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8 UNITED STATES DISTRICT COURT
9 SOUTHERN DISTRICT OF CALIFORNIA

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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 RESPONSE TO
LETTER FROM JAMES R.
HETTINGER [DKT. NO. 882]**

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

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1 Thomas C. Hebrank ("Receiver"), Court-appointed receiver for First Financial
2 Planning Corporation d/b/a Western Financial Planning Corporation ("Western"),
3 and its subsidiaries and other specifically-listed entities (collectively, "Receivership
4 Entities"), submits this response to the letter from James R. Hettinger filed on
5 January 8, 2015. Dkt. No. 882.

6 The 2013 tax returns and associated K-1s for investors were prepared by
7 Duffy, Kruspodin & Company ("Duffy"), the same accounting firm used prior to the
8 Receiver's appointment. The deadline for partnerships to file tax returns and
9 provide K-1s to their partners is April 15. All GP tax returns were filed prior to the
10 April 15 deadline and all K-1s for the GPs were provided to the Partnership
11 Administrators between February 25, 2014 and April 10, 2014. The K-1s for
12 Mr. Hettinger's GPs (Eagle View, Orange Vista, and Santa Fe View) were provided
13 to the Partnership Administrators on February 25, March 24, and April 9,
14 respectively. Declaration of Thane Kelton filed herewith, ¶ 2. The Partnership
15 Administrators are supposed to mail the K-1s out immediately upon receipt from
16 Duffy, especially if the K-1s are received in April.

17 As explained in the Receiver's Eighth Interim Report, the K-1 preparation
18 process took longer to complete than planned because of a delay of approximately
19 three weeks by the Partnership Administrators (and the former Western personnel
20 who assist them with tax returns) in getting the necessary files to Duffy. Dkt.
21 No. 596, p. 7.

22 In the Receiver's Report and Recommendations Regarding General
23 Partnerships ("GP Report"), the Receiver has recommended and requested authority
24 to transition the GPs from the Partnership Administrators to Lincoln Property
25 Company ("Lincoln"). Dkt. No. 852, pp. 25-28. Although there have been many
26 responses to the GP Report filed, none of them have opposed this recommendation.
27 The Partnership Administrators failure to timely carry out their duties with regard to
28 the 2013 tax returns is yet another reason to transition the GPs to Lincoln.

1 With respect to the 2014 tax returns, the Receiver has taken over the
2 responsibility of providing information to Duffy from the Partnership
3 Administrators. The Receiver has already provided samples of the necessary reports
4 to Duffy and Duffy has pre-approved those reports to commence work. The tax
5 returns and K-1s will be completed and mailed out well ahead of the April 15
6 deadline, likely sometime in late February or early March. This will give investors
7 plenty of time to get their own tax returns filed by April 15, 2015.

8
9 Dated: January 23, 2015

ALLEN MATKINS LECK GAMBLE
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11 By: /s/ Ted Fates

TED FATES
Attorneys for Receiver
THOMAS C. HEBRANK

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