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10  
11 Attorneys for Receiver  
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 TWENTY-THIRD  
INTERIM REPORT**

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Ctm.: 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 on Schedule 1 to  
4 the Preliminary Injunction Order entered on March 13, 2013 (collectively,  
5 "Receivership Entities"), submits this Twenty-Third Interim Report, which focuses  
6 on the Receiver's activities during the first quarter of 2018.

7 **I. EXECUTIVE SUMMARY**

8 The Receiver continued his work to preserve and protect the assets of the  
9 Receivership Entities, including implementing the Court's May 25, 2016 order  
10 (Dkt. No. 1304), which granted in part and denied in part the Receiver's orderly  
11 sale/distribution plan motion (Dkt. No. 1181), including marketing and selling  
12 receivership estate properties pursuant to the Court-approved Modified Orderly  
13 Sale Procedures. The Receiver also continued to address other business and legal  
14 issues unique to certain GPs. In addition, the Receiver prepared his Twenty-  
15 Second Interim Report, which was filed on March 21, 2018. Dkt. No. 1596.

16 **II. SUMMARY OF RECEIVER'S ACTIVITIES**

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

20 **A. Business Operations**

21 The Receiver continued to operate the Receivership Entities, process  
22 receipts and disbursements, and address issues regarding real properties, letters of  
23 intent from potential purchasers, and related issues. The Receiver received a bill  
24 from the California Franchise Tax Board ("FTB") for pre-receivership income  
25 taxes owed by Western, along with penalties and late charges in the total amount  
26 of \$623,504.59. The Receiver contacted the FTB to gather additional information  
27 about the taxes owed. The Receiver then negotiated with the FTB and was able to  
28 get it to drop the penalties and late charges in exchange for full payment of the

1 taxes owed (\$293,047). The Receiver, therefore, paid the taxes owed in full  
2 satisfaction of the bill.

3 **B. Asset Recoveries**

4 The Receiver has investigated and pursued recoveries from various assets,  
5 including the following:

6 **Notes Payable from LinMar Entities.** The Receiver has continued efforts  
7 to enforce the judgments entered by the Court against LinMar III. During the first  
8 quarter of 2018, the Receiver continued to monitor the activities and progress of  
9 the LinMar III post-judgment receiver. Based on recent communications with the  
10 post-judgment receiver, the Receiver believes a sale of the property and full  
11 recovery on the LinMar III judgment may be forthcoming in the next six to nine  
12 months.

13 **C. Closed and Pending Property Sales**

14 The following is a summary of recently closed and pending sales of GP  
15 properties:

- 16 • On August 18, 2017, the Receiver filed a motion for approval of the sale  
17 of the LV Kade property. Dkt. No. 1506. The sale was approved on  
18 September 6, 2017 (Dkt. No. 1511) and closed on January 16, 2018.
- 19 • On September 13, 2017, the Receiver filed a motion for approval of the  
20 sale of the Washoe V property. Dkt. No. 1515. The sale was approved  
21 on October 19, 2017 (Dkt. No. 1537). The buyer ultimately determined  
22 not to close the sale transaction and forfeited its earnest money deposit to  
23 the Receiver. The Receiver continues to market the Washoe V property  
24 for sale.
- 25 • On November 9, 2017, the Receiver filed a motion for approval of the  
26 sale of the Dayton IV property. Dkt. No. 1550. The sale was approved  
27 on December 11, 2017 (Dkt. No. 1566), and closed on February 9, 2018.

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- 1 • On March 7, 2018, the Receiver filed a motion for approval of the sale of  
2 Dayton II. Dkt. No. 1592. The sale was approved on April 30, 2018,  
3 and closed in May 2018.
- 4 • On April 2, 2018, the Receiver filed a motion for approval of the sale of  
5 the International Property. Dkt. No. 1601. The motion is set to be heard  
6 on May 25, 2018.
- 7 • The Receiver has received offers, notified investors of the same,  
8 negotiated with the prospective purchasers, and entered into purchase  
9 and sale agreements for the following properties, subject to overbid and  
10 Court approval: (a) Dayton I, (b) Tecate South, (c) Las Vegas 2, (d) the  
11 majority of the Stead I property, (e) Vista Tecate (f) Washoe IV,  
12 (g) Washoe V, and (h) Twin Plant. The prospective purchasers for each  
13 property are currently conducting their due diligence. If and when they  
14 remove their contingencies for the sales, the Receiver will file motions  
15 seeking approval of the proposed sales, subject to overbid.

16 **D. Pending Offers and Negotiations**

17 The Receiver has continued to vet other potential offers, while other  
18 previously noticed offers have been withdrawn. As the offers are developed, the  
19 Receiver will endeavor to ensure they are consistent with the previously received  
20 valuations for the applicable properties. Consistent with the Modified Orderly  
21 Sale Process, the Receiver will notify investors of all credible offers.

22 **III. RECEIPTS AND DISBURSEMENTS**

23 Attached hereto as Exhibit A is a summary of the receipts and  
24 disbursements for the consolidated receivership accounts during the first quarter of  
25 2018. Receipts during the period comprised of proceeds from the sales of  
26 receivership properties and bank interest earned on the account balance. During  
27 this past quarter, because of the higher balances expected to accrue for a short  
28

1 period of time, the Receiver was able to negotiate a higher rate of interest for the  
2 bank account that holds the majority of cash in the receivership estate.

3 Notable expenses during the period include:

- 4 • Pre-receivership income taxes owed to the FTB in the amount of
- 5 \$293,047.
- 6 • Court-approved fees and expenses of the Receiver and his professionals
- 7 in the amount of \$251,030.
- 8 • Property taxes and special assessment district bond payments of \$37,753.

9 Attached as Exhibit B is the Standardized Fund Accounting Report for the first  
10 quarter of 2018.

#### 11 **IV. INVESTOR COMMUNICATIONS**

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

23 Starting with January 2017, the Receiver has provided monthly email  
24 updates to all investors. The emails provide investors with updates on new and  
25 anticipated developments in the receivership, including sales of properties, mailing  
26 of K-1 tax statements, and related issues. Each case update reminds investors to  
27 provide updated contact information if their contact information changes.

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1 Investors are able to sign up to receive these updates on the Receiver's website or  
2 to "unsubscribe" from receiving the updates if they choose.

3 **V. INVESTOR CLAIMS PROCESS**

4 The Receiver worked with tax accountant Duffy Kruspodin, LLP ("Duffy")  
5 to prepare and send investor notices regarding the approved claims process and the  
6 Receiver's calculation of their claims. Letters to most claimants were sent out by  
7 August 1, 2017, while letters to certain former employees/sales agents and other  
8 related persons were sent out by August 15, 2017. Pursuant to the approved  
9 procedures, investors (including former employees/sales agents) had 30 days from  
10 receipt of the notice to respond in writing with any dispute concerning the  
11 calculation of their claim, stating the nature of the dispute and provide  
12 documentation supporting their position as to the calculation of their claim  
13 amount. The Receiver reviewed and considered all such disputes, of which there  
14 were only 21, and attempted to resolve disputes with the applicable investors. At  
15 the conclusion of that process, only six disputed claims remained. Since that time,  
16 one additional investor decided to waive their claim, leaving only five disputed  
17 claims.

18 The Receiver filed his motion asking the Court to resolve the claim disputes  
19 and approve his proposed allowed amounts of all claims on November 2, 2017.  
20 Dkt. No. 1545. An initial hearing was held on December 15, 2017, after which the  
21 Court established a briefing schedule for disputed claims and set a final hearing on  
22 the motion for February 9, 2018. Dkt. No. 1569. At the hearing held on  
23 February 9, 2018, investors with disputed claims were given another opportunity  
24 to address the Court. On February 20, 2018, the Court approved the Receiver's  
25 proposed allowed claim amounts, making a small adjustment to one disputed claim  
26 amount. Dkt. No. 1591.

27 On March 9, 2018, the Receiver filed a motion for authority to make interim  
28 distributions totaling \$13 million to holders of allowed claims pursuant to the

1 previously approved Distribution Plan. Dkt. No. 1594. There was no opposition  
2 to the motion, which was granted on April 30, 2018. Dkt. No. 1610. The Receiver  
3 is currently working to get interim distribution checks out to holders of allowed  
4 claims and hopes to have all checks out by June 15, 2018.

## 5 VI. CLOSURE OF GENERAL PARTNERSHIPS

6 Incurring the costs to prepare and file tax returns for the 86 GPs and related  
7 entities, as well as to prepare and send K-1s to the approximately 3,400 investors  
8 was an unnecessary drain on the receivership estate, considering that the Court  
9 approved the pooling of all receivership estate assets for distribution to investors  
10 on a *pro rata* basis. Accordingly, in connection with his motion seeking approval  
11 of the proposed allowed amounts of claims, the Receiver requested authority to  
12 transfer GP properties to Western, prepare final tax returns and K-1s, and close the  
13 GPs. Dkt. No. 1545. This portion of the motion was granted on December 11,  
14 2017 ("Transfer Authorization Order"). Dkt. No. 1565.

15 The Receiver and his counsel then proceeded to prepare and execute the  
16 documents necessary to effectuate the authorized property transfers prior to the  
17 end of the year. The Receiver was then advised by his tax accountants at Duffy  
18 that with the transfer of the GP properties to Western and the closure of the GPs  
19 (with final tax returns being filed for the GPs), the properties would fall under the  
20 Qualified Settlement Fund ("QSF") tax return for the receivership and, in order to  
21 ensure the properties are recognized as being within the QSF for federal and state  
22 tax reporting purposes, the best course of action was to set up a QSF trust to hold  
23 the properties and their sale proceeds consistent with the Court orders.

24 Due to the importance of completing the transfers in 2017 (to avoid GP tax  
25 returns having to be prepared for 2018) and considering the shortness of time in  
26 which to do so, the Receiver promptly set up a QSF trust entitled the WFP  
27 Receivership QSF Trust ("QSF Trust"). The QSF Trust has its own employer  
28 identification number (or EIN) with the Internal Revenue Service and the required

1 QSF tax return for the receivership estate will be filed under that number. The  
2 Receiver then filed a motion seeking an order amending and supplementing the  
3 Transfer Authorization Order by specifically authorizing and ratifying the transfers  
4 of properties to the QSF Trust. Dkt. No. 1571. The motion was granted on  
5 February 6, 2018. Dkt. No. 1589. It should be noted that there is no meaningful  
6 distinction between Western and the QSF Trust for the receivership estate and the  
7 distribution of receivership assets to the holders of allowed claims; the QSF Trust  
8 is simply being formed for tax reporting purposes.

9 The Receiver also worked with Duffy to get the final GP tax returns and  
10 K-1s issued to investors. This process was completed and the K-1s were mailed to  
11 investors, but it was then discovered that a mistake was made by the tax  
12 accountants on the K-1s sent to investors. Duffy worked with the Receiver to  
13 correct the mistake and issued corrected K-1s to the investors (which work was  
14 completed by Duffy at no charge to the receivership estate). The Receiver also  
15 consulted with Allen Matkins to ensure the tax returns and K-1s complied with  
16 regulations applicable to QSFs and that investor K-1s adequately addressed the  
17 issue of upcoming distributions, which will come from the QSF Trust, *i.e.* the  
18 receivership estate, as opposed to the GPs.

19 **VII. RECOMMENDATIONS**

20 The Receiver recommends the receivership over Western and the other  
21 Receivership Entities continue pursuant to the Court's orders and the Receivership  
22 Entities' assets continue to be preserved and protected until further properties have  
23 been sold, the distribution process pursuant to the Court-approved Distribution  
24 Plan has been completed, and the Receiver has provided his final report and  
25 accounting.

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**VIII. CONCLUSION**

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

Dated: May 15, 2018

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 First Quarter of 2018	11
Exhibit B	Standardized Fund Accounting Report	14

# EXHIBIT A

# EXHIBIT A

	Jan-18	Feb-18	Mar-18	Q1 2018 TOTAL
Beginning Balance - WFP Receivership	183,403	124,842	343,591	343,591
Beginning Balance - Money Market	7,640,907	16,376,221	16,408,358	16,408,358
<b>Total</b>	<b>7,824,311</b>	<b>16,501,062</b>	<b>16,751,949</b>	<b>16,751,949</b>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Transfer From QSF to Money Market Account	-	-	-	-
36000 - Interest - Money Market	4,149	5,349	6,969	16,467
Transfer From Money Market to QSF	150,000	300,000	-	450,000
37000 - Linmar Settlement	-	-	-	-
47900 - Sales - WFPC Property	-	-	-	-
48000 - Sales - Partnership Property	8,881,165	332,043	-	9,213,208
60400 - Bank Service Charges - Refund	-	-	-	-
63300 - Insurance Expense - Refund	-	-	-	-
63400 - Interest on Mortgages - Refund	-	-	-	-
67000 - Property Tax - Refund	-	-	-	-
2430 Yuma 3 ( Yuma APN 202-09-007) - Loan Payoff Refund	-	-	-	-
2422 Yuma 3 ( Yuma APN 202-49-005) - Loan Payoff Refund	-	-	-	-
69000 - WFP-Partnership Capital Contribution - Credit	-	-	-	-
<b>Total Income</b>	<b>9,035,313</b>	<b>637,392</b>	<b>6,969</b>	<b>9,679,674</b>
Total Income - WFP Receivership	150,000	305,255	-	455,255
Total Income - Money Market	8,885,313	332,137	6,969	9,224,420
<b>Expense</b>				
60000 - Marketing of Property Sales	-	-	411	411
60400 - Bank Service Charges	-	-	-	-
61700 - Computer and Internet Expenses	555	470	525	1,550
63300 - Insurance Expense	400	-	-	400
63400 - Interest on Mortgages	-	-	-	-
63450 - Mortgage Payoff Fees	-	-	-	-
63451 - Mortgage Late Penalties	-	-	-	-
63460 - Loan Write Off - Paid in Full	-	-	-	-
63500 - Maintenance	-	-	-	-
65000 - Postage & Shipping Fees	250	-	-	250
65500 - Printing Services	-	-	-	-
66500 - LLC Filing Fees	2,470	-	130	2,600
66650 - Legal Fees	-	52,987	-	52,987
66700 - Professional Fees	-	-	-	-
66750 - Receiver Fees	161,421	-	-	161,421
66800 - Tax Preparation Services	36,622	-	-	36,622
66830 - Permit Fees	-	-	-	-
67000 - Property Tax	5,652	-	-	5,652
67050 - Property Tax Special Assessment	-	32,101	-	32,101
67500 - Storage	673	673	673	2,020
68000 - Taxes - Federal and State	-	-	293,047	293,047
68600 - Utilities	518	274	268	1,060
69000 - WFP-Partnership Capital Contribution Refunds	-	-	-	-
69500 - WFP - Note Payment Partnership	-	-	-	-
Transfer From QSF to Money Market Account	-	-	-	-
<b>Total Expense - QSF</b>	<b>208,562</b>	<b>86,505</b>	<b>295,054</b>	<b>590,121</b>
Transfer from Money Market to QSF	150,000	300,000	-	450,000
<b>Total Expense - Money Market</b>	<b>150,000</b>	<b>300,000</b>	<b>-</b>	<b>450,000</b>
<b>Western Loans</b>				
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)	-	-	-	-
<b>Total Western Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>SFV II Loans</b>				
Washoe 5	-	-	-	-
<b>Total SFV II Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Santa Fe Venture LLC Loans</b>				
1 - Santa Fe	-	-	-	-
2 - Santa Fe - Tract 2, 3, 4 (Tower 98 Loan - Tract 2, 3, 4)	-	-	-	-
<b>Total Santa Fe Venture LLC Loans</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Long Term Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>208,562</b>	<b>86,505</b>	<b>295,054</b>	<b>590,121</b>
<b>Net Ordinary Income</b>	<b>(58,562)</b>	<b>218,750</b>	<b>(295,054)</b>	<b>(134,866)</b>
<b>Net Income</b>	<b>(58,562)</b>	<b>218,750</b>	<b>(295,054)</b>	<b>(134,866)</b>
<b>Ending Balance - WFP Receivership</b>	<b>124,842</b>	<b>343,591</b>	<b>48,537</b>	<b>48,537</b>
<b>Ending Balance - Money Market</b>	<b>16,376,221</b>	<b>16,408,358</b>	<b>16,415,327</b>	<b>16,415,327</b>
<b>Total Ending Balance</b>	<b>16,501,062</b>	<b>16,751,949</b>	<b>16,463,864</b>	<b>16,463,864</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 01/01/2018 TO 03/31/2018

**STANDARDIZED FUND ACCOUNTING REPORT for Western Financial Planning - Cash Basis**  
 Receivership; Case No. 3:12-cv-02164-GPC-JMA  
 Reporting Period 01/01/2018 to 03/31/2018

FUND ACCOUNTING (See instructions):				
		<u>Detail</u>	<u>Subtotal</u>	<u>Grand Total</u>
Line 1	Beginning Balance (As of 01/01/18):	7,824,311		7,824,311
	<i>Increases in Fund Balance:</i>			
Line 2	Business Income	-		-
Line 3	Cash and Securities	-		-
Line 4	Interest/Dividend Income	16,467		16,467
Line 5	Business Asset Liquidation	9,213,207		9,213,207
Line 6	Personal Asset Liquidation	-		-
Line 7	Third-Party Litigation Income	-		-
Line 8	Misc - Insurance & Prop Tax Refunds	-		-
	<b>Total Funds Available (Lines 1 - 8):</b>	<b>17,053,985</b>		<b>17,053,985</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	(251,030)		(251,030)
Line 10b	Business Asset Expenses	(46,044)		(46,044)
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	(293,047)		(293,047)
	<b>Total Disbursements for Receivership Operations</b>			<b>(590,121)</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>(590,121)</b>
Line 13	Ending Balance (As of 03/31/2018):			16,463,864

**STANDARDIZED FUND ACCOUNTING REPORT for Western Financial Planning - Cash Basis**  
**Receivership; Case No. 3:12-cv-02164-GPC-JMA**  
**Reporting Period 01/01/2018 to 03/31/2018**

<b>Line 14</b>	<b>Ending Balance of Fund - Net Assets:</b>			
Line 14a	Cash & Cash Equivalents			16,463,864
Line 14b	Investments			-
Line 14c	Other Assets or Uncleared Funds			-
Total Ending Balance of Fund - Net Assets				16,463,864

<b>OTHER SUPPLEMENTAL INFORMATION:</b>			
	<u>Detail</u>	<u>Subtotal</u>	<u>Grand Total</u>
<i>Report of Items NOT to be Paid by the Fund:</i>			
<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>		-
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>		-
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>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	-	-
Total Disbursement to Court/Other Not Paid by the Fund:			
<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  
 Thomas C. Hebrank  
 Court-Appointed Receiver

Date: 5/14/18

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**PROOF OF SERVICE**

I am employed in the County of San Diego, State of California. I am over the age of eighteen (18) and am not a party to this action. My business address is 600 West Broadway, 27th Floor, San Diego, California 92101-0903.

On May 15, 2018, I served the within document(s) described as:

- **RECEIVER'S TWENTY-THIRD 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 May 15, 2018, 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; longoa@sec.gov; larofiling@sec.gov; berryj@sec.gov; irwinma@sec.gov; cavallones@sec.gov
- Timothy P. Dillon - tdillon@dghmalaw.com; ksouser@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
- E. Andrew Schooler - andyschooler@att.net
- Carol Elizabeth Schultze - schultzec@sec.gov; masseym@sec.gov; caroleschultze@gmail.com; clarket@sec.gov
- 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 May 15, 2018, at San Diego, California.

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

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