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THOMAS C. HEBRANK

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11 **UNITED STATES DISTRICT COURT**
12 **SOUTHERN DISTRICT OF CALIFORNIA**

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14 SECURITIES AND EXCHANGE
COMMISSION,

15 Plaintiff,

16 v.

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

20 Defendants.
21

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

**PROPOSAL REGARDING
MODIFIED ORDERLY SALE
PROCESS**

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

1 Thomas C. Hebrank ("Receiver"), Court-appointed receiver for First
2 Financial Planning Corporation d/b/a Western Financial Planning Corporation
3 ("Western"), and its subsidiaries and the General Partnerships listed on Schedule 1
4 to the Preliminary Injunction Order entered on March 13, 2013 (collectively,
5 "Receivership Entities"), submits this Proposal Regarding Modified Orderly Sale
6 Process ("Proposal").

7 On May 25, 2016, the Court determined the public sale process proposed by
8 the Receiver in the motion (Dkt. No. 1181) ("Motion") and related pleadings (Dkt.
9 Nos. 1225, 1285) would comport with the requirements of 28 U.S.C. § 2001. The
10 Court, therefore, directed the Receiver to file a Modified Orderly Sale Process
11 proposal, based on that provided in Exhibit C of the Motion, which incorporates the
12 public sale process.

13 Accordingly, attached hereto as Exhibit A is the orderly sale process
14 previously attached at Exhibit C to the Motion, but modified to include the public
15 sale process proposed in the Receiver's previous filings. Dkt. Nos. 1225, 1285.
16 Specifically, the modifications are to incorporate the publication of notice,
17 qualification of overbidders, and public auction procedures consistent with
18 28 U.S.C. §§ 2001 and 2002.

19 The orderly sale process has also been modified to clarify that all investors
20 will receive email notices of credible offers and sale motions, as opposed to only
21 investors in GPs with a direct ownership interest in the property. This proposed
22 change has been made to reflect the pooling of receivership assets pursuant to the
23 Court's May 25, 2016 Order, which means all investors have an interest in the net
24 sale proceeds from all GP properties (not just those in GPs with a direct ownership
25 interest in the property).

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1 The Receiver recommends and requests that the Modified Orderly Sale
2 Process attached as Exhibit A be approved.

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4 Dated: June 8, 2016

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

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6 By: /s/ Edward Fates

EDWARD G. FATES
Attorneys for Receiver
THOMAS C. HEBRANK

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EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION	PAGE NO.
Exhibit A	Modified Orderly Sale Process	5

MODIFIED ORDERLY SALE PROCESS

- The Receiver will solicit proposed listing agreements from multiple qualified, licensed real estate brokers in the local area surrounding each GP property.
- The Receiver will then make a recommendation to the Court regarding the engagement of a particular broker. Once the Court approves the recommendation, the Receiver will engage the broker.
- When credible offers for properties are received, the Receiver will circulate those offers by email to all investors. Investor responses/views can be provided by email or mail. The Receiver will consult with the broker before responding to offers.
- If an agreement on purchase price is reached with a prospective purchaser, the Receiver will execute a purchase and sale agreement, subject to overbid and Court approval.
- Once the prospective purchaser's contingencies (other than Court approval) have been removed, the Receiver will file a noticed motion seeking approval of the sale, overbid procedures, and payment of the broker's commission. Notice of the sale motion will be provided by email to all investors. The Receiver will provide and/or summarize the written responses from investors to the prospective purchaser's offer in his motion.
- The Receiver will instruct the broker to continue marketing the property to potential overbidders. The Receiver will also publish notice of the sale for four consecutive weeks prior to the sale in a newspaper regularly issued and of general circulation in the county, state, or judicial district in which the property is located. Prospective overbidders will be given instructions on how to qualify themselves to bid, including submitting a signed purchase and sale agreement, earnest money deposit, and proof of funds necessary to close the sale to the Receiver by a specific deadline.
- If a qualified overbid is received, the Receiver will conduct an auction outside the Courthouse at the date and time specified in the published notice and request that the Court approve the sale to the highest and best bidder. If no qualified overbid is received, the Receiver will request approval of the sale to the prospective purchaser.

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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 June 8, 2016, I served on interested parties in this action the within document(s) described as:

• PROPOSAL REGARDING MODIFIED ORDERLY SALE PROCESS

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 June 8, 2016, 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:

- Gary J. Aguirre - gary@aguirrelawapc.com; maria@aguirrelawapc.com
- John Willis Berry - berryj@sec.gov; LAROFiling@sec.gov
- Lynn M. Dean - deanl@sec.gov; larofiling@sec.gov; berryj@sec.gov; irwinma@sec.gov; cavallones@sec.gov
- Timothy P. Dillon - tdillon@dghmalaw.com; cbeal@dghmalaw.com; kramirez@dghmalaw.com; smiller@dghmalaw.com; sahuja@dghmalaw.com
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- Sara D. Kalin - kalins@sec.gov; chattoop@sec.gov; irwinma@sec.gov
- David R. Zaro - dzaro@allenmatkins.com; mdiaz@allenmatkins.com

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed on June 8, 2016, at San Diego, California.

Edward G. Fates

(Type or print name)

/s/ Edward Fates

(Signature of Declarant)