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8 **UNITED STATES DISTRICT COURT**
9 **SOUTHERN DISTRICT OF CALIFORNIA**

10
11 SECURITIES AND EXCHANGE
COMMISSION,

12 Plaintiff,

13 v.

14 LOUIS V. SCHOOLER and FIRST
15 FINANCIAL PLANNING
CORPORATION d/b/a WESTERN
16 FINANCIAL PLANNING
CORPORATION,

17 Defendants.
18

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

**RECEIVER'S EIGHTH INTERIM
REPORT**

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"), its
3 subsidiaries and other specifically listed entities (collectively, "Receivership
4 Entities"), submits this Eighth Interim Report on his activities. This report should
5 be read in conjunction with the Receiver's prior interim reports, Dkt. Nos. 27, 49,
6 80, 184, 481, 517, and 547. This report focuses on the Receiver's activities during
7 the first quarter of 2014.

8 I. EXECUTIVE SUMMARY

9 The Receiver has continued his work to preserve and protect the assets of the
10 Receivership Entities, including conducting an investigation as necessary to
11 identify, marshal, and preserve assets. During the first quarter of 2014, the Receiver
12 maintained operations of the GPs, including making mortgage, property tax, and
13 insurance payments, and supervising the two Partnership Administrators. Pursuant
14 to the Court's Order Approving Receiver's Seventh Interim Report, the Receiver
15 prepared and mailed letters and ballots to investors in the nine GPs with expired
16 terms. The results of the voting are discussed below. In summary, the terms of all
17 nine GPs will be extended to December 31, 2019.

18 II. SUMMARY OF RECEIVER'S ACTIVITIES

19 The Receiver's primary focus since his appointment has been on identifying,
20 marshaling, and preserving the Receivership Entities' assets. These activities fall
21 into the following general categories:

22 A. Business Operations

23 The Receiver has continued to operate the Receivership Entities, carry out
24 Western's traditional duties with regard to the GPs, and reduce Western's operating
25 expenses. Western's payroll has been significantly reduced (it no longer has any
26 salaried employees - the one remaining employee is being paid on an hourly basis),
27 it no longer pays rent to LVS III (an entity controlled by Mr. Schooler), and it no
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1 longer pays legal expenses (other than as approved by the Court in connection with
2 the receivership).

3 Two of Western's main sources of income - sales of GP ownership units and
4 incremental return of funds from Mr. Schooler - no longer exist. As the Receiver
5 advised, the reduction in expenses and sale of Western's automobiles, gold coins,
6 furniture, and other personal property was only a short term solution to Western's
7 cash shortage. Nevertheless, the Receiver has managed to continue to make
8 payments on mortgages secured by GP properties. The Court's December 10, 2013
9 Order has made it possible to make all underlying mortgage payments on a timely
10 and current basis and the Receiver will continue to do so.

11 **B. Asset Investigation & Recovery**

12 The Receiver has investigated various assets reflected on Western's books and
13 records, including the following:

14 **Notes Payable from LinMar Entities.** As discussed in prior reports,
15 Western, while under Mr. Schooler's control, made loans to LinMar
16 Management, Inc., LinMar Shaw, LLC, LinMar III, LLC, LinMar IV, LLC and
17 approximately 16 LinMar Tacoma entities (collectively, "LinMar Borrowers").
18 Mr. Schooler owns LinMar Management, LinMar III, and LinMar IV outright, and
19 has ownership interests in LinMar Shaw and the LinMar Tacoma entities. All of the
20 loans matured prior to the receivership and remain unpaid. As of February 2013, the
21 aggregate amount owing on the notes was approximately \$1.266 million. With the
22 exception of the LinMar Tacoma loan, the loans are unsecured.

23 Pursuant to the Court's August 16, 2013 Order, the Receiver filed complaints
24 against the three LinMar Borrowers Mr. Schooler owns outright (LinMar
25 Management, LinMar III, and LinMar IV) on September 13, 2013. The Defendants,
26 who are represented by Mr. Schooler's counsel, filed answers on October 8, 2013.

27 On October 28, 2013, the parties participated in an Early Neutral Evaluation
28 ("ENE") of the cases with Magistrate Judge Jan Adler. The Receiver lowered his

1 settlement demand at the ENE, but again, the LinMar Borrowers rejected the offer
2 and refused to make a counter-offer. On November 13, 2013, the parties, through
3 their counsel, participated in an FRCP 26(f) conference. When asked what factual
4 issues the LinMar Borrowers believe exist with regard to the amounts owed, the
5 LinMar Borrowers' counsel would say only that partial payments had been made,
6 but would not state how much was repaid or provide any specifics.

7 Accordingly, Mr. Schooler has caused Western to make loans to entities he
8 owns, failed to repay them, rejected repayment proposals by the Receiver, and
9 argued the Receiver should not bother to collect the loans. Since the Court rejected
10 that argument and authorized the Receiver to collect, Mr. Schooler has contested the
11 collection actions with vague references to partial payments, rejected further
12 settlement offers, and forced the receivership estate to incur fees and costs to litigate
13 collection of loans which Mr. Schooler made in the first place.

14 As the Receiver's forensic accounting shows, in the last nine years alone,
15 Mr. Schooler received more than \$28 million from the Receivership Entities in
16 payroll and pension benefits, rent and other payments to his entities, and
17 improvements made to properties owned by his entities. Docket No. 504, p. 12.
18 The amounts the Receiver is seeking to collect are a tiny fraction of \$28 million.
19 Nevertheless, rather than honor these obligations, Mr. Schooler is forcing the
20 Receiver to litigate collection for the sole purpose of ensuring, for as long as he can,
21 there are no funds available to pay Court-approved fees and costs of the Receiver
22 and his counsel – amounts the Court has confirmed are legitimate expenses.

23 In its December 10, 2013 Order, the Court found the restrictions on the use of
24 funds in Mr. Schooler's April 22, 2013 proposal – his only settlement proposal to
25 date – are unreasonable. The Court stated "[i]t is not for the LinMar Borrowers to
26 dictate to the Receiver how funds owed to a receivership estate should be allocated."
27 Docket No. 524, p. 4. Nevertheless, the LinMar Borrowers continue to reject the
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1 Receiver's settlement proposals and refuse to discuss repayment of the loans without
2 the restrictions.

3 The Receiver and the LinMar Borrowers have exchanged written discovery.
4 The Receiver filed motions for summary judgment on May 22, 2014. As directed
5 by the Court in the August 16, 2013 Order, the Receiver will report to the Court any
6 reasonable settlement offers from the LinMar Borrowers.

7 **Property Tax Appeals.** As directed by the Court, the Receiver obtained an
8 appraisal of each GP property for purposes of inclusion in his Real Estate Valuation
9 Report. Dkt. No. 203. Based on the appraised values of GP properties and the
10 assessed values of such properties in property tax statements, the Receiver appealed
11 the property tax assessments for certain GPs. To date, those appeals have generated
12 a savings of \$5,577.30, net of fees owed to the property tax consultant, who works
13 entirely on contingency. The Receiver anticipates additional savings will be
14 generated from appeals yet to be resolved.

15 **Real Property Owned by Western.** As discussed in the Receiver's Forensic
16 Accounting Report, Part One, Western retained certain parcels of land purchased
17 from third parties when it sold such land to the GPs. Docket No. 182, p. 9. In his
18 Seventh Interim Report, the Receiver recommended the Western land parcels be
19 listed for sale with a licensed broker. The Court approved the recommendation.
20 Dkt. No. 549. The properties have since been listed with a licensed broker. The
21 Receiver will report any reasonable offers received to the Court.

22 **III. PENDING LITIGATION**

23 There are several pending lawsuits and FINRA arbitrations in which one or
24 more of the Receivership Entities are parties. Initially, the Receiver, with the
25 assistance of counsel, advised the applicable courts and parties of the TRO,
26 including the provision therein restraining and enjoining litigation against the
27 Receivership Entities. The Receiver has since provided updates to the courts and
28 parties regarding the status of this case and the receivership.

IV. RECEIPTS AND DISBURSEMENTS

Attached hereto as Exhibit A is a summary of the receipts and disbursements for the Receivership Entities for the period January 1, 2014 through March 31, 2014. Attached as Exhibit B is a statement of revenue and expenditures for Western for the quarter ending March 31, 2014. This statement was prepared on a cash basis.

As directed by the Court in the August 16, 2013 Order, the Receiver instructed the two former Western employees who handle the day-to-day operations of the GPs, Alice Jacobson and Beverly Schuler ("Partnership Administrators"), to resume operational billings, including collecting amounts the GPs owe Western for loans to cover past GP operational shortfalls. After some delay by the Partnership Administrators, the operational bills went out in late November. Second and third notices to investors who had not paid were sent in March and May 2014. Thus far, the GPs have collected \$536,370.03, only 42% of the total amount billed.

V. INVESTOR COMMUNICATIONS

The Receiver has continued to update his website, www.ethreadvisors.com, with his reports, briefs filed by the parties that pertain directly to the receivership, and Court orders. The Receiver and his staff have responded to numerous inquiries from investors and other interested parties about the receivership¹ and have updated the Case Updates section of the Receiver's website to address common questions and themes in correspondence from investors. During the first quarter, the Receiver received hundreds of calls and e-mails relating to tax returns and investor K-1s. The Receiver recently added answers to Frequently Asked Questions to address common investor questions and misconceptions about the receivership. Investors are reminded of the importance of informing the Receiver of any change in their address.

¹ Investors have been directed to contact the Partnership Administrators with inquiries regarding the day-to-day operations of the GPs. Inquiries received by the Receiver's office regarding such matters are forwarded to the Partnership Administrators for their handling.

VI. GP TERM EXPIRATIONS

As discussed in the Receiver's Seventh Interim Report, the following nine GPs had 25-year terms in their GP Agreements which expired:

| General Partnership | Year Formed |
|---------------------|-------------|
| Reno View | 1981 |
| Reno Vista | 1982 |
| Reno Partners | 1982 |
| Valley Vista | 1987 |
| Bratton View | 1987 |
| Honey Springs | 1988 |
| Jamul Meadows | 1988 |
| Lyons Valley | 1988 |
| Hidden Hills | 1988 |

The Receiver recommended that these GPs take a vote of their investors to determine whether to (a) extend the term of the GP to a date in 2019 (five years from now), or (b) terminate the GP and sell their property interest after such property interest has been listed and marketed by a licensed broker. The Court approved the Receiver's recommendation on February 25, 2014. Dkt. No. 549.

As authorized by the Court, the Receiver prepared and sent a letter to each investor in the nine GPs (i) advising them of the termination of the term of their GP, (ii) stating the appraised value of their property interest, the balance due on mortgages on their property interest, the estimated costs of sale, and the estimated net sale proceeds, and (iii) instructing them to vote as discussed above and return their ballots to the Receiver. Pursuant to the GP Agreements, a vote of investors who are eligible to vote and who hold a majority of capital invested in each GP decides the course of action for that GP. However, pursuant to the Co-Tenancy Agreements, all GPs that own an interest in the property must unanimously vote to sell. Accordingly, if any one GP votes to extend its term, the terms of their co-tenant GPs will also necessarily be extended. The Receiver extended the initial deadline to return completed ballots and gave investors 30 days to return their ballots.

1 The Receiver tallied the votes, a summary of which is attached as Exhibit C.
2 As Exhibit C demonstrates, because none of the GPs that collectively own a
3 property unanimously voted to sell, the result of the vote is that the term of all nine
4 GPs will be extended to December 31, 2019. Therefore, the Receiver will prepare
5 amendments to the nine GP Agreements extending their terms to December 31,
6 2019.

7 Finally, two GPs associated with the Tecate property – Tecate South and
8 Twin Plant – have 25-year terms that expire this year. The Receiver previously
9 believed the Tecate property was jointly owned by 11 GPs that, pursuant to the Co-
10 Tenancy Agreement, would all have to vote to sell. In fact, although they were
11 generally grouped together in Western's records, the 11 GPs do not all own an
12 interest in the same land. Tecate South and Twin Plant each actually own their own
13 parcels so there is no Co-Tenancy Agreement. Therefore, the Receiver recommends
14 that the investors of Tecate South and Twin Plant, like the investors of the nine
15 expired GPs that already voted, be allowed to vote whether to (a) extend the term of
16 the GP to December 31, 2019, or (b) terminate the GP and sell their property interest
17 after such property interest has been listed and marketed by a licensed broker. The
18 Receiver will give the Tecate South and Twin Plant investors 30 days to return their
19 ballots, will tally the votes, and will report on the results in his next report.

20 VII. 2013 TAX RETURNS

21 As it did with the 2012 tax returns, the accounting firm Duffy, Kruspodin &
22 Company LLP ("Duffy") prepared and filed the 2013 state and federal tax returns
23 for Western, the GPs, and the associated K-1s for investors. The tax returns were all
24 filed before the April 15 deadline and investor K-1s were mailed out on or about
25 April 6, 2014. The K-1s went out later than last year due primarily to a delay of
26 approximately 3 weeks in getting the files to Duffy by the Partnership
27 Administrators and the former Western personnel engaged to assist in gathering the
28 information necessary for the tax returns.

EXHIBIT INDEX

| | | |
|-----------|---------------------------------------------------------------------------------------------------------------------------|----|
| Exhibit A | Summary of Receipts and Disbursements for the Receivership Entities for the Period January 1, 2014 through March 31, 2014 | 11 |
| Exhibit B | Statement of Revenue and Expenditures for Western for the Quarter Ending March 31, 2014 | 14 |
| Exhibit C | Summary of Voting of Expired GP Terms | 16 |

EXHIBIT A

EXHIBIT A

| Bank Name | Balance at the end of Q4 2013 | Ending Balance | | | Deposits | | | Disbursements | | |
|-------------------------------|-------------------------------|-----------------------|------------|------------|-----------|----------|-----------|---------------|-----------|-----------|
| | | January | February | March | January | February | March | January | February | March |
| | | BANK ACCOUNTS: | | | | | | | | |
| ABL Partners | 25,667.12 | 25,267.12 | 23,454.52 | 23,254.52 | - | - | - | 400.00 | 1,812.60 | 200.00 |
| Antelope Springs Partners | 7,119.36 | 8,326.68 | 7,928.96 | 4,678.68 | 3,315.20 | 1,741.67 | 1,657.60 | 2,107.88 | 2,139.39 | 4,907.88 |
| Big Ranch Partners | 6,940.71 | 7,114.78 | 7,629.98 | 6,799.08 | 474.07 | 748.74 | 3,394.30 | 300.00 | 233.54 | 4,225.20 |
| BLA Partners | 12,603.93 | 21,209.39 | 24,371.92 | 24,469.29 | 8,905.46 | 4,950.00 | 297.37 | 300.00 | 1,787.47 | 200.00 |
| Borderland Partners | 3,705.05 | 8,393.07 | 6,271.38 | 7,837.09 | 6,376.74 | 983.72 | 1,765.71 | 1,688.72 | 3,105.41 | 200.00 |
| Bratton View Partners | 7,770.17 | 7,605.02 | 4,548.70 | 4,248.70 | 3,734.85 | 367.01 | - | 3,900.00 | 3,423.33 | 300.00 |
| Cactus Ridge Partners | 49,349.65 | 46,693.71 | 42,885.13 | 40,229.19 | 1,188.26 | - | 1,188.26 | 3,844.20 | 3,808.58 | 3,844.20 |
| Carson Valley Partners | 5,104.16 | 4,804.16 | 4,706.46 | 4,506.46 | - | - | - | 300.00 | 97.70 | 200.00 |
| Checkedred Flag Partners | 15,932.84 | 22,863.03 | 23,883.70 | 24,956.88 | 7,430.19 | 2,808.14 | 1,273.18 | 500.00 | 1,787.47 | 200.00 |
| Comstock Partners | 29,244.32 | 28,054.35 | 26,993.80 | 25,903.83 | 1,180.18 | 1,180.18 | 1,180.18 | 2,370.15 | 2,240.73 | 2,270.15 |
| Crystal Clearwater Partners | 85,830.55 | 85,479.64 | 82,063.22 | 82,112.31 | 849.09 | 849.09 | 849.09 | 1,200.00 | 4,265.51 | 800.00 |
| Dayton View Partners | 41,588.62 | 41,388.62 | 41,231.99 | 41,031.99 | - | - | - | 200.00 | 156.63 | 200.00 |
| Desert View Partners | 55,092.37 | 53,054.46 | 51,225.05 | 49,287.14 | 1,244.88 | 1,244.88 | 1,244.88 | 3,282.79 | 3,074.29 | 3,182.79 |
| Eagle View Partners | 239,766.77 | 245,849.59 | 223,947.01 | 229,769.58 | 6,382.82 | 6,382.82 | 6,022.57 | 300.00 | 28,285.40 | 200.00 |
| F-86 Partners | 66,066.00 | 66,066.00 | 66,066.00 | 66,066.00 | - | - | - | - | - | - |
| Fairway Partners | 48,794.19 | 48,594.19 | 48,456.17 | 48,256.17 | - | - | - | 200.00 | 138.02 | 200.00 |
| Falcon Heights Partners | 234,517.08 | 242,776.64 | 218,888.13 | 231,760.38 | 8,559.56 | - | 13,072.25 | 300.00 | 23,888.51 | 200.00 |
| Free Trade Partners | 2,971.46 | 2,852.81 | 2,932.00 | 2,732.00 | 926.02 | 266.02 | - | 1,044.67 | 186.83 | 200.00 |
| Frontage 177 Partners | 50,854.93 | 52,611.37 | 46,740.12 | 47,488.34 | 1,956.44 | - | 1,956.44 | 200.00 | 5,871.25 | 1,208.22 |
| Galena Ranch Partners | 116,000.32 | 114,891.43 | 113,978.64 | 112,969.75 | 1,140.95 | 1,140.95 | 1,140.95 | 2,249.84 | 2,053.74 | 2,149.84 |
| Gila View Partners | 18,865.31 | 19,484.53 | 16,846.96 | 17,566.18 | 3,463.74 | - | 3,463.74 | 2,844.52 | 2,637.57 | 2,744.52 |
| Gold Ridge Partners | 178,097.81 | 177,392.73 | 177,262.47 | 177,062.47 | - | - | - | 705.08 | 130.26 | 200.00 |
| Grand View Partners | 213,547.51 | 212,842.43 | 212,696.66 | 212,496.66 | - | - | - | 705.08 | 145.77 | 200.00 |
| Green View Partners | 52,345.82 | 52,145.82 | 52,006.25 | 51,806.25 | - | - | - | 200.00 | 139.57 | 200.00 |
| Heavenly View Partners | 3,123.48 | 2,823.48 | 2,652.90 | 2,452.90 | - | - | - | 300.00 | 170.58 | 200.00 |
| Hidden Hills Partners | 15,624.10 | 9,419.43 | 6,460.38 | 6,160.38 | 7,606.33 | - | - | 13,811.00 | 2,959.05 | 300.00 |
| High Desert Partners | 79,640.05 | 79,759.40 | 74,960.38 | 75,799.25 | 1,319.35 | 1,319.35 | 1,638.87 | 1,200.00 | 6,118.37 | 800.00 |
| Highway 50 Partners | 67,968.99 | 64,641.16 | 61,345.85 | 58,018.02 | 1,234.62 | 1,234.62 | 1,234.62 | 4,562.45 | 4,529.93 | 4,562.45 |
| Hollywood Partners | 14,738.34 | 26,074.08 | 24,964.48 | 27,005.06 | 13,320.16 | 1,506.34 | 2,240.58 | 1,984.42 | 2,615.94 | 200.00 |
| Honey Springs Partners | 14,034.88 | 16,928.42 | 11,614.55 | 16,726.99 | 4,126.54 | 1,841.48 | 5,412.44 | 1,233.00 | 7,155.35 | 300.00 |
| Horizon Partners | 5,820.86 | 13,055.34 | 9,956.36 | 11,337.63 | 7,758.69 | 251.30 | 1,594.24 | 524.21 | 3,350.28 | 212.97 |
| International Partners | 15,221.85 | 14,884.11 | 6,558.55 | 6,780.47 | 2,479.26 | 561.10 | 521.92 | 2,817.00 | 8,886.66 | 300.00 |
| Jamul Meadows Partners | 2,566.87 | 2,005.87 | 1,873.87 | 1,573.87 | - | - | - | 561.00 | 132.00 | 300.00 |
| Lahontan Partners | 118,778.36 | 119,248.94 | 115,517.59 | 122,431.27 | 4,167.76 | - | 10,610.86 | 3,697.18 | 3,731.35 | 3,697.18 |
| Las Vegas Partners | 28,315.49 | 28,315.49 | 28,315.49 | 28,315.49 | - | - | - | - | - | - |
| Lyons Valley Partners | 7,520.43 | 13,000.32 | 11,205.53 | 13,357.34 | 11,790.89 | 1,148.02 | 2,451.81 | 6,311.00 | 2,942.81 | 300.00 |
| Mesa View Partners | 96,456.00 | 96,833.41 | 93,643.93 | 92,214.50 | 3,753.68 | - | 3,753.68 | 3,376.27 | 3,189.48 | 5,183.11 |
| Mex-Tec Partners | 40,349.72 | 39,716.72 | 37,893.27 | 37,693.27 | - | - | - | 633.00 | 1,823.45 | 200.00 |
| Mohawk Mountain Partners | 77,668.53 | 75,155.48 | 72,622.45 | 69,910.16 | 2,650.15 | 2,650.15 | 2,553.03 | 5,163.20 | 5,183.18 | 5,265.32 |
| Mountain View Partners | 42,424.21 | 39,515.66 | 36,662.89 | 33,754.34 | 803.31 | 803.31 | 803.31 | 3,711.86 | 3,656.08 | 3,711.86 |
| Nevada View Partners | 19,443.93 | 17,980.24 | 13,229.02 | 10,974.34 | 3,451.06 | - | 2,560.07 | 4,914.75 | 4,751.22 | 4,814.75 |
| Night Hawk Partners | 284,270.51 | 287,180.64 | 272,700.93 | 275,831.14 | 3,210.13 | 3,089.13 | 3,330.21 | 300.00 | 17,568.84 | 200.00 |
| North Springs Partners | 73,528.98 | 71,551.34 | 69,726.38 | 67,848.74 | 1,273.91 | 1,273.91 | 1,273.91 | 3,251.55 | 3,098.87 | 3,151.55 |
| Ocotillo View Partners | 66,923.59 | 64,294.01 | 61,724.86 | 59,095.28 | 517.16 | 517.16 | 517.16 | 3,146.74 | 3,086.31 | 3,146.74 |
| Orange Vista Partners | 98,228.58 | 96,650.29 | 94,972.62 | 92,948.65 | 1,363.49 | 1,228.49 | 917.81 | 2,941.78 | 2,906.16 | 2,941.78 |
| Osprey Partners | 307,603.24 | 310,265.69 | 296,478.52 | 299,301.01 | 2,962.45 | 2,962.45 | 3,022.49 | 300.00 | 16,749.62 | 200.00 |
| P-39 Aircobra Partners | 141,615.91 | 142,285.47 | 139,009.24 | 139,678.80 | 1,469.56 | 1,469.56 | 1,469.56 | 800.00 | 4,745.79 | 800.00 |
| P-40 Warhawk Partners | 149,609.41 | 150,354.73 | 152,112.41 | 153,257.73 | 1,945.32 | 1,945.32 | 1,945.32 | 1,200.00 | 187.64 | 800.00 |
| Painted Desert Partners | 16,794.64 | 16,300.86 | 14,000.17 | 14,095.18 | 1,899.91 | - | 2,488.70 | 2,393.69 | 2,300.69 | 2,393.69 |
| Par Four Partners | 50,975.30 | 50,775.30 | 50,635.73 | 50,435.73 | - | - | - | 200.00 | 139.57 | 200.00 |
| Park Vegas Partners | 3,129.48 | 3,503.60 | 3,460.95 | 2,951.11 | 474.12 | - | 748.46 | 100.00 | 42.65 | 1,258.30 |
| Pecos Partners | 121,987.35 | 122,161.08 | 102,873.91 | 103,147.64 | 473.73 | 473.73 | 473.73 | 300.00 | 19,760.90 | 200.00 |
| Pine View Partners | 8,709.99 | 8,509.99 | 8,413.84 | 8,213.84 | - | - | - | 200.00 | 96.15 | 200.00 |
| Production Partners | 23,752.29 | 24,418.34 | 12,118.41 | 14,830.90 | 9,466.05 | 4,098.86 | 4,070.79 | 8,800.00 | 16,398.79 | 1,358.30 |
| Prosperity Partners | 8,748.51 | 10,711.50 | 10,375.48 | 10,175.48 | 4,129.49 | 2,771.42 | - | 2,166.50 | 3,107.44 | 200.00 |
| Pueblo Partners | 85,309.62 | 86,523.09 | 74,010.86 | 75,324.33 | 1,513.47 | 1,513.47 | 1,513.47 | 300.00 | 14,025.70 | 200.00 |
| Pyramid Highway 177 Partners | 40,166.52 | 40,303.44 | 38,224.75 | 38,361.67 | 336.92 | 336.92 | 336.92 | 200.00 | 2,415.61 | 200.00 |
| Rail Road Partners | 108,690.34 | 107,848.00 | 106,383.75 | 104,814.39 | 1,370.59 | 727.02 | 643.57 | 2,212.93 | 2,191.27 | 2,212.93 |
| Rainbow Partners | 2,757.18 | 10,360.72 | 7,905.80 | 18,021.88 | 10,127.75 | 3,537.31 | 10,329.05 | 2,524.21 | 5,992.23 | 212.97 |
| Rawhide Partners | 75,132.54 | 74,488.59 | 71,314.06 | 69,393.48 | 2,683.26 | - | 2,683.26 | 3,327.21 | 3,174.53 | 4,603.84 |
| Redfield Heights Partners | 109,728.56 | 108,890.50 | 106,396.91 | 104,683.81 | 1,750.08 | - | 875.04 | 2,588.14 | 2,493.59 | 2,588.14 |
| Reno Partners | 15,346.00 | 3,916.04 | 3,449.93 | 5,484.97 | 3,270.04 | - | 2,235.04 | 14,700.00 | 466.11 | 200.00 |
| Reno View Partners | 5,090.17 | 5,376.91 | 5,283.49 | 5,355.99 | 686.74 | - | 272.50 | 400.00 | 93.42 | 200.00 |
| Reno Vista Partners | 6,380.08 | 3,904.78 | 3,139.96 | 2,939.96 | 2,424.70 | 200.00 | - | 4,900.00 | 964.82 | 200.00 |
| Road Runner Partners | 106,776.59 | 105,905.26 | 105,018.01 | 104,064.13 | 383.62 | 350.77 | 301.07 | 1,254.95 | 1,238.02 | 1,254.95 |
| Rolling Hills Partners | 215,794.83 | 215,089.75 | 214,920.72 | 214,720.72 | - | - | - | 705.08 | 169.03 | 200.00 |
| Rose Vista Partners | 85,904.32 | 83,817.00 | 81,818.02 | 79,417.84 | 1,110.56 | 1,110.56 | 941.56 | 3,197.88 | 3,109.54 | 3,341.74 |
| Santa Fe View Partners | 52,048.40 | 57,619.64 | 31,742.10 | 34,397.72 | 5,871.24 | - | 5,871.24 | 300.00 | 25,877.54 | 3,215.62 |
| Sierra View Partners | 16,104.39 | 15,904.39 | 15,798.94 | 15,598.94 | - | - | - | 200.00 | 105.45 | 200.00 |
| Silver City Partners | 26,758.04 | 26,064.34 | 25,515.56 | 24,921.86 | 2,404.21 | 2,404.21 | 2,404.21 | 3,097.91 | 2,952.99 | 2,997.91 |
| Silver State Partners | 6,052.73 | 5,932.73 | 3,680.62 | 3,560.62 | - | - | - | 120.00 | 2,252.11 | 120.00 |
| Sky View Partners | 226,852.53 | 226,247.45 | 226,092.37 | 225,892.37 | - | - | - | 605.08 | 155.08 | 200.00 |
| Snow Bird Partners | 36,976.61 | 35,921.95 | 34,977.35 | 33,922.69 | 1,576.74 | 1,576.74 | 1,576.74 | 2,631.40 | 2,521.34 | 2,631.40 |
| Sonora View Partners | 101,172.54 | 100,225.48 | 99,441.95 | 98,594.89 | 1,476.22 | 1,476.22 | 1,476.22 | 2,423.28 | 2,259.75 | 2,323.28 |
| Spanish Springs View Partners | 21,937.95 | 21,637.95 | 21,312.22 | 7,861.82 | - | - | - | 300.00 | 325.73 | 13,450.40 |
| Spruce Heights Partners | 122,045.28 | 120,846.80 | 119,685.49 | 118,487.01 | 424.64 | 424.64 | 424.64 | 1,623.12 | 1,585.95 | 1,623.12 |
| Steamboat Partners | 84,740.82 | 83,263.41 | 81,897.61 | 80,420.20 | 696.72 | 696.72 | 696.72 | 2,174.13 | 2,062.52 | 2,174.13 |
| Storey County Partners | 37,430.35 | 36,723.39 | 35,973.02 | 35,255.61 | 220.90 | - | 110.45 | 927.86 | 750.37 | 827.86 |
| SunTec Partners | 11,605.06 | 6,860.39 | 6,695.90 | 10,300.71 | - | - | 3,904.81 | 4,744.67 | 164.49 | 300.00 |
| Tecate South Partners | 4,641.24 | 9,047.36 | 9,614.32 | 6,849.72 | 5,040.12 | 729.42 | 1,034.33 | 634.00 | 162.46 | 3,798.93 |
| Twin Plant Partners | 10,251.21 | 10,968.05 | 6,768.34 | 10,346.70 | 1,800.84 | - | 3,878.36 | 1,084.00 | 4,199.71 | 300.00 |
| Valley Vista Partners | 8,631.59 | 10,003. | | | | | | | | |

| | | | | | | | | | | |
|------------------------------|------------|-----------|-----------|-----------|----------|-----------|----------|----------|----------|-----------|
| Via 188 Partners | 2,193.63 | 2,885.54 | 3,884.48 | 4,553.47 | 2,253.04 | 1,165.46 | 968.99 | 1,561.13 | 166.52 | 300.00 |
| Victory Lap Partners | 11,329.96 | 16,948.55 | 17,864.58 | 20,161.08 | 6,118.59 | 2,784.73 | 2,496.50 | 500.00 | 1,868.70 | 200.00 |
| Vista Del Sur Partners | 102,052.54 | 99,862.80 | 97,793.17 | 95,703.43 | 1,874.03 | 1,874.03 | 1,874.03 | 4,063.77 | 3,943.66 | 3,963.77 |
| Vista Tecate Partners | 6,087.51 | 5,790.91 | 4,164.12 | 4,485.41 | 1,856.51 | 244.37 | 621.29 | 2,153.11 | 1,871.16 | 300.00 |
| Wild Horse Partners | 27,788.14 | 28,346.54 | 28,893.73 | 14,215.63 | 758.40 | 758.40 | 941.40 | 200.00 | 211.21 | 15,619.50 |
| Clearwater Bridge, LLC | 2,635.46 | 1,326.61 | 4,460.76 | 3,326.91 | - | 4,143.00 | - | 1,308.85 | 1,008.85 | 1,133.85 |
| Eagle View Partners, LLC | 26,792.78 | 17,752.28 | 36,587.78 | 26,387.53 | - | 27,876.00 | - | 9,040.50 | 9,040.50 | 10,200.25 |
| F-86, LLC | 50.00 | 50.00 | 50.00 | 50.00 | - | - | - | - | - | - |
| Falcon Heights Partners, LLC | 27,749.63 | 19,551.33 | 33,219.03 | 24,660.98 | - | 21,866.00 | - | 8,198.30 | 8,198.30 | 8,558.05 |
| Frontage 177, LLC | 4,943.37 | 3,278.95 | 7,386.53 | 5,722.11 | - | 5,772.00 | - | 1,664.42 | 1,664.42 | 1,664.42 |
| High Desert Shadow, LLC | 5,946.80 | 3,779.01 | 7,896.22 | 6,028.43 | - | 5,985.00 | - | 2,167.79 | 1,867.79 | 1,867.79 |
| Night Hawk Partners, LLC | 22,296.73 | 15,786.20 | 26,467.67 | 19,597.39 | - | 17,192.00 | - | 6,510.53 | 6,510.53 | 6,870.28 |
| Osprey Pescador, LLC | 17,074.00 | 11,564.33 | 22,464.66 | 16,595.24 | - | 16,410.00 | - | 5,509.67 | 5,509.67 | 5,869.42 |
| P-39 Aircobra, LLC | 8,677.36 | 6,540.56 | 8,972.76 | 6,835.96 | - | 4,569.00 | - | 2,136.80 | 2,136.80 | 2,136.80 |
| P-40 Warhawk, LLC | 17,686.19 | 15,623.40 | 13,560.61 | 11,497.82 | - | - | - | 2,062.79 | 2,062.79 | 2,062.79 |
| Pueblo Partners, LLC | 16,840.38 | 11,730.15 | 20,440.92 | 15,330.69 | - | 13,821.00 | - | 5,110.23 | 5,110.23 | 5,110.23 |
| Pyramid Highway 177, LLC | 3,130.74 | 2,298.16 | 3,755.58 | 2,923.00 | - | 2,290.00 | - | 832.58 | 832.58 | 832.58 |
| Santa Fe View, LLC | 18,673.07 | 11,900.15 | 30,820.23 | 24,047.31 | 17.96 | 25,693.00 | - | 6,790.88 | 6,772.92 | 6,772.92 |
| The Pecos Partnership, LLC | 7,459.59 | 3,002.75 | 18,527.91 | 14,396.07 | - | 19,657.00 | - | 4,456.84 | 4,131.84 | 4,131.84 |

| | | | | | | | | | | |
|-------------------------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|------------|------------|
| Total GP Bank Accounts | 5,527,083.29 | 5,505,791.55 | 5,355,834.11 | 5,296,387.69 | 210,945.83 | 241,054.13 | 143,656.09 | 232,237.57 | 391,011.57 | 203,102.51 |
|-------------------------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|------------|------------|

| | | | | | | | | | | |
|---------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Fernley I, LLC | 5,854.10 | 230.74 | 3,107.38 | 184.02 | 2,876.64 | 2,876.64 | 2,876.64 | 8,500.00 | - | 5,800.00 |
| P51 LLC | 7,993.55 | 1,050.92 | 4,951.80 | 449.00 | 4,199.59 | 4,199.59 | 4,199.59 | 11,142.22 | 298.71 | 8,702.39 |
| Santa Fe Venture | 32,783.84 | 44,659.89 | 60,674.88 | 60,072.08 | 22,787.91 | 16,014.99 | 16,014.99 | 10,911.86 | - | 16,617.79 |
| SFV II, LLC | 5,691.94 | 9,853.36 | 12,350.36 | 7,357.32 | 4,161.42 | 2,497.00 | 2,497.00 | - | - | 7,490.04 |
| WFPC - Corp | 23,554.97 | 159,396.70 | 41,081.53 | 59,740.92 | 231,660.26 | 115,442.20 | 134,347.31 | 95,818.53 | 233,757.37 | 115,687.92 |
| WFPC - Business | - | - | - | - | 88,567.92 | 229,290.62 | 113,846.03 | 88,567.92 | 229,290.62 | 113,846.03 |
| WFPC - Payroll | - | - | - | - | - | - | - | - | - | - |
| WFPC - MMKT | - | - | - | - | - | - | - | - | - | - |
| WFPC - Special | 64.22 | 64.22 | 64.22 | 64.22 | - | - | - | - | - | - |
| WFPC - FFP | 3,277.26 | 6,202.58 | 1,179.81 | 1,248.17 | 2,925.32 | 1,077.23 | 2,068.36 | - | 6,100.00 | 2,000.00 |
| WFPC - Las Vegas Prop Tax | 1,771.53 | 1,771.53 | 1,771.53 | 1,771.53 | - | - | - | - | - | - |
| WSSC, LLC | 66,390.57 | 21,886.17 | 30,060.94 | 12,614.72 | 204,749.94 | 212,410.11 | 212,989.28 | 249,254.34 | 204,235.34 | 230,435.50 |
| First Financial Planning | - | - | - | - | - | - | - | - | - | - |
| Receiver Operating Acct | - | - | - | - | - | - | - | - | - | - |
| Total WFPC Bank Accounts | 147,381.98 | 245,116.11 | 155,242.45 | 143,501.98 | 561,929.00 | 583,808.38 | 488,839.20 | 464,194.87 | 673,682.04 | 500,579.67 |

| | | | | | | | | | | |
|--------------------------------|--------------|--------------|--------------|--------------|--|--|--|--|--|--|
| Total All Bank Accounts | 5,674,465.27 | 5,750,907.66 | 5,511,076.56 | 5,439,889.67 | | | | | | |
|--------------------------------|--------------|--------------|--------------|--------------|--|--|--|--|--|--|

EXHIBIT B

EXHIBIT B

Western Financial Planning
Statement of Revenues and Expenses
Q1 2014

Cash Basis

| | <u>January</u> | <u>February</u> | <u>March</u> | <u>Totals</u> |
|---------------------------------------------------|-------------------|---------------------|-------------------|-------------------|
| Revenues | | | | |
| Note Payments from GPs | 171,703.80 | 111,940.43 | 134,040.43 | 417,684.66 |
| Legacy Commissions | 344.45 | 301.77 | 306.11 | 952.33 |
| Reversal of Bank Fees | 757.01 | - | - | 757.01 |
| Repayment of GP Operational Loans | 56,800.00 | 3,200.00 | - | 60,000.00 |
| Miscellaneous | 2,055.00 | - | 0.77 | 2,055.77 |
| Total Revenues | 231,660.26 | 115,442.20 | 134,347.31 | 481,449.77 |
| Expenses | | | | |
| Operational Expenses | | | | |
| Storage | - | - | 1,790.81 | 1,790.81 |
| Phone | - | - | 1,189.15 | 1,189.15 |
| Mailing | - | - | 1,442.01 | 1,442.01 |
| Computer/IT | - | - | 550.00 | 550.00 |
| Operational Misc. | - | - | - | - |
| Accounting | 2,692.31 | 1,754.08 | 1,058.00 | 5,504.39 |
| Payments to Underlying Mortgage Holders | 88,567.92 | 169,290.62 | 105,548.29 | 363,406.83 |
| Bank Fees | 757.01 | - | - | 757.01 |
| Transfers to WSCC to cover intercompany transfers | 3,801.29 | 2,712.67 | 784.66 | 7,298.62 |
| Corporate Filing Expenses | - | - | 3,325.00 | 3,325.00 |
| Court Approved Fees and Costs of the Receivership | - | 60,000.00 | - | 60,000.00 |
| Total Expenses | 95,818.53 | 233,757.37 | 115,687.92 | 445,263.82 |
| Net Operating Revenue/(Loss) | 135,841.73 | (118,315.17) | 18,659.39 | 36,185.95 |
| Beginning Cash | 23,554.97 | 159,396.70 | 41,081.53 | 41,081.53 |
| Ending Cash | 159,396.70 | 41,081.53 | 59,740.92 | 59,740.92 |

EXHIBIT C

EXHIBIT C

| Partnership | Eligible Voters | | | Total Eligible % |
|----------------|-----------------|--------------|--------------|------------------|
| | Vote to Extend | Vote to Sell | Did not Vote | |
| Bratton View | 29.35% | 23.58% | 10.49% | 63.42% |
| Valley Vista | 26.59% | 16.57% | 5.92% | 49.07% |
| Honey Springs | 6.38% | 14.80% | 15.54% | 36.72% |
| Jamul Meadows | 25.27% | 21.19% | 22.62% | 69.08% |
| Lyons Valley | 25.97% | 11.85% | 14.38% | 52.20% |
| Hidden Hills | 22.19% | 16.78% | 4.46% | 43.43% |
| Reno | 21.17% | 7.33% | 18.81% | 47.32% |
| Reno View | 21.12% | 30.78% | 33.58% | 85.48% |
| Reno Vista | 18.62% | 26.07% | 7.45% | 52.14% |
| Average | 21.85% | 18.77% | 14.81% | 55.43% |

| Ineligible Voters | | | Total Eligible & Ineligible |
|---------------------|------------------|--------------------|-----------------------------|
| Partners In Default | Western Interest | Total Ineligible % | |
| 34.87% | 1.71% | 36.58% | 100.00% |
| 42.41% | 8.52% | 50.93% | 100.00% |
| 47.16% | 16.12% | 63.29% | 100.00% |
| 30.60% | 0.33% | 30.92% | 100.00% |
| 47.55% | 0.26% | 47.80% | 100.00% |
| 52.67% | 3.89% | 56.57% | 100.00% |
| 52.69% | 0.00% | 52.69% | 100.00% |
| 14.52% | 0.00% | 14.52% | 100.00% |
| 40.65% | 7.21% | 47.86% | 100.00% |
| 40.35% | 4.23% | 44.57% | 100.00% |

| Results - % of Eligible Voters | | | |
|--------------------------------|--------------|--------------|------------------|
| Vote to Extend | Vote to Sell | Did not Vote | Total Eligible % |
| 46.28% | 37.18% | 16.54% | 100.00% |
| 54.18% | 33.76% | 12.06% | 100.00% |
| 17.36% | 40.31% | 42.32% | 100.00% |
| 36.58% | 30.67% | 32.74% | 100.00% |
| 49.75% | 22.70% | 27.55% | 100.00% |
| 51.09% | 38.64% | 10.27% | 100.00% |
| 44.75% | 15.50% | 39.75% | 100.00% |
| 24.71% | 36.00% | 39.28% | 100.00% |
| 35.71% | 50.00% | 14.29% | 100.00% |
| 40.05% | 33.86% | 26.09% | 100.00% |

| Properties: |
|----------------|
| Bratton Valley |
| Jamul Valley |
| Washoe I |

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 June 11, 2014, I served the within document(s) described as:

• RECEIVER'S EIGHTH INTERIM REPORT

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 June 11, 2014, 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 address indicated below:

- Lynn M. Dean - deanl@sec.gov; larofiling@sec.gov; berryj@sec.gov; irwinma@sec.gov; cavallones@sec.gov
- 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; irwinma@sec.gov
- Sam S. Puathasnanon - puathasnanons@sec.gov; haackk@sec.gov; berryj@sec.gov; irwinma@sec.gov; cavallones@sec.gov
- Edward P. Swan, Jr. - pswan@jonesday.com; dpippin@jonesday.com

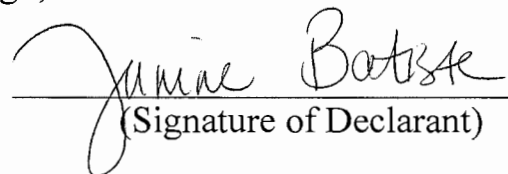
BY MAIL: I placed a true copy of the document in a sealed envelope or package addressed as indicated on the attached Service List on the above-mentioned date in San Diego, California for collection and mailing pursuant to the firm's ordinary business practice. I am familiar with the firm's practice of 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 June 11, 2014, at San Diego, California.

Janine L. Batiste

(Type or print name)



(Signature of Declarant)