00%	1,695	77,911	2/20/2018	(1,817)	49,776	
2423	Yuma 349.41 AC 2nd TD 202-09-005	413	10,086	12/2015	current	Ocotillo View	8.00%	1,130	52,432	3/20/2018	(1,817)	73,676	
2426	Yuma 349.41 AC 1st TD 204-19-001	1,094	26,739	12/2015	current	Cactus Ridge	8.00%	1,828	88,624	6/25/2018	(1,817)	59,523	
2427	Yuma 349.41 AC 2nd TD 204-19-001	130	3,170	12/2015	current	Mohawk Mountain	8.00%	3,147	148,356	5/12/2018	(1,817)	124,056	
2428	Yuma 349.41 AC 1st TD 202-07-006	4,538	110,937	12/2015	current								
2429	Yuma 349.41 AC 2nd TD 202-07-006	538	13,153	12/2015	current								
2430	Yuma 349.41 AC 1st TD 202-09-007	4,359	106,564	12/2015	current								
2431	Yuma 349.41 AC 2nd TD 202-09-007	517	12,634	12/2015	current								
	<b>Total Yuma III</b>	<b>15,066</b>	<b>368,354</b>			<b>Total Yuma III</b>		<b>7,800</b>	<b>367,324</b>		<b>(7,267)</b>	<b>(1,030)</b>	
												<b>307,031</b>	

G/L #	Note payments for underlying real estate <sup>1</sup>					Payments Received from Partnerships					Bank Balance		
	Property	Monthly Payment	Principal Balance	Maturity Date	Loan Status	Payor	Rate	Monthly Payment	Principal Balance	Maturity Date		Monthly shortage	Loan Balance Overage/Shortage <sup>2</sup>
<b>DAYTON IV</b>						<b>DAYTON IV</b>							
2435	Dayton IV 473 AC 1st TD Borda Tr	12,540	408,594	10/2016	current	Eagle View	7.75%	7,764	392,266	10/2/2018	(1,276.82)	258,860	
2436	Dayton IV 473 AC 2nd TD J Gavin	1,170	38,136	10/2016	current	Falcon Heights	7.75%	6,922	362,166	11/25/2018	(1,276.82)	271,515	
2437	Dayton IV 473 AC 3rd TD Schafer	1,338	43,583	10/2016	current	Night Hawk	7.75%	5,234	303,934	9/9/2019	(1,276.82)	307,993	
2438	Dayton IV 106 AC 1st TD Borda Tr	11,843	385,895	10/2016	current	Osprey	7.75%	4,233	279,783	11/17/2020	(1,276.82)	329,577	
2439	Dayton IV 106 AC 2nd TD Gavin	1,105	36,017	10/2016	current								
2440	Dayton IV 106 AC 3rd TD Schafer	1,263	41,162	10/2016	current								
	Dayton IV 81 AC 1st TD Borda			10/2016	current								
	Dayton IV 81 AC 2nd TD J.Gavin			10/2016	current								
	Dayton IV 81 AC 3rd TD Schafer			10/2016	current								
<b>Total Dayton IV</b>		<b>29,259</b>	<b>953,387</b>			<b>Total Dayton IV</b>		<b>24,152</b>	<b>1,338,150</b>		<b>(5,107)</b>	<b>384,763</b>	<b>1,167,946</b>
<b>SANTA FE VENTURES, LLC</b>						<b>SANTA FE VENTURES, LLC</b>							
	Tract 2-LaSalle Bank, Trustee	6,066	212,479	2/2017	current	Santa Fe View	8.25%	3,728	188,982	10/29/2018	(3,044.55)	80,232	
	Tract 3-LaSalle Bank, Trustee	2,427	84,990	2/2017	current	Pueblo Partners	8.25%	2,066	108,481	2/13/2019	(3,044.55)	111,200	
	Tract 4-LaSalle Bank, Trustee	6,066	212,479	2/2017	current	Pecos Partners	8.25%	1,087	75,140	7/1/2021	(3,044.55)	140,244	
	Schafer Pacific Properties	1,456	50,994	2/2017	current								
<b>Total Santa Fe Ventures</b>		<b>16,015</b>	<b>560,943</b>			<b>Total Santa Fe Ventures</b>		<b>6,882</b>	<b>372,603</b>		<b>(9,134)</b>	<b>(188,339)</b>	<b>331,675</b>
<b>SFV II, LLC</b>						<b>SFV II, LLC</b>							
	Washoe 5	2,497	141,418	02/2018	current	Pyramid Highway		797	48,631	06/30/2020	(35.44)	44,086	
						Frontage		1,629	106,006	06/30/2020	(35.44)	57,708	
<b>Total SFV II</b>		<b>2,497</b>	<b>141,418</b>			<b>Total SFV II</b>		<b>2,426</b>	<b>154,636</b>		<b>(71)</b>	<b>13,218</b>	<b>101,795</b>
<b>TOTALS</b>		<b>95,900</b>	<b>2,696,044</b>			<b>TOTALS</b>		<b>65,041</b>	<b>3,091,586</b>		<b>(30,859)</b>	<b>395,542</b>	<b>3,133,614</b>

Notes

- 1 These partnerships do not collect sufficient funds on a monthly basis to pay the underlying mortgage
- 2 A comparison between the total amounts owed from the partnerships compared to the underlying note balance

**PROOF OF SERVICE**

I am employed in the County of San Diego, State of California. I am over the age of eighteen (18) and am not a party to this action. My business address is 501 West Broadway, 15th Floor, San Diego, California 92101-3541.

On November 22, 2013, I served the within document(s) described as:

- **EX PARTE APPLICATION FOR AUTHORITY TO USE FUNDS IN CERTAIN GENERAL PARTNERSHIP ACCOUNTS TO COVER SHORTFALL IN FUNDS NECESSARY TO MAKE MORTGAGE PAYMENTS, PENDING RESOLUTION OF APPEAL**

on interested parties in this action by:

**BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF"):** the foregoing document(s) will be served by the court via NEF and hyperlink to the document. On November 22, 2013, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email addressed indicated below:

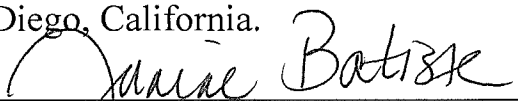
- Philip H. Dyson - phildysonlaw@gmail.com; jldossegger2@yahoo.com; phdtravel@yahoo.com
- Edward G. Fates - tfates@allenmatkins.com; bcrfilings@allenmatkins.com; jbatiste@allenmatkins.com
- Eric Hougen - eric@hougenlaw.com
- Sara D. Kalin - kalins@sec.gov
- Sam S Puathasnanon - puathasnanons@sec.gov; irwinma@sec.gov; cavallones@sec.gov
- Edward P. Swan, Jr - pswan@jonesday.com; dpippin@jonesday.com

**BY MAIL:** I placed a true copy of the document in a sealed envelope or package addressed as indicated on the attached Service List on the above-mentioned date in San Diego, California for collection and mailing pursuant to the firm's ordinary business practice. I am familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed on November 22, 2013, at San Diego, California.

Janine L. Batiste  
(Type or print name)

  
(Signature of Declarant)