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8 THOMAS C. HEBRANK

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

11
12 SECURITIES AND EXCHANGE
COMMISSION,

13 Plaintiff,

14 v.

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

18 Defendants.
19

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

**SEVENTH INTERIM FEE
APPLICATION OF ALLEN
MATKINS LECK GAMBLE
MALLORY & NATSIS LLP,
COUNSEL TO RECEIVER**

Date: August 8, 2014
Time: 1:30 p.m.
Ctrm.: 2D
Judge: Hon. Gonzalo P. Curiel

Allen Matkins Leck Gamble Mallory & Natsis LLP ("Allen Matkins"), counsel for Thomas C. Hebrank ("Receiver"), Court-appointed receiver for First Financial Planning Corporation d/b/a Western Financial Planning Corporation ("Western"), and its subsidiaries, including the General Partnerships ("GPs") set up by Western (collectively, "Receivership Entities"), hereby submits this seventh interim application for payment of professional fees and reimbursement of costs for the time period January 1, 2014 through March 31, 2014 ("Seventh Application Period"). Allen Matkins incurred \$51,765.30 in fees and \$506.47 in costs during the three-month period and seeks interim approval and payment of 80% of fees incurred, or \$41,412.24 and 100% of costs incurred. As it has throughout the case, Allen Matkins has discounted its customary hourly rates by 10%.

I. FEE APPLICATION

During the Seventh Application Period, Allen Matkins provided a total of 130.8 hours of service for a total of \$51,765.30 in fees. Allen Matkins requests payment on an interim basis of 80% of this amount, or \$41,412.24.¹ The firm has provided its services in the following categories, as discussed in further detail below and as set forth task-by-task in Exhibit A:

General Receivership	\$5,301.45
Asset Investigation	4,104.90
Reporting	4,722.30
Operations and Asset Sales	6,528.15
Claims and Distributions	1,425.60
Third Party Recoveries	24,856.20
Pending Litigation	2,153.70
Employment/Fees	2,673.00
Total Fees	\$51,765.30

¹ Payment of amounts held back from interim fee applications will be sought at the conclusion of the receivership in connection with applications of the Receiver and his professionals for final approval of all fees and costs.

II. TASKS PERFORMED DURING SEVENTH APPLICATION PERIOD

During the Seventh Application Period, Allen Matkins worked diligently to assist the Receiver with legal issues affecting the receivership. As reflected in the bills attached as Exhibit A, the legal work performed by Allen Matkins' attorneys and staff did not overlap with or duplicate the Receiver's work. The following is a discussion of Allen Matkins' work, broken down by the categories listed above.²

A. General Receivership

This category includes Allen Matkins' time reviewing relevant pleadings and documents and advising the Receiver on legal issues pertaining to (a) Defendants' appeal and the Commission's cross-appeal of the Court's August 16, 2013 Order, (b) discovery requests, responses, and deposition notices issued by the Commission and Defendants, (c) Defendants' motion for partial summary judgment and the Commission's motion for partial summary judgment, (d) the Commission's motion to defer consideration of the summary judgment motions, and (e) Defendants' motion for reconsideration of the Court's order approving the Receiver's Seventh Interim Report and request for order shortening time in connection therewith. The reasonable and necessary fees for this work total \$5,301.45.

B. Asset Investigation

This category includes time assisting the Receiver in his investigation into the two tenants located on the Stead property, including obtaining information from Defendants, reviewing partnership and lease documents, analyzing issues regarding a tenant who failed to respond to the Receiver's communications, and preparing a letter providing notice of termination of the tenant's lease. Allen Matkins assisted the Receiver in gathering information about water rights issues affecting certain GP

² While every effort is made to be consistent and accurate in the allocation of activities to various categories, certain activities may lend themselves to more than one category or may simply be difficult to categorize. Nevertheless, Exhibit A reflects actual time spent on any given activity and contains an accurate description of services provided.

1 properties located in Nevada and discussing the same with the Cotton Driggs firm in
2 Las Vegas. The reasonable and necessary fees in this category total \$4,104.90.

3 **C. Reporting**

4 This category includes Allen Matkins' time assisting the Receiver in drafting
5 his Seventh Interim Report, which was filed on February 5, 2014. Dkt. No. 547. In
6 addition to providing a summary of activities and quarterly accounting information,
7 the Seventh Interim Report addressed GPs with expired terms, the Partnership
8 Administrators' request that the GPs reimburse them for rent and utility expenses, the
9 listing of land parcels owned by Western with a licensed broker, and preparation of
10 2013 tax returns. The reasonable and necessary fees for work in this category total
11 \$4,722.30.

12 **D. Operations and Asset Sales**

13 Allen Matkins time in this category focused on legal issues relating to
14 (a) letters and operational bills issued to investors, (b) communications with lenders
15 on the GP properties, (c) property tax appeals (including engagement of a consultant
16 to work on a contingent fee basis), (d) expiration of certain GP terms and
17 voting/balloting for the same (per the Court's order), (e) Partnership Administrator
18 and personnel issues, (f) communications from counsel for Defendants regarding
19 mortgage payments, and (g) a broker listing agreement for the Western land parcels
20 (per the Court's order authorizing the same). The reasonable and necessary fees for
21 Allen Matkins' work in this category total \$6,528.15.

22 **E. Claims and Distributions**

23 This category includes time assisting the Receiver in communications with
24 investors and their counsel, both directly and via the receivership website, regarding
25 the receivership, claims, distributions, and related issues. The reasonable and
26 necessary fees for this work total \$1,425.60.

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F. Third Party Recoveries

Allen Matkins' work in this category focused on the three pending collection actions against the LinMar Borrowers, which were commenced on September 13, 2013, pursuant to the Court's August 16, 2013 Order. During the Seventh Application Period, Allen Matkins assisted the Receiver in (a) gathering and reviewing documents and preparing responses to written discovery requests from the LinMar Borrowers, (b) reviewing the LinMar Borrowers' responses to the Receiver's written discovery requests and documents produced in connection therewith, (c) LinMar IV's proposed stipulation to allow for an amendment to its answer, (d) communicating with counsel for the LinMar Borrowers in an effort to settle the cases, (e) preparing motions for partial summary judgment and supporting papers, (f) attending the Case Management Conference held on March 20, 2014.³ The motions for partial summary judgment were filed on May 22, 2013 and are set for hearing on August 1, 2014.

The reasonable and necessary fees for work in this category total \$24,856.20. Allen Matkins used junior attorneys, paralegals, and staff as much as possible and achieved a blended hourly rate of \$353.07.

G. Pending Litigation

This category includes time assisting the Receiver in implementing the Court-approved settlement with Sierra Pacific Power, including obtaining confirmation that the condemnation order transferring title was recorded. Allen Matkins also communicated with counsel for WFP Securities regarding the pending action with Endurance American Specialty Insurance Company and a settlement of the case. The parties joint motion to dismiss the case with prejudice was granted on April 25,

³ Allen Matkins' time descriptions contained in the bills for this category of work contain information relating to attorney work product and the Receiver's strategy regarding the pending litigation matters against the LinMar borrowers. For this reason, these bills are not attached hereto. The Receiver will provide these bills directly to the Court for *in camera* review upon request,

1 2014. The reasonable and necessary fees for Allen Matkins' work in this category
2 total \$2,153.70.

3 **H. Employment/Fees**

4 Although fee applications are a necessary component of federal equity
5 receiverships, neither the Receiver nor his professionals bill time for preparing their
6 own detailed applications. It is not reasonable or fair, however, to require the
7 Receiver and his professionals to also defend their fee applications without any
8 compensation for the work involved. Accordingly, this category includes Allen
9 Matkins' time responding to Mr. Schooler's objections to the Fifth Interim Fee
10 Applications of the Receiver and Allen Matkins. This consisted of reviewing and
11 analyzing Mr. Schooler's objections to the fee applications and drafting a reply brief.
12 Dkt. No. 508. Allen Matkins also assisted in preparing and filing the Sixth Interim
13 Fee Application of the Receiver and the Second Interim Fee Application of Duffy
14 Kruspodin & Company LLP. Dkt. Nos. 566, 568. The reasonable and necessary
15 fees for this work total \$2,673.00.

16 **I. Summary of Costs Requested**

17 Allen Matkins requests the Court approve reimbursement of \$506.47 in out-of-
18 pocket costs incurred in executing the foregoing tasks, as itemized in Exhibit A.
19 Pursuant to the Court's Order Granting in Part First Fee Applications, Allen Matkins
20 has reduced its request for reimbursement of copy costs to five cents per page and
21 written off any excess copy charges incurred.

22 **III. ALLEN MATKINS' FEES ARE REASONABLE**
23 **AND SHOULD BE APPROVED**

24 In its Order Granting in Part First Interim Fee Applications ("First Fee
25 Order"), the Court analyzed the case law regarding approval of interim fee
26 applications in regulatory receiverships and determined the following factors should
27 be considered: (1) the complexity of the receiver's tasks; (2) the fair value of the
28 time, labor, and skill measured by conservative business standards; (3) the quality of

1 work performed, including the results obtained and the benefit to the receivership
2 estate; (4) the burden the receivership estate may safely be able to bear; and (5) the
3 Commission's opposition or acquiescence. Dkt. No. 169, p. 7.

4 **A. Complexity of Tasks**

5 Here, the tasks performed by Allen Matkins are significantly complex and the
6 number of hours billed to complete them are reasonable. These tasks include
7 (a) analyzing corporate documents, loan agreements, and other contracts,
8 (b) advising the Receiver regarding federal equity receivership, debtor/creditor, real
9 property, contract, employment, insurance, tax, civil procedure, appellate procedure,
10 and other applicable areas of law, and (c) assisting the Receiver in selling assets,
11 collecting loans, protecting the Receivership Entities' interests in pending litigation,
12 and providing detailed reports to the Court and interested parties on his activities and
13 forensic accounting work. In addition, Allen Matkins wrote off and did not charge
14 for 4.7 hours of time during the Seventh Application Period.

15 **B. Fair Value of Time, Labor & Skill**

16 The Court has previously determined the discounted hourly rates of the
17 Receiver and Allen Matkins represent the fair value of their time, labor, and skill.

18 **C. Quality of Work Performed**

19 Allen Matkins diligently and competently assisted the Receiver in all aspects
20 of the receivership, including preserving and protecting the assets of the
21 Receivership Entities, analyzing the Receivership Entities' assets and liabilities,
22 addressing Western's cash shortage, reducing Western's operating expenses as well
23 as administrative expenses of the receivership, selling assets and collecting loans,
24 protecting the Receivership Entities' interests in pending litigation and other legal
25 matters, preserving potential causes of action against third parties, and preparing
26 detailed reports to the Court and interested parties. These services have allowed the
27 Receiver to preserve and protect the value of the Receivership Entities' assets for the
28 benefit of investors and creditors.

1 **D. Receivership Estate's Ability to Bear Burden of Fees**

2 The Receiver proposes the approved fees and costs be paid from Western's
3 assets above and beyond cash necessary to make payments on loans secured by GP
4 properties. As directed by the Court, the Receiver continues efforts to collect loans
5 the GPs owe Western through billings sent to investors. The Receiver also continues
6 efforts to collect the LinMar loans through the pending cases against the LinMar
7 Borrowers. Western's land parcels have been listed for sale and at some point its
8 equity interests in the GPs may be liquidated. Approved fees and costs will likely
9 have to be paid in increments over time as funds are collected. The fees and costs
10 should nevertheless be approved.

11 First and foremost, the Receiver will ensure that mortgage payments are being
12 timely made. The Court's December 10, 2013 Order granting the Receiver's Ex Parte
13 Application (Dkt. No. 524) addressed the immediate crisis regarding mortgage
14 payments. As a result, the Receiver does not anticipate problems timely making
15 mortgage payments.

16 **E. Commission's Opposition or Acquiescence**

17 Prior to filing, the Receiver and Allen Matkins provided these fee applications
18 to counsel for the Commission in substantially final form. Counsel for the
19 Commission has advised the Commission has no opposition to the fees and costs
20 requested.

21 Accordingly, the five factors identified by the Court for considering interim
22 fee applications all support interim approval and payment of the requested fees and
23 costs.

24 **IV. CONCLUSION**

25 WHEREFORE, the Receiver and Allen Matkins respectfully request entry of
26 an order:

27 1. Approving payment of fees to Allen Matkins on an interim basis of
28 \$41,412.24;

1 2. Approving reimbursement of expenses to Allen Matkins on an interim
2 basis of \$506.47;

3 3. Authorizing and directing the Receiver to pay these amounts to Allen
4 Matkins from assets of the Receivership Entities; and

5 4. Granting such further and other relief as the Court deems just and
6 proper.

7
8 Dated: June 19, 2014

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

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10 By: _____ /s/ Ted Fates

11 TED FATES
12 Attorneys for Receiver
13 THOMAS C. HEBRANK
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EXHIBIT INDEX

Exhibit A	Detailed Time Reports	11
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EXHIBIT A

EXHIBIT A

05/30/14 16:33:31 PROFORMA STATEMENT FOR MATTER 372640-00002 (General Receivership) 372640-00002

Preliminary Billing Form

Billing Atty: 001665 - Fates

Matter #: 372640-00002

Matter Name: General Receivership

Date of Last Billing: 03-31-2014

Client Name: Thomas C. Hebrank, as Receiver for Western Financial

Proforma Number

Client/Matter Joint Group # 372640-1

Fees for Matter 372640-00002 (General Receivership)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
01/02/14	6097885	Communications with SEC's counsel regarding information for appeal.	Fates, Edward G.	0.1	44.55	44.55
01/08/14	6102132	Review letter from Schooler to investors and discuss same with Receiver.	Fates, Edward G.	0.3	133.65	178.20
01/14/14	6107080	Review investor letters filed with Court	Fates, Edward G.	0.1	44.55	222.75
01/22/14	6113298	Review letter filed with Court by investor.	Fates, Edward G.	0.1	44.55	267.30
01/23/14	6113642	Review Schooler's motion for partial summary judgment and discuss same with Receiver (.3); review court notice rejecting same (.1).	Fates, Edward G.	0.4	178.20	445.50
01/24/14	6115501	Review SEC's opening brief in appeal/cross-appeal.	Fates, Edward G.	0.7	311.85	757.35
01/27/14	6116152	Review and respond to email communications and attachments from investor/creditor of LVS VIII.	Fates, Edward G.	0.3	133.65	891.00
01/31/14	6120286	Confer with SEC's counsel regarding issues in litigation with Schooler and Western.	Fates, Edward G.	0.2	89.10	980.10
02/18/14	6136912	Attention to message from person	Fates, Edward G.	0.2	89.10	1,069.20

05/30/14 16:33:31 PROFORMA STATEMENT FOR MATTER 372640-00002 (General Receivership) 372640-00002

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		seeking to purchase property from Schooler and discuss same with Receiver (.1); discuss GP tax return issues with Receiver (.1).				
02/24/14	6141849	Review Schooler's response and reply brief in cross-appeals.	Fates, Edward G.	0.5	222.75	1,291.95
03/06/14	6152615	Review SEC's written responses to Schooler's discovery requests.	Fates, Edward G.	0.9	400.95	1,692.90
03/07/14	6155424	Review deposition notices to Schooler, partnership administrators, and investor issued by SEC's counsel.	Fates, Edward G.	0.2	89.10	1,782.00
03/10/14	6155783	Review SEC's opposition to Schooler's motion for partial summary judgment and motion to defer consideration and discuss same with Receiver (.9); review order setting briefing schedule for motion to defer consideration (.1).	Fates, Edward G.	1.0	445.50	2,227.50
03/11/14	6157517	Confer with SEC's counsel regarding deposition and written discovery issues.	Fates, Edward G.	0.3	133.65	2,361.15
03/13/14	6160291	Review SEC's reply brief in cross-appeals.	Fates, Edward G.	0.3	133.65	2,494.80
03/17/14	6163128	Review Defendants' Case Management Statement (.2); discuss issues raised in motion for partial summary judgment with Receiver (.2).	Fates, Edward G.	0.4	178.20	2,673.00
03/18/14	6164255	Review SEC's Case Management Statement.	Fates, Edward G.	0.2	89.10	2,762.10
03/19/14	6165296	Review notices filed in cross-appeals.	Fates, Edward G.	0.1	44.55	2,806.65
03/20/14	6166461	Review Defendants' reply on partial	Fates, Edward G.	0.7	311.85	3,118.50

05/30/14 16:33:31 PROFORMA STATEMENT FOR MATTER 372640-00002 (General Receivership) 372640-00002

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		summary judgment motion and opposition to motion to defer consideration.				
03/21/14	6166717	Review SEC's expert disclosure.	Fates, Edward G.	0.1	44.55	3,163.05
03/24/14	6168565	Review Defendants' motion for reconsideration of order on seventh interim report, declaration, exhibits, and ex parte application for OST; analyze and discuss issues with Receiver.	Fates, Edward G.	1.1	490.05	3,653.10
03/25/14	6168774	Work on response to motion for reconsideration and discuss same with Receiver (1.7); confer with SEC's counsel regarding motion for reconsideration, motion for summary judgment, and dates for depositions (.6).	Fates, Edward G.	2.3	1,024.65	4,677.75
03/26/14	6170439	Work on response to Defendants' motion for reconsideration.	Fates, Edward G.	0.6	267.30	4,945.05
03/28/14	6173676	Review order denying OST for Schooler's motion for reconsideration; advise Receiver regarding same.	Fates, Edward G.	0.3	133.65	5,078.70
03/29/14	6173731	Review SEC's motion for partial summary judgment and reply in support of motion to defer consideration.	Fates, Edward G.	0.5	222.75	5,301.45

Disbursements for Matter 372640-00002 (General Receivership)

Trans Date	Index	Type	Quantity	Amt
01/08/14	2010696	Text Editing	2.60	78.00

05/30/14 16:33:31 PROFORMA STATEMENT FOR MATTER 372640-00002 (General Receivership) 372640-00002

Trans Date	Index	Type	Quantity	Amt
01/08/14	2015195	Document Search Pacer Service 10/01/2013-12/30/2013^AM0021-Q4201	1.00	13.30
01/08/14	2015196	Document Search Pacer Service 10/01/2013-12/30/2013^AM0021-Q4201	1.00	8.80
01/23/14	2014834	Duplication	126.00	6.30
01/24/14	2014835	Duplication	108.00	5.40
01/24/14	2014836	Duplication	84.00	4.20
01/28/14	2015953	Duplication	536.00	26.80
02/05/14	2018889	Duplication	102.00	5.10
02/05/14	2023607	Nationwide - - Service of Process - US DISTRICT COURT SOUTHERN DISTRICT ^ 419545	1.00	10.00
02/10/14	2020176	Federal Express - - Messenger - Invoice No: 255969269 Ship To: Philip H Dyson, Esq	1.00	9.02
02/10/14	2024404	Reprographics (Outside) - CD/DVD	1.00	15.00
02/11/14	2018890	Duplication	1.00	0.05
02/11/14	2020175	Federal Express - - Messenger - Invoice No: 255969269 Ship To: Philip H Dyson, Esq	1.00	9.02
02/11/14	2024405	Reprographics (Outside) - CD/DVD	1.00	15.00
02/24/14	2024688	Duplication	90.00	4.50
02/28/14	2030764	Reprographics (Outside) Discovia Linmar Management^149003	1.00	222.78
03/11/14	2026618	Duplication	83.00	4.15
03/17/14	2027347	Duplication	130.00	6.50
03/24/14	2029823	Duplication	163.00	8.15
03/27/14	2030969	Text Editing	0.80	24.00

05/30/14 16:33:31 PROFORMA STATEMENT FOR MATTER 372640-00002 (General Receivership) 372640-00002

Trans Date	Index	Type	Quantity	Amt
03/31/14	2040221	Document Search Pacer Service 01/01/2014-03/31/2014^AM0021-Q1201	1.00	29.90
03/31/14	2040222	Document Search Pacer Service 01/01/2014-03/31/2014^AM0021-Q1201	1.00	0.50

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward G. Fates	11.9	445.50	5,301.45
		<u>11.9</u>		<u>5,301.45</u>
Total Fees				5,301.45
Total Disbursements				506.47

05/30/14 16:28:43 PROFORMA STATEMENT FOR MATTER 372640-00003 (Asset Investigation) 372640-00003

Preliminary Billing Form

Billing Atty: 001665 - Fates

Matter #: 372640-00003

Matter Name: Asset Investigation

Date of Last Billing: 03-31-2014

Client Name: Thomas C. Hebrank, as Receiver for Western Financial

Proforma Number

Client/Matter Joint Group # 372640-1

Fees for Matter 372640-00003 (Asset Investigation)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
01/30/14	6119602	Discuss issues regarding tenant apparently residing on Stead property with G. Rodriguez.	Fates, Edward G.	0.3	133.65	133.65
02/05/14	6126640	Discuss issue of "caretaker" located on Stead property with G. Rodriguez; prepare email to Schooler's counsel regarding same.	Fates, Edward G.	0.7	311.85	445.50
02/06/14	6128155	Communications with Schooler's counsel and Receiver regarding Stead property caretaker.	Fates, Edward G.	0.3	133.65	579.15
02/12/14	6133817	Discuss facts relating to caretaker on Stead property with Defendants' counsel and Receiver.	Fates, Edward G.	0.4	178.20	757.35
02/13/14	6134963	Communications with G. Rodriguez regarding issue of caretaker on Stead property.	Fates, Edward G.	0.2	89.10	846.45
02/20/14	6139859	Communications with Schooler's counsel regarding contact information for caretaker on Stead property; discuss contact with caretaker with G. Rodriguez; further communications with Schooler's counsel regarding written agreements with caretakers.	Fates, Edward G.	0.6	267.30	1,113.75

05/30/14 16:28:43 PROFORMA STATEMENT FOR MATTER 372640-00003 (Asset Investigation) 372640-00003

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
02/25/14	6143191	Review lease agreements with caretakers on Stead property provided by Schooler's counsel; discuss legal options regarding same with Receiver.	Fates, Edward G.	0.8	356.40	1,470.15
03/10/14	6158645	Review/evaluate the issues related to the receivership with counsel to address next steps, timing of appeal, accounting, updated appraisals to assess how to proceed (.4).	Zaro, David R.	0.4	246.60	1,716.75
03/12/14	6158462	Discuss issues regarding caretaker tenants on Stead property with G. Rodriguez; analyze issues regarding termination of employment and potential eviction of uncooperative tenant; work on termination letter to tenant.	Fates, Edward G.	1.1	490.05	2,206.80
03/12/14	6161421	Review C. Winter lease and information relating to P51, LLC; confer with Attorney Fates regarding C. Winter tenancy and receiver's strategy to collect rent.	Hutter, Timothy	0.3	105.30	2,312.10
03/13/14	6160260	Review and revise caretaker lease termination letter; send same to Receiver for review.	Fates, Edward G.	0.5	222.75	2,534.85
03/13/14	6161417	Review lease documents and draft letter to Mr. Winter regarding tenancy at Reno premises owned by P51, LLC.	Hutter, Timothy	1.3	456.30	2,991.15
03/20/14	6165840	Communications with Receiver regarding letter to caretaker on Stead; finalize same.	Fates, Edward G.	0.4	178.20	3,169.35
03/20/14	6165894	Review summary, permits, and agreements regarding GP water	Fates, Edward G.	1.1	490.05	3,659.40

05/30/14 16:28:43 PROFORMA STATEMENT FOR MATTER 372640-00003 (Asset Investigation) 372640-00003

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		rights issues provided by Cotton Driggs firm; discuss same with Receiver.				
03/21/14	6166718	Call with local counsel in Nevada regarding GP water rights issues for Nevada properties.	Fates, Edward G.	0.8	356.40	4,015.80
03/24/14	6168316	Analyze issues regarding caretaker lease on Stead property.	Fates, Edward G.	0.2	89.10	4,104.90

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	0.4	616.50	246.60
001665	Edward G. Fates	7.4	445.50	3,296.70
002035	Timothy Hutter	1.6	351.00	561.60
		<u>9.4</u>		<u>4,104.90</u>
Total Fees				4,104.90
Total Disbursements				0.00

05/30/14 16:28:43 PROFORMA STATEMENT FOR MATTER 372640-00004 (Reporting) 372640-00004

Preliminary Billing Form

Billing Atty: 001665 - Fates

Matter #: 372640-00004

Matter Name: Reporting

Date of Last Billing: 05-09-2014

Client Name: Thomas C. Hebrank, as Receiver for Western Financial

Proforma Number

Client/Matter Joint Group # 372640-1

Fees for Matter 372640-00004 (Reporting)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
01/13/14	6105115	Work on Receiver's Seventh Interim Report	Fates, Edward G.	1.1	490.05	490.05
01/15/14	6109941	Discuss issues to be included in Seventh Interim Report with Receiver.	Fates, Edward G.	0.8	356.40	846.45
01/17/14	6110615	Work on Receiver's Seventh Interim Report.	Fates, Edward G.	1.2	534.60	1,381.05
01/22/14	6112547	Work on Receiver's Seventh Interim Report.	Fates, Edward G.	2.1	935.55	2,316.60
01/27/14	6116333	Work on Receiver's Seventh Interim Report; discuss same with Receiver.	Fates, Edward G.	1.4	623.70	2,940.30
01/31/14	6120280	Work on Receiver's Seventh Interim Report; discuss same with Receiver and SEC's counsel.	Fates, Edward G.	2.2	980.10	3,920.40
02/03/14	6125802	Confer with SEC's counsel regarding GP term expiration issue and recommendation regarding same in interim report.	Fates, Edward G.	0.2	89.10	4,009.50
02/04/14	6125163	Discuss exhibits to report with Receiver and G. Rodriguez; final revisions to report and exhibits.	Fates, Edward G.	1.2	534.60	4,544.10
02/25/14	6143522	Review order approving Seventh Interim Report; discuss same with	Fates, Edward G.	0.4	178.20	4,722.30

05/30/14 16:28:43 PROFORMA STATEMENT FOR MATTER 372640-00004 (Reporting) 372640-00004

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		Receiver.				

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward G. Fates	10.6	445.50	4,722.30
		<u>10.6</u>		<u>4,722.30</u>
Total Fees				4,722.30
Total Disbursements				0.00

05/30/14 16:28:43 PROFORMA STATEMENT FOR MATTER 372640-00005 (Operations & Asset Sales) 372640-00005

Preliminary Billing Form

Billing Atty: 001665 - Fates

Matter #: 372640-00005

Matter Name: Operations & Asset Sales

Date of Last Billing: 02-06-2014

Client Name: Thomas C. Hebrank, as Receiver for Western Financial

Proforma Number

Client/Matter Joint Group # 372640-1

Fees for Matter 372640-00005 (Operations & Asset Sales)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
01/03/14	6098487	Communications with Receiver regarding concerns with partnership administrators' apparent failure to respond to investor inquiries.	Fates, Edward G.	0.2	89.10	89.10
01/06/14	6099700	Review and revise letters to lenders; discuss same with Receiver and G. Rodriguez.	Fates, Edward G.	0.9	400.95	490.05
01/08/14	6102133	Review status of investor billings; discuss issues regarding same with G. Rodriguez.	Fates, Edward G.	0.4	178.20	668.25
01/09/14	6103368	Discuss operational billing issues, GP property tax issues, and analysis of Western real property interests with G. Rodriguez	Fates, Edward G.	0.5	222.75	891.00
01/10/14	6104338	Review memo from G. Rodriguez regarding potential GP property tax appeals (.1) discuss GP term expiration issue with Receiver (.1)	Fates, Edward G.	0.2	89.10	980.10
01/14/14	6107057	Review communications relating to payment of GP property taxes	Fates, Edward G.	0.1	44.55	1,024.65
01/15/14	6109942	Discuss issues relating to partnership administrators and operating expenses with Receiver (.2); review	Fates, Edward G.	1.6	712.80	1,737.45

05/30/14 16:28:43 PROFORMA STATEMENT FOR MATTER 372640-00005 (Operations & Asset Sales) 372640-00005

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		and revise proposed engagement letter with tax appeal consultant and discuss same with Receiver (1.4).				
01/19/14	6110865	Review required fictitious business name form to be filed with the Secretary of State.	Fates, Edward G.	0.1	44.55	1,782.00
01/22/14	6113296	Discuss property tax appeal issues with G. Rodriguez; finalize letter with property tax appeal consultant.	Fates, Edward G.	0.4	178.20	1,960.20
01/23/14	6113630	Finalize property tax appeal engagement letter and send to consultant.	Fates, Edward G.	0.3	133.65	2,093.85
01/24/14	6114880	Discuss tax preparation and Western personnel issues with G. Rodriguez.	Fates, Edward G.	0.2	89.10	2,182.95
01/27/14	6116286	Communications with Duffy firm regarding engagement letter for tax accounting services; discuss same with Receiver.	Fates, Edward G.	0.4	178.20	2,361.15
02/05/14	6126578	Call from SEC's counsel regarding concerns with Partnership Administrator communications with investors; discuss same with Receiver.	Fates, Edward G.	0.3	133.65	2,494.80
02/18/14	6137522	Review correspondence from Schooler's counsel regarding mortgage payments; discuss same with G. Rodriguez; prepare response.	Fates, Edward G.	0.8	356.40	2,851.20
02/19/14	6138917	Discuss response to message from Schooler's counsel with G. Rodriguez.	Fates, Edward G.	0.2	89.10	2,940.30
02/20/14	6139744	Discuss response to Schooler's counsel regarding mortgage payments with Receiver; finalize and	Fates, Edward G.	0.4	178.20	3,118.50

05/30/14 16:28:43 PROFORMA STATEMENT FOR MATTER 372640-00005 (Operations & Asset Sales) 372640-00005

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		send same.				
02/21/14	6141145	Discuss note payment issues with G. Rodriguez.	Fates, Edward G.	0.1	44.55	3,163.05
02/24/14	6142200	Discuss operational billing issues with G. Rodriguez.	Fates, Edward G.	0.2	89.10	3,252.15
02/25/14	6143525	Review GP agreements and draft letter regarding investor voting on expired GP terms; discuss same with Receiver.	Fates, Edward G.	1.2	534.60	3,786.75
02/26/14	6144864	Communications with Receiver and G. Rodriguez regarding letters to investors and voting process for investors in expired GPs (.5); communications with G. Rodriguez regarding collections on operational bills, concerns regarding inability of certain GPs to pay taxes, and potential actions to address same (.3); revisions to Washoe 5 billing schedules to accurately reflect court ordered repurchase of Western units and repayment of Western loans (.3).	Fates, Edward G.	1.1	490.05	4,276.80
02/27/14	6145810	Review and revise letter to Spanish Springs/Antelope Valley investors regarding operational bills and special improvement bond payments, instructions regarding payments from IRA accounts, and discuss same with G. Rodriguez.	Fates, Edward G.	0.7	311.85	4,588.65
03/04/14	6151288	Discuss expired GP voting issues with G. Rodriguez (.2); discuss water rights issues relating to certain GPs with local counsel in Nevada and advise Receiver regarding status (.8).	Fates, Edward G.	1.0	445.50	5,034.15

05/30/14 16:28:43 PROFORMA STATEMENT FOR MATTER 372640-00005 (Operations & Asset Sales) 372640-00005

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
03/14/14	6160794	Confer with Receiver regarding expired GP ballot/voting issues and letter to investors regarding same; review and revise letter, ballot, and exhibit to ballot regarding estimated net sale proceeds.	Fates, Edward G.	0.8	356.40	5,390.55
03/18/14	6164815	Confer with counsel re Receiver's authority to sell assets, possible motion related to expanded power/clarification of order to move case forward (.4).	Zaro, David R.	0.4	246.60	5,637.15
03/18/14	6163928	Communications with property tax appeal consultant regarding engagement letter, review revised letter and discuss same with Receiver (.3); review and revise operational billing letters to investors and discuss same with G. Rodriguez (.3).	Fates, Edward G.	0.6	267.30	5,904.45
03/19/14	6165178	Discuss issues regarding Western property listings and expired GP ballots/voting with Receiver.	Fates, Edward G.	0.4	178.20	6,082.65
03/26/14	6169922	Review letter from counsel for investor regarding expiration of GP term; communications with attorney.	Fates, Edward G.	0.4	178.20	6,260.85
03/27/14	6172412	Review and revise broker listing agreement for Western real properties; discuss same with G. Rodriguez.	Fates, Edward G.	0.6	267.30	6,528.15

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	0.4	616.50	246.60
001665	Edward G. Fates	14.1	445.50	6,281.55
		<u>14.5</u>		<u>6,528.15</u>
Total Fees				6,528.15
Total Disbursements				0.00

05/30/14 16:28:43 PROFORMA STATEMENT FOR MATTER 372640-00006 (Claims & Distributions) 372640-00006

Preliminary Billing Form

Billing Atty: 001665 - Fates

Matter #: 372640-00006

Matter Name: Claims & Distributions

Date of Last Billing: 02-06-2014

Client Name: Thomas C. Hebrank, as Receiver for Western Financial

Proforma Number

Client/Matter Joint Group # 372640-1

Fees for Matter 372640-00006 (Claims & Distributions)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
01/07/14	6100613	Review letter filed with the Court by investor Gilman; discuss same with Receiver.	Fates, Edward G.	0.2	89.10	89.10
01/27/14	6116359	Advise Receiver in responding to investor inquiry regarding selling and abandoning GP units.	Fates, Edward G.	0.1	44.55	133.65
02/18/14	6137818	Review and revise letter to investor regarding investment and operational billing.	Fates, Edward G.	0.4	178.20	311.85
02/20/14	6140217	Advise G. Rodriguez regarding response to investor questions regarding legal structure of GP notes; review and revise same.	Fates, Edward G.	0.5	222.75	534.60
02/21/14	6141147	Discuss investor inquiries regarding legal issues with G. Rodriguez.	Fates, Edward G.	0.1	44.55	579.15
02/25/14	6143657	Review investor letter filed with Court.	Fates, Edward G.	0.1	44.55	623.70
03/10/14	6155440	Attention to communication from investor and forward message to G. Rodriguez (.1); review email communications from investor Iwanowski and discuss same with Receiver (.2); review communication from investor Castle (.1).	Fates, Edward G.	0.4	178.20	801.90

05/30/14 16:28:43 PROFORMA STATEMENT FOR MATTER 372640-00006 (Claims & Distributions) 372640-00006

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
03/11/14	6157435	Call from investor Horton; discuss same with Receiver.	Fates, Edward G.	0.3	133.65	935.55
03/19/14	6165215	Attention to investor change of address issues.	Fates, Edward G.	0.1	44.55	980.10
03/26/14	6170141	Discuss call from attorney representing group of investors with Receiver (.2); review and revise website update for investors regarding K-1 tax statements and expired GP ballots/voting (.3).	Fates, Edward G.	0.5	222.75	1,202.85
03/30/14	6173766	Assist Receiver in responding to investor inquiries regarding legal issues.	Fates, Edward G.	0.2	89.10	1,291.95
03/31/14	6174354	Call with attorney representing investor regarding GP expiration, operational bills, and related issues.	Fates, Edward G.	0.3	133.65	1,425.60

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward G. Fates	3.2	445.50	1,425.60
		<u>3.2</u>		<u>1,425.60</u>
Total Fees				1,425.60
Total Disbursements				0.00

05/30/14 16:28:43 PROFORMA STATEMENT FOR MATTER 372640-00008 (Pending Litigation) 372640-00008

Preliminary Billing Form

Billing Atty: 001665 - Fates

Matter #: 372640-00008

Matter Name: Pending Litigation

Date of Last Billing: 05-31-2013

Client Name: Thomas C. Hebrank, as Receiver for Western Financial

Proforma Number

Client/Matter Joint Group # 372640-1

Fees for Matter 372640-00008 (Pending Litigation)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
01/02/14	6098233	Telephone calls with Lyon County Recorder's Office and investigate recording of Order of Condemnation.	Kaup, John T.	0.6	132.30	132.30
01/02/14	6097884	Review condemnation order recorded by Sierra Pacific; communications with Sierra Pacific counsel regarding same.	Fates, Edward G.	0.4	178.20	310.50
01/03/14	6098973	Follow up telephone call from Lyon County Recorder's office regarding order of condemnation.	Kaup, John T.	0.1	22.05	332.55
01/06/14	6100426	Telephone call from Lyon County Recorder and review federal court filings regarding settlement with Sierra Pacific.	Kaup, John T.	0.3	66.15	398.70
01/07/14	6101558	Review and forward order regarding motion to approve settlement to Lyon County Recorder.	Kaup, John T.	0.2	44.10	442.80
01/08/14	6102706	Forward settlement motion information to Lyon County Recorder.	Kaup, John T.	0.1	22.05	464.85
02/27/14	6145468	Review notice of settlement filed in pending case involving Endurance American Insurance; communications with counsel for Schooler/WFP	Fates, Edward G.	0.7	311.85	776.70

05/30/14 16:28:43 PROFORMA STATEMENT FOR MATTER 372640-00008 (Pending Litigation) 372640-00008

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		Securities regarding same.				
03/10/14	6158649	(Linmar) Review status of the motion for summary judgment, assess settlement and stipulated judgment (.4).	Zaro, David R.	0.4	246.60	1,023.30
03/10/14	6156507	Communications with counsel for WFP Securities regarding settlement in pending action with Endurance American; review draft settlement agreement.	Fates, Edward G.	0.6	267.30	1,290.60
03/19/14	6168170	Review/revise draft motion for summary judgment, draft Receiver declaration and counsel's declaration (1.4).	Zaro, David R.	1.4	863.10	2,153.70

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	1.8	616.50	1,109.70
000820	John T. Kaup	1.3	220.50	286.65
001665	Edward G. Fates	1.7	445.50	757.35
		<u>4.8</u>		<u>2,153.70</u>
Total Fees				2,153.70
Total Disbursements				0.00

05/30/14 16:28:43 PROFORMA STATEMENT FOR MATTER 372640-00009 (Employment/Fees) 372640-00009

Preliminary Billing Form

Billing Atty: 001665 - Fates

Matter #: 372640-00009

Matter Name: Employment/Fees

Date of Last Billing:

Client Name: Thomas C. Hebrank, as Receiver for Western Financial

Proforma Number

Client/Matter Joint Group # 372640-1

Fees for Matter 372640-00009 (Employment/Fees)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
01/17/14	6110322	Review Schooler's Opposition to Fifth Interim Fee Applications and discuss same with Receiver.	Fates, Edward G.	0.5	222.75	222.75
01/24/14	6115538	Work on reply to Schooler's objection to fifth interim fee applications.	Fates, Edward G.	0.8	356.40	579.15
01/27/14	6115824	Draft reply to Schooler's objection to fifth interim fee applications.	Fates, Edward G.	1.1	490.05	1,069.20
01/29/14	6118617	Work on response to Schooler's opposition to fifth interim fee applications; discuss same with Receiver.	Fates, Edward G.	0.4	178.20	1,247.40
01/30/14	6119367	Communications with Cotton Driggs firm regarding write off of small outstanding expense.	Fates, Edward G.	0.1	44.55	1,291.95
02/04/14	6124307	Discuss Duffy Kruspodin second interim fee application with Receiver and L. Benjamin; revisions to same.	Fates, Edward G.	1.6	712.80	2,004.75
02/05/14	6126543	Communications with Duffy firm regarding revisions to fee application and exhibits.	Fates, Edward G.	0.3	133.65	2,138.40
02/18/14	6137526	Review edits to Duffy fee application.	Fates, Edward G.	0.2	89.10	2,227.50
03/10/14	6155784	Discuss fee applications issues with	Fates, Edward G.	0.2	89.10	2,316.60

05/30/14 16:28:43 PROFORMA STATEMENT FOR MATTER 372640-00009 (Employment/Fees) 372640-00009

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		Receiver.				
03/11/14	6158136	Communications with Duffy firm regarding fee application.	Fates, Edward G.	0.1	44.55	2,361.15
03/30/14	6173837	Review and revise Receiver's sixth interim fee application.	Fates, Edward G.	0.4	178.20	2,539.35
03/31/14	6207030	Finalize edits to Receiver's sixth interim fee application and send all fee applications to SEC's counsel for review (.3).	Fates, Edward G.	0.3	133.65	2,673.00

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward G. Fates	6.0	445.50	2,673.00
		<u>6.0</u>		<u>2,673.00</u>
Total Fees				2,673.00
Total Disbursements				0.00