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8  
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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 EIGHTEENTH  
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 Eighteenth Interim Report, which focuses on the Receiver's activities  
6 during the fourth 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 fourth 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 Seventeenth Interim Report, which was filed on December 8,  
16 2016. Dkt. No. 1422.

## 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.

### 25 B. Western Assets

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

28

1       **Notes Payable from LinMar Entities.** The Receiver has continued efforts to  
 2 enforce the judgments entered by the Court against LinMar Management,  
 3 LinMar III, and LinMar IV. The Receiver has taken various steps to enforce the  
 4 judgments, including levying on bank accounts (from which \$10,252 was collected  
 5 towards the LinMar Management judgment), obtaining the appointment of a post-  
 6 judgment receiver over the LinMar III property, and negotiating a judgment payoff  
 7 of \$205,000 for the LinMar IV judgment with the new owner of LinMar IV. During  
 8 the fourth quarter of 2016, the Receiver continued to monitor the activities and  
 9 progress of the LinMar III post-judgment receiver.

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

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

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

26       The Receiver has addressed the following issues that have arisen pertaining to  
 27 GP properties:

28

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

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

23       **LV Kade.** The Receiver received a letter from the City of North Las Vegas  
24 stating its intention to exercise its eminent domain power over a small portion of the  
25 LV Kade property for the construction of a storm drain system. The Receiver has  
26 been in communication with the City to gather more information about the intended  
27 storm drain construction, scope of the project, appraisal process, timing, and related  
28 issues. Recently, an appraiser visited the property to perform an evaluation for the

1 City. This evaluation will likely be the basis of an offer from the City for the value  
2 of the easements. The Receiver informed the appraiser that the property is currently  
3 listed for sale. As these easements will help extend City services to the property,  
4 their placement may well enhance the value of the property.

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

14 The Receiver was informed by the City of North Las Vegas that some  
15 dumping had occurred on the property and that immediate remediation was required.  
16 The clean-up work was coordinated through a local vendor who previously provided  
17 similar services for the Las Vegas 2 property. The work was subsequently  
18 completed and no further action is required by the City.

19 **Property Tax Appeals.** In 2013, as directed by the Court, the Receiver  
20 obtained an appraisal of each GP property for purposes of inclusion in his Real  
21 Estate Valuation Report. Dkt. No. 203. In 2015, as directed by the Court, the  
22 Receiver obtained an updated appraisal for GP properties that could afford one and  
23 broker opinions of value for other GP properties. Based on the appraised values of  
24 GP properties and the assessed values of such properties in property tax statements,  
25 the Receiver appealed the property tax assessments for certain GPs. To date, those  
26 appeals have generated a savings to the GPs of approximately \$88,000, net of fees  
27 owed to the property tax consultants, who worked entirely on contingency. The  
28

1 reductions in assessed values have also reduced the annual and ongoing property tax  
2 obligations of the receivership estate.

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 they would need to pay rent. One tenant left  
6 shortly thereafter. The remaining tenant was paying rent; however, the rent was not  
7 received timely and consistently. After various attempts to resolve disputes with the  
8 tenant, including the tenant demanding improvements to the property, violating the  
9 lease and subletting the vacant portion of the property to a third party, and generally  
10 failing to timely pay rent, the lease was terminated. The tenant has vacated the  
11 property and the Receiver is working with a local broker to secure the property and  
12 post no-trespassing signs. The broker recommended some clean-up efforts, which  
13 are ongoing and substantial in scope. These efforts include removal of over 1,000  
14 used tires, removal of various abandoned automobiles throughout the property and  
15 general clean-up of the items remaining in both the home and garage. Through  
16 January 2017, the costs of this work totaled \$11,666. The Receiver and the broker  
17 have negotiated a short-term contract for the broker's property management work.

18       **Taxes and Mortgages.** The Receiver is negotiating with various taxing  
19 authorities, special assessment districts, and mortgage holders regarding reductions  
20 in taxes, loan balances, late charges, penalties, default interest, and similar amounts  
21 owed that previously accrued because of GPs that ran out of cash. The Receiver has  
22 negotiated reductions of approximately \$57,500 in principal balances due on loans,  
23 some of which had become due or were in arrears due to those respective  
24 partnerships' inability to pay. In many instances, the Receiver was also able to  
25 convince the noteholders to waive past due penalties and interest charges.

26       Additionally, the Receiver was able to successfully negotiate with the Washoe  
27 County Special Assessment District to obtain a waiver of \$184,317.60 in special  
28 assessment district bond penalties for the Washoe 3 property. Previously, the

1 Washoe 3 partnerships had been unable to raise the funds necessary to timely pay  
 2 the assessments. Penalties on these bonds were significant in that they could more  
 3 than double the amount due after only a short period of time. After significant  
 4 efforts by the Receiver and his counsel, the Washoe County District Attorney  
 5 worked with the related Assessment District to provide substantial relief.

### 6 **III. PENDING SALES OF GP PROPERTIES**

7 The following potential sales are pending for GP properties:

- 8 • The Court approved the Receiver's motion for approval of the sale of the  
 9 Jamul Valley property on August 30, 2016. Dkt. No. 1361. The Graham  
 10 Investors then appealed the sale order (along with several other orders).  
 11 Dkt. No. 1363. As a result, TNC cannot obtain a title insurance policy and  
 12 the sale cannot close until the appeal of the sale order is resolved.  
 13 Accordingly, the Receiver has filed a motion to expedite the appeal such  
 14 that the opportunity to sell the property and secure a favorable recovery is  
 15 not lost as a result of the Graham Investors' actions. The motion to  
 16 expedite is pending.
- 17 • The Receiver's motion for approval of the sale of the Reno Vista and Reno  
 18 View properties was approved on August 30, 2016. Dkt. No. 1360. It was  
 19 then discovered that the Reno Vista and Reno View properties are  
 20 encumbered by deeds of trust dating back to 1980 and 1981 in favor of  
 21 Louis Schooler's deceased parents and Tierra del Mar Corporation, an  
 22 entity held in a family trust set up prior to their deaths. The trust and the  
 23 corporation are now being managed by a trustee appointed by the Probate  
 24 Court. The Receiver's counsel has been in contact with counsel for the  
 25 trustee to have the deeds of trust in favor of the Tierra del Mar removed  
 26 without litigation. The trustee filed a motion for authority to fully  
 27 reconvey the deeds of trust in probate court, which the court granted on  
 28 January 31, 2017. The Receiver is also proceeding with a petition to the



1 Nevada state court to remove the deed of trust in favor of the deceased  
2 parents.

- 3 • On January 17, 2017, the Receiver filed a motion for approval of the sale  
4 of the Honey Springs property. Dkt. No. 1430. If a qualified overbid is  
5 received, the auction will take place on February 14, 2017. If not, the  
6 Receiver will ask the Court to approve the sale to the original proposed  
7 buyer.

#### 8 IV. OFFERS ON GP PROPERTIES

9 The Receiver has received offers for eight GP properties located in Nevada  
10 and San Diego County. The offers are consistent with the previously received  
11 valuations for the applicable properties. Consistent with the Modified Orderly Sale  
12 Process, the Receiver has notified investors of the offers and is continuing to  
13 negotiate with the potential buyers.

#### 14 V. INVESTOR APPEALS

15 The two investor groups represented by Gary Aguirre have brought the  
16 following two appeals challenging orders of the Court:

17 **Graham Investors.** The Graham Investors have filed a Notice of Appeal and  
18 three Amended Notices of Appeal challenging the following orders:

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

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

24 3) The May 25, 2016 order granting in part and denying in part the Receiver's  
25 motion for order (a) authorizing the Receiver to conduct an orderly sale of General  
26 Partnership properties, (b) approving plan of distribution of receivership assets, and  
27 (c) approving procedures for the administration of investor claims ("Distribution  
28 Plan Motion") and denying the Graham Investors' *ex parte* motion to set an



1 evidentiary hearing and discovery schedule, Dkt. No. 1304 ("Distribution Plan  
2 Order");

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

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

7 The Receiver has moved to dismiss the appeal as to the third order listed  
8 above, which is not an appealable order. The Graham Investors have opposed the  
9 motion. The Graham Investors have moved the Ninth Circuit for a stay of the  
10 receivership pending appeal. The Receiver and the Securities and Exchange  
11 Commission ("Commission") have opposed the motion. The Commission has  
12 moved to consolidate the appeal with the appeal discussed below. As discussed  
13 above, the Receiver has moved to expedite the appeal as to the Jamul Valley Sale  
14 Order. Finally, the Graham Investors have moved to expedite the entire appeal. All  
15 of these motions are pending.

16 **Ardizzone Investors.** The second group of investors represented by Gary  
17 Aguirre, which is comprised of six investors, has appealed the Court's orders  
18 denying their motion to intervene (Dkt. No. 1359) and denying their motion for a  
19 stay pending appeal (Dkt. No. 1409). As noted above, the Commission has moved  
20 to consolidate this appeal with the Graham Investors' appeal, which motion is  
21 pending. The Ardizzone Investors have moved for a stay of the receivership  
22 pending the outcome of the appeal. The Receiver and the Commission have  
23 opposed the motion, which is pending.

## 24 VI. ENGAGEMENT OF CBRE

25 As part of the Distribution Plan Order, the Court directed the Receiver to  
26 submit a report and recommendation within 180 days, evaluating the pros and cons  
27 of the Xpera Group's recommendations that can feasibly maximize the value of the  
28 receivership estate. The Receiver's initial plan to have Xpera assist in this task due

1 to its familiarity with the properties was blocked by Mr. Aguirre. Therefore, the  
 2 Receiver considered several other consultants with substantial experience in  
 3 undeveloped land and knowledge of the Reno and Las Vegas markets to aid in  
 4 gathering necessary information and evaluating Xpera's recommendations, which  
 5 generally focus on zoning changes and other entitlement work for certain GP  
 6 properties. The Receiver selected CBRE, subject to Court approval and filed a  
 7 motion for authority to engage CBRE. Dkt. No. 1341. The Aguirre Investors  
 8 opposed the motion, which was granted on August 30, 2016. Dkt. Nos. 1351, 1359.

9 CBRE conducted its analysis of the applicable properties and provided its  
 10 report ("CBRE Report"). The Receiver then filed his report and recommendations  
 11 regarding the Xpera Report recommendations, along with an *ex parte* application for  
 12 permission to file the CBRE Report under seal. Dkt. Nos. 1405, 1406. The Court  
 13 approved the under seal filing of the CBRE Report on December 6, 2016, and  
 14 approved the Receiver's recommendations on December 12, 2016. Dkt. Nos. 1418,  
 15 1423. The Receiver is moving forward with the Court-approved steps for the  
 16 applicable properties, which include obtaining a subdivision map for the Fernley  
 17 property, obtaining an engineering report regarding potential utilities for two of the  
 18 Dayton properties, and obtaining due diligence reports for four of the Las Vegas  
 19 properties.

## 20 VII. LOUIS SCHOOLER'S DEATH

21 During the summer of 2016, the Receiver was advised by Philip Dyson that  
 22 Schooler had died. Mr. Dyson did not have any details about Schooler's passing at  
 23 the time. The Receiver subsequently heard Schooler was on a solo sailing  
 24 expedition to a remote pacific island near Tahiti when his boat ran aground and he  
 25 was reported as being found dead, although his body was reportedly not recovered.  
 26 The Receiver's understanding is that he is officially considered "missing" at this  
 27 point by the U.S. Department of State.

28

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

6 On November 29, 2016, Mr. Dyson filed a second motion to be relieved as  
 7 counsel. Dkt. No. 1410. The Receiver and Commission did not oppose the motion,  
 8 but both requested that the Court authorize service on Schooler by publication  
 9 moving forward due to the uncertainty regarding his death and the lack of any  
 10 probate proceeding or representative of his estate. Dkt. Nos. 1427, 1428. The Court  
 11 directed Mr. Dyson to provide an update as to the investigation of Schooler's  
 12 disappearance. Mr. Dyson did so, but provided no new information. Dkt. No. 1424.  
 13 The motion was granted on February 2, 2017. Dkt. No. 1440.

#### 14 **VIII. RECEIPTS AND DISBURSEMENTS**

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

- 22 • Mortgage payments of \$50,095.
- 23 • Normally scheduled property tax and special assessment district bond
- 24 payments of \$91,472.
- 25 • Court-approved legal expenses of \$135,979. The Receiver's court-
- 26 approved fees were paid in January 2017.

- Refunds in the total amount of \$113,161 of capital contributions previously paid by investors pursuant to the informational packet and capital calls issued to investors in 2015 and early 2016.<sup>1</sup>
- 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 and received refunds totaling \$18,890 during the fourth quarter.

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

## IX. INVESTOR COMMUNICATIONS

The Receiver has continued to update his website, [www.ethreadvisors.com](http://www.ethreadvisors.com), with orders entered by the Court, Receiver reports, and briefs filed by the parties that pertain directly to the receivership, including pleadings filed in the pending appeals. 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.

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<sup>1</sup> The Receiver had proposed that amounts raised from investors pursuant to 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.

1 The Receiver is currently working with Duffy to prepare investor notices  
 2 regarding the approved claims process and the Receiver's calculation of their claims.  
 3 Pursuant to the approved procedures, investors will have 30 days from receipt of the  
 4 notice to respond in writing with any dispute concerning the calculation, stating the  
 5 nature of the dispute and provide documentation supporting their position as to the  
 6 calculation of their claim amount. The Receiver will consider all such responses,  
 7 attempt to resolve disputes with the applicable investors, and if a resolution cannot  
 8 be reached, file a motion requesting the Court determine the applicable claims. The  
 9 Receiver will also file a schedule of allowed claim amounts for each investor.

#### 10 **X. ANNUAL K-1 STATEMENTS**

11 The Receiver is working with Duffy Kruspodin, LLP, the firm that usually  
 12 provides tax services to the receivership, to complete the annual K-1s. Previously,  
 13 IRS regulations required that K-1s be distributed by April 15. Due to changing  
 14 regulations, however, that deadline has been moved to March 15. All K-1s are  
 15 expected to be sent by the deadline.

#### 16 **XI. IRA INVESTMENTS**

17 A minority but significant number of investors used self-directed Individual  
 18 Retirement Accounts ("IRA") to invest in their respective GPs. Per tax regulations,  
 19 each self-directed IRA was required to have a third-party administrator provide  
 20 annual reporting to the IRS, which included, among other things, an annual  
 21 valuation for the IRA. Prior to the Receiver's appointment, the partnership  
 22 administrators would provide a valuation to the applicable IRA third-party  
 23 administrators that valued the respective investments at a par value (*i.e.*, the amount  
 24 initially invested). After his appointment, the Receiver declined to provide updated  
 25 valuations to third-party administrators during the pendency of the litigation  
 26 between the Commission and Defendants.

27 Recently, as more information about the values of the properties has become  
 28 available, the Receiver has provided updated valuations to third-party

1 administrators. These updated and reduced valuations of the interests benefit  
 2 investors in that their tax liabilities may be reduced and the decision whether to  
 3 change the tax exempt status of the interest to avoid or reduce further IRA  
 4 administration fees may be easier. All investors should seek guidance from their tax  
 5 advisors prior to making changes to their IRA accounts.

## 6 **XII. RECOMMENDATIONS**

7 The Receiver recommends the receivership over Western and the other  
 8 Receivership Entities continue pursuant to the Court's orders and the Receivership  
 9 Entities' assets continue to be preserved and protected until distributions have been  
 10 made pursuant to the Court-approved distribution plan and the Receiver provides his  
 11 final report and accounting.

## 12 **XIII. CONCLUSION**

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

15  
 16 Dated: February 7, 2017

ALLEN MATKINS LECK GAMBLE  
 MALLORY & NATSIS LLP

17 By: /s/ Edward Fates

18 EDWARD G. FATES  
 19 Attorneys for Receiver  
 20 THOMAS C. HEBRANK  
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**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 Fourth Quarter of 2016	16
Exhibit B	Standardized Fund Accounting Report	18



# EXHIBIT A

# EXHIBIT A

	Oct-16	Nov-16	Dec-16	Q4 2016 TOTAL
Beginning Balance - WFP Receivership	1,296,278.43	1,250,524.03	1,253,201.52	1,253,201.52
Beginning Balance - Money Market	250,168.54	250,211.04	250,252.18	250,252.18
Total	<u>1,546,446.97</u>	<u># 1,500,735.07</u>	<u># 1,503,453.70</u>	<u>1,503,453.70</u>
Ordinary Income/Expense				
Income				
36000 · Interest - Money Market	42.50	41.14	42.51	126.15
47900 · Sales - WFPC Property		7,591.19	7,591.19	15,182.38
63300 · Insurance Expense - Refund	18,471.00		419.00	18,890.00
67000 · Property Tax - Refund	100.80			100.80
Total Income	<u>18,614.30</u>	<u>7,632.33</u>	<u>8,052.70</u>	<u>34,299.33</u>
Total Receivership Income	18,571.80	7,591.19	8,010.19	34,173.18
Expense				
61700 · Computer and Internet Expenses	45.00	45.00	45.00	135.00
63300 · Insurance Expense				-
63400 · Interest on Mortgages	368.32	357.68	346.98	1,072.98
63450 · Mortgage Payoff Fees				-
63460 · Loan Write Off - Paid in Full				-
63500 · Maintenance	5,736.52			5,736.52
65000 · Postage & Shipping Fees				-
65500 · Printing Services				-
66500 · LLC Filing Fees	2,150.00		950.00	3,100.00
66650 · Legal Fees			135,306.36	135,306.36
66660 · Legal Expenses			672.86	672.86
66700 · Professional Fees				-
66750 · Receiver Fees				-
66760 · Receiver's Expenses				-
66800 · Tax Preparation Services				-
66801 · Tax Preparation Expense				-
67000 · Property Tax	9,351.08		5,933.76	15,284.84
67050 · Property Special Assessment Tax - Principal			37,170.79	37,170.79
67051 · Property Special Assessment Tax - Interest			39,016.50	39,016.50
67500 · Storage	587.09	587.09	587.09	1,761.27
68000 · Taxes - Federal and State			195.75	195.75
68600 · Utilities			228.87	228.87
69000 · WFP-Partnership Capital Contribution	14,841.37	1,784.93	96,534.22	113,160.52
69500 · WFP - Note Payment Partnership				-
Total Expense	<u>33,079.38</u>	<u>2,774.70</u>	<u>316,988.18</u>	<u>352,842.26</u>
Western Loans				
2422 Yuma 3 ( Yuma APN 202-49-005)	-	-	-	-
2423 Yuma 3	-	-	-	-
2427 Yuma 3	-	-	-	-
2428 Yuma 3	-	-	-	-
2429 Yuma 3	-	-	-	-
2430 Yuma 3 ( Yuma APN 202-09-007)	-	-	-	-
2431 Yuma 3	-	-	-	-
2435 Dayton 4 (APN 04-291-18)	-	-	-	-
2436 Dayton 4 (Storey APN 04-291-18)	-	-	-	-
2437 Dayton 4 ( Storey APN 04-291-18)	-	-	-	-
2438 Dayton 4 ( Lyon APN 16-021-20)	-	-	-	-
2440 Dayton 4 (Lyon APN 16-021-20)	-	-	-	-
2444 Dayton 4 (WFPC Owned) (Lyon APN 16-021-28)	-	-	-	-
2446 Dayton 4 (WFPC Owned) ( Lyon APN 16-021-28)	-	-	-	-
Total Western Loans	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
SFV II Loans				
Washoe 5	2,128.36	2,139.00	2,149.70	6,417.06
Total SFV II Loans	<u>2,128.36</u>	<u>2,139.00</u>	<u>2,149.70</u>	<u>6,417.06</u>
Santa Fe Venture LLC Loans				
1 · Santa Fe	-	-	-	-
2 · Santa Fe - Tract 2, 3, 4 (Tower 98 Loan - Tract 2, 3, 4)	29,118.46		14,559.23	43,677.69
Total Santa Fe Venture LLC Loans	<u>29,118.46</u>	<u>-</u>	<u>14,559.23</u>	<u>43,677.69</u>
Total Long Term Liabilities	31,246.82	2,139.00	16,708.93	50,094.75
Total Liabilities	64,326.20	4,913.70	333,697.11	402,937.01
Net Ordinary Income	<u>(45,754.40)</u>	<u>2,677.49</u>	<u>(325,686.92)</u>	<u>(368,763.83)</u>
Net Income	<u>(45,754.40)</u>	<u>2,677.49</u>	<u>(325,686.92)</u>	<u>(368,763.83)</u>
Ending Balance - WFP Receivership	1,250,524.03	1,253,201.52	927,514.60	927,514.60
Ending Balance - Money Market	250,211.04	250,252.18	250,294.69	250,294.69
Total Ending Balance	<u>1,500,735.07</u>	<u># 1,503,453.70</u>	<u># 1,177,809.29</u>	<u>1,177,809.29</u>

# 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 10/01/2016 TO 12/31/2016

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

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

Reporting Period 10/01/2016 to 12/31/2016

FUND ACCOUNTING (See instructions):			
		Detail	Subtotal
			Grand Total
Line 1	Beginning Balance (As of 10/01/16):	1,546,447	1,546,447
	<i>Increases in Fund Balance:</i>		
Line 2	Business Income	-	-
Line 3	Cash and Securities	-	-
Line 4	Interest/Dividend Income	126	126
Line 5	Business Asset Liquidation	15,182	15,182
Line 6	Personal Asset Liquidation	-	-
Line 7	Third-Party Litigation Income	-	-
Line 8	Misc - Insurance & Prop Tax Refunds	18,991	18,991
	<b>Total Funds Available (Lines 1 - 8):</b>	<b>1,580,746</b>	<b>1,580,746</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	(135,979)	(135,979)
Line 10b	Business Asset Expenses	(266,762)	(266,762)
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	(196)	(196)
	<b>Total Disbursements for Receivership Operations</b>		<b>(402,937)</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>(402,937)</b>
Line 13	Ending Balance (As of 12/31/2016):		<b>1,177,809</b>

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

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

Reporting Period 10/01/2016 to 12/31/2016

<b>Line 14</b>	<b>Ending Balance of Fund - Net Assets:</b>			
Line 14a	Cash & Cash Equivalents			1,177,809
Line 14b	Investments			-
Line 14c	Other Assets or Uncleared Funds			-
	<b>Total Ending Balance of Fund - Net Assets</b>			<b>1,177,809</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:

2/6/17

## 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 7, 2017, I served the within document(s) described as:

- **RECEIVER'S EIGHTEENTH 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 7, 2017, 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; masseym@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 February 7, 2017, at San Diego, California.

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

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