

1 DAVID R. ZARO (BAR NO. 124334)
2 TED FATES (BAR NO. 227809)
3 ALLEN MATKINS LECK GAMBLE
4 MALLORY & NATSIS LLP
5 501 West Broadway, 15th Floor
6 San Diego, California 92101-3541
7 Phone: (619) 233-1155
8 Fax: (619) 233-1158
9 E-Mail: dzaro@allenmatkins.com
10 tfates@allenmatkins.com

11 Attorneys for Receiver
12 THOMAS C. HEBRANK

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

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

Date: January 29, 2015
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 thirteenth interim application for payment of professional fees and reimbursement of costs for the time period July 1, 2015 through September 30, 2015 ("Thirteenth Application Period"). Allen Matkins incurred \$35,397.00 in fees and \$335.33 in costs during the three-month period and seeks interim approval and payment of 80% of fees incurred, or \$28,317.60, 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 Twelfth Application Period, Allen Matkins provided a total of 73.7 hours of service for a total of \$35,397.00 in fees. Allen Matkins requests payment on an interim basis of 80% of this amount, or \$28,317.60. 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:

Category	Hours	Total
General Receivership	1.80	\$541.35
Reporting	4.30	\$2,089.80
Operations and Asset Sales	43.10	\$20,742.75
Claims and Distributions	3.60	\$1,823.40
Third Party Recoveries	15.40	\$7,526.70
Employment/Fees	5.50	\$2,673.00
Total Fees	73.70	\$35,397.00

II. TASKS PERFORMED

During the Thirteenth 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.

A. General Receivership

This category includes Allen Matkins' time responding to a notice received from the Lyon County Assessor regarding the potential transfer of a property owned by one of Louis Schooler's entities. The reasonable and necessary fees for work in this category total \$541.35.

B. Reporting

This category includes Allen Matkins' time assisting the Receiver in preparing his Twelfth Interim Report, which was filed on July 29, 2015. Dkt. No. 1103. The Twelfth Interim Report includes detailed updates regarding enforcement of the judgments against the LinMar entities, issues with the tenant located on the Stead property, transition issues with the former Partnership Administrators, offers and letters of intent for GP properties, and receipts and disbursements for each Receivership Entity. The reasonable and necessary fees for work in this category total \$2,089.80.

C. Operations and Asset Sales

Allen Matkins' time in this category focused on assisting the Receiver with legal issues relating to the ongoing operations of Western and the GPs, including responding to letters of intent and offers to purchase GP properties, addressing issues regarding the inability of GPs to make mortgage payments, preparing information packets for GPs pursuant to the Court's May 12, 2015 order, as well as the sale of the Jamul Valley property, as authorized by the Court.

1 1. Letters of Intent for GP Properties

2 Allen Matkins assisted the Receiver in preparing three recommendations for
3 addressing letters of intent received for GP properties. The first occasion involved a
4 letter of intent received for the Las Vegas 2 property. The Receiver had filed an
5 initial recommendation during the prior application period and Allen Matkins
6 assisted in preparing a further recommendation, which was filed under seal on
7 July 31, 2015 (Dkt. No. 1107) and adopted by the Court on August 28, 2015 (Dkt.
8 No. 1120). The second occasion involved a letter of intent for the Fernley I,
9 Washoe IV, and Washoe V properties. The Receiver's recommendation was filed
10 on August 11, 2015 (Dkt. No. 1112) and adopted by the Court on August 31, 2015
11 (Dkt. No. 1123). The third occasion involved a letter of intent for the Stead
12 property. The Receiver's recommendation was filed on September 4, 2015 (Dkt.
13 No. 1131) and adopted by the Court on September 16, 2015 (Dkt. No. 1135). Allen
14 Matkins also assisted with communications with the Court regarding offers that
15 were well below the appraised value of GP properties, which were declined without
16 an investor vote. Dkt. No. 1133.

17 2. Information Packets

18 As directed by the Court, the Receiver has prepared and posted information
19 packets for the GPs to the receivership website. Allen Matkins assisted in reviewing
20 and revising the numerous information packets, as well as postcards, capital calls,
21 and related communications to investors.

22 3. Jamal Valley Sale

23 On June 17, 2015, the Court adopted the Receiver's recommendation to move
24 forward with negotiations with The Nature Conservancy ("TNC") regarding a sale
25 of the Jamul Valley property. Dkt. No. 1085. During the Thirteenth Application
26 Period, Allen Matkins assisted the Receiver with preparing and revising a purchase
27 and sale agreement, addressing issues raised by TNC relating to an encroachment on
28 the property by a neighboring landowner, and addressing issues raised by the county

1 regarding the need to clear certain brush to comply with fire code requirements.
2 The purchase and sale agreement with TNC has been signed and the sale is expected
3 to close in January 2016.

4 The reasonable and necessary fees for Allen Matkins' work in this category
5 total \$20,742.75.

6 **D. Claims and Distributions**

7 This category includes time assisting the Receiver in communications with
8 investors, creditors, and their counsel, both directly and via the receivership website,
9 regarding the receivership, claims, distributions, and related issues. Allen Matkins
10 also advised the Receiver on issues raised by certain investors with respect to
11 transfer of their GP units. The reasonable and necessary fees for this work total
12 \$1,823.40.

13 **E. Third Party Recoveries**

14 Allen Matkins' work in this category focused on the three collection actions
15 against LinMar Management, LinMar III, and LinMar IV ("LinMar Defendants"),
16 which were commenced on September 13, 2013, pursuant to the Court's August 16,
17 2013 Order. During the Thirteenth Application Period, Allen Matkins assisted the
18 Receiver in negotiating and documenting a settlement agreement with LinMar IV
19 and preparing a motion for Court approval of the settlement. Dkt. No. 1110. The
20 motion was granted and the full \$205,000 settlement payment has been received.

21 In the LinMar III case, the Receiver sought and obtained the appointment of a
22 post-judgment receiver over the LinMar III property located in Fresno, California.
23 During the Thirteenth Application Period, Allen Matkins reviewed the post-
24 judgment receiver's reports and advised on legal issues relating to the post-
25 receivership. The reasonable and necessary fees for work in this category total
26 \$7,526.70.

27
28

1 **F. Employment/Fees**

2 Although fee applications are a necessary component of federal equity
3 receiverships, neither the Receiver nor his professionals bill time for preparing their
4 own detailed applications. Allen Matkins assisted the Receiver in preparing his
5 Eleventh and Twelfth Interim Fee Applications and in preparing Duffy Kruspodin's
6 Fourth and Fifth Interim Fee Applications. Dkt. Nos. 1096, 1098, 1126, 1128. The
7 reasonable and necessary fees for this work total \$2,673.00.

8 **G. Summary of Costs Requested**

9 Allen Matkins requests the Court approve reimbursement of 335.33 for out-
10 of-pocket costs incurred in executing the foregoing tasks, as itemized in Exhibit A.
11 Pursuant to the Court's Order Granting in Part First Fee Applications, Allen Matkins
12 has reduced its request for reimbursement of copy costs to five cents per page and
13 written off any excess copy charges incurred.

14 **III. ALLEN MATKINS' FEES ARE REASONABLE**
15 **AND SHOULD BE APPROVED**

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

24 **A. Complexity of Tasks**

25 Here, the tasks performed by Allen Matkins are significantly complex and the
26 number of hours billed to complete them are reasonable. These tasks include
27 (a) analyzing corporate documents, loan agreements, and other contracts,
28 (b) advising the Receiver regarding federal equity receivership, debtor/creditor, real

1 property, contract, employment, insurance, tax, civil procedure, appellate procedure,
2 and other applicable areas of law, and (c) assisting the Receiver in selling assets,
3 collecting loans, protecting the Receivership Entities' interests in pending litigation,
4 and providing detailed reports to the Court and interested parties. In addition, Allen
5 Matkins wrote off and did not charge for 3.1 hours of time during the Thirteenth
6 Application Period.

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

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

10 **C. Quality of Work Performed**

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

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

22 The Receiver proposes the approved fees and costs be paid from Western's
23 assets as cash is available. As directed by the Court, the Receiver continues efforts
24 to collect loans the GPs owe Western through billings sent to investors. The
25 Receiver also continues efforts to enforce the judgments entered against the LinMar
26 Defendants. Western's land parcels have been listed for sale and at some point its
27 equity interests in the GPs will be liquidated. Approved fees and costs will likely
28

1 have to be paid in increments over time as funds are collected and cash is available.
2 The fees and costs should nevertheless be approved.

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

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

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

11 **IV. CONCLUSION**

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

- 14 1. Approving payment of fees to Allen Matkins on an interim basis of
15 \$28,317.60;
16 2. Approving reimbursement of expenses to Allen Matkins on an interim
17 basis of \$335.33.
18 3. Authorizing and directing the Receiver to pay these amounts to Allen
19 Matkins from assets of the Receivership Entities; and
20 4. Granting such further and other relief as the Court deems just and
21 proper.

22
23 Dated: December 7, 2015

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

24
25 By: /s/ Ted Fates

26 TED FATES
27 Attorneys for Receiver
28 THOMAS C. HEBRANK

EXHIBIT INDEX

Exhibit A	Detailed Time Reports	10
-----------	-----------------------	----

EXHIBIT A

EXHIBIT A

11/13/15 09:22:57 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: 11-02-2015

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
07/01/15	6585659	Review message from Lyon County Assessor regarding transfer of title of property and forward to Mr. Fates.	Kaup, John T.	0.2	45.90	45.90
07/06/15	6587758	Research regarding transfers of Nevada properties by Schooler and entities purchasing land; forward to Mr. Fates.	Kaup, John T.	0.8	183.60	229.50
07/06/15	6586099	Review information regarding transfers of LVS property interests and discuss same with Receiver.	Fates, Edward G.	0.3	145.80	375.30
07/13/15	6593767	Respond to emails from Lyon County regarding transfers of Nevada properties by Schooler.	Kaup, John T.	0.3	68.85	444.15
09/29/15	6658301	Review SEC's motion for final judgment, civil penalty, and related relief.	Fates, Edward G.	0.2	97.20	541.35

Disbursements for Matter 372640-00002 (General Receivership)

Trans Date	Index	Type	Quantity	Amt
07/06/15	2149382	Online search for entities named Riverpark 2015, LLC and Dayton 2015, LLC	1.00	40.00
07/10/15	2148140	Duplication	104.00	5.20

11/13/15 09:22:57 PROFORMA STATEMENT FOR MATTER 372640-00002 (General Receivership) 372640-00002

Trans Date	Index	Type	Quantity	Amt
07/13/15	2152881	Service of Process - - Nationwide USDC/SAN DIEGO BUSINESS OFFICE ^ 424517	1.00	10.00
07/17/15	2148771	Text Editing	0.80	24.00
07/17/15	2148772	Text Editing	1.50	45.00
07/17/15	2148780	Text Editing	1.60	48.00
07/17/15	2148800	Text Editing	3.60	108.00
07/30/15	2156172	Messenger - - Federal Express Invoice No: 512021752 665 Ship To: Phil Cowee, CPA ^Ship Dt: 07/30/15 Airbill: 781068361536	1.00	19.78
08/07/15	2160530	Service of Process - - Nationwide USDC/SAN DIEGO BUSINESS OFFICE ^ 424899	1.00	10.00
09/04/15	2163600	Duplication	307.00	15.35
09/04/15	2168913	Service of Process - - Nationwide USDC-SD ^ 425138	1.00	10.00

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000820	John T. Kaup	1.3	229.50	298.35
001665	Edward G. Fates	0.5	486.00	243.00
		<u>1.8</u>		<u>541.35</u>
Total Fees				541.35
Total Disbursements				335.33

11/13/15 09:09:46 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: 11-02-2015

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
07/10/15	6592035	Work on Twelfth Interim Report and discuss same with Receiver.	Fates, Edward G.	1.6	777.60	777.60
07/14/15	6593737	Work on Twelfth Interim Report and discuss same with Receiver.	Fates, Edward G.	0.8	388.80	1,166.40
07/15/15	6594630	Discuss status of letters of intent and revisions to interim report regarding same with G. Rodriguez (.4); revisions to interim report (.3).	Fates, Edward G.	0.7	340.20	1,506.60
07/27/15	6603829	Work on Receiver's twelfth interim report, discuss same with G. Rodriguez.	Fates, Edward G.	0.8	388.80	1,895.40
07/29/15	6605692	Finalize twelfth interim report and exhibits for filing.	Fates, Edward G.	0.2	97.20	1,992.60
09/10/15	6644083	Discuss issues for 13th Interim Report with Receiver.	Fates, Edward G.	0.2	97.20	2,089.80

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward G. Fates	4.3	486.00	2,089.80
		<u>4.3</u>		<u>2,089.80</u>
Total Fees				2,089.80

11/13/15 09:09:46 PROFORMA STATEMENT FOR MATTER 372640-00004 (Reporting) 372640-00004

Total Disbursements

0.00

11/13/15 09:09:46 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: 11-02-2015

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
07/06/15	6586101	Review unredacted order on Jamul Valley property and discuss same with Receiver.	Fates, Edward G.	0.2	97.20	97.20
07/06/15	6586303	Review investor emails regarding Las Vegas 2 letter of intent (.1); review and revise language for Las Vegas 2 ballots regarding letter of intent and discuss same with G. Rodriguez (.3); discuss Jamul Valley sale and Las Vegas 1 broker list price issues with G. Rodriguez (.3).	Fates, Edward G.	0.7	340.20	437.40
07/09/15	6591313	Review and revise information packet for Las Vegas II partnerships and discuss same with Receiver and G. Rodriguez.	Fates, Edward G.	0.8	388.80	826.20
07/13/15	6593592	Review and revise Fernley I information packet.	Fates, Edward G.	0.4	194.40	1,020.60
07/16/15	6596438	Discuss issues regarding appraisals and broker list prices and information packets with Receiver.	Fates, Edward G.	0.2	97.20	1,117.80
07/21/15	6599532	Discuss status and strategy regarding Las Vegas 2 letter of intent, ballots, market for property, and GP finances with G. Rodriguez (.5); work on	Fates, Edward G.	2.8	1,360.80	2,478.60

11/13/15 09:09:46 PROFORMA STATEMENT FOR MATTER 372640-00005 (Operations & Asset Sales) 372640-00005

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		further recommendation for Las Vegas 2 letter of intent (2.1); discuss Jamul Valley sale issues with G. Rodriguez (.2).				
07/23/15	6601729	Work on further recommendation regarding letter of intent for Las Vegas 2 property and related documents and discuss same with G. Rodriguez.	Fates, Edward G.	0.7	340.20	2,818.80
07/24/15	6602313	Prepare ex parte application to file under seal, supporting declaration, and proposed order regarding further recommendation on letter of intent for Las Vegas 2.	Fates, Edward G.	0.4	194.40	3,013.20
07/27/15	6603686	Discuss capital call refunds to investors and GP billing issues with Receiver and G. Rodriguez (.4); discuss issues regarding potential offer for Stead property with G. Rodriguez (.3).	Fates, Edward G.	0.7	340.20	3,353.40
07/28/15	6605017	Review and revise Washoe 4 information packet.	Fates, Edward G.	0.3	145.80	3,499.20
07/29/15	6605802	Work on further recommendation regarding letter of intent for Las Vegas 2 property, discuss votes regarding same with G. Rodriguez (.6); communications with counsel for SEC and Defendants regarding notice of under seal filing of further recommendation (.2); discuss payoff of mortgages on GP properties and failure of lender to respond to communications with G. Rodriguez (.2); draft letter to lender regarding payoff amounts (.9); review Washoe 5	Fates, Edward G.	2.6	1,263.60	4,762.80

11/13/15 09:09:46 PROFORMA STATEMENT FOR MATTER 372640-00005 (Operations & Asset Sales) 372640-00005

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		information packet and discuss same with Receiver (.3); discuss status regarding Dayton IV appraisal and ballots for underwater properties with G. Rodriguez (.4).				
07/30/15	6607452	Discuss property valuation and balloting issues for Santa Fe property with G. Rodriguez (.3); finalize further recommendation regarding letter of intent for Las Vegas 2 property and related papers for under seal filing (.4).	Fates, Edward G.	0.7	340.20	5,103.00
07/31/15	6607948	Provide notice of further recommendation regarding Las Vegas 2 LOI to counsel for SEC and counsel for Defendants.	Fates, Edward G.	0.1	48.60	5,151.60
08/03/15	6611388	Follow up communications with counsel for lender on Silver Springs North and Silver Springs South properties regarding payoff amounts.	Fates, Edward G.	0.2	97.20	5,248.80
08/05/15	6613101	Review new letters of intent from Lansing regarding Fernley I, Washoe IV, and Washoe V properties, review applicable information packets, and discuss same and recommendation with G. Rodriguez (.6); call to court chambers regarding letters of intent (.1).	Fates, Edward G.	0.7	340.20	5,589.00
08/06/15	6614430	Review and revise Washoe 3 information packet and discuss same with Receiver.	Fates, Edward G.	0.3	145.80	5,734.80
08/10/15	6616469	Work on recommendation regarding letters of intent for Fernley I, Washoe IV, and Washoe V and supporting ex parte papers, discuss same with	Fates, Edward G.	3.0	1,458.00	7,192.80

11/13/15 09:09:46 PROFORMA STATEMENT FOR MATTER 372640-00005 (Operations & Asset Sales) 372640-00005

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		Receiver and G. Rodriguez, and finalize documents (2.7); discuss issues regarding payoff of mortgages on GP properties with G. Rodriguez (.2); provide notice to counsel for SEC and Defendants regarding ex parte application to file recommendation under seal (.1).				
08/11/15	6618554	Communications with counsel for lenders and G. Rodriguez regarding payoff amounts for mortgages on GP properties (.7); telephone call and emails with G. Rodriguez regarding status and strategy regarding remaining appraisals, information packets, and capital calls (.4).	Fates, Edward G.	1.1	534.60	7,727.40
08/12/15	6619398	Review and revise Bratton Valley information packet and discuss same with Receiver (.3); review and revise Stead information packet, including discussion of Western as 50% co-tenant and impact of same on valuation/projected sale analysis for co-tenant GPs, and discuss same with Receiver (1.2).	Fates, Edward G.	1.5	729.00	8,456.40
08/14/15	6622066	Review new LOIs for Silver Springs North and Silver Springs South properties; discuss same with G. Rodriguez.	Fates, Edward G.	0.4	194.40	8,650.80
08/17/15	6623001	Advise G. Rodriguez regarding Jamul Valley sale and valuation issues (.2); review and revise Washoe 1 information packet (.3); communications with court chambers regarding new LOIs for Silver Springs properties and discuss same with	Fates, Edward G.	0.8	388.80	9,039.60

11/13/15 09:09:46 PROFORMA STATEMENT FOR MATTER 372640-00005 (Operations & Asset Sales) 372640-00005

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		Receiver (.3).				
08/18/15	6624028	Call with Court chambers regarding letters of intent for Silver Springs properties and discuss same with G. Rodriguez (.4); discuss Las Vegas 2 sale issues and operational issues with Lincoln with G. Rodriguez (.2).	Fates, Edward G.	0.6	291.60	9,331.20
08/20/15	6625970	Review and revise Dayton 1 information packet (.2); advise Receiver regarding investor request to surrender ownership of GP units (.2).	Fates, Edward G.	0.4	194.40	9,525.60
08/21/15	6626767	Discuss status regarding letters of intent for Silver Springs property and potential for higher offers with G. Rodriguez (.1); prepare form of assignment of GP ownership units to Western per investor requests regarding same (.6).	Fates, Edward G.	0.7	340.20	9,865.80
08/24/15	6627953	Review and revise Jamul Valley information packet and discuss same with Receiver (.6); review Dayton IV appraisal and discuss issues regarding recommendation for underwater property with Receiver (.4).	Fates, Edward G.	1.0	486.00	10,351.80
08/25/15	6629304	Initial review and revisions to Las Vegas 1 information packet.	Fates, Edward G.	0.2	97.20	10,449.00
08/26/15	6629515	Revise Dayton IV information packet and discuss same and investor balloting for retaining underwater property with Receiver (.4); revisions to Las Vegas 1 information packet (.3); revisions to Dayton III	Fates, Edward G.	1.2	583.20	11,032.20

11/13/15 09:09:46 PROFORMA STATEMENT FOR MATTER 372640-00005 (Operations & Asset Sales) 372640-00005

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		information packet and exhibits (.5).				
08/28/15	6632414	Discuss offer received for Stead property and recommendation regarding same with Receiver (.2); review and revise Silver Springs North information packet (.2); review and revise purchase and sale agreement for Jamul Valley property and discuss same with G. Rodriguez (1.1).	Fates, Edward G.	1.5	729.00	11,761.20
08/31/15	6633002	Review and revise Silver Springs South information packet (.5); work on purchase and sale agreement for Jamul Valley property (.7); discuss issues with Jamul Valley property, encroachment by neighbor, and potential effect on sale with G. Rodriguez (.4); review redacted order on further recommendation for Las Vegas 2 property and discuss same with Receiver (.3); review order adopting recommendation for LOIs for Fernley I, Washoe IV, and Washoe V and discuss same with G. Rodriguez (.4); discuss letter of intent for Stead property, potential offer from neighbor, and recommendation regarding same with G. Rodriguez (.4); draft recommendation regarding letter of intent for Stead property (.8).	Fates, Edward G.	3.5	1,701.00	13,462.20
08/31/15	6634148	Review and revise Buyer's proposed form of Purchase and Sale Agreement for Jamul Valley Property.	Lorenzen, Jonathan	2.4	907.20	14,369.40
09/01/15	6636836	Call with Court chambers regarding letter of intent for Stead property (.2) discuss same and potential for	Fates, Edward G.	0.9	437.40	14,806.80

11/13/15 09:09:46 PROFORMA STATEMENT FOR MATTER 372640-00005 (Operations & Asset Sales) 372640-00005

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		second offer on Stead with G. Rodriguez (.2) work on recommendation regarding letter of intent for Stead, discuss same with Receiver (.5)				
09/02/15	6674820	Discuss second offer on Stead, Jamul Valley property sale process, Santa Fe property capital call/broker issues, and Yuma II capital call issues with G. Rodriguez (.8).	Fates, Edward G.	0.8	388.80	15,195.60
09/03/15	6638670	Work on recommendation on Stead LOI, ex parte application to file under seal, supporting declaration, and notice to counsel (1.1); call with SEC's counsel regarding same (.1); work on notice regarding declined offers for Silver Springs North and Silver Springs South properties and discuss same with G. Rodriguez (.8); advise G. Rodriguez regarding letter to co-tenant GPs regarding opportunity to contribute capital to make up shortfall (.2).	Fates, Edward G.	2.2	1,069.20	16,264.80
09/04/15	6639444	Work on letter to co-tenant GPs regarding opportunity to makeup shortfall in operating funds (.9); discuss issues regarding competing offer for Stead property with G. Rodriguez (.2); discuss investor demand for non-paying investor telephone numbers with G. Rodriguez (.2); finalize notice regarding declined LOIs for Silver Springs North and Silver Springs South properties (.2).	Fates, Edward G.	1.5	729.00	16,993.80
09/04/15	6639752	Finalize recommendation regarding LOI for Stead, ex parte application,	Fates, Edward G.	0.3	145.80	17,139.60

11/13/15 09:09:46 PROFORMA STATEMENT FOR MATTER 372640-00005 (Operations & Asset Sales) 372640-00005

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		and related documents and send sealed recommendation to counsel for SEC and counsel for defendants.				
09/08/15	6641712	Review and revise counter-letter of intent for Las Vegas 2 property and discuss same with G. Rodriguez.	Fates, Edward G.	0.3	145.80	17,285.40
09/09/15	6642328	Review and revise letter and ballot to Dayton IV investors regarding underwater property and special vote regarding same and discuss with G. Rodriguez (.8); discuss boundary line issues, neighbor encroachment, potential sale to neighbor, and strategy regarding TNC purchase of Jamul Valley property with G. Rodriguez (.7).	Fates, Edward G.	1.5	729.00	18,014.40
09/11/15	6644738	Discuss competing offer for Stead property and issues regarding same with G. Rodriguez.	Fates, Edward G.	0.2	97.20	18,111.60
09/14/15	6645827	Discuss Dayton IV vote regarding underwater property and recommendation regarding same with Receiver.	Fates, Edward G.	0.4	194.40	18,306.00
09/16/15	6648021	Review order on recommendation for Stead LOI (.1); discuss Jamul Valley neighbor encroachment issue and legal options regarding same with Receiver and G. Rodriguez and research regarding same (1.1).	Fates, Edward G.	1.2	583.20	18,889.20
09/17/15	6648915	Review notice concerning fire code enforcement issue for Jamul Valley property and discuss same with Receiver (.4); discuss investor interference with balloting and ways to address same with G. Rodriguez	Fates, Edward G.	0.8	388.80	19,278.00

11/13/15 09:09:46 PROFORMA STATEMENT FOR MATTER 372640-00005 (Operations & Asset Sales) 372640-00005

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		(.2); discuss strategy regarding Jamul Valley encroachment issues with Receiver (.2).				
09/18/15	6650200	Discuss fire code enforcement issue for Jamul Valley property and investor request to change GP units from IRA to Non-IRA account with G. Rodriguez.	Fates, Edward G.	0.5	243.00	19,521.00
09/21/15	6654463	Address the listing agreement and sale status as to the properties/follow-up with counsel re same (.4).	Zaro, David R.	0.3	201.15	19,722.15
09/21/15	6652231	Discuss mortgage payment/shortfall and broker listing issues with G. Rodriguez.	Fates, Edward G.	0.4	194.40	19,916.55
09/22/15	6653026	Advise regarding former employee interference with balloting and revise letter to former employee regarding same.	Fates, Edward G.	0.6	291.60	20,208.15
09/28/15	6658015	Review GP capital call/sale process tracking chart provided by Receiver (.2); revise Yuma I information packet and discuss same with Receiver (.5).	Fates, Edward G.	0.7	340.20	20,548.35
09/30/15	6660018	Discuss capital call and GP shortfall issues with Receiver and communications with SEC's counsel regarding issuance of GP units.	Fates, Edward G.	0.4	194.40	20,742.75

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	0.3	670.50	201.15
001665	Edward G. Fates	40.4	486.00	19,634.40
002115	Jonathan Lorenzen	2.4	378.00	907.20

11/13/15 09:09:46 PROFORMA STATEMENT FOR MATTER 372640-00005 (Operations & Asset Sales) 372640-00005

	<u>43.1</u>	<u>20,742.75</u>
Total Fees		20,742.75
Total Disbursements		0.00

11/13/15 09:09:46 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: 06-25-2015

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
07/06/15	6586951	Discuss issues regarding distribution plan with Receiver.	Fates, Edward G.	0.3	145.80	145.80
07/15/15	6595758	Call from GP investor regarding status of case and potential distribution.	Fates, Edward G.	0.2	97.20	243.00
07/20/15	6598428	Respond to investor call regarding receivership and potential sale of GP property.	Fates, Edward G.	0.2	97.20	340.20
07/24/15	6603668	Review/evaluate the approach to proceeds from sale of assets and claims/claimants to assess strategy and treatment options (.4).	Zaro, David R.	0.4	268.20	608.40
07/27/15	6603956	Review investor correspondence regarding efforts to raise money for motion/intervention in case, discuss same with Receiver.	Fates, Edward G.	0.4	194.40	802.80
07/28/15	6604580	Review correspondence from investors regarding receivership, potential sale of GP properties, and claims/distributions.	Fates, Edward G.	0.2	97.20	900.00
07/29/15	6606391	Review investor correspondence regarding efforts by investors to engage counsel and intervene in	Fates, Edward G.	0.2	97.20	997.20

11/13/15 09:09:46 PROFORMA STATEMENT FOR MATTER 372640-00006 (Claims & Distributions) 372640-00006

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		case.				
08/03/15	6611389	Review investor correspondence regarding efforts by investor group to raise funds and engage counsel.	Fates, Edward G.	0.2	97.20	1,094.40
08/06/15	6614768	Discuss investor correspondence and potential engagement of counsel by investors with SEC's counsel.	Fates, Edward G.	0.2	97.20	1,191.60
08/21/15	6626609	Review investor letters to court regarding calculation of pre-judgment interest for SEC's disgorgement judgment.	Fates, Edward G.	0.2	97.20	1,288.80
08/24/15	6627959	Review further correspondence from investor D. Gilman.	Fates, Edward G.	0.1	48.60	1,337.40
08/26/15	6630587	Review lengthy correspondence from investor N. Tonnemacher.	Fates, Edward G.	0.2	97.20	1,434.60
09/01/15	6637186	Review multiple emails from investors regarding GP properties, potential sales, and related issues	Fates, Edward G.	0.2	97.20	1,531.80
09/03/15	6638765	Call from investor James regarding status of receivership, GP property, and timing of claims and distributions.	Fates, Edward G.	0.2	97.20	1,629.00
09/05/15	6640509	Review correspondence from investor D. Gilman and discuss same with Receiver.	Fates, Edward G.	0.1	48.60	1,677.60
09/09/15	6641723	Review correspondence from investor Gessner (.1); respond to inquiry from investor Holden (.2).	Fates, Edward G.	0.3	145.80	1,823.40

Proforma Summary

11/13/15 09:09:46 PROFORMA STATEMENT FOR MATTER 372640-00006 (Claims & Distributions) 372640-00006

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	0.4	670.50	268.20
001665	Edward G. Fates	3.2	486.00	1,555.20
		<hr/> 3.6		<hr/> 1,823.40
Total Fees				1,823.40
Total Disbursements				0.00

11/13/15 09:09:46 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: 11-02-2015

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

Proforma Number

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
07/06/15	6586256	Communications with Receiver and counsel for J. Wohler regarding potential settlement of LinMar IV matter (.4); communications regarding July 8 meeting with J. Wohler and counsel (.2); discuss J. Wohler settlement issues with G. Rodriguez (.2); discuss LinMar III receivership issues with G. Rodriguez (.2).	Fates, Edward G.	1.0	486.00	486.00
07/07/15	6587721	Discuss July 8 meeting with J. Wohler with Receiver.	Fates, Edward G.	0.2	97.20	583.20
07/08/15	6590701	Call re Linmar negotiations, approach to collection (.4).	Zaro, David R.	0.4	268.20	851.40
07/08/15	6589043	Meet with Receiver, J. Wohler, and counsel regarding settlement and satisfaction of LinMar IV judgment (.6); follow up communications with J. Wohler counsel regarding same (.2).	Fates, Edward G.	0.8	388.80	1,240.20
07/09/15	6590528	Call/emails to discuss potential LinMar IV payoff and settlement terms with counsel for J. Wohler.	Fates, Edward G.	0.5	243.00	1,483.20
07/14/15	6593738	Discuss status of LinMar III property receivership with Receiver.	Fates, Edward G.	0.2	97.20	1,580.40

11/13/15 09:09:46 PROFORMA STATEMENT FOR MATTER 372640-00007 (Third Party Recoveries) 372640-00007

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
07/15/15	6594658	Communications with counsel for J. Wohler regarding preparation of judgment payoff and satisfaction documents.	Fates, Edward G.	0.2	97.20	1,677.60
07/17/15	6597130	Review and revise proposed settlement agreement and satisfaction of judgment from LinMar IV's counsel, discuss same with Receiver, and communications with LinMar IV's counsel.	Fates, Edward G.	1.6	777.60	2,455.20
07/20/15	6598528	Review first report from LinMar III post-judgment receiver.	Fates, Edward G.	0.2	97.20	2,552.40
07/21/15	6599691	Discuss status regarding LinMar III receivership and potential sale of property with SEC's counsel (.2); discuss post-judgment receiver's initial report and questions regarding same with G. Rodriguez (.2).	Fates, Edward G.	0.4	194.40	2,746.80
07/21/15	6609312	Email correspondence with Fresno Sheriff regarding property levy for LinMar III.	Hutter, Timothy	0.2	84.60	2,831.40
07/24/15	6602075	Review communications with Fresno Sheriff regarding LinMar III judgment lien enforcement, analyze options regarding same and potential receivership sale, and discuss same with Receiver.	Fates, Edward G.	0.5	243.00	3,074.40
07/24/15	6609336	Review email correspondence from Deputy Sheriff Richardson and confer with Attorney Fates regarding next steps with property levy on LinMar III.	Hutter, Timothy	0.3	126.90	3,201.30
07/29/15	6605956	Communications with LinMar IV counsel regarding status of	Fates, Edward G.	0.1	48.60	3,249.90

11/13/15 09:09:46 PROFORMA STATEMENT FOR MATTER 372640-00007 (Third Party Recoveries) 372640-00007

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		settlement/payoff documents.				
07/30/15	6607491	Communications with Receiver and G. Rodriguez regarding LinMar III receivership and apparent drop in list price for property (.2); communications with LinMar IV counsel (.1).	Fates, Edward G.	0.3	145.80	3,395.70
07/31/15	6607828	Communications with LinMar III receiver regarding status of efforts to sell property and forbearance from Rabobank, discuss same with Receiver.	Fates, Edward G.	0.3	145.80	3,541.50
08/03/15	6611387	Revisions to LinMar IV settlement agreement and communications with LinMar IV's counsel regarding same.	Fates, Edward G.	0.4	194.40	3,735.90
08/04/15	6612266	Communications with LinMar IV's counsel regarding settlement and motion for approval (.1); work on motion for approval of settlement and satisfaction of judgment and discuss same with Receiver (2.6).	Fates, Edward G.	2.7	1,312.20	5,048.10
08/05/15	6612691	Communications with LinMar IV's counsel, review and finalize LinMar IV settlement agreement, and discuss same with Receiver (.7); work on motion for approval of settlement agreement and Receiver's declaration, discuss same with Receiver, and revise per Receiver's comments (2.4).	Fates, Edward G.	3.1	1,506.60	6,554.70
08/06/15	6614587	Work on LinMar IV settlement motion and communications with LinMar IV's counsel regarding execution of agreement.	Fates, Edward G.	0.5	243.00	6,797.70

11/13/15 09:09:46 PROFORMA STATEMENT FOR MATTER 372640-00007 (Third Party Recoveries) 372640-00007

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
08/07/15	6616178	Communications with LinMar IV's counsel regarding status and hearing date for settlement motion.	Fates, Edward G.	0.2	97.20	6,894.90
08/20/15	6626003	Communications with LinMar IV's counsel regarding escrow deposit and settlement approval motion.	Fates, Edward G.	0.2	97.20	6,992.10
08/24/15	6627976	Review final report and accounting from LinMar Tacoma state court receiver, motion to approve same and supporting papers.	Fates, Edward G.	0.3	145.80	7,137.90
08/31/15	6634033	Review report from post-judgment receiver for LinMar III property and discuss same with Receiver.	Fates, Edward G.	0.4	194.40	7,332.30
09/28/15	6657991	Review LinMar III post-judgment receiver's report, discuss same with Receiver.	Fates, Edward G.	0.4	194.40	7,526.70

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	0.4	670.50	268.20
001665	Edward G. Fates	14.5	486.00	7,047.00
002035	Timothy Hutter	0.5	423.00	211.50
		<u>15.4</u>		<u>7,526.70</u>
Total Fees				7,526.70
Total Disbursements				0.00

11/13/15 09:09:46 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: 06-25-2015

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
07/06/15	6586353	Revisions to Duffy's fourth interim fee application and communications with L. Benjamin regarding same.	Fates, Edward G.	0.8	388.80	388.80
07/07/15	6612212	Work on Receiver's eleventh interim fee application (.7).	Fates, Edward G.	0.7	340.20	729.00
07/08/15	6589277	Communications with Receiver and SEC's counsel regarding fee applications (.2); discuss Duffy fee application and timing of payment with L. Benjamin (.3).	Fates, Edward G.	0.5	243.00	972.00
07/30/15	6607130	Attention to status of interim fee applications set for hearing on 7/31, discuss same with Receiver (.2); review order vacating 7/31 hearing (.1).	Fates, Edward G.	0.3	145.80	1,117.80
07/31/15	6607951	Review and revise Duffy 5th interim fee application, discuss same with Receiver.	Fates, Edward G.	0.9	437.40	1,555.20
08/03/15	6611383	Discuss revisions to Duffy's fee application with T. Kelton.	Fates, Edward G.	0.2	97.20	1,652.40
08/31/15	6633890	Review and revise Receiver's twelfth interim fee application and discuss same with Receiver.	Fates, Edward G.	0.8	388.80	2,041.20

11/13/15 09:09:46 PROFORMA STATEMENT FOR MATTER 372640-00009 (Employment/Fees) 372640-00009

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
09/02/15	6637627	Revisions to Receiver's twelfth interim fee application (.3); updates to Duffy's fee application (.1); send fee applications to SEC's counsel for review (.2).	Fates, Edward G.	0.6	291.60	2,332.80
09/03/15	6639132	Confer with SEC's counsel regarding fee applications (.1); review and revise notice of fee applications (.1); finalize fee applications for filing (.2).	Fates, Edward G.	0.4	194.40	2,527.20
09/15/15	6647098	Review order approving fee applications and advise Receiver regarding same.	Fates, Edward G.	0.1	48.60	2,575.80
09/16/15	6648409	Discuss order approving 10th, 11th, and 12th fee applications with Receiver.	Fates, Edward G.	0.2	97.20	2,673.00

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward G. Fates	5.5	486.00	2,673.00
		5.5		2,673.00
Total Fees				2,673.00
Total Disbursements				0.00