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13 **UNITED STATES DISTRICT COURT**
14 **SOUTHERN DISTRICT OF CALIFORNIA**

15 SECURITIES AND EXCHANGE
16 COMMISSION,

17 Plaintiff,

18 v.

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

24 Defendants.

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

**RECEIVER'S TENTH INTERIM
REPORT**

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

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 Tenth Interim Report on his activities. This report should be
5 read in conjunction with the Receiver's prior interim reports, Dkt. Nos. 27, 49, 80,
6 184, 481, 517, 547, 596, and 759. This report focuses on the Receiver's activities
7 during the third and fourth quarters of 2014 (a six-month period).

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 third and fourth quarter of 2014,
12 the Receiver maintained operations of the GPs, including making mortgage,
13 property tax, and insurance payments, supervising the two Partnership
14 Administrators, and addressing other business and legal issues unique to certain of
15 the GPs. In addition, the Receiver attended hearings held on October 10 and 15,
16 2014 regarding the Court's *sua sponte* reconsideration of its August 16, 2013 Order,
17 prepared a detailed Report and Recommendations Regarding General Partnerships
18 ("GP Report") (Dkt. No. 852), conducted an investor vote regarding a purchase offer
19 for the Silver State Partners property, responded to discovery requests from
20 Defendants, took actions necessary to secure control of Western's server, and
21 obtained awards of attorney fees in the LinMar cases on behalf of the receivership
22 estate.

23 II. SUMMARY OF RECEIVER'S ACTIVITIES

24 The Receiver's primary focus since his appointment has been on identifying,
25 marshaling, and preserving the Receivership Entities' assets. These activities fall
26 into the following general categories:
27
28

1 **A. Business Operations**

2 The Receiver has continued to operate the Receivership Entities, carry out
3 Western's traditional duties with regard to the GPs, and address legal issues
4 regarding tenants and easements on GP properties, letters of intent from potential
5 purchasers, and related issues.

6 **B. Asset Investigation & Recovery**

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

9 **Notes Payable from LinMar Entities.** As discussed in prior reports,
10 Western, while under Mr. Schooler's control, made loans to LinMar
11 Management, Inc., LinMar Shaw, LLC, LinMar III, LLC, LinMar IV, LLC and
12 approximately 16 LinMar Tacoma entities (collectively, "LinMar Borrowers").
13 Mr. Schooler owns LinMar Management, LinMar III, and LinMar IV outright, and
14 has ownership interests in LinMar Shaw and the LinMar Tacoma entities. All of the
15 loans matured prior to the receivership and remain unpaid. With the exception of
16 the LinMar Tacoma loan, the loans are unsecured.

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

21 The Receiver filed motions for partial summary judgment on May 22, 2014,
22 which were granted by the Court in orders entered on July 29, 2014. On August 12,
23 2014, as the prevailing party, the Receiver filed motions for attorney fees and costs
24 pursuant to the terms of the promissory notes. The Court entered orders awarding
25 the Receiver attorney fees in all three cases on October 9 and December 4, 2014.
26 Final judgments in the amounts of \$98,366.83 (LinMar Management), \$162,982.72
27 (LinMar III), and \$400,113.29 (LinMar IV) were entered in favor of the Receiver on
28

1 January 9, 2015, with post-judgment interest accruing at the federal statutory rate.

2 The Receiver is now taking steps to enforce the judgments.

3 **Property Tax Appeals.** As directed by the Court, the Receiver obtained an
4 appraisal of each GP property for purposes of inclusion in his Real Estate Valuation
5 Report. Dkt. No. 203. Based on the appraised values of GP properties and the
6 assessed values of such properties in property tax statements, the Receiver appealed
7 the property tax assessments for certain GPs. To date, those appeals have generated
8 a savings of approximately \$10,000, net of fees owed to the property tax consultant,
9 who works entirely on contingency. The Receiver anticipates additional savings
10 will be generated from appeals yet to be resolved, including from significant appeals
11 in San Diego County, which has not reassessed the relevant properties since their
12 last sale transaction.

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

20 **Western Server.** As noted above, the Receiver took actions necessary to
21 secure control of Western's server, including demanding access to the server from
22 Schooler and filing a motion for contempt when Schooler repeatedly failed to grant
23 such access. The Court held Schooler in contempt and ordered him to grant the
24 Receiver access to the server. The server was then recovered and taken into the
25 Receiver's possession. Since that time, the Partnership Administrators have had
26 remote access to the server from the office in Vista they share with Schooler so they
27 can carry out their GP duties. To improve data protection, the server is now backed
28

1 up periodically and is administered behind a firewall that should protect from most
2 cyber intrusions.

3 **The Stead Property.** As discussed in prior reports, there were two tenants
4 living rent-free in a duplex on the Stead property. Upon learning of the tenants, the
5 Receiver contacted them and advised that they would need to pay rent. One tenant
6 left shortly thereafter. The remaining tenant has been paying rent, however, the rent
7 has not been received timely and consistently. Recently, the remaining tenant
8 contacted the Receiver, claimed the Receiver did not have authority to charge rent,
9 and demanded that upgrades be made to the property. The Receiver explained that
10 he had authority to manage the property under the Court's orders, but upgrades
11 would not be made to the property at this time. The Receiver advised the tenant that
12 he should terminate his lease (which is month-to-month) if he is not prepared to pay
13 rent or is not satisfied with the condition of the property. The Receiver has also
14 recently received various calls from nearby residents that the tenant may have
15 additional persons living at the property. The Receiver has sent the tenant a notice
16 terminating the lease effective March 10, 2015.

17 **III. GPs IN POOR FINANCIAL HEALTH**

18 As explained in the GP Report filed on November 21, 2014, many of the GPs
19 are in poor financial health. Dkt. No. 852, Exhibits A, B, and C. The situation has
20 gotten worse since November. More GPs have exhausted the cash balances in their
21 accounts and are struggling to collect enough funds from their investors to make
22 note payments to Western (so Western can pay mortgages on their properties),
23 property tax payments, insurance payments, and pay other basic expenses.

24 During the last 60 days, two GPs have been unable to pay their notes owed to
25 Western, leaving Western unable to make the full mortgage payments on their
26 properties. Western does not have cash to cover mortgage payments for GPs not
27 making their note payments to Western. This issue was addressed by the Court in
28 response to the Receiver's Ex Parte Application for Authority to Use Funds in

1 Certain General Partnership Accounts to Cover Shortfall in Funds Necessary to
2 Make Mortgage Payments, Pending Resolution of Appeal. Dkt. No. 519. Because
3 Western could not cover mortgage payments for GPs that were not paying Western
4 enough for Western to make the mortgage payment on their property, the Court
5 authorized the Receiver to deduct the amount of the shortfall from their accounts
6 each month so the mortgage payments could be made. Dkt. No. 524. This order has
7 allowed certain GPs with mortgages on their properties to avoid default.

8 However, Painted Desert Partners and Mountain View Partners were recently
9 unable to make their note payments to Western because they exhausted their cash
10 reserve, leaving Western unable to make the mortgage payments on their properties.
11 These two GPs must now raise funds from their investors sufficient to meet ongoing
12 expenses and cure the defaults on the mortgages.

13 As a stop gap measure in situations in which shortfalls in mortgage payments
14 occur, the Receiver requests authority to have the GPs make partial note payments
15 to Western and the Receiver to then make as much of the mortgage payments as
16 possible from the funds received from the applicable GPs. This will help minimize
17 fees and charges incurred as a result of defaults. Additionally, for properties with
18 multiple mortgages on them, the Receiver recommends payments owed to third-
19 party lenders and seller financing be paid first, with amounts owed to Robert Shafer,
20 an individual associated with Receivership Entity Real Asset Locators, Inc., and
21 attorney John Gavin paid only after payments owed to lenders and sellers have been
22 fully made. Mr. Shafer and Mr. Gavin apparently performed services in connection
23 with the original purchase of the land by Western and took a deed of trust on certain
24 GP properties to secure their fees. Third-party loans and seller financing should
25 have priority over consultants and lawyers used by Western and/or Real Asset
26 Locators when Western purchased the land.

27 The Receiver anticipates more GP defaults will occur as cash balances in GP
28 accounts dwindle and GPs struggle to raise operating capital from their investors.

1 Based on current forecasts, 38 GPs are anticipated to run out of funds to pay
2 ongoing expenses during 2015. This underscores the importance of promptly
3 determining the path forward to preserve and protect financially-troubled GPs and
4 moving down that path as soon as possible.

5 **IV. GP TAX RETURNS AND INVESTOR K-1s**

6 Preparation of 2014 GP tax returns is on schedule and the Receiver
7 anticipates K-1s will be mailed out to investors starting the last week of February
8 with all K-1s being mailed out no later than March 15, 2015. Unfortunately, in late
9 January 2015, investor Dennis Gilman sent a series of e-mails to all investors falsely
10 stating that the status of preparation of 2014 tax returns is a "mess," that K-1s "may
11 not be received at all," and instructing investors to demand "our K-1 statements
12 from the Receiver immediately, and, in my opinion, send a reminder to him at least
13 weekly – one reminder for each property." A copy of one of Mr. Gilman's emails is
14 attached hereto as Exhibit C. These false statements unnecessarily alarmed
15 investors and caused the receivership estate to incur substantial fees for the Receiver
16 to respond to hundreds of investors e-mails and calls. The Receiver also posted an
17 update on the receivership website clarifying that K-1s are on track to be mailed out
18 by mid-March, which is when they have historically gone out. The update was also
19 e-mailed to all investors for whom the Receiver has an e-mail address.

20 **V. RECEIPTS AND DISBURSEMENTS**

21 Attached hereto as Exhibit A is a summary of the receipts and disbursements
22 for the Receivership Entities for the third and fourth quarters of 2014. Attached as
23 Exhibit B is a statement of revenue and expenditures for Western for the same
24 period. This statement was prepared on a cash basis.

25 **VI. INVESTOR COMMUNICATIONS**

26 The Receiver has continued to update his website, www.ethreeadvisors.com,
27 with orders entered by the Court, Receiver reports, and briefs filed by the parties
28 that pertain directly to the receivership. The Receiver and his staff have responded

1 to numerous inquiries from investors and other interested parties about the
 2 receivership¹ and have updated the Case Updates section of the Receiver's website
 3 to address common questions and themes in correspondence from investors. The
 4 Receiver recently added answers to Frequently Asked Questions to address common
 5 investor questions and misconceptions about the receivership. Investors are again
 6 reminded of the importance of informing the Receiver of any change in their e-mail
 7 address or physical address.

8 **VII. RECOMMENDATIONS**

9 In addition to the requests and recommendations discussed above, the
 10 Receiver recommends the receivership over Western and the other Receivership
 11 Entities continue pursuant to the Court's orders and the Receivership Entities' assets
 12 continue to be preserved and protected pending the outcome of the litigation.

13 **VIII. CONCLUSION**

14 Based on the foregoing, the Receiver requests approval of this Tenth Interim
 15 Report and his recommendations discussed above.

16
 17 Dated: February 26, 2015

ALLEN MATKINS LECK GAMBLE
 MALLORY & NATSIS LLP

19 By: /s/ Ted Fates

TED FATES
 Attorneys for Receiver
 THOMAS C. HEBRANK

27 ¹ Investors have been directed to contact the Partnership Administrators with
 28 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.

EXHIBIT INDEX

Exhibit A	Summary of Receipts and Disbursements for the Receivership Entities for the Third and Fourth Quarters 2014	10
Exhibit B	Statement of Revenue and Expenditures for Western for the Third and Fourth Quarters 2014	14
Exhibit C	Copy of One of Mr. Gilman's Emails	16

EXHIBIT A

EXHIBIT A

Summary GP Bank Account Activity

2014 Cash Flow																
Q1 2014		Q2 2014		Q3 2014		Q4 2014						Summary				
January 2014	March 2014	June 2014	September 2014	October 2014			November 2014			December 2014			Total 2014	Total 2014	December 2014	
Starting Cash	Ending Balance	Ending Balance	Ending Balance	Receipts	Disbursements	Ending Balance	Receipts	Disbursements	Ending Balance	Receipts	Disbursements	Ending Balance	Receipts	Disbursements	Ending Cash	
Fernley I																
Crystal Clearwater Partners (2011)	85,831	82,112	80,151	76,212	732	400	76,544	-	6,869	69,674	1,463	400	70,738	9,602	24,695	70,738
Clearwater Bridge LLC	2,635	3,327	1,618	2,116	-	2,018	98	6,469	-	6,568	-	1,009	5,559	19,006	16,083	5,559
High Desert LLC	5,947	6,028	5,578	3,640	-	3,736	(96)	9,770	-	9,674	-	1,868	7,807	27,800	25,940	7,807
High Desert Partners (2011)	79,640	75,799	72,334	70,859	1,639	400	72,098	1,204	10,170	63,132	1,421	400	64,154	18,375	33,862	64,154
	174,053	167,267	159,682	152,827	2,370	6,553	148,645	17,443	17,039	149,048	2,885	3,677	148,256	74,783	100,579	148,256
Silver Springs North																
North Springs (2007)	73,529	67,817	61,960	55,923	1,274	3,052	54,145	1,274	3,052	52,367	1,274	3,052	50,590	15,287	38,226	50,590
Rawhide (2007)	75,133	69,393	63,385	57,425	1,342	6,154	52,612	1,342	100	53,854	1,342	3,127	52,068	17,441	40,506	52,068
Highway 50 (2008)	67,969	57,982	47,404	36,822	1,136	8,825	29,134	1,136	100	30,170	1,136	4,462	26,844	13,932	55,056	26,844
Orange Vista (2008)	98,229	92,949	87,676	81,895	1,252	5,584	77,563	-	100	77,463	1,969	2,842	76,590	13,966	35,605	76,590
	314,859	288,142	260,426	232,065	5,004	23,614	213,454	3,752	3,352	213,854	5,721	13,483	206,092	60,626	169,393	206,092
Silver Springs South																
Rail Road Partners (2006)	108,690	104,814	99,001	93,252	1,287	4,126	90,413	-	100	90,313	644	2,300	88,657	7,806	27,840	88,657
Spruce Heights Partners (2007)	122,045	118,487	114,532	109,895	425	2,946	107,374	425	100	107,698	425	1,711	106,412	5,096	20,729	106,412
Vista Del Sur (2007)	102,053	95,703	89,096	81,540	1,751	7,528	75,764	-	100	75,664	3,503	4,051	75,115	21,875	48,812	75,115
Lahontan (2007)	118,778	122,431	107,474	100,856	3,677	7,094	97,439	-	100	97,339	3,677	5,623	95,392	33,163	56,549	95,392
	451,567	441,436	410,103	385,544	7,140	21,694	370,990	425	400	371,015	8,248	13,685	365,577	67,940	153,929	365,577
Washoe 3																
Spanish Springs Partners (2003)	21,938	7,862	7,720	5,322	3,721	100	8,943	209	100	9,052	1,487	202	10,336	16,290	27,892	10,336
Antelope Spring Partners (2004)	7,119	4,679	17,223	13,824	11,136	2,008	22,952	631	100	23,484	1,149	201	24,431	49,387	32,075	24,431
Wild Horse Partners (2004)	27,788	14,216	8,055	25,781	9,575	9,218	26,138	2,327	100	28,365	6,592	2,121	32,836	57,316	52,268	32,836
Big Ranch Partners (2004)	6,941	6,799	19,093	11,809	236	2,043	10,002	941	100	10,843	2,570	1,170	12,242	31,985	26,684	12,242
	63,786	33,555	52,090	56,736	24,668	13,369	68,035	4,108	400	71,743	11,797	3,695	79,845	154,978	138,919	79,845
Washoe 5																
Pyramid Highway 177 (2010)	40,167	38,362	34,598	31,914	337	100	32,151	337	4,993	27,495	105	100	27,499	3,811	16,478	27,499
Pyramid Highway LLC	3,131	2,923	2,498	2,723	-	1,665	1,057	4,893	-	5,950	-	1,133	4,818	14,401	12,714	4,818
Frontage LLC	4,943	5,722	3,157	4,689	-	3,329	1,360	9,052	-	10,413	-	1,964	8,448	26,150	22,646	8,448
Frontage 177 (2010)	50,855	47,488	45,374	40,810	978	100	41,689	978	9,152	33,515	978	100	34,393	12,717	29,179	34,393
	99,096	94,495	85,627	80,136	1,315	5,194	76,257	15,260	14,145	77,372	1,083	3,297	75,158	57,078	81,016	75,158
Dayton I																
Dayton View Partners (1999)	41,589	41,032	39,824	39,212	-	100	39,112	-	100	39,012	-	100	38,912	16	2,692	38,912
Fairway Partners (2000)	48,794	48,256	47,032	46,421	-	100	46,321	-	100	46,221	-	200	46,021	4	2,778	46,021
Green View Partners (2000)	52,346	51,806	50,602	49,990	-	100	49,890	-	100	49,790	-	100	49,690	4	2,660	49,690
Par Four Partners (2001)	50,975	50,436	49,211	48,600	-	100	48,500	-	100	48,400	-	100	48,300	4	2,680	48,300
	193,704	191,530	186,668	184,223	-	400	183,823	-	400	183,423	-	500	182,923	28	10,809	182,923
Dayton II																
Storey County Partners (2005)	37,430	35,256	32,732	30,606	110	1,950	28,766	110	100	28,776	110	100	28,787	1,325	9,969	28,787
Comstock Partners (2005)	29,244	25,904	22,413	19,408	1,260	4,240	16,428	-	100	16,328	2,520	2,170	16,678	14,802	27,368	16,678
Silver City Partners (2005)	26,758	24,922	22,763	21,007	2,404	5,696	17,716	-	100	17,616	4,808	2,898	19,526	28,851	36,083	19,526
Nevada View Partners (2005)	19,444	10,974	3,836	14,130	1,376	9,330	6,177	4,668	100	10,745	3,305	4,715	9,335	44,175	54,284	9,335
	112,877	97,056	81,744	85,151	5,151	21,216	69,086	4,779	400	73,465	10,744	9,883	74,326	89,153	127,703	74,326
Dayton III																
Gold Ridge Partners (2005)	178,098	177,062	176,185	175,735	-	100	175,635	-	100	175,535	-	100	175,435	-	2,663	175,435
Sky View Partners (2005)	226,853	225,892	224,959	224,509	-	100	224,409	-	100	224,309	-	1,100	223,209	-	3,643	223,209
Grand View Partners (2005)	213,548	212,497	211,616	210,966	-	100	210,866	-	100	210,766	-	100	210,666	-	2,682	210,666
Rolling Hills Partners (2006)	215,795	214,721	213,785	213,335	-	100	213,235	-	100	213,135	-	100	213,035	-	2,760	213,035
	834,293	830,172	826,545	824,745	-	400	824,345	-	400	823,945	-	1,400	822,545	-	11,748	822,545

2014 Cash Flow																	
Q1 2014		Q2 2014		Q3 2014		Q4 2014									Summary		
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Dayton IV																	
Eagle View Partners (2008)	239,767	229,770	227,349	217,720	5,975	100	223,595	5,648	46,088	183,155	5,811	100	188,866	74,077	124,977	188,866	
Eagle View LLC	26,793	26,388	18,510	18,565	-	18,081	484	45,988	-	46,472	-	9,041	37,431	122,485	111,847	37,431	
Falcon Heights Partners (2008)	234,517	231,760	217,073	203,631	9,106	100	212,637	-	41,877	170,761	4,553	100	175,214	57,256	116,560	175,214	
Falcon Heights LLC	27,750	24,661	16,376	16,881	-	16,397	484	41,777	-	42,261	-	8,198	34,062	112,431	106,118	34,062	
Night Hawk Partners (2009)	284,271	275,831	262,599	257,552	3,089	100	260,541	3,089	33,438	230,193	3,089	100	233,182	37,916	89,004	233,182	
Nighthawk LLC	22,297	19,597	19,961	13,505	-	13,021	484	33,338	-	33,822	-	6,511	27,311	86,552	81,537	27,311	
Osprey Pescador LLC	17,074	16,595	16,458	11,504	-	11,019	484	28,333	-	28,818	-	5,960	22,858	75,310	69,527	22,858	
Osprey Parners (2010)	307,603	299,301	289,669	285,438	2,900	100	288,238	-	28,433	259,805	5,800	100	265,505	35,660	77,758	265,505	
	1,160,071	1,123,903	1,067,994	1,024,797	21,070	58,918	986,948	158,172	149,835	995,285	19,253	30,109	984,430	601,687	777,328	984,430	
Minden																	
Carson Valley Partners (1998)	5,104	4,506	3,373	2,126	2,963	100	4,989	391	100	5,281	291	181	5,391	3,662	3,375	5,391	
Heavenly View Partners (1998)	3,123	2,453	1,308	1,731	92	100	1,724	307	100	1,931	197	100	2,028	2,379	3,475	2,028	
Sierra View Partners (1999)	16,104	15,599	14,589	13,342	-	100	13,242	-	100	13,142	-	100	13,042	4	3,067	13,042	
Pine View Partners (1999)	8,710	8,214	7,086	5,838	-	100	5,738	-	100	5,638	-	100	5,538	4	3,176	5,538	
	33,042	30,772	26,356	23,037	3,056	400	25,693	698	400	25,991	488	481	25,998	6,048	13,092	25,998	
Washoe 1																	
Reno View (1981)	5,090	5,356	5,554	4,339	-	100	4,239	-	100	4,139	-	208	3,932	2,231	3,389	3,932	
Reno Vista (1981)	6,380	2,940	4,317	3,176	-	941	2,235	-	100	2,135	841	117	2,859	5,535	9,055	2,859	
Reno Partners (1982)	15,346	5,485	8,296	7,365	-	423	6,943	-	100	6,843	1,097	291	7,648	10,584	18,281	7,648	
	26,816	13,781	18,167	14,881	-	1,464	13,417	-	300	13,117	1,938	615	14,439	18,349	30,726	14,439	
Washoe 4																	
Rose Vista (2006)	85,904	79,418	72,204	65,021	1,086	7,026	59,082	397	100	59,379	741	3,563	56,557	11,844	41,192	56,557	
Steam Boat Partners (2006)	84,741	80,420	75,759	71,220	762	3,994	67,988	762	100	68,650	762	2,047	67,364	8,881	26,257	67,364	
Galena Ranch Partners (2006)	116,000	112,970	109,581	106,172	1,141	4,000	103,313	1,141	100	104,354	1,141	2,050	103,445	13,691	26,247	103,445	
Redfield Heights Partners (2006)	109,729	104,684	99,182	93,343	1,116	4,876	89,583	-	100	89,483	558	2,488	87,553	9,233	31,408	87,553	
	396,374	377,492	356,726	335,756	4,105	19,896	319,966	2,299	400	321,865	3,202	10,148	314,920	43,649	125,104	314,920	
Stead																	
P-39 Aircobra Partners (2012)	141,616	139,679	135,586	130,443	1,470	400	131,512	1,470	13,063	119,919	1,470	400	120,988	17,635	38,262	120,988	
P-39 Aircobra LLC	8,677	6,836	4,836	5,050	-	4,274	777	12,663	-	13,440	-	2,141	11,299	33,323	30,702	11,299	
P-40 Warhawk LLC	17,686	11,498	2,906	7,535	-	4,251	3,285	11,893	-	15,178	-	2,392	12,786	24,114	29,014	12,786	
P-40 Warhawk Partners (2012)	149,609	153,258	157,529	149,944	1,945	400	151,489	1,945	12,293	141,142	1,945	400	142,687	23,344	30,266	142,687	
F-86 LLC	50	50	50	50	-	50	50	-	50	50	-	50	50	-	-	50	
F-86	66,066	66,066	66,066	66,066	-	-	66,066	-	-	66,066	-	-	66,066	-	-	66,066	
	383,705	377,386	366,972	359,088	3,415	9,324	353,179	27,971	25,356	355,794	3,415	5,333	353,876	98,415	128,244	353,876	
Bratton Valley																	
Valley Vista (1987)	8,632	7,270	8,054	7,604	-	150	7,454	-	1,789	5,666	-	150	5,516	5,694	8,810	5,516	
Bratton View (1987)	7,770	4,249	6,580	6,180	100	-	6,280	100	1,766	4,614	-	150	4,464	8,280	11,586	4,464	
Honey Springs (1988)	14,035	16,727	12,625	12,575	400	150	12,825	-	6,572	6,252	232	150	6,334	16,289	23,990	6,334	
	30,437	28,245	27,259	26,359	500	300	26,559	100	10,127	16,532	232	450	16,314	30,263	44,385	16,314	
Jamul Valley																	
Jamul Meadows (1988)	2,567	1,874	9,314	7,659	1,503	150	9,012	-	150	8,862	-	150	8,712	11,480	5,334	8,712	
Lyons Valley (1988)	7,520	13,357	18,455	15,837	400	820	15,417	-	150	15,267	2,648	527	17,389	27,616	17,748	17,389	
Hidden Hills (1988)	15,624	6,160	5,490	3,401	-	657	2,744	-	150	2,594	862	462	2,993	12,307	24,938	2,993	
	25,711	21,392	33,259	26,897	1,903	1,627	27,173	-	450	26,723	3,511	1,139	29,094	51,403	48,020	29,094	
Tecate																	
ABL (1992)	25,667	23,255	22,017	21,717	-	100	21,617	-	884	20,734	-	100	20,634	-	5,033	20,634	
Mex-Tec (1993)	40,350	37,693	36,409	36,109	-	100	36,009	-	884	35,125	-	200	34,925	-	5,425	34,925	
Borderland (1993)	3,705	7,837	4,263	4,088	-	100	3,988	-	1,471	2,517	-	100	2,417	10,331	11,618	2,417	
Prosperity (1994)	8,749	10,175	7,519	6,929	-	680	6,250	-	1,471	4,779	-	390	4,389	8,918	13,278	4,389	
Fretrade (1991)	2,971	2,732	3,603	3,262	95	100	3,257	-	1,509	1,748	-	100	1,648	3,083	4,406	1,648	
Suntec (1991)	11,605	10,301	11,566	11,489	-	1,533	9,957	-	1,559	8,398	-	841	7,557	7,843	11,892	7,557	
Via 188 (1990)	2,194	4,553	5,280	4,574	-	150	4,424	-	1,559	2,866	-	150	2,716	6,474	5,952	2,716	
International (1990)	15,222	6,780	7,218	6,580	2,469	442	8,607	-	5,203	3,404	-	296	3,108	9,518	21,632	3,108	
Tecate South (1989)	4,641	6,850	7,217	6,767	-	150	6,617	-	3,661	2,957	-	1,150	1,807	9,723	12,558	1,807	
Twin Plant (1989)	10,251	10,347	9,532	9,132	-	150	8,982	-	3,816	5,166	-	2,816	2,350	10,576	18,477	2,350	
Vista Tecate (1990)	6,088	4,485	1,512	890	-	266	624	-	150	474	314	218	570	3,451	8,968	570	
	131,442	125,009	116,137	111,538	2,565	3,770	110,332	-	22,165	88,167	314	6,361	82,121	69,917	119,239	82,121	

		2014 Cash Flow																
		Q1 2014		Q2 2014	Q3 2014	Q4 2014						Summary						
		January 2014	March 2014	June 2014	September 2014	October 2014			November 2014			December 2014			Total 2014	Total 2014	December 2014	
		Starting Cash	Ending Balance	Ending Balance	Ending Balance	2014 Receipts	Disbursements	Ending Balance	2014 Receipts	Disbursements	Ending Balance	2014 Receipts	Disbursements	Ending Balance	Receipts	Disbursements	Ending Cash	
Yuma I																		
Gila View (2006)		18,865	17,566	12,329	8,953	3,249	5,268	6,934	-	1,969	4,965	1,624	2,645	3,945	19,864	34,785	3,945	
Painted Desert (2006)		16,795	14,095	9,040	5,692	2,307	4,566	3,432	-	1,969	1,463	1,184	3,497	(850)	14,101	31,746	(850)	
Snow Bird (2006)		36,977	33,923	30,400	25,759	677	5,042	21,394	751	1,969	20,176	751	2,531	18,396	14,793	33,374	18,396	
		72,637	65,584	51,769	40,404	6,232	14,876	31,761	751	5,907	26,605	3,559	8,673	21,491	48,758	99,904	21,491	
Yuma II																		
Desert View (2006)		55,092	49,287	40,631	34,488	832	6,066	29,255	-	1,229	28,026	1,664	3,083	26,607	10,811	39,296	26,607	
Sonora View (2007)		101,173	98,595	95,543	92,715	1,476	4,347	89,844	1,476	1,229	90,092	1,476	2,223	89,345	17,168	28,996	89,345	
Mesa View (2007)		96,456	92,215	87,657	83,536	1,877	6,253	79,161	1,877	1,229	79,809	1,877	3,176	78,509	22,492	40,439	78,509	
Road Runner (2007)		106,777	104,064	100,573	97,789	602	2,210	96,181	-	1,229	94,952	301	1,155	94,098	3,394	16,073	94,098	
		359,498	344,161	324,404	308,529	4,787	18,875	294,441	3,353	4,916	292,879	5,318	9,637	288,560	53,866	124,804	288,560	
Yuma III																		
Mountain View (2008)		42,424	33,754	23,818	15,460	606	7,173	8,893	-	876	8,017	881	3,612	5,286	8,091	45,230	5,286	
Ocotillo (2008)		66,924	59,095	50,360	43,101	517	6,042	37,575	-	876	36,699	1,034	3,047	34,687	6,206	38,442	34,687	
Cactus Ridge (2008)		49,350	40,229	29,550	19,912	1,188	7,437	13,663	-	876	12,787	594	3,744	9,637	7,130	46,842	9,637	
Mohawk Mountain Partners (2008)		77,669	69,910	61,755	54,037	2,553	10,075	46,514	2,553	876	48,191	2,553	5,063	45,681	30,831	62,818	45,681	
		236,366	202,989	165,483	132,510	4,864	30,728	106,646	2,553	3,504	105,695	5,062	15,466	95,291	52,257	193,332	95,291	
Las Vegas 1																		
Park Vegas Partners (2011)		3,129	2,951	4,020	3,859	489	3,415	932	-	50	882	-	60	822	3,437	5,745	822	
Production Partners (2010)		23,752	14,831	15,382	15,082	-	5,978	9,104	-	100	9,004	-	3,158	5,846	24,836	42,742	5,846	
Silver State Partners (2010) (Note 4)		6,053	3,561	2,993	2,798	-	60	2,738	-	60	2,678	932	75	3,535	1,222	3,739	3,535	
		32,935	21,343	22,396	21,739	489	9,453	12,775	-	210	12,565	932	3,294	10,203	29,495	52,226	10,203	
Las Vegas 2																		
Rainbow Partners (1994)		2,757	18,022	23,544	23,635	50	3,047	20,638	-	100	20,538	-	100	20,438	39,390	21,709	20,438	
Horizon Partners (1994)		5,821	11,338	7,094	8,766	-	4,116	4,650	-	100	4,550	-	685	3,866	19,664	21,619	3,866	
		8,578	29,360	30,638	32,402	50	7,163	25,288	-	200	25,088	-	785	24,304	59,054	43,328	24,304	
LV Kade Property																		
Hollywood Partners (1996)		14,738	27,005	16,701	16,867	-	100	16,767	-	100	16,667	-	100	16,567	23,398	21,569	16,567	
BLA Partners (1997)		12,604	24,469	15,865	15,717	-	100	15,617	149	100	15,666	-	100	15,566	22,012	19,050	15,566	
Checkered Flag Partners (1997)		17,826	24,957	15,083	15,125	-	100	15,025	-	100	14,925	-	100	14,825	16,269	19,270	14,825	
Victory Lap Partners (1998)		11,330	20,161	8,183	8,283	-	100	8,183	-	100	8,083	-	100	7,983	15,997	19,344	7,983	
		56,498	96,592	55,832	55,992	-	400	55,592	149	400	55,340	-	400	54,940	77,675	79,233	54,940	
Santa Fe																		
Santa Fe View (2008)		52,048	34,398	24,875	17,688	2,969	100	20,556	39,628	36,593	23,592	3,136	22,882	3,846	75,289	123,491	3,846	
Santa Fe View LLC		18,673	24,047	19,635	13,927	-	13,546	381	36,493	-	36,874	22,782	45,228	14,427	118,285	122,531	14,427	
Pueblo LLC		16,840	15,331	15,331	11,052	-	5,110	5,942	28,179	5,110	29,010	-	7,073	21,937	71,200	66,103	21,937	
Pueblo (2009)		85,310	75,324	61,801	53,922	1,513	100	55,335	1,513	28,279	28,570	1,513	100	29,983	18,162	73,488	29,983	
The Pecos LLC		7,460	14,396	15,844	9,095	-	4,132	4,963	23,287	4,132	24,119	-	6,545	17,574	64,752	54,637	17,574	
Pecos (2011)		121,987	103,148	88,280	82,447	474	100	82,821	474	23,387	59,907	474	100	60,281	5,211	66,917	60,281	
		302,318	266,644	225,765	188,130	4,956	23,088	169,998	129,574	97,501	202,072	27,904	81,927	148,049	352,898	507,168	148,049	
Grand Totals		5,500,661	5,268,306	4,952,041	4,703,485	103,639	292,721	4,514,402	371,387	358,206	4,527,583	115,606	224,438	4,418,752	2,098,319	3,180,228	4,418,752	

Note 1: LLCs are owned by the similarly named GP. These accounts are used to pay some expenses and are funded as needed by the partnership account

Note 2: The Bratton Valley GPs own their parcels individually and are not co-tenants

Note 3: In the Tecate Partnership, the ABL & Mex-Tec, Borderland & Prosperity, and FreeTrade, Suntec and Via 188 are each co-tenants. The remaining GPs in this group own their parcels individually

Note 4: The Las Vegas 1 GPs own their parcels individually and are not co-tenants

Note 5: All values are rounded up to the nearest dollar.

EXHIBIT B

EXHIBIT B

WESTERN FINANCIAL PLANNING
STATEMENT OF REVENUES AND EXPENSES
(Third and Fourth Quarters of 2014)

Cash Basis													
	January	February	March	April	May	June	July	August	September	October	November	December	Totals
Income													
Note Payments from GPs	171,703.80	111,940.43	134,040.43	115,627.23	131,910.81	106,890.92	106,799.87	123,085.12	122,134.10	120,934.10	118,220.75	117,298.36	1,480,585.92
Legacy Commissions	344.45	301.77	306.11	513.15	297.37	273.57	327.59	256.21	486.30	280.38	250.96	354.08	3,991.94
Reversal of Bank Fees	757.01	-	-	-	-	-	-	-	-	-	-	-	757.01
Repayment of GP Operational Loans	¹ 56,800.00	3,200.00	-	-	-	-	-	-	-	-	-	-	60,000.00
Miscellaneous	2,055.00	-	0.77	-	-	-	-	88.04	-	-	-	-	2,143.81
Total Revenue	231,660.26	115,442.20	134,347.31	116,140.38	132,208.18	107,164.49	107,127.46	123,429.37	122,620.40	121,214.48	118,471.71	117,652.44	1,547,478.68
Expenses													
Operational Expenses													
Storage	-	-	1,790.81	-	-	-	1,217.62	797.47	-	434.94	-	434.94	4,675.78
Phone	-	-	1,189.15	-	-	-	-	-	-	-	-	-	1,189.15
Postage	-	-	1,442.01	1,442.01	1,442.01	-	1,442.01	1,442.01	1,645.07	-	-	-	8,855.12
Computer/IT	-	-	550.00	44.99	45.00	45.00	45.00	45.00	45.00	184.96	45.00	45.00	1,094.95
Operational Misc.	-	-	-	1,475.63	95.44	-	1,211.31	333.29	1,654.55	2,850.00	150.00	200.00	7,970.22
WFPC bookkeeping employee fees	2,692.31	1,754.08	1,058.00	-	-	992.31	3,412.51	5,026.55	3,419.24	4,497.07	3,444.24	3,425.23	29,721.54
Payments to Underling Mortgage Holders	² 88,567.92	169,290.62	105,548.29	91,983.59	99,694.31	68,658.95	108,866.06	75,893.95	101,631.03	88,762.49	88,746.92	83,667.70	1,171,311.83
Property Taxes (WFPC Owned RE)	-	-	-	-	-	-	-	-	3,675.81	-	-	-	3,675.81
Bank Fee	757.01	-	-	515.85	482.82	461.66	573.98	545.62	-	225.79	257.24	245.16	4,065.13
Transfers to WSCC to Cover Intercompany Transfers	3,801.29	2,712.67	784.66	-	697.00	-	-	-	-	4,144.33	-	-	12,139.95
Corporate Filing Expenses	-	-	2,525.00	-	42.00	-	35.00	25.59	-	575.00	-	575.00	3,777.59
Franchise Tax Board	-	-	800.00	-	800.00	-	-	-	-	-	-	-	-
Court Approved Fees and Costs of the Receivership	-	60,000.00	-	36,000.00	52,600.00	-	-	22,424.49	70,000.00	-	-	65,000.00	306,024.49
Total Expenses	95,818.53	233,757.37	115,687.92	131,462.07	155,898.58	70,157.92	116,803.49	106,533.97	182,070.70	101,674.58	92,643.40	153,593.03	1,556,101.56
Net Operating Surplus/(Loss)	135,841.73	(118,315.17)	18,659.39	(15,321.69)	(23,690.40)	37,006.57	(9,676.03)	16,895.40	(59,450.30)	19,539.90	25,828.31	(35,940.59)	(8,622.88)
Beginning Cash	23,554.97	159,396.70	41,081.53	59,740.92	44,419.23	20,728.83	57,735.40	48,059.37	64,954.77	5,504.47	25,044.37	50,872.68	23,554.97
Ending Cash	159,396.70	41,081.53	59,740.92	44,419.23	20,728.83	57,735.40	48,059.37	64,954.77	5,504.47	25,044.37	50,872.68	14,932.09	14,932.09

¹ Funds received from GPs based on 11/22/13 operational billings

² Payments are sent timely, however some checks may not clear the bank until the following month and are recorded accordingly

EXHIBIT C

EXHIBIT C

Begin forwarded message:

From: Dennis Gilman <DPGilman@clindm-llc.com>
Date: January 31, 2015 at 12:44:57 PM PST
To: "lkai@lydiansnarp.net" <lkai@lydiansnarp.net>, "surfair@cox.net" <surfair@cox.net>, "bashorw@cox.net" <bashorw@cox.net>, "laura_bennitt@yahoo.com" <laura_bennitt@yahoo.com>, "abe@scsandiego.com" <abe@scsandiego.com>, "cboore@oasismedical.com" <cboore@oasismedical.com>, "tbouch5770@aol.com" <tbouch5770@aol.com>, "johnboucher22@gmail.com" <johnboucher22@gmail.com>, "dvbranson@sbcglobal.net" <dvbranson@sbcglobal.net>, "ptbrar@yahoo.com" <ptbrar@yahoo.com>, "ebraun@appledwisdom.com" <ebraun@appledwisdom.com>, "justin_braunagel@yahoo.com" <justin_braunagel@yahoo.com>, "cynthiabrewer@roadrunner.com" <cynthiabrewer@roadrunner.com>, "sebrown@san.rr.com"

<sebrown@san.rr.com>, "mark_rsc@hotmail.com" <mark_rsc@hotmail.com>,
 "jaynecayton@cox.net" <jaynecayton@cox.net>, "jennifercayton@gmail.com"
 <jennifercayton@gmail.com>, "tomoko.maeda@hotmail.com"
 <tomoko.maeda@hotmail.com>, "emailjeff@cox.com" <emailjeff@cox.com>,
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 "mark.dalea@uss.nestle.com" <mark.dalea@uss.nestle.com>,
 "rdavis@pacificcap.talbank.com" <rdavis@pacificcap.talbank.com>,
 "tdorbl@cox.net" <tdorbl@cox.net>, "mdeline@madisoninsurance.net"
 <mdeline@madisoninsurance.net>, "dadriesbach@gmail.com"
 <dadriesbach@gmail.com>, "JoshuaE@TheErskineGroup.com"
 <JoshuaE@TheErskineGroup.com>, "shane@theerskingroup.com"
 <shane@theerskingroup.com>, "dfischerdba@yahoo.com"
 <dfischerdba@yahoo.com>, "dfrisman@yahoo.com" <dfrisman@yahoo.com>,
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 <good.barb47@hotmail.com>, "egorwin@socccd.org" <egorwin@socccd.org>,
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 "kameran.hedayat@skadden.com" <kameran.hedayat@skadden.com>,
 "mehoffer100@gmail.com" <mehoffer100@gmail.com>, "ljalving@san.rr.com"
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 <kat_and_shawn@hotmail.com>, "stacykuo@yahoo.com"
 <stacykuo@yahoo.com>, "blameijavan@gmail.com"
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 "jeff@jeffmaglidt.com" <jeff@jeffmaglidt.com>, "Denise.Martin12@gmail.com"
 <Denise.Martin12@gmail.com>, "donald.g.may@navy.mil"
 <donald.g.may@navy.mil>, "joannem@pacifievents.com"
 <joannem@pacifievents.com>, "brian@bmrm.com" <brian@bmrm.com>,
 "meegas76@yahoo.com" <meegas76@yahoo.com>,
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 <family05@cox.net>, "qdnghuyen@gmail.com" <qdnghuyen@gmail.com>,
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 <vickieptrson@yahoo.com>, "dj paul_1@mac.com" <dj paul_1@mac.com>,
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Subject: RE: Pueblo Partners

Dear Investor,

Many of you have asked what transpired at the hearing on Friday (1/23/15). As you may know, the Court filed an Order Regarding Investor Hearing on November 17, 2014 (Document 808) in which the Judge stated

"The Court also finds it appropriate to seek investor input regarding the Receiver's forthcoming report and recommendation. Accordingly, the Court will allow each individual investor to submit a response to the Receiver's and

recommendation. The Court recommends that any investors who agree with another investor's position should file a single joint response and indicate all investors who sign on to that response rather than filing multiple individual responses. ..."

If you'll remember, we did exactly what the Judge ordered. Curt Johnson filed his response and more that 1136 of us signed on to Curt's plan by submitting an email YES response to me. I tallied the responses and forwarded them to Curt for inclusion in his filing to the Court. Only 16 individuals indicated they were not in favor of Curt's plan. This is a 70 to 1 ratio to remove the Receiver and accept Curt's plan!

It was our understanding, from the documents filed, that the hearing on Friday was to hear from the investors as well as the Receiver. Well, the Judge made no effort to hear from the investors during the 1/23/15 hearing. And, he had already filed a motion to keep us in Receivership prior to the hearing. He did not ask to hear from Curt Johnson, who was present in the court, or from any other investor. In my opinion, Judge Curiel has flipped- flopped once again. In my opinion, this Judge is not an impartial adjudicator - he has already decided the outcome of these hearings in favor of the SEC. I'll keep you posted on future developments.

In this email, I want to discuss the K-1 statements which we expect so we can complete our tax returns. Many of you have sent me emails asking when we might receive our K-1 statements. Each year, I normally receive four K-1s – one for each of four properties.

Unfortunately, if the people I have been speaking to are correct, the K-1 situation is a mess and they will be delivered to us very late in the spring. There is even some concern the K-1s for 2014 may not be received at all. I don't know what the problem is; but, the Receiver is in control of our properties, and is the responsible party. Therefore, each and every one of us need to start demanding our K-1 statements from the Receiver immediately, and, in my opinion, send a reminder to him at least weekly – one reminder for each property. His email address is shown below along with his mailing address:

thebrank@ethreadvisors.com or wfp@ethrecaadvisors.com

E3 San Diego | Thomas C. Hebrank
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Regards

Dennis Gilman

Investor, Lyons Valley, Honey Springs, VIA188 and Checkered Flag

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 February 26, 2014, I served the within document(s) described as:

- **RECEIVER'S TENTH 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 February 26, 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 addressed 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 February 26, 2014, at San Diego, California.

Ted Fates

(Type or print name)

/s/ Ted Fates

(Signature of Declarant)