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10 Attorneys for Receiver
11 THOMAS C. HEBRANK

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

14
15 SECURITIES AND EXCHANGE
COMMISSION,

16 Plaintiff,

17 v.

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

21 Defendants.
22

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

**RECEIVER'S NOTICE OF
MOTION AND MOTION FOR
(A) APPROVAL OF SALE OF
INTERNATIONAL PROPERTY
AND (B) AUTHORITY TO PAY
BROKER'S COMMISSION**

Date: May 25, 2018
Time: 1:30 p.m.
Ctrm.: 2D
Judge: Hon. Gonzalo P. Curiel

1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2 **NOTICE IS HEREBY GIVEN** that on May 25, 2018, at 1:30 p.m. in
3 Courtroom 2D of the United States District Court, Southern District of California,
4 located at 221 West Broadway, San Diego, California 92101, Thomas C. Hebrank
5 ("Receiver"), the Court-appointed receiver for First Financial Planning Corporation
6 d/b/a Western Financial Planning Corporation ("Western"), its subsidiaries and the
7 General Partnerships listed in Schedule 1 to the Preliminary Injunction Order
8 entered on March 13, 2013 (collectively, "Receivership Entities"), will, and hereby
9 does, move this Court for an order (a) approving the sale of the receivership
10 property known as International and (B) authorizing payment of the broker's
11 commission ("Motion").

12 This Motion is based upon this notice, the accompanying Memorandum of
13 Points and Authorities and Declaration of Thomas C. Hebrank, all pleadings and
14 papers on file in this action, and upon such other matters as may be presented to the
15 Court at the time of hearing.

16 **Procedural Requirements:** If you oppose the Motion, you are required to
17 file your written opposition with the Office of the Clerk, United States District
18 Court, Southern District of California, 333 West Broadway, Suite 420, San Diego,
19 California 92101, and serve the same on the undersigned no later than 14 calendar
20 days prior to the hearing date. An opposing party's failure to file an opposition to
21 any motion may be construed as consent to the granting of the motion pursuant to
22 Civil Local Rule 7.1(f)(3)(c).

23
24 Dated: April 2, 2018

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

25
26 By: /s/ Edward Fates

EDWARD G. FATES
Attorneys for Receiver
THOMAS C. HEBRANK

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10 Attorneys for Receiver
11 THOMAS C. HEBRANK

12 UNITED STATES DISTRICT COURT
13 SOUTHERN DISTRICT OF CALIFORNIA

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15 SECURITIES AND EXCHANGE
COMMISSION,

16 Plaintiff,

17 v.

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

21 Defendants.
22

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

**MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
RECEIVER'S MOTION FOR
(A) APPROVAL OF SALE OF
INTERNATIONAL PROPERTY
AND (B) AUTHORITY TO PAY
BROKER'S COMMISSION**

Date: May 25, 2018
Time: 1:30 p.m.
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"), its subsidiaries and the General Partnerships listed in Schedule 1 to the
4 Preliminary Injunction Order entered on March 13, 2013 (collectively,
5 "Receivership Entities"), submits this Memorandum of Points and Authorities in
6 Support of his concurrently-filed Motion for (A) Approval of Sale of International
7 Property and (B) Authority to Pay Broker's ("Motion").

8 **I. BACKGROUND FACTS**

9 The properties in the receivership include approximately 30.7 acres of
10 undeveloped land known as the International property, which is located in San
11 Diego County, California ("Property"). The Property is one of the properties that
12 collectively are known as the "Tecate" properties, all of which are located in the
13 San Diego area. Prior to being transferred to the Qualified Settlement Fund Trust
14 (or QSF Trust) recently set up to hold title to the properties, the property was held
15 outright by one General Partnership – International Partners. Declaration of
16 Thomas C. Hebrank ("Hebrank Decl.") filed herewith, ¶ 2.

17 On March 7, 2016, the Receiver recommended that the Tecate properties be
18 listed for sale with Real Blue Properties,¹ a licensed broker located in the San
19 Diego area ("Broker"), with a list price of \$80,000. Dkt. No. 1203. On May 25,
20 2016, the Court approved the Receiver's recommendation. Dkt. No. 1305. Broker
21 promptly listed and advertised the Tecate properties for sale and marketed them to
22 interested parties. Broker responded to over 50 phone calls and 75 emails from
23 interested parties and toured the Property with interested parties on over 40 separate
24 occasions. Hebrank Decl., ¶ 3.

25 Since the Receiver was appointed, several valuations of the Property have
26 been done. In 2013, with the Court's authorization, the Receiver obtained an
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¹ Real Blue Properties subsequently changed its name to Resonate Real Estate,

1 appraisal of the Property estimating the value to be \$77,000. Dkt. No. 1405, Ex. A.
2 Two years later, in 2015, with the Court's authorization, the Receiver obtained a
3 broker opinion of value for the Property estimating the value to be \$59,835. *Id.* In
4 early 2016, Xpera Group valued the Property between \$346,084 - \$519,126;
5 however, the valuation was based on the Property being held for an indefinite
6 period until San Diego County finalizes the development plan in the area. Dkt.
7 No. 1234-2, p. 128 of 172.

8 The County has been working on this development plan for over 30 years
9 and there is no current timeframe for when the development plan will be finalized.
10 Additionally, Xpera noted the very limited sales transactions in the area, explaining
11 that in 2014 and 2015, only two properties sold each year and that "the sale of
12 properties in Tecate has virtually ground to a halt." *Id.* Additionally, in their
13 schedule detailing transactions that took place between 2012 and 2015, almost all
14 transactions in the area were for between \$25,000 and \$42,000. The only exception
15 was a property that sold for \$250,000, which they noted was different from the
16 Tecate Properties in that it was a "prime property directly on the border." *Id.* at
17 p. 124 of 172. The Court expressly rejected the indefinite timing proposed by
18 Xpera. Dkt. No. 1304, p. 17-18.

19 Unfortunately, no offers for the Property were received for many months
20 after it was listed. The Receiver, in consultation with Broker, determined that
21 gradually reducing the list price was the best course of action to generate more
22 interest in the Property. Accordingly, the list price was gradually reduced until it
23 reached \$39,000, at which point an offer for \$39,000 was received from Albert
24 Virgil Smith, IV ("Buyer"). The Receiver gave notice of the offer to investors and
25 entered into negotiations with Buyer. Receiver and Buyer then executed a Vacant
26 Land Purchase Agreement and Joint Escrow Instructions ("Agreement"), subject to
27 overbid and Court approval. Buyer conducted its due diligence and removed all
28 contingencies (other than Court approval) on March 13, 2018. Hebrank Decl., ¶ 4.

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III. INVESTOR FEEDBACK

As noted above, pursuant to the Modified Orderly Sale Procedures (Dkt. No. 1309), the Receiver provided notice of the offer from Buyer to investors via email shortly after it was received. Only one substantive response was received, which asked for detail concerning the marketing of the property. Hebrank Decl., ¶ 6.

IV. LEGAL STANDARD

"The power of a district court to impose a receivership or grant other forms of ancillary relief does not in the first instance depend on a statutory grant of power from the securities laws. Rather, the authority derives from the inherent power of a court of equity to fashion effective relief." *SEC v. Wencke*, 622 F.2d 1363, 1369 (9th Cir. 1980). The "primary purpose of equity receiverships is to promote orderly and efficient administration of the estate by the district court for the benefit of creditors." *SEC v. Hardy*, 803 F.2d 1034, 1038 (9th Cir 1986). As the appointment of a receiver is authorized by the broad equitable powers of the court, any distribution of assets must also be done equitably and fairly. *See SEC v. Elliot*, 953 F.2d 1560, 1569 (11th Cir. 1992).

District courts have the broad power of a court of equity to determine the appropriate action in the administration and supervision of an equity receivership. *See SEC v. Capital Consultants, LLC*, 397 F.3d 733, 738 (9th Cir. 2005). The Ninth Circuit explained:

A district court's power to supervise an equity receivership and to determine the appropriate action to be taken in the administration of the receivership is extremely broad. The district court has broad powers and wide discretion to determine the appropriate relief in an equity receivership. The basis for this broad deference to the district court's supervisory role in equity receiverships arises out of the fact that most receiverships involve multiple parties and complex transactions. A district court's decision concerning the supervision of an equitable receivership is reviewed for abuse of discretion.

1 *Id.* (citations omitted); *see also* *CFTC. v. Topworth Int'l, Ltd.*, 205 F.3d 1107, 1115
2 (9th Cir. 1999) ("This court affords 'broad deference' to the court's supervisory role,
3 and 'we generally uphold reasonable procedures instituted by the district court that
4 serve th[e] purpose' of orderly and efficient administration of the receivership for
5 the benefit of creditors."). Accordingly, the Court has broad discretion in the
6 administration of the receivership estate and the disposition of receivership assets.

7 **A. The Court's Authority to Approve Sale**

8 It is widely accepted that a court of equity having custody and control of
9 property has power to order a sale of the same in its discretion. *See, e.g., SEC v.*
10 *Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992) (the District Court has broad powers
11 and wide discretion to determine relief in an equity receivership). "The power of
12 sale necessarily follows the power to take possession and control of and to preserve
13 property." *See SEC v. American Capital Invest., Inc.*, 98 F.3d 1133, 1144 (9th Cir.
14 1996), *cert. denied* 520 U.S. 1185 (decision abrogated on other grounds) (*citing*
15 2 Ralph Ewing Clark, Treatise on Law & Practice of Receivers § 482 (3d ed. 1992)
16 (*citing First Nat'l Bank v. Shedd*, 121 U.S. 74, 87 (1887))). "When a court of equity
17 orders property in its custody to be sold, the court itself as vendor confirms the title
18 in the purchaser." 2 Ralph Ewing Clark, Treatise on Law & Practice of
19 Receivers § 487 (3d ed. 1992).

20 "A court of equity, under proper circumstances, has the power to order a
21 receiver to sell property free and clear of all encumbrances." *Miners' Bank of*
22 *Wilkes-Barre v. Acker*, 66 F.2d 850, 853 (2d Cir. 1933). *See also*, 2 Ralph Ewing
23 Clark, Treatise on Law & Practice of Receivers § 500 (3d ed. 1992). To that end, a
24 federal court is not limited or deprived of any of its equity powers by state statute.
25 *Beet Growers Sugar Co. v. Columbia Trust Co.*, 3 F.2d 755, 757 (9th Cir. 1925)
26 (state statute allowing time to redeem property after a foreclosure sale not
27 applicable in a receivership sale).

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1 Generally, when a court-appointed receiver is involved, the receiver, as agent
2 for the court, should conduct the sale of the receivership property. *Blakely Airport*
3 *Joint Venture II v. Federal Sav. and Loan Ins. Corp.*, 678 F. Supp. 154, 156
4 (N.D. Tex. 1988). The receiver's sale conveys "good" equitable title enforced by an
5 injunction against the owner and against parties to the suit. *See* 2 Ralph Ewing
6 Clark, Treatise on Law & Practice of Receivers §§ 342, 344, 482(a), 487, 489, 491
7 (3d ed. 1992). "In authorizing the sale of property by receivers, courts of equity are
8 vested with broad discretion as to price and terms." *Gockstetter v. Williams*, 9 F.2d
9 354, 357 (9th Cir. 1925).

10 **B. 28 U.S.C. § 2001**

11 Specific requirements are imposed by 28 U.S.C. § 2001 for public sales of
12 real property under subsection (a) and specific requirements for private sales of real
13 property under subsection (b). Although both involve unnecessary cost and delay,
14 the cost and delay of a public sale are significantly less than those for a private sale.
15 *SEC v. Goldfarb*, 2013 U.S. Dist. LEXIS 118942, at *5 (N.D. Cal. 2013)
16 ("Section 2001 sets out two possible courses of action: (1) property may be sold in
17 public sale; or (2) property may be sold in a private sale, provided that three
18 separate appraisals have been conducted, the terms are published in a circulated
19 newspaper ten days prior to sale, and the sale price is no less than two-thirds of the
20 valued price."). Therefore, by proceeding under Section 2001(a), the receivership
21 estate can avoid the significant costs and delay of (a) the Court having to appoint
22 three disinterested appraisers, and (b) obtaining three appraisals from such
23 appraisers.

24 The requirements of a public sale under Section 2001(a) are that notice of the
25 sale be published as proscribed by Section 2002 and a public auction be held at the
26 courthouse "as the court directs." 28 U.S.C. § 2001(a); *SEC v. Capital Cove*
27 *Bancorp LLC*, 2015 U.S. Dist. LEXIS 174856, at *13 (C.D. Cal. 2015); *SEC v.*
28

1 *Kirkland*, 2007 U.S. Dist. LEXIS 45353, at *5 (M.D. Fla. 2007). In terms of
2 publication of notice, Section 2002 provides:

3 A public sale of realty or interest therein under any order,
4 judgment or decree of any court of the United States shall not
5 be made without notice published once a week for at least
6 four weeks prior to the sale in at least one newspaper
regularly issued and of general circulation in the county,
state, or judicial district of the United States wherein the
realty is situated.

7 If such realty is situated in more than one county, state,
8 district or circuit, such notice shall be published in one or
9 more of the counties, states, or districts wherein it is situated,
10 as the court directs. The notice shall be substantially in such
form and contain such description of the property by
reference or otherwise as the court approves. The court may
direct that the publication be made in other newspapers.

11 This section shall not apply to sales and proceedings under
12 Title 11 or by receivers or conservators of banks appointed
by the Comptroller of the Currency.

13 The notice of sale is sufficient if it describes the property and the time, place,
14 and terms of sale. *Breeding Motor Freight Lines, Inc. v. Reconstruction Finance*
15 *Corp.*, 172 F.2d 416, 422 (10th Cir. 1949). The Court may limit the auction to
16 qualified bidders, who "(i) submit to the Receiver . . . in writing a bona fide and
17 binding offer to purchase the [property]; and (ii) demonstrate . . . , to the satisfaction
18 of the Receiver, that it has the current ability to consummate the purchase of the
19 [property] per the agreed terms." *Regions Bank v. Egyptian Concrete Co.*,
20 2009 U.S. Dist. LEXIS 111381, at *8 (E.D. Mo. 2009).

21 V. DISCUSSION

22 The proposed sale to Buyer pursuant to the Agreement is in the best interests
23 of the estate. Although the proposed purchase price is below the available value
24 estimates for the Property, the Property has been thoroughly marketed over the last
25 22 months and \$39,000 is the best (and only) offer received. Hebrank Decl., ¶ 7.
26 Moreover, the Court rejected the Xpera Group valuation as being too speculative
27 and uncertain as to timing. Dkt. No. 1304, pp. 17-18
28

1 Moreover, the proposed sale is subject to overbid to further ensure the
2 highest and best price is obtained. The Receiver proposes to conduct a public
3 auction consistent with the requirements of Section 2001(a). Specifically, the
4 Receiver will publish the following notice of the sale once a week for four weeks in
5 the San Diego Union-Tribune, a newspaper of general circulation in San Diego
6 County, California:

7 In the action pending in U.S. District Court for the Southern
8 District of California, Case No. 12-CV-2164-GPC-JMA,
9 Securities and Exchange Commission v. Louis V. Schooler et
10 al., notice is hereby given that the court-appointed receiver will
11 conduct a public auction for the undeveloped real property with
12 APNs 652-160-04-00 and 652-160-06-00 located in San Diego
13 County, California. Sale is subject to Court confirmation after
14 the auction is held. Minimum bid price is \$42,000. The auction
15 will take place on April 26, 2018, at 1:30 p.m. in front of the
16 entrance to the United States Courthouse, 221 W. Broadway,
17 San Diego, California. To be allowed to participate in the
18 auction, prospective purchasers must meet certain bid
19 qualification requirements, including submitting a signed
20 purchase and sale agreement, an earnest money deposit of
21 \$8,000, and proof of funds. All bidders must be qualified by
22 5:00 p.m. PT on April 24, 2018, by submitting the required
23 materials to the receiver at 401 W. A Street, Suite 1830, San
24 Diego, California, 92101. If interested in qualifying as a bidder,
25 please contact Geno Rodriguez at (619) 567-7223 or
26 grodriguez@ethreadvisors.com or Thomas C. Hebrank, at
27 thebrank@ethreadvisors.com.

18 In order to conduct an orderly auction and provide sufficient time for the
19 publication of notices discussed above, the Receiver will require bidders to
20 complete the above steps by April 24, 2018 ("Bid Qualification Deadline"), and
21 conduct the live public auction on April 26, 2018, immediately in front of the
22 courthouse.

23 The Receiver will inform all interested persons, including the initial offeror
24 discussed above, of the opportunity to overbid at the public auction, provided they
25 qualify themselves to bid by the Bid Qualification Deadline by (a) signing a
26 purchase and sale agreement for the properties on the same terms and conditions as
27 Buyer, but with a purchase price of at least \$42,000, (b) providing the Receiver
28 with an earnest money deposit of \$8,000, and (c) providing proof of funds

1 necessary to close the sale transaction in the form of a current bank statement,
2 cashier's check delivered to the Receiver, or other evidence deemed sufficient by
3 the Receiver.²

4 In the event one or more prospective purchasers qualify themselves to bid,
5 the auction will be conducted by the Receiver as noted above and bids will be
6 allowed in increments of \$3,000. The Receiver will then file a notice advising the
7 Court of the result of the auction (*i.e.*, the highest bid) and seek entry of an order
8 confirming the sale. Earnest money deposits provided by bidders who are
9 unsuccessful will be promptly returned to them. In the event no prospective
10 purchasers qualify themselves to bid by the Bid Qualification Deadline, the
11 Receiver will notify the Court and seek entry of an order approving the sale to
12 Buyer.

13 With respect to Broker's commission, Broker has worked diligently to
14 broadly advertise the Property for sale and market the Property to prospective
15 purchasers, including to potential overbidders after the Agreement was signed. The
16 listing agreement was approved as being consistent with industry standards for
17 commissions paid to brokers for sales of undeveloped land. Accordingly, the
18 Receiver should be authorized to pay Broker the commission amount in accordance
19 with the listing agreement. Hebrank Decl., ¶ 8.

20 VI. CONCLUSION

21 For the reasons discussed above, the Receiver requests (a) approval of the
22 sale of the Property to Buyer pursuant to the Agreement attached to the Hebrank
23 Declaration as Exhibit A, and (b) authority to take all steps necessary to close the
24 sale, and (c) authority to pay Broker's commission as described above.

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² In the event an investor or group of investors seeks to qualify to overbid, the Receiver will allow the investor(s) to include their projected distributions under the approved One Pot Approach in their bid.

1 Dated: April 2, 2018

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

By: /s/ Edward Fates

EDWARD G. FATES
Attorneys for Receiver
THOMAS C. HEBRANK

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15 SECURITIES AND EXCHANGE
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CORPORATION d/b/a WESTERN
20 FINANCIAL PLANNING
CORPORATION,

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

**DECLARATION OF THOMAS C.
HEBRANK IN SUPPORT OF
RECEIVER'S MOTION FOR
(A) APPROVAL OF SALE OF
INTERNATIONAL PROPERTY
AND (B) AUTHORITY TO PAY
BROKER'S COMMISSION**

Date: May 25, 2018
Time: 1:30 p.m.
Ctrm.: 2D
Judge: Hon. Gonzalo P. Curiel

1 I, Thomas C. Hebrank, declare:

2 1. I am the Court-appointed receiver for First Financial Planning
3 Corporation d/b/a Western Financial Planning Corporation ("Western"), its
4 subsidiaries, and the General Partnerships listed on Schedule 1 to the Preliminary
5 Injunction Order entered on March 13, 2013 (collectively, "Receivership Entities").
6 I make this declaration in support of my Motion for (A) Approval of Sale of
7 International Property and (B) Authority to Pay Broker's Commission ("Motion").
8 I have personal knowledge of the facts stated herein, and if called upon to do so, I
9 could and would personally and competently testify to them.

10 2. The properties in the receivership include approximately 30.7 acres of
11 undeveloped land known as the International property, which is located in San
12 Diego County, California ("Property"). The Property is one of the properties that
13 collectively are known as the "Tecate" properties, all of which are located in the
14 San Diego area. Prior to being transferred to the Qualified Settlement Fund Trust
15 (or QSF Trust) recently set up to hold title to the properties, the property was held
16 outright by one General Partnership – International Partners.

17 3. On March 7, 2016, I recommended that the Tecate properties be listed
18 for sale with Real Blue Properties,¹ a licensed broker located in the San Diego area
19 ("Broker"), with a list price of \$80,000. Dkt. No. 1203. On May 25, 2016, the
20 Court approved my recommendation. Dkt. No. 1305. Broker promptly listed and
21 advertised the Tecate properties for sale and marketed them to interested parties.
22 Broker responded to over 50 phone calls and 75 emails from interested parties and
23 toured the Property with interested parties on over 40 separate occasions.

24 4. Unfortunately, no offers for the Property were received for many
25 months after it was listed. In consultation with Broker, I determined that gradually
26 reducing the list price was the best course of action to generate more interest in the
27

28 _____
¹ Real Blue Properties subsequently changed its name to Resonate Real Estate,

1 Property. Accordingly, the list price was gradually reduced until it reached
2 \$39,000, at which point an offer for \$39,000 was received from Albert Virgil
3 Smith, IV ("Buyer"). I gave notice of the offer to investors and entered into
4 negotiations with Buyer. Buyer and I then executed a Vacant Land Purchase
5 Agreement and Joint Escrow Instructions ("Agreement"), subject to overbid and
6 Court approval. Buyer conducted its due diligence and removed all contingencies
7 (other than Court approval) on March 13, 2018

8 5. Therefore, in accordance with the Court-approved Modified Orderly
9 Sale Procedures, I hereby request approval of the sale to Buyer, pursuant to the
10 Agreement, which is attached hereto as Exhibit A. I will follow the publication of
11 notice, qualification of bidders, and public auction steps outlined in the Motion in
12 advance of the hearing date. In the event one or more prospective purchasers
13 qualify themselves to bid, I will conduct the auction and will then file a notice
14 advising the Court of the result of the auction (*i.e.*, the highest bid) and seek entry
15 of an order confirming the sale. In the event no prospective purchasers qualify
16 themselves to bid, I will notify the Court and seek entry of an order approving the
17 sale to Buyer.

18 6. As noted above, pursuant to the Modified Orderly Sale Procedures
19 (Dkt. No. 1309), I provided notice of the offer from Buyer to investors via email
20 shortly after it was received. Only one substantive response was received, which
21 asked for detail concerning the marketing of the property.

22 7. The proposed sale to Buyer pursuant to the Agreement is in the best
23 interests of the estate. Although the proposed purchase price is below the available
24 value estimates for the Property, the Property has been thoroughly marketed over
25 the last 22 months and \$39,000 is the best (and only) offer received.

26 8. With respect to Broker's commission, Broker has worked diligently to
27 broadly advertise the Property for sale and market the Property to prospective
28 purchasers, including to potential overbidders after the Agreement was signed. The

1 listing agreement was approved as being consistent with industry standards for
2 commissions paid to brokers for sales of undeveloped land. Accordingly, I request
3 authority to pay Broker the commission amount in accordance with the listing
4 agreement.

5 I declare under penalty of perjury under the laws of the United States of
6 America that the foregoing is true and correct.

7 Executed this 2nd day of April, 2018, at San Diego, California.

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10 THOMAS C. HEBRANK

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10 Attorneys for Receiver
11 THOMAS C. HEBRANK

12 **UNITED STATES DISTRICT COURT**
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15 SECURITIES AND EXCHANGE
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16 Plaintiff,

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CORPORATION d/b/a WESTERN
20 FINANCIAL PLANNING
CORPORATION,

21 Defendants.
22

Case No. 3:12-cv-2164-GPC-JMA

PROOF OF SERVICE

Date: May 25, 2018
Time: 1:30 p.m.
Ctrm: 2D
Judge: Hon. Gonzalo P. Curiel

1 I am employed in the County of San Diego, State of California. I am over the
2 age of eighteen (18) and am not a party to this action. My business address is One
America Plaza, 600 West Broadway, 27th Floor, San Diego, California 92101-3541.

3 On April 2, 2018, I served the within document(s) described as:

- 4 • **RECEIVER'S NOTICE OF MOTION AND MOTION FOR**
5 **(A) APPROVAL OF SALE OF INTERNATIONAL PROPERTY**
AND (B) AUTHORITY TO PAY BROKER'S COMMISSION
- 6 • **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT**
7 **OF RECEIVER'S MOTION FOR (A) APPROVAL OF SALE OF**
8 **INTERNATIONAL PROPERTY AND (B) AUTHORITY TO PAY**
9 **BROKER'S COMMISSION**
- 10 • **DECLARATION OF THOMAS C. HEBRANK IN SUPPORT OF**
11 **RECEIVER'S MOTION FOR (A) APPROVAL OF SALE OF**
12 **INTERNATIONAL PROPERTY AND (B) AUTHORITY TO PAY**
13 **BROKER'S COMMISSION**

14 on the interested parties in this action by:

15 **BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF"):** the
16 foregoing document(s) will be served by the court via NEF and hyperlink to the
17 document. On April 2, 2018, I checked the CM/ECF docket for this bankruptcy
18 case or adversary proceeding and determined that the following person(s) are on
19 the Electronic Mail Notice List to receive NEF transmission at the email
20 addressed indicated below:

- 21 • Gary J. Aguirre - gary@aguirrelawapc.com; maria@aguirrelawapc.com
- 22 • John Willis Berry - berryj@sec.gov; LAROFiling@sec.gov
- 23 • Lynn M. Dean - deanl@sec.gov; longoa@sec.gov; larofiling@sec.gov;
24 berryj@sec.gov; irwinma@sec.gov; cavallones@sec.gov
- 25 • Timothy P. Dillon - tdillon@dghmalaw.com; ksouser@dghmalaw.com;
26 sahuja@dghmalaw.com
- 27 • Philip H. Dyson - phildysonlaw@gmail.com; jldossegger2@yahoo.com;
28 phdtravel@yahoo.com
- Edward G. Fates - tfates@allenmatkins.com;
bcrfilings@allenmatkins.com; jholman@allenmatkins.com;
bpetre@allenmatkins.com
- Dennis Frisman - gary@aguirrelawapc.com
- Eric Hougen - eric@hougenlaw.com
- Sara D. Kalin - kalins@sec.gov; chattoop@sec.gov; irwinma@sec.gov
- E. Andrew Schooler - andyschooler@att.net
- Carol Elizabeth Schultze - schultzec@sec.gov; massey@sec.gov;
caroleschultze@gmail.com; clarket@sec.gov

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- Bryan Charles Vess – bryan@vesslaw.com; annamforsberg@gmail.com
- 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 April 2, 2018, at San Diego, California.

Edward G. Fates

(Type or print name)

/s/ Edward Fates

(Signature of Declarant)