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6 Attorneys for Receiver
7 THOMAS C. HEBRANK

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

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

Date: December 12, 2014
Time: 1:30 p.m.
Ctrm.: 2D
Judge: Hon. Gonzalo P. Curiel

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1 Allen Matkins Leck Gamble Mallory & Natsis LLP ("Allen Matkins"),
 2 counsel for Thomas C. Hebrank ("Receiver"), Court-appointed receiver for First
 3 Financial Planning Corporation d/b/a Western Financial Planning Corporation
 4 ("Western"), and its subsidiaries, including the General Partnerships ("GPs") set up
 5 by Western (collectively, "Receivership Entities"), hereby submits this eighth interim
 6 application for payment of professional fees and reimbursement of costs for the time
 7 period April 1, 2014 through June 30, 2014 ("Eighth Application Period"). Allen
 8 Matkins incurred \$47,171.70 in fees and \$489.45 in costs during the three-month
 9 period and seeks interim approval and payment of 80% of fees incurred, or
 10 \$37,737.36 and 100% of costs incurred. As it has throughout the case, Allen
 11 Matkins has discounted its customary hourly rates by 10%.

12 I. FEE APPLICATION

13 During the Eighth Application Period, Allen Matkins provided a total of
 14 120.2 hours of service for a total of \$47,171.70 in fees. Allen Matkins requests
 15 payment on an interim basis of 80% of this amount, or \$37,737.36.¹ The firm has
 16 provided its services in the following categories, as discussed in further detail below
 17 and as set forth task-by-task in Exhibit A:

18 General Receivership	\$8,968.05
19 Asset Investigation	89.10
20 Reporting	3,430.35
21 Operations and Asset Sales	2,806.65
22 Claims and Distributions	1,692.90
23 Third Party Recoveries	29,026.35
24 Pending Litigation	445.50
25 Employment/Fees	712.80
26 Total Fees	\$47,171.70

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

1 **II. TASKS PERFORMED DURING EIGHTH APPLICATION PERIOD**

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

7 **A. General Receivership**

8 This category includes Allen Matkins' time reviewing relevant orders,
9 pleadings, and documents and advising the Receiver on legal issues pertaining to
10 (a) Defendants' appeal and the Commission's cross-appeal of the Court's August 16,
11 2013 Order, (b) discovery requests, responses, and deposition notices issued by the
12 Commission and Defendants, (c) Defendants' motion for partial summary judgment
13 and the Commission's motion for partial summary judgment, (d) the Commission's
14 motion to defer consideration of the summary judgment motions, (e) Defendants'
15 motion for reconsideration of the Court's order approving the Receiver's Seventh
16 Interim Report, (f) the Court's April 25, 2014 order granting partial summary
17 judgment in favor of the Commission and denying Defendants' motion for partial
18 summary judgment, including the Court's *sua sponte* reconsideration of the
19 August 16, 2013 Order, (g) briefs filed by the Commission and Defendants in
20 response to the April 25, 2014 Order, (h) Defendants' motion to remove Western
21 from the receivership, (i) the Commission's motion to the Ninth Circuit to hold the
22 appeals in abeyance in light of the Court's *sua sponte* reconsideration of the
23 August 16, 2013 Order, and (j) Defendants' motion for reconsideration of the
24 April 25, 2014 Order. Allen Matkins assisted the Receiver in preparing a brief that
25

26 _____
27 ² While every effort is made to be consistent and accurate in the allocation of
28 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 addressed the issues raised in the April 25, 2014 Order and opposed Defendants'
2 motion to remove Western from the receivership. Dkt. No. 584. The reasonable and
3 necessary fees for this work total \$8,968.05.

4 **B. Asset Investigation**

5 This category includes time assisting the Receiver in his investigation of the
6 residential duplex located on the Stead property and the two tenants living therein.
7 The reasonable and necessary fees in this category total \$89.10.

8 **C. Reporting**

9 This category includes Allen Matkins' time assisting the Receiver in drafting
10 his Eighth Interim Report, which was filed on June 11, 2014. Dkt. No. 596. In
11 addition to providing a summary of activities and quarterly accounting information,
12 the Eighth Interim Report reported on the results of votes taken regarding the
13 extension of terms for GPs whose terms had expired, sought authority to take votes
14 on the same issue for two additional GPs, and reported on the successful completion
15 of 2013 tax returns for all of the Receivership Entities. The Eighth Interim Report
16 was approved on June 17, 2014. Dkt. No. 599. The reasonable and necessary fees
17 for work in this category total \$3,430.35.

18 **D. Operations and Asset Sales**

19 Allen Matkins time in this category focused on legal issues relating to
20 (a) letters and operational bills issued to investors, (b) expiration of certain GP terms
21 and voting/balloting for the same (per the Court's order), (c) the Partnership
22 Administrators' performance of their duties, (d) the leases with the two tenants
23 located on the Stead property, including the refusal of one tenant to pay rent or
24 vacate the premises, requiring action in Nevada to evict him, and (e) the proposed
25 broker listing agreement for the property owned by the Rainbow and Horizon
26 Partnerships, which was obtained by investor Nancy Kemper. The reasonable and
27 necessary fees for Allen Matkins' work in this category total \$2,806.65.

28

1 **E. Claims and Distributions**

2 This category includes time assisting the Receiver in communications with
3 investors, creditors, and their counsel, both directly and via the receivership website,
4 regarding the receivership, claims, distributions, and related issues. The reasonable
5 and necessary fees for this work total \$1,692.90.

6 **F. Third Party Recoveries**

7 Allen Matkins' work in this category, which represents the majority of the
8 work performed by the firm in the Eighth Application Period, focused on the three
9 pending collection actions against the LinMar Borrowers, which were commenced
10 on September 13, 2013, pursuant to the Court's August 16, 2013 Order. During the
11 Eighth Application Period, Allen Matkins assisted the Receiver in:

- 12 • Reviewing and analyzing the LinMar Borrowers' responses to the
13 Receiver's written discovery requests, including documents produced by
14 the LinMar Borrowers;
- 15 • Compiling the facts and evidence necessary for the motions for partial
16 summary judgment and discussing the same with the Receiver and his
17 staff;
- 18 • Preparing the three motions for partial summary judgment filed in the
19 pending cases against the LinMar Borrowers on May 22, 2014,
20 including preparing the supporting declarations and separate statements
21 of undisputed facts;
- 22 • Reviewing and analyzing the LinMar Borrowers' oppositions to the
23 motions for partial summary judgment; and
- 24 • Preparing the three reply briefs in support of the motions for partial
25 summary judgment filed on June 27, 2014, including the three responses
26 to the LinMar Borrowers' separate statement of genuine issues of fact.

27 The motions for partial summary judgment were granted on July 29, 2014.
28 Apart from the cases against the LinMar Borrowers, Allen Matkins also reviewed

1 Defendants' responses to the Commission's written discovery requests, including
2 requests relating to Defendants' reliance on counsel defense, with an eye toward how
3 the responses might affect the receivership estate's potential claims against Western's
4 former counsel. The firm also contacted counsel for the foreclosing lender on the
5 LinMar Tacoma property to obtain an update on the status of the receivership over
6 the LinMar Tacoma property.³

7 The reasonable and necessary fees for work in this category total \$29,026.35.
8 Allen Matkins used junior attorneys, paralegals, and staff as much as possible and
9 achieved a blended hourly rate of \$364.20.

10 **G. Pending Litigation**

11 This category includes time assisting the Receiver with issues relating to the
12 actions against Western and other parties involving Endurance American Insurance.
13 In particular, the Ninth Circuit requested the Receiver provide a report on the status
14 of the receivership and the stay of litigation against Western, which Allen Matkins
15 prepared on the Receiver's behalf. The reasonable and necessary fees for Allen
16 Matkins' work in this category total \$445.50.

17 **H. Employment/Fees**

18 Although fee applications are a necessary component of federal equity
19 receiverships, neither the Receiver nor his professionals bill time for preparing their
20 own detailed applications. Allen Matkins assisted the Receiver in communications
21 with counsel for the Commission regarding the Seventh Interim Fee Applications, in
22 finalizing and filing the applications, and in communicating with the Court regarding
23
24

25 ³ As noted in prior motions and interim reports, there are 16 LinMar Tacoma
26 entities that collectively own a commercial building located in Tacoma,
27 Washington. The LinMar Tacoma entities received a loan from Western in the
28 amount of \$450,000. Prior to the Receiver's appointment in this action, the senior
lender on the LinMar Tacoma property had commenced a foreclosure proceeding
in Washington and obtained the appointment of a receiver for the LinMar Tacoma
property. The receivership in Washington is still pending.

1 rescheduling the hearing on the Sixth Interim Fee Applications. The reasonable and
2 necessary fees for this work total \$712.80.

3 **I. Summary of Costs Requested**

4 Allen Matkins requests the Court approve reimbursement of \$489.45 in out-of-
5 pocket costs incurred in executing the foregoing tasks, as itemized in Exhibit A.
6 Pursuant to the Court's Order Granting in Part First Fee Applications, Allen Matkins
7 has reduced its request for reimbursement of copy costs to five cents per page and
8 written off any excess copy charges incurred.

9 **III. ALLEN MATKINS' FEES ARE REASONABLE**
10 **AND SHOULD BE APPROVED**

11 In its Order Granting in Part First Interim Fee Applications ("First Fee
12 Order"), the Court analyzed the case law regarding approval of interim fee
13 applications in regulatory receiverships and determined the following factors should
14 be considered: (1) the complexity of the receiver's tasks; (2) the fair value of the
15 time, labor, and skill measured by conservative business standards; (3) the quality of
16 work performed, including the results obtained and the benefit to the receivership
17 estate; (4) the burden the receivership estate may safely be able to bear; and (5) the
18 Commission's opposition or acquiescence. Dkt. No. 169, p. 7.

19 **A. Complexity of Tasks**

20 Here, the tasks performed by Allen Matkins are significantly complex and the
21 number of hours billed to complete them are reasonable. These tasks include
22 (a) analyzing corporate documents, loan agreements, and other contracts,
23 (b) advising the Receiver regarding federal equity receivership, debtor/creditor, real
24 property, contract, employment, insurance, tax, civil procedure, appellate procedure,
25 and other applicable areas of law, and (c) assisting the Receiver in selling assets,
26 collecting loans, protecting the Receivership Entities' interests in pending litigation,
27 and providing detailed reports to the Court and interested parties on his activities. In
28

1 addition, Allen Matkins wrote off and did not charge for 3.8 hours of time during the
2 Eighth Application Period.

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

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

6 **C. Quality of Work Performed**

7 Allen Matkins diligently and competently assisted the Receiver in all aspects
8 of the receivership, including preserving and protecting the assets of the
9 Receivership Entities, analyzing the Receivership Entities' assets and liabilities,
10 addressing Western's cash shortage, reducing Western's operating expenses as well
11 as administrative expenses of the receivership, selling assets and collecting loans,
12 protecting the Receivership Entities' interests in pending litigation and other legal
13 matters, preserving potential causes of action against third parties, and preparing
14 detailed reports to the Court and interested parties. These services have allowed the
15 Receiver to preserve and protect the value of the Receivership Entities' assets for the
16 benefit of investors and creditors.

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

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

27 First and foremost, the Receiver will ensure that mortgage payments are being
28 timely made. The Court's December 10, 2013 Order granting the Receiver's Ex Parte

1 Application (Dkt. No. 524) addressed the immediate crisis regarding mortgage
2 payments. As a result, the Receiver does not anticipate problems timely making
3 mortgage payments.

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

5 Prior to filing, the Receiver and Allen Matkins provided these fee applications
6 to counsel for the Commission in substantially final form. Counsel for the
7 Commission has advised the Commission has no opposition to the fees and costs
8 requested.

9 Accordingly, the five factors identified by the Court for considering interim
10 fee applications all support interim approval and payment of the requested fees and
11 costs.

12 **IV. CONCLUSION**

13 WHEREFORE, the Receiver and Allen Matkins respectfully request entry of
14 an order:

- 15 1. Approving payment of fees to Allen Matkins on an interim basis of
16 \$37,737.36;
- 17 2. Approving reimbursement of expenses to Allen Matkins on an interim
18 basis of \$489.45;
- 19 3. Authorizing and directing the Receiver to pay these amounts to Allen
20 Matkins from assets of the Receivership Entities; and
- 21 4. Granting such further and other relief as the Court deems just and
22 proper.

23
24 Dated: October 27, 2014

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

25
26 By: /s/ Ted Fates

27 TED FATES
Attorneys for Receiver
28 THOMAS C. HEBRANK

EXHIBIT INDEX

Exhibit A	Detailed Time Reports	11
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EXHIBIT A

EXHIBIT A

10/20/14 14:17:49 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: 09-25-2014

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

Proforma Number 1183683

Client/Matter Joint Group # 372640-1

Fees for Matter 372640-00002 (General Receivership)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
04/01/14	6178029	Review order setting briefing schedule for SEC's motion for partial summary judgment.	Fates, Edward G.	0.1	44.55	44.55
04/09/14	6184933	Review email from Schooler's counsel regarding voting process; discuss same with Receiver; draft response.	Fates, Edward G.	0.6	267.30	311.85
04/14/14	6187931	Review Schooler's opposition to SEC's motion for partial summary judgment (.2); attention to rules/pleadings as to oral argument on April 25 and discuss same with SEC's counsel and Receiver (.3).	Fates, Edward G.	0.5	222.75	534.60
04/18/14	6192356	Work on opposition to Schooler's motion for reconsideration and discuss same with Receiver (.7); review joint motion to extend discovery (.2).	Fates, Edward G.	0.9	400.95	935.55
04/21/14	6193484	Review order granting joint motion to extend discovery cutoff.	Fates, Edward G.	0.1	44.55	980.10
04/24/14	6197621	Discuss hearing on MSJ and factual issues regarding same with SEC's counsel and discuss same with Receiver (.7); review Schooler's motion to dissolve receivership over	Fates, Edward G.	1.2	534.60	1,514.70

10/20/14 14:17:49 PROFORMA STATEMENT FOR MATTER 372640-00002 (General Receivership) 372640-00002

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		Western and discuss same with Receiver (.5).				
04/25/14	6198716	Review order setting briefing schedule on Schooler's motion to dissolve receivership over Western (.1); review order granting SEC's partial summary judgment, discuss same with Receiver, and communications with SEC's counsel (.8).	Fates, Edward G.	0.9	400.95	1,915.65
04/28/14	6201255	Review/evaluate the order related to defendant motion for summary judgment and follow-up re court's reconsideration of the G.P. issue (.4). Advice to counsel related to order/Receiver's work (.2).	Zaro, David R.	0.6	369.90	2,285.55
04/28/14	6199944	Communications with Receiver and SEC's counsel regarding issues raised in summary judgment order and Schooler motion to dissolve receivership over Western.	Fates, Edward G.	0.7	311.85	2,597.40
04/29/14	6201829	Work on response to motion to remove Western from receivership.	Fates, Edward G.	0.3	133.65	2,731.05
04/30/14	6203042	Review notice of oral argument in pending cross appeals.	Fates, Edward G.	0.1	44.55	2,775.60
05/01/14	6205928	Work on brief regarding Schooler's motion to remove Western and Court's sua sponte reconsideration order.	Fates, Edward G.	0.9	400.95	3,176.55
05/05/14	6207676	Review SEC's motion to hold in abeyance appeal proceedings.	Fates, Edward G.	0.3	133.65	3,310.20
05/06/14	6208826	Work on response to Schooler's motion to remove Western from	Fates, Edward G.	1.2	534.60	3,844.80

10/20/14 14:17:49 PROFORMA STATEMENT FOR MATTER 372640-00002 (General Receivership) 372640-00002

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		receivership and Court sua sponte reconsideration of August 16 2013 order.				
05/07/14	6212957	Work on brief regarding Schooler's motion to remove Western from receivership and Court's order regarding sua sponte reconsideration; discuss same with Receiver and G. Rodriguez.	Fates, Edward G.	0.8	356.40	4,201.20
05/08/14	6212956	Work on brief regarding Schooler's motion to remove Western from receivership and Court's order regarding sua sponte reconsideration; discuss same with Receiver and G. Rodriguez.	Fates, Edward G.	3.3	1,470.15	5,671.35
05/09/14	6211355	Work on brief regarding Schooler motion to remove Western from receivership and Court's order re sua sponte reconsideration, discuss same with Receiver and G. Rodriguez (2.1) review SEC briefs regarding motion to remove Western and Court's sua sponte order (.4) review Schooler briefs regarding Court's sua sponte order and motion for reconsideration re order approving seventh interim report (.4)	Fates, Edward G.	2.7	1,202.85	6,874.20
05/14/14	6216262	Review Schooler's opposition to SEC's motion to stay cross-appeals.	Fates, Edward G.	0.2	89.10	6,963.30
05/22/14	6222544	Review/analyze Schooler's brief regarding Court's reconsideration of release of GPs, discuss same with Receiver and SEC counsel	Fates, Edward G.	0.9	400.95	7,364.25
05/23/14	6224408	Review SEC's response regarding Court's order regarding	Fates, Edward G.	0.8	356.40	7,720.65

10/20/14 14:17:49 PROFORMA STATEMENT FOR MATTER 372640-00002 (General Receivership) 372640-00002

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		reconsideration (.2); review Schooler's reply regarding motion to remove Western from receivership (.2); review SEC's reply in support of motion to stay appeals (.2); review Schooler's response regarding Court order regarding reconsideration (.2).				
05/27/14	6225360	Review Schooler's motion for reconsideration of order granting partial summary judgment.	Fates, Edward G.	0.4	178.20	7,898.85
05/29/14	6228341	Review order setting briefing schedule for Schooler's motion for reconsideration of partial summary judgment order (.1).	Fates, Edward G.	0.1	44.55	7,943.40
06/04/14	6235318	Review order denying Schooler's motion for reconsideration of order approving Seventh Interim Report.	Fates, Edward G.	0.2	89.10	8,032.50
06/12/14	6242393	Review SEC's request for ruling on motion to hold appeals in abeyance.	Fates, Edward G.	0.1	44.55	8,077.05
06/13/14	6243717	Review Schooler's motion to modify scheduling order (.2); review SEC's notices of subpoenas to A. Jacobson and B. Schuler and discuss same with G. Rodriguez (.4).	Fates, Edward G.	0.6	267.30	8,344.35
06/16/14	6245204	Review order denying Schooler's motion to remove Western from receivership; discuss same with Receiver.	Fates, Edward G.	0.5	222.75	8,567.10
06/19/14	6247641	Review and respond to request for documents from person concerned about activities of Schooler and LVS VIII (.3); review order granting SEC's motion to hold appeals in abeyance and remanding case to district court	Fates, Edward G.	0.5	222.75	8,789.85

10/20/14 14:17:49 PROFORMA STATEMENT FOR MATTER 372640-00002 (General Receivership) 372640-00002

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		(.2).				
06/20/14	6249838	Review SEC's opposition to Schooler's motion for reconsideration of MSJ order.	Fates, Edward G.	0.2	89.10	8,878.95
06/24/14	6251662	Review Schooler's letter to investors and website.	Fates, Edward G.	0.2	89.10	8,968.05

Disbursements for Matter 372640-00002 (General Receivership)

Trans Date	Index	Type	Quantity	Amt
04/02/14	2033562	Duplication	168.00	8.40
04/08/14	2033563	Duplication	123.00	6.15
04/10/14	2035014	Duplication	423.00	21.15
04/10/14	2040668	Nationwide - - Service of Process - USDC-SD ^ 420122	1.00	10.00
04/17/14	2035015	Duplication	85.00	4.25
04/18/14	2035016	Duplication	70.00	3.50
04/24/14	2039016	Duplication	20.00	1.00
04/25/14	2039017	Duplication	73.00	3.65
04/29/14	2041350	Duplication	22.00	1.10
05/02/14	2041351	Duplication	189.00	9.45
05/09/14	2042106	Duplication	42.00	2.10
05/21/14	2044976	Duplication	2.00	0.10
05/22/14	2044975	Duplication	453.00	22.65
05/22/14	2047175	Lexis - Research	1.00	8.00
05/23/14	2045205	Duplication	398.00	19.90
05/23/14	2050684	Nationwide - - Service of Process - USDS-SD ^ 420654	1.00	10.00

10/20/14 14:17:49 PROFORMA STATEMENT FOR MATTER 372640-00002 (General Receivership) 372640-00002

Trans Date	Index	Type	Quantity	Amt
05/27/14	2048431	Duplication	133.00	6.65
05/28/14	2048432	Duplication	1.00	0.05
05/30/14	2050107	Duplication	115.00	5.75
06/16/14	2052002	Duplication	474.00	23.70
06/19/14	2055419	Duplication	154.00	7.70
06/19/14	2058394	Nationwide - - Service of Process - USDC - SOUTHERN DISTRICT ^ 420970	1.00	10.00
06/20/14	2055420	Duplication	117.00	5.85
06/20/14	2055986	Lexis Lexis - Research	1.00	16.00
06/26/14	2061457	Lexis Lexis - Research	1.00	83.60
06/27/14	2056741	Duplication	182.00	9.10
06/27/14	2061458	Lexis Lexis - Research	1.00	98.80
06/30/14	2058052	Duplication	1.00	0.05
06/30/14	2058395	Nationwide - - Messenger - USDC - SOUTHERN DISTRICT ^ 420970	1.00	10.00
06/30/14	2058396	Nationwide - - Messenger - USDC - SOUTHERN CALIFORNIA ^ 420970	1.00	10.00
06/30/14	2058397	Nationwide - - Messenger - USDC - SOUTHERN CALIFORNIA ^ 420970	1.00	10.00
06/30/14	2061459	Lexis Lexis - Research	1.00	60.80

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	0.6	616.50	369.90
001665	Edward G. Fates	19.3	445.50	8,598.15
		<u>19.9</u>		<u>8,968.05</u>
Total Fees				8,968.05
Total Disbursements				489.45

10/20/14 14:17:49 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 1183684

Client/Matter Joint Group # 372640-1

Fees for Matter 372640-00003 (Asset Investigation)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
04/11/14	6186779	Discuss communication from Stead caretaker tenant with G. Rodriguez.	Fates, Edward G.	0.2	89.10	89.10

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward G. Fates	0.2	445.50	89.10
		<u>0.2</u>		<u>89.10</u>
Total Fees				89.10
Total Disbursements				0.00

10/20/14 14:17:49 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: 08-26-2014

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

Proforma Number 1183685

Client/Matter Joint Group # 372640-1

Fees for Matter 372640-00004 (Reporting)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
04/16/14	6189825	Work on Eighth Interim Report; discuss same with Receiver.	Fates, Edward G.	1.2	534.60	534.60
04/25/14	6197992	Discuss GP expiration issue for interim report with Receiver.	Fates, Edward G.	0.4	178.20	712.80
05/12/14	6213629	Review expired GP voting results and discuss exhibit to report regarding same with Receiver; work on Eighth Interim Report.	Fates, Edward G.	1.9	846.45	1,559.25
05/14/14	6216011	Work on Eighth Interim Report; discuss same with Receiver.	Fates, Edward G.	0.6	267.30	1,826.55
05/15/14	6216903	Discuss eighth interim report with Receiver and revisions to same.	Fates, Edward G.	1.4	623.70	2,450.25
05/16/14	6217617	Work on Receiver's Eighth Interim Report and exhibits thereto.	Fates, Edward G.	0.2	89.10	2,539.35
05/19/14	6219919	Review and discuss exhibits to report with G. Rodriguez.	Fates, Edward G.	0.2	89.10	2,628.45
05/21/14	6222204	Discuss issues regarding interim report with G. Rodriguez.	Fates, Edward G.	0.2	89.10	2,717.55
05/23/14	6224665	Discuss issues regarding Eighth Interim Report with G. Rodriguez.	Fates, Edward G.	0.1	44.55	2,762.10
05/30/14	6230526	Discuss accounting data for interim	Fates, Edward G.	0.7	311.85	3,073.95

10/20/14 14:17:49 PROFORMA STATEMENT FOR MATTER 372640-00004 (Reporting) 372640-00004

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		report with Receiver and G. Rodriguez.				
06/02/14	6232512	Discuss issues for interim report with G. Rodriguez.	Fates, Edward G.	0.2	89.10	3,163.05
06/05/14	6236081	Work on Eighth Interim Report.	Fates, Edward G.	0.3	133.65	3,296.70
06/11/14	6241315	Work on Eighth Interim Report.	Fates, Edward G.	0.3	133.65	3,430.35

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward G. Fates	7.7	445.50	3,430.35
		<u>7.7</u>		<u>3,430.35</u>
Total Fees				3,430.35
Total Disbursements				0.00

10/20/14 14:17:49 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: 08-26-2014

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

Proforma Number 1183686

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
04/11/14	6186778	Discuss office rent dispute with landlord with G. Rodriguez.	Fates, Edward G.	0.3	133.65	133.65
04/14/14	6187568	Correspondence to landlord regarding return of office rent deposit.	Fates, Edward G.	0.3	133.65	267.30
04/21/14	6193149	Communications with Regus regarding office lease security deposit issues (.2); advise G. Rodriguez on investor note payment questions (.2).	Fates, Edward G.	0.4	178.20	445.50
05/06/14	6208727	Review Jamul Meadows letter and spreadsheet and discuss same and expired GP voting issues with G. Rodriguez.	Fates, Edward G.	0.8	356.40	801.90
05/12/14	6213219	Review Stead property residential lease with J. Trail and issues with C. Winters; discuss same with G. Rodriguez; research regarding Reno firm to handle C. Winters unlawful detainer matter.	Fates, Edward G.	1.2	534.60	1,336.50
05/14/14	6216194	Assist in locating Reno lawyer to handle unlawful detainer matter for Stead property; discuss same with G. Rodriguez.	Fates, Edward G.	0.6	267.30	1,603.80
05/20/14	6221215	Review operational bill letter to	Fates, Edward G.	0.3	133.65	1,737.45

10/20/14 14:17:49 PROFORMA STATEMENT FOR MATTER 372640-00005 (Operations & Asset Sales) 372640-00005

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		Antelope Springs investors (.2); attention to GP expiration issues (.1).				
05/21/14	6221832	Attention to Stead property lease issues; review retainer agreement for Reno attorney to handle unlawful detainer action; discuss same with G. Rodriguez.	Fates, Edward G.	0.5	222.75	1,960.20
05/22/14	6223297	Advise G. Rodriguez regarding engagement agreement for Stead eviction.	Fates, Edward G.	0.1	44.55	2,004.75
05/23/14	6224682	Discuss Stead property lease and repair issues with G. Rodriguez.	Fates, Edward G.	0.2	89.10	2,093.85
06/12/14	6243082	Review and revise letter to Heavenly View partners regarding billing; discuss same with G. Rodriguez.	Fates, Edward G.	0.6	267.30	2,361.15
06/19/14	6248141	Communications with Receiver regarding ongoing issues with partnership administrators.	Fates, Edward G.	0.2	89.10	2,450.25
06/27/14	6255325	Review balloting letter for Tecate South and Twin Plant; discuss same with G. Rodriguez.	Fates, Edward G.	0.3	133.65	2,583.90
06/30/14	6258291	Review email and attachments from investor regarding potential listing agreement for GP property; discuss same with Receiver.	Fates, Edward G.	0.5	222.75	2,806.65

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward G. Fates	6.3	445.50	2,806.65
		<u>6.3</u>		<u>2,806.65</u>
Total Fees				2,806.65
Total Disbursements				0.00

10/20/14 14:17:49 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: 08-26-2014

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

Proforma Number 1183687

Client/Matter Joint Group # 372640-1

Fees for Matter 372640-00006 (Claims & Distributions)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
04/02/14	6179058	Review information regarding Schooler's meeting with investors.	Fates, Edward G.	0.2	89.10	89.10
04/09/14	6184920	Advise Receiver regarding responses to legal questions raised by investors (.3); call from counsel for investor regarding K-1 and tax returns (.2).	Fates, Edward G.	0.5	222.75	311.85
04/16/14	6190131	Review letter filed with Court from investor Kemper.	Fates, Edward G.	0.1	44.55	356.40
04/17/14	6191592	Review letter filed with Court by investor LeClaire; discuss same with Receiver.	Fates, Edward G.	0.2	89.10	445.50
04/18/14	6192111	Discuss responses to investor requests for Western purchase prices for land with Receiver.	Fates, Edward G.	0.2	89.10	534.60
04/28/14	6199947	Discuss update to website with Receiver; review and revise same.	Fates, Edward G.	0.5	222.75	757.35
04/30/14	6202321	Communications with Franchise Tax Board regarding status of case and claims process.	Fates, Edward G.	0.2	89.10	846.45
05/07/14	6210521	Review and revise answers to FAQs for partnership administrators and posting to website.	Fates, Edward G.	0.8	356.40	1,202.85

10/20/14 14:17:49 PROFORMA STATEMENT FOR MATTER 372640-00006 (Claims & Distributions) 372640-00006

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
05/21/14	6222205	Discuss issues regarding investor FAQs for website with G. Rodriguez.	Fates, Edward G.	0.1	44.55	1,247.40
06/10/14	6240430	Call from financial advisor for investor Silva.	Fates, Edward G.	0.4	178.20	1,425.60
06/24/14	6252059	Respond to inquiry from counsel for Spanish Springs investor.	Fates, Edward G.	0.3	133.65	1,559.25
06/30/14	6257641	Communications with counsel for creditor regarding status of receivership and claims.	Fates, Edward G.	0.3	133.65	1,692.90

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward G. Fates	3.8	445.50	1,692.90
		<u>3.8</u>		<u>1,692.90</u>
Total Fees				1,692.90
Total Disbursements				0.00

10/20/14 14:17:49 PROFORMA STATEMENT FOR MATTER 372640-00007 (Third Party Recoveries) 372640-00007

Preliminary Billing Form

Billing Atty: 001665 - Fates

Matter #: 372640-00007

Matter Name: Third Party Recoveries

Date of Last Billing:

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

Proforma Number 1183688

Client/Matter Joint Group # 372640-1

Fees for Matter 372640-00007 (Third Party Recoveries)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
04/15/14	6189322	Review Western's discovery responses with regard to advice of counsel defense and potential claims against former counsel.	Fates, Edward G.	0.4	178.20	178.20
04/18/14	6192355	Discuss documents produced by Schooler regarding legal analysis relied on and potential third party claims with SEC's counsel.	Fates, Edward G.	0.2	89.10	267.30
04/22/14	6194856	Work on LinMar summary judgment motions.	Fates, Edward G.	0.4	178.20	445.50
04/22/14	6205012	Draft LinMar IV's motion for summary judgment.	Bui, Kim A.	1.6	475.20	920.70
04/23/14	6205060	Continue drafting LinMar IV's motion for summary judgment.	Bui, Kim A.	4.7	1,395.90	2,316.60
04/25/14	6205721	Draft LinMar III notice of motion for summary judgment (.3)	Bui, Kim A.	0.3	89.10	2,405.70
04/30/14	6203138	Discuss LinMar summary judgment motions with S. Hoslett.	Fates, Edward G.	0.2	89.10	2,494.80
04/30/14	6205672	Analysis of motion for summary judgment documents for LinMar III and make edits (1.0)	Bui, Kim A.	1.0	297.00	2,791.80
05/05/14	6207551	Review loan information provided by	Fates, Edward G.	0.2	89.10	2,880.90

10/20/14 14:17:49 PROFORMA STATEMENT FOR MATTER 372640-00007 (Third Party Recoveries) 372640-00007

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		S. Hoslett for summary judgment motions.				
05/05/14	6208660	Conform Linmar IV and LinMar Management documents, i.e. separate statement citations with declarations of Hebrank and Bui.` `	Bui, Kim A.	2.4	712.80	3,593.70
05/07/14	6220113	Analysis of motions for summary judgment for Linmar IV, Linmar III and Linmar Management to ensure that motions conform with supporting documents.`	Bui, Kim A.	2.5	742.50	4,336.20
05/09/14	6213107	Analyze discovery responses and produced documents in connection with motion for summary judgment.	Swonetz, Josi	0.8	280.80	4,617.00
05/12/14	6213540	Analyze issues for LinMar motions for summary judgment.	Fates, Edward G.	0.3	133.65	4,750.65
05/12/14	6213627	Revise notice and motion, memorandum of points and authorities, supporting declarations and separate statement in support of motion for summary judgment against LinMar Management and LinMar IV.	Swonetz, Josi	6.7	2,351.70	7,102.35
05/13/14	6215080	Analyze issues regarding LinMar summary judgment motions; discuss same with G. Rodriguez.	Fates, Edward G.	0.5	222.75	7,325.10
05/13/14	6215131	Revise notice and motion, memorandum of points and authorities, supporting declarations and separate statement in support of motion for summary judgment against LinMar III and LinMar IV.	Swonetz, Josi	3.6	1,263.60	8,588.70
05/14/14	6215768	Analyze issues related to LinMar summary judgment motions; discuss	Fates, Edward G.	0.5	222.75	8,811.45

10/20/14 14:17:49 PROFORMA STATEMENT FOR MATTER 372640-00007 (Third Party Recoveries) 372640-00007

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		loan amortization issues with G. Rodriguez.				
05/14/14	6216001	Revise notice and motion, memorandum of points and authorities, supporting declarations and separate statement in support of motion for summary judgment against LinMar III and LinMar IV.	Swonetz, Josi	4.4	1,544.40	10,355.85
05/15/14	6217046	Analyze LinMar summary judgment issues.	Fates, Edward G.	0.3	133.65	10,489.50
05/19/14	6220291	Review points and authorities for summary judgment motion for LinMar Management; analyze issues regarding same.	Fates, Edward G.	1.1	490.05	10,979.55
05/19/14	6220169	Research case law regarding prejudgment and post judgment interest rates for motions for summary judgment.	Swonetz, Josi	1.0	351.00	11,330.55
05/20/14	6221217	Work on LinMar summary judgment motions.	Fates, Edward G.	1.1	490.05	11,820.60
05/20/14	6221274	Revise LinMar entities motions for summary judgment and supporting papers per T. Fates revisions.	Swonetz, Josi	2.3	807.30	12,627.90
05/21/14	6221847	Analyze LinMar summary judgment issues; review and revise memorandum of points and authorities, declarations, notices, and separate statements for motions for summary judgment.	Fates, Edward G.	2.1	935.55	13,563.45
05/22/14	6224561	Finalize documents for motions for summary judgment.	Swonetz, Josi	1.3	456.30	14,019.75
06/17/14	6245297	Communications with counsel for senior lender regarding status of	Fates, Edward G.	0.3	133.65	14,153.40

10/20/14 14:17:49 PROFORMA STATEMENT FOR MATTER 372640-00007 (Third Party Recoveries) 372640-00007

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		LinMar Tacoma receiver sale.				
06/20/14	6248935	Review and analyze LinMar responses to motions for summary judgment.	Fates, Edward G.	0.8	356.40	14,509.80
06/23/14	6250079	Review and analyze issues raised in LinMar oppositions to MSJs and discuss same with Receiver.	Fates, Edward G.	1.1	490.05	14,999.85
06/23/14	6254695	Review and analyze opposition to motion for summary judgment and supporting papers.	Swonetz, Josi	0.5	175.50	15,175.35
06/23/14	6251351	Research and analyze case law regarding parole evidence rule, impossibility defense and damages issue in support of reply (4.2).	Thorbourne, Alana	4.2	1,171.80	16,347.15
06/24/14	6251383	Analyze issues for reply in support of MSJs.	Fates, Edward G.	0.8	356.40	16,703.55
06/24/14	6252647	Continue drafting memorandum summarizing responsive case law and statutes for reply (1.6); research and analyze case law regarding integrated contracts and impossibility defense in context of promissory notes (.8).	Thorbourne, Alana	2.4	669.60	17,373.15
06/25/14	6254684	Draft reply in support of motion for summary judgment.	Swonetz, Josi	1.4	491.40	17,864.55
06/26/14	6254076	Analyze issues for reply in support of MSJs; work on reply briefs.	Fates, Edward G.	5.6	2,494.80	20,359.35
06/26/14	6254838	Draft reply in support of motion for summary judgment.	Swonetz, Josi	9.7	3,404.70	23,764.05
06/27/14	6255328	Work on reply briefs and responses to LinMar's separate statements regarding summary judgment	Fates, Edward G.	7.4	3,296.70	27,060.75

10/20/14 14:17:49 PROFORMA STATEMENT FOR MATTER 372640-00007 (Third Party Recoveries) 372640-00007

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		motions.				
06/27/14	6255780	Finalize replies in support of motions for summary judgment.	Swonetz, Josi	5.6	1,965.60	29,026.35

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward G. Fates	23.3	445.50	10,380.15
002051	Josi Swonetz	37.3	351.00	13,092.30
002094	Alana Thorbourne	6.6	279.00	1,841.40
002130	Kim A. Bui	12.5	297.00	3,712.50
		<u>79.7</u>		<u>29,026.35</u>
Total Fees				29,026.35
Total Disbursements				0.00

10/20/14 14:17:49 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 1183689

Client/Matter Joint Group # 372640-1

Fees for Matter 372640-00008 (Pending Litigation)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
04/01/14	6178028	Review notice of status conference in Endurance American case.	Fates, Edward G.	0.1	44.55	44.55
04/25/14	6198718	Review order dismissing Endurance American case.	Fates, Edward G.	0.1	44.55	89.10
05/23/14	6224509	Review order issued by Ninth Circuit requesting status report to clerk; draft status report letter to clerk.	Fates, Edward G.	0.7	311.85	400.95
05/29/14	6228703	Attention to Endurance appeal filing issues.	Fates, Edward G.	0.1	44.55	445.50

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward G. Fates	1.0	445.50	445.50
		<u>1.0</u>		<u>445.50</u>
Total Fees				445.50
Total Disbursements				0.00

10/20/14 14:17:49 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 1183690

Client/Matter Joint Group # 372640-1

Fees for Matter 372640-00009 (Employment/Fees)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
04/07/14	6182205	Communications with SEC's counsel regarding fee applications.	Fates, Edward G.	0.1	44.55	44.55
04/09/14	6185046	Prepare proposed orders, notice, and obtain signatures on fee applications.	Fates, Edward G.	0.6	267.30	311.85
05/30/14	6230301	Review minute order moving hearing on fee applications from July 11 to July 25; attention to schedule conflicts created by same.	Fates, Edward G.	0.2	89.10	400.95
06/18/14	6247413	Communications with SEC's counsel regarding seventh interim fee applications; finalize same.	Fates, Edward G.	0.7	311.85	712.80

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward G. Fates	1.6	445.50	712.80
		<u>1.6</u>		<u>712.80</u>
Total Fees				712.80
Total Disbursements				0.00