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10  
11 **UNITED STATES DISTRICT COURT**  
12 **SOUTHERN DISTRICT OF CALIFORNIA**  
13

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

**RECEIVER'S SEVENTEENTH  
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 the General Partnerships listed on Schedule 1 to the Preliminary  
 4 Injunction Order entered on March 13, 2013 (collectively, "Receivership Entities"),  
 5 submits this Revised Seventeenth Interim Report, which focuses on the Receiver's  
 6 activities during the third quarter of 2016.

## 7 I. EXECUTIVE SUMMARY

8 The Receiver continued his work to preserve and protect the assets of the  
 9 Receivership Entities, which during the third quarter focused on implementing the  
 10 Court's May 25, 2016 order (Dkt. No. 1304), which granted in part and denied in  
 11 part the Receiver's orderly sale/distribution plan motion (Dkt. No. 1181) and  
 12 addressing numerous filings by investors represented by Gary Aguirre in both this  
 13 Court and the Ninth Circuit Court of Appeals. The Receiver also continued to  
 14 address other business and legal issues unique to certain GPs. In addition, the  
 15 Receiver prepared his Sixteenth Interim Report, which was filed on August 16,  
 16 2016. Dkt. No. 1353.<sup>1</sup>

## 17 II. SUMMARY OF RECEIVER'S ACTIVITIES

18 The Receiver's primary focus since his appointment has been on preserving  
 19 and protecting the Receivership Entities' assets. These activities fall into the  
 20 following general categories:

### 21 A. Business Operations

22 The Receiver continued to operate the Receivership Entities, process receipts  
 23 and disbursements, and address issues regarding GP properties, letters of intent from  
 24 potential purchasers, and related issues.

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27 <sup>1</sup> Pursuant to the Court's order, the Sixteenth Interim Report was later withdrawn  
 28 and filed with a revised Standardized Fund Accounting Report. Dkt. No. 1378.

1           **B.     Western Assets**

2           The Receiver has investigated and pursued recoveries from various Western  
3 assets, including the following:

4           **Notes Payable from LinMar Entities.** The Receiver has continued efforts to  
5 enforce the judgments entered by the Court against LinMar Management,  
6 LinMar III, and LinMar IV. The Receiver has taken various steps to enforce the  
7 judgments, including levying on bank accounts (from which \$10,252 was collected  
8 towards the LinMar Management judgment), obtaining the appointment of a post-  
9 judgment receiver over the LinMar III property, and negotiating a judgment payoff  
10 of the LinMar IV judgment with the new owner of LinMar IV. During the third  
11 quarter of 2016, the Receiver continued to monitor the activities and progress of the  
12 LinMar III post-judgment receiver.

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. In early  
19 2016, an offer for one of the properties was received. The Receiver negotiated with  
20 the prospective purchaser, agreed on terms, subject to Court approval, executed a  
21 purchase and sale agreement, and filed a noticed motion seeking approval of the  
22 sale. Dkt. No. 1302. The Motion was granted on August 30, 2016 (Dkt. No. 1362),  
23 and the sale closed on September 30, 2016. Pursuant to the terms of that agreement,  
24 which includes seller financing, the Receivership began receiving payments from  
25 the buyer on October 30, 2016. The loan agreement is serviced by a third-party  
26 servicer with fees for those services being split by the buyer and the receivership  
27 estate.

28

1           **C.     Specific Issues Relating to GP Properties**

2           The Receiver has addressed the following issues that have arisen pertaining to  
3 GP properties:

4           **Yuma II.** The Yuma II property was purchased by Western from Associates  
5 Land Specialists of Arizona II, LLC ("ALSA"). The Yuma II property was part of a  
6 larger series of parcels that ALSA had purchased from an entity known as the  
7 "Taylor Trust" with seller financing from the Taylor Trust. When Western  
8 purchased the Yuma II property from ALSA, it agreed to pay a portion of the seller  
9 financing owed to the Taylor Trust, with ALSA being responsible for the remainder.  
10 A dispute subsequently arose between ALSA and the Taylor Trust as to what  
11 payments ALSA had made on its portion of the seller financing. The Taylor Trust  
12 threatened to foreclose on the entire series of parcels (including Yuma II), which  
13 efforts were stopped when the Receiver provided the Taylor Trust with notice of the  
14 Court's Preliminary Injunction Order. The Receiver successfully negotiated a  
15 discounted payoff of Western's share of the loan in exchange for the Taylor Trust's  
16 release of its deed of trust on the Yuma II property.

17           **Tecate.** The Receiver received a letter from the United States Army Corps of  
18 Engineers stating its desire to purchase easements on two of the seven Tecate  
19 properties (Vista Tecate and International). The easement would be for the border  
20 patrol to use certain paths/trails on the properties, which are very close to the United  
21 States/Mexico border. The amounts offered for the easements are very modest. The  
22 Receiver has been in communication with the United States Army Corps of  
23 Engineers and is gathering more information about the proposed easements to  
24 ascertain whether there is truly a public need for the proposed easements and  
25 whether the amounts offered are reasonable.

26           **LV Kade.** The Receiver received a letter from the City of North Las Vegas  
27 stating its intention to exercise its eminent domain power over a small portion of the  
28 LV Kade property for the construction of a storm drain system. The Receiver has

1 been in communication with the City to gather more information about the intended  
2 storm drain construction, scope of the project, appraisal process, timing, and related  
3 issues. Recently, an appraiser visited the property to perform an evaluation for the  
4 City. This evaluation will likely be the basis of an offer from the City for the value  
5 of the easements. The Receiver informed the appraiser that the property is currently  
6 listed for sale. As these easements will help extend City services to the property,  
7 their placement may well enhance the value of the property.

8 **Las Vegas 1 (Production Partners).** The Receiver was advised that a  
9 privately-owned former military aircraft crashed en route to the Nellis Air Force  
10 Base located in North Las Vegas. The aircraft came to rest on a neighboring  
11 property, but hit the Production Partners property (one of the three Las Vegas 1  
12 properties) during the crash, left wreckage on the property, and spilled fuel on the  
13 property. The Air Force hired a contractor to perform clean up and remediation  
14 work to the property and is paying all expenses associated with the work. The  
15 contractor has agreed to provide the Receiver with environmental testing reports at  
16 the conclusion of the work to confirm that all damage has been fully remediated.

17 **Property Tax Appeals.** In 2013, as directed by the Court, the Receiver  
18 obtained an appraisal of each GP property for purposes of inclusion in his Real  
19 Estate Valuation Report. Dkt. No. 203. In 2015, as directed by the Court, the  
20 Receiver obtained an updated appraisal for GP properties that could afford one and  
21 broker opinions of value for other GP properties. Based on the appraised values of  
22 GP properties and the assessed values of such properties in property tax statements,  
23 the Receiver appealed the property tax assessments for certain GPs. To date, those  
24 appeals have generated a savings to the GPs of approximately \$88,000, net of fees  
25 owed to the property tax consultants, who worked entirely on contingency. The  
26 reductions in assessed values has also reduced the annual and ongoing property tax  
27 obligations of the receivership estate.

28

1       **The Stead Property.** As discussed in prior reports, there were two tenants  
2 living rent-free in a duplex on the Stead property. Upon learning of the tenants, the  
3 Receiver contacted them and advised they would need to pay rent. One tenant left  
4 shortly thereafter. The remaining tenant was paying rent; however, the rent was not  
5 received timely and consistently. After various attempts to resolve disputes with the  
6 tenant, including the tenant demanding improvements to the property, violating the  
7 lease and subletting the vacant portion of the property to a third party, and generally  
8 failing to timely pay rent, the lease was terminated. The tenant has vacated the  
9 property and the Receiver is working with a local broker to secure the property and  
10 post no-trespassing signs. The broker recommended some clean-up efforts, which  
11 are ongoing and substantial in scope. These efforts include removal of over 1,000  
12 used tires, removal of various abandoned automobiles throughout the property and  
13 general clean-up of the items remaining in both the home and garage. Through  
14 September 2016, the costs of this work totaled \$8,466.

15       Previously, local law enforcement was called to the property to cite the  
16 previous tenant for trespassing. To reduce the likelihood of trespassing, the broker  
17 has recommended a daily security patrol on the property, which has also been  
18 approved. The Receiver and the broker have negotiated a short-term contract for the  
19 broker's property management work.

20       **Taxes and Mortgages.** The Receiver is negotiating with various taxing  
21 authorities, special assessment districts, and mortgage holders regarding reductions  
22 in taxes, loan balances, late charges, penalties, default interest, and similar amounts  
23 owed that previously accrued because of GPs that ran out of cash. The Receiver has  
24 already negotiated reductions of approximately \$50,000 in principal balances due on  
25 loans (which reductions are significantly greater when accrued interest and late  
26 charges are factored in). The Receiver is also working with counsel located in  
27 Nevada to try and obtain a waiver of the special assessment district penalties for the  
28 Washoe 3 property.

### III. PENDING SALES OF GP PROPERTIES

The following potential sales are pending for GP properties:

- On June 17, 2015, the Court adopted the Receiver's recommendation regarding a letter of intent pertaining to the Jamul Valley property. The Receiver then made a counter offer to the prospective buyer, The Nature Conservancy ("TNC"), and the parties signed a purchase and sale agreement. The title company then stated it would require an order confirming the sale, stating the buyer's name and the purchase price. Accordingly, the Receiver filed an *ex parte* application for order confirming the sale. Dkt. No. 1191. The Aguirre Investors and Dillon Investors objected. The Receiver then filed a supplement to his request for confirmation of the sale. Dkt. No. 1225. On May 25, 2016, the Court directed the Receiver to submit a noticed motion for confirmation of the sale incorporating the public sale procedures laid out in his supplement. Dkt. No. 1305. The Receiver filed the noticed motion on June 8, 2016, which was approved on August 30, 2016. Dkt. No. 1361. The Aguirre Investors then appealed the sale order (along with several other orders). Dkt. No. 1363. As a result, TNC cannot obtain a title insurance policy and the sale cannot close until the appeal is resolved. Accordingly, the Receiver has filed a motion to expedite the appeal such that the opportunity to sell the property and secure a favorable recovery is not lost as a result of the Aguirre Investors' actions. The motion to expedite is pending.
- Pursuant to the Court's order approving the engagement of a broker for the Washoe 1 properties (Dkt. No. 1168), the Receiver listed the three separate properties with the approved broker. Several offers were received for two of the three properties (Reno Vista and Reno View). The Receiver advised investors of the offers, negotiated with the prospective purchasers,



1 identified the highest and best offer, executed a purchase and sale  
2 agreement (subject to Court approval), and filed a motion for approval of  
3 the sale. Dkt. No 1285. The motion was approved on August 30, 2016.  
4 Dkt. No. 1360. It was then discovered that the Reno Vista and Reno View  
5 properties are encumbered by deeds of trust dating back to 1980 and 1981  
6 in favor of Tierra del Mar Corporation, an entity held in a family trust set  
7 up by Louis Schooler's deceased parents. The trust and the corporation are  
8 now being managed by a trustee appointed by the Probate Court. The  
9 Receiver's counsel has been in contact with counsel for the trustee to have  
10 the deeds of trust removed without litigation. If these efforts are not  
11 successful, the Receiver will file an action to quiet title to the properties  
12 and have the deeds of trust removed from title.

- 13 • The Receiver received an offer on one of the three separate properties  
14 known as Bratton Valley (the Honey Springs property). The Bratton  
15 Valley properties had been listed with a licensed broker pursuant to the  
16 Court's order entered on January 14, 2016. Dkt. No. 1168. Pursuant to the  
17 modified orderly sale process, the Receiver notified investors by email of  
18 the offer, gave them the opportunity to provide feedback, consulted with  
19 the broker, and made a counter-offer increasing the price and modifying  
20 some terms to be more favorable to the receivership estate. The  
21 prospective purchaser responded with their own counter-offer accepting  
22 the terms but seeking a lower price. Based on the small difference  
23 between the two price points, the Receiver accepted the buyer's counter-  
24 offer and the parties signed a purchase and sale agreement (subject to  
25 Court approval). Escrow has been opened, and the prospective purchaser  
26 is currently conducting its due diligence. Once the prospective purchaser  
27 has removed all contingencies (other than Court approval), the Receiver  
28



1 will file a noticed motion for approval of the sale and proceed with the  
2 orderly sale process.

#### 3 IV. AGUIRRE INVESTORS' APPEALS

4 The Aguirre Investors have appealed five orders of the Court:

5 1) The May 18, 2016 order granting in part and denying in part motions to  
6 intervene, Dkt. No. 1296 ("Limited Intervention Order");

7 2) The May 25, 2016 order denying motions to intervene related to motions to  
8 vacate prior orders and for an accounting, Dkt. No. 1303 ("Intervention Denial  
9 Order");

10 3) The May 25, 2016 order granting in part and denying in part the Receiver's  
11 motion for order (a) authorizing the Receiver to conduct an orderly sale of General  
12 Partnership properties, (b) approving plan of distribution of receivership assets, and  
13 (c) approving procedures for the administration of investor claims ("Distribution  
14 Plan Motion") and denying the Aguirre Investors' *ex parte* motion to set an  
15 evidentiary hearing and discovery schedule, Dkt. No. 1304 ("Distribution Plan  
16 Order");

17 4) The August 30, 2016 order approving the sale of the Jamul Valley  
18 property, Dkt. No. 1361 ("Jamul Valley Sale Order"); and

19 5) The August 30, 2016 order denying the Aguirre Investors' motion for stay  
20 pending appeal, Dkt. No. 1359 ("Stay Denial Order").

21 The Receiver has moved to dismiss the appeal as to the third order listed  
22 above, which is not an appealable order. The Aguirre Investors have opposed the  
23 motion, which is pending. The Aguirre Investors have moved the Ninth Circuit for  
24 a stay pending appeal. The Receiver and the Securities and Exchange Commission  
25 ("Commission") have opposed the motion, which is pending. The Commission has  
26 moved to consolidate the appeal with the appeal discussed below. The Aguirre  
27 Investors filed a response to the motion, which is pending. Finally, as discussed  
28

1 above, the Receiver has filed a motion to expedite the appeal as to the Jamul Valley  
2 Sale Order.

### 3 V. NEW AGUIRRE INVESTOR'S APPEAL

4 The second group of investors represented by Gary Aguirre, which is  
5 comprised of six investors ("New Aguirre Investors"), has appealed the Court's  
6 order denying their motion to intervene, Dkt. No. 1359. As noted above, the  
7 Commission has moved to consolidate this appeal with the Aguirre Investors'  
8 appeal, which motion is pending.

### 9 VI. ENGAGEMENT OF CBRE

10 As part of the Distribution Plan Order, the Court directed the Receiver to  
11 submit a report and recommendation within 180 days, evaluating the pros and cons  
12 of the Xpera Group's recommendations that can feasibly maximize the value of the  
13 receivership estate. The Receiver's initial plan to have Xpera assist in this task due  
14 to its familiarity with the properties was essentially blocked by Mr. Aguirre.  
15 Therefore, the Receiver considered several other consultants with substantial  
16 experience in undeveloped land and knowledge of the Reno and Las Vegas markets  
17 to aid in gathering necessary information and evaluating Xpera's recommendations,  
18 which generally focus on zoning changes and other entitlement work for certain GP  
19 properties. The Receiver selected CBRE, subject to Court approval and filed a  
20 motion for authority to engage CBRE. Dkt. No. 1341. The Aguirre Investors  
21 opposed the motion, which was granted on August 30, 2016. Dkt. Nos. 1351, 1359.

22 CBRE conducted its analysis of the applicable properties and provided its  
23 report ("CBRE Report"). The Receiver then filed his report and recommendations  
24 regarding the Xpera Report recommendations, along with an *ex parte* application for  
25 permission to file the CBRE Report under seal. Dkt. Nos. 1405, 1406. The Aguirre  
26 Investors have since filed another motion to intervene, this time to object to the  
27 Receiver's report and recommendations. Dkt. No. 1408.

28

## VII. LOUIS SCHOOLER'S DEATH

The Receiver's counsel received a call from Schooler's counsel, Philip Dyson, advising that Schooler had died. Mr. Dyson did not have any details about Schooler's passing at the time. The Receiver subsequently heard that Schooler was on a solo sailing expedition to a remote pacific island near Tahiti when his boat ran aground and he was reported as being found dead, although his body was reportedly not recovered. The Receiver's understanding is that he is officially considered "missing" at this point by the U.S. Department of State.

Mr. Dyson filed a motion to be relieved as counsel because Louis Schooler had died and provided a document purporting to be a death certificate issued by the Tahitian authorities. Dkt. No. 1384. The Court denied the motion, noting the "suspicious circumstances" surrounding the death and the "questionable authenticity" of the Tahitian death certificate. Dkt. No. 1409, pp. 13-14.

## VIII. WINGET LAWSUIT

When Mr. Dyson called the Receiver's counsel about Schooler's death, he also disclosed that a law firm, Winget Spadafora & Schwartzberg LLP ("Winget"), had filed a lawsuit in state court against Western, Schooler, WFP Securities, Inc., and others. The Receiver's counsel asked Mr. Dyson to provide the complaint, which he later did. As it turns out, the lawsuit was filed in 2014 and Mr. Dyson has been purporting to act as counsel for Western in the case over the last two years. The lawsuit was never disclosed to the Receiver or the Court and Mr. Dyson was never authorized to act as Western's counsel in the case. When the Receiver's counsel called Mr. Dyson and asked specifically why the lawsuit was never disclosed and why Mr. Dyson had purported to act as counsel for Western without authorization, Mr. Dyson had no answer, instead suggesting the question was "rhetorical" and did not need to be answered.

On August 3, 2016, the Receiver filed a notice of the receivership in the state court case, advising the court and the parties of the stay of litigation against Western

1 and attaching a copy of the Court's March 13, 2013 Preliminary Injunction Order.  
 2 The notice also advised the state court that the lawsuit had not been disclosed to the  
 3 Receiver until just recently and that Mr. Dyson's actions on behalf of Western  
 4 during the case were entirely unauthorized. The Receiver's counsel has also advised  
 5 counsel for Winget regarding the stay of litigation and that Mr. Dyson's actions on  
 6 behalf of Western during the case were entirely unauthorized. The Receiver  
 7 recently received notice that the case has fully settled.

### 8 **IX. RECEIPTS AND DISBURSEMENTS**

9 Attached hereto as Exhibit A is a summary of the receipts and disbursements  
 10 for the consolidated receivership accounts during the third quarter of 2016. As  
 11 noted above, pursuant to the Court's May 25, 2016 Order (Dkt. No. 1304), the cash  
 12 balances in GP accounts and Western accounts were pooled together in one account.  
 13 Receipts during the period comprised of bank interest earned on the account balance  
 14 and the proceeds from the sale of a WFPC owned property. Notable expenses  
 15 during the period include:

- 16 • Mortgage payments of \$274,569.78.
- 17 • Court-approved Receiver and legal expenses of \$186,718.39 and
- 18 \$171,373.80, respectively, which amounts include fees and costs
- 19 approved from prior quarters that were awaiting payment.
- 20 • Court-approved professional fees for tax preparation services in the
- 21 amount of \$150,315.77.
- 22 • Normally scheduled property tax payments of \$103,592.55.
- 23 • Refunds in the total amount of \$62,660.07 of capital contributions
- 24 previously paid by investors pursuant to the informational packet and
- 25 capital calls issued to investors in 2015 and early 2016.<sup>2</sup>

26  
 27 <sup>2</sup> The Receiver had proposed that amounts raised from investors pursuant to  
 28 capital calls that ultimately failed would be returned to those investors. The  
 Court approved that proposal as part of the capital call process. Dkt. No. 1069.

- Insurance payments in the amount of \$11,291.96. It should be noted that the previous annual premiums for insurance totaled approximately \$33,000. Once the assets of the receivership estate were pooled, however, the Receiver was able to combine all of the policies into one master policy with comparable terms at a savings of approximately 66%. The prior policies were cancelled and refunds will be reflected in the receipts for the fourth quarter of 2016.

Attached as Exhibit B is the Standardized Fund Accounting Report for the third quarter of 2016 consistent with the Securities and Exchange Commission's billing instructions.

## **X. INVESTOR COMMUNICATIONS**

The Receiver has continued to update his website, [www.ethreeadvisors.com](http://www.ethreeadvisors.com), with orders entered by the Court, Receiver reports, and briefs filed by the parties that pertain directly to the receivership. The Receiver and his staff have responded to numerous inquiries from investors and other interested parties about the receivership and have updated the Case Updates section of the Receiver's website to address common questions and themes in correspondence from investors. The Receiver has also provided answers to Frequently Asked Questions to address common investor questions and misconceptions about the receivership. As in the past, the Receiver had to respond to numerous e-mails and calls from investors with concerns. Investors are again reminded of the importance of informing the Receiver of any change in their e-mail address or physical address.

The Receiver is currently working with Duffy to prepare investor notices regarding the approved claims process and the Receiver's calculation of their claims. Pursuant to the approved procedures, investors will have 30 days from receipt of the notice to respond in writing with any dispute concerning the calculation, stating the nature of the dispute and provide documentation supporting their position as to the calculation of their claim amount. The Receiver will consider all such responses,

1 attempt to resolve disputes with the applicable investors, and if a resolution cannot  
2 be reached, file a motion requesting the Court determine the applicable claims. The  
3 Receiver will also file a schedule of allowed claim amounts for each investor.

#### 4 **XI. IRA INVESTMENTS**

5 A minority but significant number of investors used self-directed Individual  
6 Retirement Accounts (“IRA”) to invest in their respective GPs. Per tax regulations,  
7 each self-directed IRA was required to have a third-party administrator provide  
8 annual reporting to the IRS, which included, among other things, an annual  
9 valuation for the IRA. Prior to the Receiver’s appointment, the partnership  
10 administrators would provide a valuation to the applicable IRA third-party  
11 administrators that valued the respective investments at a par value (*i.e.*, the amount  
12 initially invested). After his appointment, the Receiver declined to provide updated  
13 valuations to third-party administrators during the pendency of the litigation  
14 between the Commission and Defendants.

15 Recently, as more information about the values of the properties has become  
16 available, the Receiver has provided updated valuations to third-party  
17 administrators. These updated and reduced valuations of the interests benefit  
18 investors in that their tax liabilities may be reduced and the decision whether to  
19 change the tax exempt status of the interest to avoid or reduce further IRA  
20 administration fees may be easier. All investors should seek guidance from their tax  
21 advisors prior to making changes to their IRA accounts.

#### 22 **XII. RECOMMENDATIONS**

23 The Receiver recommends the receivership over Western and the other  
24 Receivership Entities continue pursuant to the Court's orders and the Receivership  
25 Entities' assets continue to be preserved and protected until distributions have been  
26 made pursuant to the Court-approved distribution plan and the Receiver provides his  
27 final report and accounting.

28

**XIII. CONCLUSION**

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

Dated: December 8, 2016

ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP

By: /s/ Edward Fates  
EDWARD G. FATES  
Attorneys for Receiver  
THOMAS C. HEBRANK



**EXHIBIT INDEX**

<b>EXHIBIT NO.</b>	<b>DESCRIPTION</b>	<b>PAGE NO.</b>
Exhibit A	Summary of Receipts and Disbursements for Consolidated Receivership Accounts During Third Quarter of 2016	17
Exhibit B	Standardized Fund Accounting Report	19

# EXHIBIT A

# EXHIBIT A

	Jul 16	Aug 16	Sep 16	TOTAL
Beginning Balance - WFP Receivership	2,262,727.91	2,206,868.83	1,925,834.36	1,925,834.36
Beginning Balance - Money Market	250,017.12	250,070.21	250,123.31	250,123.31
<b>Total</b>	<b>2,512,745.03</b>	<b>2,456,939.04</b>	<b>2,175,957.67</b>	<b>2,175,957.67</b>
<b>Cash Flow Statement</b>				
<b>Receipts</b>				
36000 · Interest - Money Market	53.09	53.10	45.23	151.42
47900 · Sales - WFPC Property	-	-	18,949.23	18,949.23
<b>Total Receipts</b>	<b>53.09</b>	<b>53.10</b>	<b>18,994.46</b>	<b>19,100.65</b>
<b>Gross Receipts</b>	<b>53.09</b>	<b>53.10</b>	<b>18,994.46</b>	<b>19,100.65</b>
<b>Expenses</b>				
61700 · Computer and Internet Expenses	1,295.00	45.00	45.00	1,385.00
63300 · Insurance Expense	5,120.00	3,209.00	2,962.96	11,291.96
63400 · Interest on Mortgages	1,040.75	871.49	742.79	2,655.03
63450 · Mortgage Payoff Fees	-	-	695.75	695.75
63460 · Loan Write Off - Paid in Full	-	-	-	-
63500 · Maintenance	-	-	8,466.00	8,466.00
65000 · Postage & Shipping Fees	35.66	-	-	35.66
65500 · Printing Services	2,049.43	-	-	2,049.43
66500 · LLC Filing Fees	250.00	-	1,000.00	1,250.00
66650 · Legal Fees	-	600.00	171,373.80	171,973.80
66660 · Legal Expenses	-	-	442.73	442.73
66700 · Professional Fees	-	1,500.00	-	1,500.00
66750 · Receiver Fees	-	-	184,014.00	184,014.00
66760 · Receiver's Expenses	-	-	2,704.39	2,704.39
66800 · Tax Preparation Services	-	-	135,276.75	135,276.75
66801 · Tax Preparation Expense	-	-	15,039.02	15,039.02
67000 · Property Tax	-	103,592.55	-	103,592.55
67500 · Storage	1,957.21	-	1,352.98	3,310.19
68000 · Taxes - Federal and State	80.00	-	-	80.00
68600 · Utilities	786.93	-	216.28	1,003.21
69000 · Partnership Capital Contribution Refunds	-	8,751.37	53,908.70	62,660.07
69500 · Refunds to Investors who Overpaid their Notes	1,403.39	-	-	1,403.39
<b>Total Expense</b>	<b>14,018.37</b>	<b>118,569.41</b>	<b>578,241.15</b>	<b>710,828.93</b>
<b>Western Loans</b>				
2422 Yuma 3 ( Yuma APN 202-49-005)	0.00	0.00	0.00	0.00
2423 Yuma 3	0.00	0.00	0.00	0.00
2427 Yuma 3	0.00	0.00	0.00	0.00
2428 Yuma 3	0.00	16,500.00	0.00	16,500.00
2429 Yuma 3	0.00	0.00	0.00	0.00
2430 Yuma 3 ( Yuma APN 202-09-007)	0.00	0.00	0.00	0.00
2431 Yuma 3	0.00	0.00	0.00	0.00
2435 Dayton 4 (APN 04-291-18)	12,251.34	12,322.80	30,988.99	55,563.13
2436 Dayton 4 (Storey APN 04-291-18)	12,518.78	0.00	0.00	12,518.78
2437 Dayton 4 ( Storey APN 04-291-18)	0.00	0.00	0.00	0.00
2438 Dayton 4 ( Lyon APN 16-021-20)	11,570.70	11,638.20	28,549.90	51,758.80
2440 Dayton 4 (Lyon APN 16-021-20)	0.00	0.00	0.00	0.00
2444 Dayton 4 (WFPC Owned) (Lyon APN 16-021-28)	3,403.14	3,423.00	8,607.34	15,433.48
2446 Dayton 4 (WFPC Owned) ( Lyon APN 16-021-28)	0.00	0.00	0.00	0.00
<b>Total Western Loans</b>	<b>39,743.96</b>	<b>43,884.00</b>	<b>68,146.23</b>	<b>151,774.19</b>
<b>SFV II Loans</b>				
Washoe 5	2,096.75	2,107.22	2,117.78	6321.75
<b>Total SFV II Loans</b>	<b>2,096.75</b>	<b>2,107.22</b>	<b>2,117.78</b>	<b>6321.75</b>
<b>Santa Fe Venture LLC Loans</b>				
1 · Santa Fe	0.00	0.00	0.00	0.00
2 · Santa Fe - Tract 2, 3, 4 (Tower 98 Loan - Tract 2, 3, 4)	0.00	116,473.84	0.00	116,473.84
<b>Total Santa Fe Venture LLC Loans</b>	<b>0.00</b>	<b>116,473.84</b>	<b>0.00</b>	<b>116,473.84</b>
<b>Total Loan Payments</b>	<b>41,840.71</b>	<b>162,465.06</b>	<b>70,264.01</b>	<b>274,569.78</b>
<b>Total Expenses and Loan Payments</b>	<b>55,859.08</b>	<b>281,034.47</b>	<b>648,505.16</b>	<b>985,398.71</b>
<b>Net Cash Flow</b>	<b>(55,805.99)</b>	<b>(280,981.37)</b>	<b>(629,510.70)</b>	<b>(966,298.06)</b>
<b>Net Receipts &amp; Disbursements</b>	<b>(55,805.99)</b>	<b>(280,981.37)</b>	<b>(629,510.70)</b>	<b>(966,298.06)</b>
<b>Ending Balance - WFP Receivership</b>	<b>2,206,868.83</b>	<b>1,925,834.36</b>	<b>1,296,278.43</b>	<b>1,296,278.43</b>
<b>Ending Balance - Money Market</b>	<b>250,070.21</b>	<b>250,123.31</b>	<b>250,168.54</b>	<b>250,168.54</b>
<b>Total Ending Balance</b>	<b>2,456,939.04</b>	<b>2,175,957.67</b>	<b>1,546,446.97</b>	<b>1,546,446.97</b>

# EXHIBIT B

# EXHIBIT B

Thomas C. Hebrank, Receiver  
E3 Advisors  
401 West A Street, Suite 1830  
San Diego, CA 92101  
(619) 567-7223

## **STANDARDIZED FUND ACCOUNTING REPORT**

CIVIL - RECEIVERSHIP FUND

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SECURITIES AND EXCHANGE COMMISSION,  
Plaintiff,

v.

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

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

REPORTING PERIOD 07/01/2016 TO 09/30/2016

## STANDARDIZED FUND ACCOUNTING REPORT for Western Financial Planning - Cash Basis

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

Reporting Period 07/01/2016 to 09/30/2016

FUND ACCOUNTING (See instructions):				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 07/01/16):	2,549,652		2,549,652
	Adj June 2016 Loan Principal Pmts			(36,907)
	<i>Increases in Fund Balance:</i>			
Line 2	Business Income	-		-
Line 3	Cash and Securities	-		-
Line 4	Interest/Dividend Income	152		152
Line 5	Business Asset Liquidation	18,949		18,949
Line 6	Personal Asset Liquidation	-		-
Line 7	Third-Party Litigation Income	-		-
Line 8	Miscellaneous - Other* <sup>1</sup>	-		-
	<b>Total Funds Available (Lines 1 - 8):</b>	<b>2,568,753</b>		<b>2,531,846</b>
	<i>Decreases in Fund Balance:</i>			
Line 9	Disbursements to Investors	-		-
Line 10	Disbursements to Receivership Operations			
Line 10a	Disbursement to Receiver or Other Professionals	(509,451)		(509,451)
Line 10b	Business Asset Expenses	(475,868)		(475,868)
Line 10c	Personal Asset Expenses	-		-
Line 10d	Investment Expenses	-		-
Line 10e	Third-Party Litigation Expenses	-		-
	1. Attorney Fees	-		-
	2. Litigation Expenses	-		-
	<b>Total Third-Party Litigation Expenses</b>	<b>-</b>		<b>-</b>
Line 10f	Tax Administrator Fees and Bonds	-		-
Line 10g	Federal and State Tax Payments	(80)		(80)
	<b>Total Disbursements for Receivership Operations</b>			<b>(985,399)</b>
Line 11	Disbursements for Distribution Expenses Paid by the Fund:			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator.....	-		-
	Independent Distribution Consultant (IDC).....	-		-
	Distribution Agent.....	-		-
	Consultants.....	-		-
	Legal Advisors.....	-		-
	Tax Advisors.....	-		-
	2. Administrative Expenses	-		-
	3. Miscellaneous	-		-
	<b>Total Plan Developmental Expenses</b>			<b>-</b>
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator.....	-		-
	IDC.....	-		-
	Distribution Agent.....	-		-
	Consultants.....	-		-
	Legal Advisors.....	-		-
	Tax Advisors.....	-		-
	2. Administrative Expenses	-		-
	3. Investor Identification:			
	Notice/Publishing Approved Plan.....	-		-
	Claimant Identification.....	-		-
	Claims Processing.....	-		-
	Web Site Maintenance/Call Center.....	-		-
	4. Fund Administrator Bond	-		-
	5. Miscellaneous	-		-
	6. Federal Account for Investor Restitution (FAIR) Reports Expenses	-		-
	<b>Total Plan Implementation Expenses</b>			<b>-</b>
	<b>Total Disbursements for Distribution Expenses Paid by the Fund</b>			<b>-</b>
Line 12	Disbursements to Court/Other:			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees	-		-
Line 12b	Federal Tax Payments	-		-
	<b>Total Disbursement to Court/Other:</b>			<b>-</b>
	<b>Total Funds Disbursed (Lines 9 - 11):</b>			<b>(985,399)</b>
Line 13	Ending Balance (As of 09/30/2016):			<b>1,546,447</b>

## STANDARDIZED FUND ACCOUNTING REPORT for Western Financial Planning - Cash Basis

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

Reporting Period 07/01/2016 to 09/30/2016

<b>Line 14</b>	<b>Ending Balance of Fund - Net Assets:</b>			
Line 14a	Cash & Cash Equivalents			1,546,447
Line 14b	Investments			-
Line 14c	Other Assets or Uncleared Funds			-
	<b>Total Ending Balance of Fund - Net Assets</b>			<b>1,546,447</b>

OTHER SUPPLEMENTAL INFORMATION:				
		Detail	Subtotal	Grand Total
<b>Report of Items NOT to be Paid by the Fund:</b>				
<b>Line 15</b>	<b>Disbursement for Plan Administration Expenses Not Paid by the Fund:</b>			
Line 15a	Plan Development Expenses Not Paid by the Fund:			
	1. Fees:			
	Fund Administrator.....	-		-
	IDC.....	-		-
	Distribution Agent.....	-		-
	Consultants.....	-		-
	Legal Advisors.....	-		-
	Tax Advisors.....	-		-
	2. Administrative Expenses	-		-
	3. Miscellaneous	-		-
	<b>Total Plan Developmental Expenses Not Paid by the Fund</b>			<b>-</b>
Line 15b	Plan Implementation Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator.....	-		-
	IDC.....	-		-
	Distribution Agent.....	-		-
	Consultants.....	-		-
	Legal Advisors.....	-		-
	Tax Advisors.....	-		-
	2. Administrative Expenses	-		-
	3. Investor Identification			
	Notice/Publishing Approved Plan.....	-		-
	Claimant Identification.....	-		-
	Claims Processing.....	-		-
	Web Site Maintenance/Call Center.....	-		-
	4. Fund Administrator Bond	-		-
	5. Miscellaneous	-		-
	6. FAIR Reporting Expenses	-		-
	<b>Total Plan Implementation Expenses Not Paid by the Fund</b>			<b>-</b>
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund			-
	<b>Total Disbursements for Plan Administration Expenses Not Paid by the Fund</b>			<b>-</b>
<b>Line 16</b>	<b>Disbursements to Court/Other Not Paid by the Fund:</b>			
Line 16a	Investment Expenses/CRIS Fees	-		-
Line 16b	Federal Tax Payments	-		-
	<b>Total Disbursement to Court/Other Not Paid by the Fund:</b>			<b>-</b>
<b>Line 17</b>	<b>DC &amp; State Tax Payments</b>	-		-
<b>Line 18</b>	<b>No. of Claims:</b>			
Line 18a	# of Claims Received This Reporting Period.....			0
Line 18b	# of Claims Received Since Inception of Fund.....			0
<b>Line 19</b>	<b>No. of Claimants/Investors:</b>			
Line 19a	# of Claimants/Investors Paid this Reporting Period.....			0
Line 19b	# of Claimants/Investors Paid Since Inception of Fund.....			0

Receiver:

By:



Thomas C. Hebrank

Court-Appointed Receiver

Date:

12/7/16



**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 December 8, 2016, I served the within document(s) described as:

**• RECEIVER'S SEVENTEENTH 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 December 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; kramirez@dghmalaw.com; sahuja@dghmalaw.com
- Philip H. Dyson - phildysonlaw@gmail.com; jldossegger2@yahoo.com; phdtravel@yahoo.com
- Edward G. Fates - tfates@allenmatkins.com; bcrfilings@allenmatkins.com; jholman@allenmatkins.com
- Dennis Frisman - gary@aguirrelawapc.com
- Eric Hougen - eric@hougenlaw.com
- Sara D. Kalin - kalins@sec.gov; chattoop@sec.gov; irwinma@sec.gov
- Carol Elizabeth Schultze - schultzec@sec.gov; massey@sec.gov; caroleschultze@gmail.com; clarket@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 December 8, 2016, at San Diego, California.

\_\_\_\_\_  
Edward G. Fates  
(Type or print name)

\_\_\_\_\_  
/s/ Edward Fates  
(Signature of Declarant)