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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  
23  
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Case No. 3:12-cv-02164-GPC-JMA

**TWENTY-SIXTH INTERIM FEE  
APPLICATION OF ALLEN  
MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP,  
COUNSEL TO RECEIVER**

Date: June 21, 2019  
Time: 1:30 p.m.  
Ctrm.: 2D  
Judge: Hon. Gonzalo P. Curiel

Allen Matkins Leck Gamble Mallory & Natsis LLP ("Allen Matkins"), counsel for Thomas C. Hebrank ("Receiver"), Court-appointed receiver for First Financial Planning Corporation d/b/a Western Financial Planning Corporation ("Western"), and its subsidiaries and the General Partnerships listed in Schedule 1 to the Preliminary Injunction Order entered on March 13, 2013 (collectively, "Receivership Entities"), hereby submits this Twenty-Sixth interim application for payment of professional fees and reimbursement of costs for the time period October 1, 2018, through December 31, 2018 ("Twenty-Sixth Application Period"). Allen Matkins incurred \$23,123.05 in fees and \$234.63 in costs during the three-month period and seeks interim approval and payment of 80% of fees incurred, or \$18,498.44, and 100% of costs incurred. As it has throughout the case, Allen Matkins has discounted its customary hourly rates by 10%.

### I. FEE APPLICATION SUMMARY

During the Twenty-Sixth Application Period, Allen Matkins provided a total of 47.2 hours of service for a total of \$23,123.05 in fees. Allen Matkins requests payment on an interim basis of 80% of this amount, or \$18,498.44. The firm has provided its services in the following categories, as discussed in further detail below and as set forth task-by-task in Exhibit A:

Category	Hours	Total
General Receivership	2.50	\$1,293.75
Reporting	3.20	\$1,656.00
Operations and Asset Sales	28.60	\$13,490.05
Claims and Distributions	2.20	\$1,138.50
Third Party Recoveries	7.90	\$4,095.75
Employment/Fees	2.80	\$1,449.00
Total Fees	47.20	\$23,123.05

As the table reflects, the majority of the work done during the Twenty-Sixth Application Period was in the Operations and Asset Sales categories as the Receiver's focus has been on maximizing the value of receivership properties

1 through sales pursuant to the Court-approved Modified Orderly Sale Process. At  
 2 this point, the Court has approved sales of receivership properties with purchase  
 3 prices totaling more than \$23.8 million.

## 4 **II. TASKS PERFORMED**

5 During the Twenty-Sixth Application Period, Allen Matkins worked  
 6 diligently to assist the Receiver with legal issues affecting the receivership. The  
 7 following is a discussion of Allen Matkins' work, broken down by the categories  
 8 listed above.

### 9 **A. General Receivership**

10 Work in this category relates to the firm assisting the Receiver  
 11 communicating with counsel for the SEC regarding issues related to the pending  
 12 appeal of the Final Judgment against Louis Schooler and the mandate issued by the  
 13 Ninth Circuit Court of Appeals. Attorney Ted Fates attended the hearing held on  
 14 December 14, 2018. The firm also assisted in discussions with counsel for the SEC  
 15 regarding the Receiver's accounting and the revised calculation of the proposed  
 16 disgorgement amount under the Final Judgment. The reasonable and necessary  
 17 fees for work in this category total \$1,293.75.

### 18 **B. Reporting**

19 This category includes time spent preparing the Receiver's Twenty-Fifth  
 20 Interim Report filed on October 26, 2018. Dkt. No. 1673. The report includes  
 21 detailed updates regarding enforcement of judgments against the LinMar entities,  
 22 closed and pending sales of properties, and receipts and disbursements for the  
 23 receivership estate. The reasonable and necessary fees for work in this category  
 24 total \$1,656.00.

### 25 **C. Operations and Asset Sales**

26 Allen Matkins' time in this category focused on assisting the Receiver with  
 27 legal issues relating to the ongoing operations of Western and the GPs, including  
 28

1 sales of receivership properties via the Modified Orderly Sale Process, easement  
2 and condemnation issues, and issues relating to property taxes and assessments.

3 1. Washoe V

4 The Receiver's motion for approval of the Washoe V sale was granted during  
5 the prior application period on July 17, 2018 (Dkt. No. 1633). During this  
6 Application Period, Allen Matkins assisted the Receiver in addressing a request by  
7 the buyer to assign the purchase and sale agreement to two family trusts for tax  
8 purposes. Ultimately, this resulted in a motion to amend the sale approval order,  
9 which was filed on October 23, 2018, and granted on December 5, 2018. Dkt.  
10 Nos. 1671, 1678.

11 2. Las Vegas 2

12 The Receiver's motion for approval of the sale of the Las Vegas 2 property  
13 was granted during the prior application period on July 30, 2018 (Dkt. No. 1637).  
14 During this Application Period, Allen Matkins assisted in preparing and revised  
15 documents necessary for the closing. The sale closed in October 2018.

16 3. Washoe IV

17 Allen Matkins assisted the Receiver in preparing a motion for approval of the  
18 sale of the Washoe IV property for \$350,000, which was filed on July 24, 2018.  
19 Dkt. No. 1634. A notice that no overbids were received was filed on August 22,  
20 2018 (Dkt. No. 1646), and the motion was granted on August 28, 2018 (Dkt.  
21 No. 1651). The firm subsequently assisted the Receiver in addressing multiple  
22 requests by the buyer to extend the closing date (coupled with increases to the  
23 earnest money deposit) in order to address certain expired mineral leases on title to  
24 the property.

25 4. Dayton I

26 Allen Matkins assisted the Receiver in preparing a motion for approval of the  
27 sale of the Dayton I property for \$550,000, which was filed on October 12, 2018.  
28 Dkt. No. 1668. A notice that no overbids were received was filed on November 7,

1 2018 (Dkt. No. 1674), and the motion was granted on December 5, 2018 (Dkt.  
2 No. 1679).

3           5.     Freetrade/Suntec/Via 188

4           Allen Matkins assisted the Receiver in preparing a motion for approval of the  
5 sale of the Freetrade/Suntec/Via 188 property for \$149,000, which was filed on  
6 November 20, 2018. Dkt. No. 1675. A notice that no overbids were received was  
7 filed on January 18, 2019 (Dkt. No. 1688), and the motion was granted on  
8 January 28, 2019 (Dkt. No. 1699).

9           6.     Borderland/Prosperity

10          Allen Matkins assisted the Receiver in preparing a motion for approval of the  
11 sale of the Borderland/Prosperity property for \$169,000, which was filed on  
12 December 12, 2018. Dkt. No. 1680. A notice that no overbids were received was  
13 filed on January 11, 2019 (Dkt. No. 1686), and the motion was granted on  
14 January 28, 2019 (Dkt. No. 1698).

15          7.     Other Issues Pertaining to GP Properties

16          Allen Matkins advised the Receiver regarding various other legal issues  
17 pertaining to GP properties, including assisting with addressing and removing liens  
18 on GP properties, working on letters of intent and purchase and sale agreements to  
19 be sent to prospective purchasers, and preparing notices to investors regarding  
20 offers received for certain GP properties.

21          The reasonable and necessary fees for Allen Matkins' work in this category  
22 total \$13,490.05.

23          **D.     Claims and Distributions**

24          During the prior application period, on March 9, 2018, the Receiver's motion  
25 for authority to make interim distributions was filed. Dkt. No. 1594. The motion  
26 was granted on April 30, 2018 (Dkt. No. 1610) and distribution checks were issued  
27 in mid-June, 2018. During the Twenty-Sixth Application Period, Allen Matkins  
28 assisted in addressing unique issues with investor distributions. The firm also

1 assisted in preparing monthly case updates to investors and responded to several  
2 direct inquiries from investors or their counsel regarding distributions. The  
3 reasonable and necessary fees for this work total \$1,138.50.

4 **E. Third Party Recoveries**

5 Allen Matkins' work in this category focused on collection of the outstanding  
6 judgment against LinMar III. The firm communicated with the post-judgment  
7 receiver and the broker for the LinMar III property regarding their ongoing efforts  
8 to finalize an office lease, build out the leased space, and sell the property. Allen  
9 Matkins also communicated with counsel for the SEC regarding the release of its  
10 lien on the property secured its Final Judgment. The sale closed on December 31,  
11 2019 and the Receiver was able to recover \$120,000 from the proceeds of the sale.  
12 The reasonable and necessary fees for work in this category total \$4,095.75.

13 **F. Employment/Fees**

14 Although fee applications are a necessary component of federal equity  
15 receiverships, neither the Receiver nor his professionals bill time for preparing their  
16 own detailed applications. Allen Matkins assisted the Receiver in preparing his  
17 Twenty-Fifth Interim Fee Application, which was filed on January 22, 2019. Dkt.  
18 No. 1690. The firm also advised on preparation of the Tenth Interim Fee  
19 Application of Duffy Kruspodin & Company and the Second Interim Fee  
20 Application of the Holley Driggs firm in Nevada, which were filed together with  
21 the Twenty-Fifth Fee Applications of the Receiver and Allen Matkins. Dkt.  
22 Nos. 1692, 1693. The reasonable and necessary fees for this work total \$1,449.00.

23 **G. Summary of Costs Requested**

24 Allen Matkins requests the Court approve reimbursement of \$234.63 for out-  
25 of-pocket costs incurred in executing the foregoing tasks, as itemized in Exhibit A.  
26 Pursuant to the Court's Order Granting in Part First Fee Applications, Allen  
27 Matkins has reduced its request for reimbursement of copy costs to five cents per  
28 page and written off any excess copy charges incurred.

### III. FEES AND COSTS INCURRED AND PAID TO DATE

From inception of the receivership through December 31, 2018, the Receiver incurred fees and costs of \$2,298,567.41, of which amount \$450,867.96 is subject to holdback pending approval of the Receiver's final fee application at the conclusion of the receivership, \$49,812.41 is awaiting the Court's review and approval, and \$1,807,713.24 has been approved by the Court and paid to date. During the same time period, Allen Matkins has incurred fees and costs of \$1,738,066.72, of which amount \$355,760.20 is subject to holdback pending approval of the Allen Matkins' final fee application at the conclusion of the receivership, \$23,283.68 is awaiting the Court's review and approval, and \$1,363,647.45 has been approved by the Court and paid to date. Finally, during the same time period, tax accountant Duffy Kruspodin & Company, LLP ("Duffy") has incurred fees and costs totaling \$972,104.93, all of which has been paid to date for preparing tax returns for Western, GP, and other non-GP Receivership Entities.

### IV. APPROVAL OF REQUESTED FEES AND COSTS

In its Order Granting in Part First Interim Fee Applications ("First Fee Order"), the Court analyzed the case law regarding approval of interim fee applications in regulatory receiverships and determined the following factors should be considered: (1) the complexity of the receiver's tasks; (2) the fair value of the time, labor, and skill measured by conservative business standards; (3) the quality of work performed, including the results obtained and the benefit to the receivership estate; (4) the burden the receivership estate may safely be able to bear; and (5) the Commission's opposition or acquiescence. Dkt. No. 169, p. 7.

#### A. Complexity of Tasks

Here, the tasks performed by Allen Matkins are significantly complex and the number of hours billed to complete them are reasonable. These tasks include (a) analyzing corporate documents, loan agreements, and other contracts, (b) advising the Receiver regarding federal equity receivership, debtor/creditor



1 rights, real property, contract, employment, insurance, eminent domain, tax, civil  
2 procedure, appellate procedure, and other applicable areas of law, and (c) assisting  
3 the Receiver in selling assets, collecting loans, and protecting the Receivership  
4 Entities' interests in pending litigation, (d) assisting the Receiver in analyzing  
5 investor claims and distributing receivership assets in a manner that treats investors  
6 fairly and equitably, and (e) providing detailed reports to the Court and interested  
7 parties.

8 **B. Fair Value of Time, Labor & Skill**

9 The Court has previously determined on multiple occasions, including on  
10 April 10, 2017, that the discounted hourly rates of Allen Matkins represent the fair  
11 value of their time, labor, and skill. Dkt. No. 1460. Accordingly, Allen Matkins'  
12 discounted hourly rates continue to represent the fair value of its time, labor, and  
13 skill.

14 **C. Quality of Work Performed**

15 Allen Matkins has diligently and competently assisted the Receiver in all  
16 aspects of the receivership, including preserving and protecting the assets of the  
17 Receivership Entities, analyzing the Receivership Entities' assets and liabilities,  
18 addressing Western's cash shortage, reducing Western's operating expenses as well  
19 as administrative expenses of the receivership, selling assets and collecting loans,  
20 protecting the Receivership Entities' interests in pending litigation and other legal  
21 matters, preserving and pursuing causes of action against third parties, formulating  
22 plans and procedures for the determination of investor claims and the fair and  
23 equitable distribution of receivership estate assets, and preparing detailed reports to  
24 the Court and interested parties. These services have allowed the Receiver to  
25 preserve and protect the value of the Receivership Entities' assets for the benefit of  
26 investors.

27

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#### **D. Receivership Estate's Ability to Bear Burden of Fees**

Pursuant to the Court's May 25, 2016 Order (Dkt. No. 1304), the assets of the Receivership Entities (Western and the GPs) have been pooled, creating a common pool of receivership estate cash from which mortgages, property taxes, and other operating expenses have been and will continue to be paid. The cash balance has grown and will continue to grow as properties are sold through the Court-approved Modified Orderly Sale Process (Dkt. Nos. 1309, 1359). As a result of sales closed as of December 31, 2018, and factoring in interim distributions that had been cashed as of that date, the receivership estate held approximately \$7.5 million. Therefore, the receivership estate has the ability to pay the fees and costs requested herein.

### E. Commission's Opposition or Acquiescence

Prior to filing, the Receiver and Allen Matkins provided these fee applications to counsel for the Commission in substantially final form. Counsel for the Commission has advised that the Commission has no opposition to the fees and costs requested.

Accordingly, the five factors identified by the Court for considering interim fee applications all support interim approval and payment of the requested fees and costs.

## V. CONCLUSION

WHEREFORE, the Receiver and Allen Matkins respectfully request entry of an order:

1. Approving payment of fees to Allen Matkins on an interim basis of \$18,498.44;
2. Approving reimbursement of expenses to Allen Matkins on an interim basis of \$234.63;
3. Authorizing and directing the Receiver to pay these amounts to Allen Matkins from assets of the Receivership Entities; and

1           4.     Granting such further and other relief as the Court deems just and  
2 proper.

3  
4 Dated: April 4, 2019

ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP

5  
6 By:           /s/ Edward Fates          

7 EDWARD G. FATES  
8 Attorneys for Receiver  
9 THOMAS C. HEBRANK  
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**EXHIBIT INDEX**

Exhibit A	Detailed Time Reports	12
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# EXHIBIT A

# EXHIBIT A

04/04/19 11:25:13 PROFORMA STATEMENT FOR MATTER 372640-00002 (Thomas C. Hebrank, as Receiver for Western Financial) (General Receivership)

### ***Preliminary Billing Form***

Billing Atty: 001665 - Edward Fates

Matter #: 372640-00002

Matter Name: General Receivership

Date of Last Billing: 04-04-2019

Client Name: Thomas C. Hebrank, as Receiver for Western Financial

Proforma Number  
Client/Matter Joint Group # 372640-1

#### **Fees for Matter 372640-00002 (General Receivership)**

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
11/29/18	7678922	Communications with SEC counsel regarding appeal mandate hearing set for 12/14 (.4); advise Receiver regarding same (.1).	Fates, Edward	0.5	258.75	258.75	WO HD TR_____
12/13/18	7698348	Communications with SEC counsel regarding hearing on 9th Circuit mandate and Schooler disgorgement amount.	Fates, Edward	0.4	207.00	465.75	WO HD TR_____
12/14/18	7698859	Attend hearing regarding 9th Circuit mandate and briefing schedule for determining reduced disgorgement amount (.6); advise Receiver regarding same (.2).	Fates, Edward	0.8	414.00	879.75	WO HD TR_____
12/19/18	7702998	Initial communications with SEC counsel and Receiver regarding revised calculation of Schooler disgorgement.	Fates, Edward	0.4	207.00	1,086.75	WO HD TR_____
12/20/18	7703595	Call/emails with Receiver and SEC counsel to discuss steps and timing for revised Schooler disgorgement calculation.	Fates, Edward	0.4	207.00	1,293.75	WO HD TR_____

#### **Disbursements for Matter 372640-00002 (General Receivership)**

Trans Date	Index	Type	Quantity	Amt	Circle	Action
10/01/18	2472761	Document Search - - Pacer Service 07/01/2018-09/30/2018^4406104	1.00	21.70	WO	HD TR_____
10/02/18	2475845	Messenger - - Nationwide Legal, LLC, USDC, Southern District of California 221 West Broadway, Suite 2190, San Diego, CA 9/30/2018 ^6811	1.00	11.50	WO	HD TR_____
10/02/18	2475846	Document Research - - Nationwide Legal, LLC, CERTIFIED COPY OF ORDER APPROVING SALE OF STEAD I PROPERTY 9/30/2018^6811	1.00	62.50	WO	HD TR_____
10/15/18	2476402	Messenger - - Nationwide Legal, LLC, USDC, Southern District^6925	1.00	10.00	WO	HD TR_____
10/26/18	2490195	Messenger - - Nationwide Legal, LLC, USDC, Southern District^7174	1.00	10.00	WO	HD TR_____
11/20/18	2490218	Messenger - - Nationwide Legal, LLC, USDC, Southern District,^7501	1.00	11.50	WO	HD TR_____
12/05/18	2489810	Document Research - - Nationwide Legal, LLC, USDC/SOUTHERN DISTRICT OF CALIFORNIA, RUSH RESEARCH^7631	1.00	55.00	WO	HD TR_____
12/14/18	2489811	Messenger - - Nationwide Legal, LLC, USDC, Southern District, RUSH DELIVERY^7631	1.00	14.75	WO	HD TR_____
12/27/18	2492057	Messenger -- Federal Express Invoice No: 641994961 2055 Ship To: Darryl Evans, V P Sr Escrow	1.00	19.78	WO	HD TR_____
12/31/18	2499465	Document Search - - PACER Service Center, 10/01/2018-12/31/2018^ 4406104-Q42018^4406104Q42018	1.00	17.90	WO	HD TR_____

### Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward Fates	2.5	517.50	1,293.75
		2.5		1,293.75

Total Fees	1,293.75
Total Disbursements	234.63

### Attorney Billing Instructions

( )	BILL ALL	( )	Hold
( )	BILL FEES ONLY	( )	Write Off
( )	BILL COST ONLY	( )	Transfer All

### Billing Instructions

EXPIRES 6/30/2020: 7/2016 rates less 10% DISCOUNT ON FEES (rated code 10)- AUTOMATIC; copies @ .05; no text editing

### Account Summary- As Of 12/31/2018

Fiscal YTD				Calendar YTD			LTD		
	Total	Fees	Disbursement	Total	Fees	Disbursement	Total	Fees	Disbursement
Worked	62,458.32	53,335.15	9,123.17	21,185.78	19,360.10	1,825.68	427,943.45	390,360.18	37,583.27
Unbilled Adj	(1,073.06)	0.41	(1,073.47)	1,239.17	1,604.66	(365.49)	(7,769.74)	(65.05)	(7,704.69)
Billed	134,081.92	125,135.76	8,946.16	60,288.53	52,041.81	8,246.72	418,645.33	389,001.38	29,643.95
Collected	134,081.92	125,135.76	8,946.16	58,378.64	50,437.56	7,941.08	416,735.44	387,397.13	29,338.31
AR Write Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>									
<b>WIP Balance</b>	<b>6,493.90</b>	<b>6,158.25</b>	<b>335.65</b>						
<b>AR Balance</b>	<b>1,909.89</b>	<b>1,604.25</b>	<b>305.64</b>						
<b>Unalloc Payment</b>	<b>0.00</b>								
<b>Client Trust Balance</b>	<b>0.00</b>								

### Billing Address

Thomas C. Hebrank, as Receiver for Western Financial  
c/o E3 Advisors  
501 West Broadway, Suite 800  
San Diego, CA 92101  
ATTN:



**Preliminary Billing Form**

Billing Atty: 001665 - Edward Fates

Matter #: 372640-00004

Matter Name: Reporting

Date of Last Billing: 09-20-2018

Client Name: Thomas C. Hebrank, as Receiver for Western Financial

Proforma Number 1403804

Client/Matter Joint Group # 372640-1

**Fees for Matter 372640-00004 (Reporting)**

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
10/10/18	7636757	Work on Receiver's 25th interim report.	Fates, Edward	1.4	724.50	724.50	WO HD TR_____
10/15/18	7640049	Work on 25th interim report (.4); discuss same with Receiver and G. Rodriguez (.2).	Fates, Edward	0.6	310.50	1,035.00	WO HD TR_____
10/24/18	7648297	Discuss 25th interim report with Receiver (.2); revisions to same (.4).	Fates, Edward	0.6	310.50	1,345.50	WO HD TR_____
10/26/18	7649919	Communications with Receiver regarding revisions to 25th interim report and exhibits to same (.2); revise and finalize report (.4).	Fates, Edward	0.6	310.50	1,656.00	WO HD TR_____

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward Fates	3.2	517.50	1,656.00
		<u>3.2</u>		<u>1,656.00</u>
Total Fees				1,656.00
Total Disbursements				0.00

**Attorney Billing Instructions**

( )	BILL ALL	( )	Hold
( )	BILL FEES ONLY	( )	Write Off

( ) BILL COST ONLY ( ) Transfer All \_\_\_\_\_

### Billing Instructions

EXPIRES 6/30/19 - 7/2016 rates less 10% DISCOUNT ON FEES (rated code 10)- AUTOMATIC; copies @ .05; no text editing

### Account Summary- As Of 12/31/2018

Fiscal YTD				Calendar YTD			LTD		
	Total	Fees	Disbursement	Total	Fees	Disbursement	Total	Fees	Disbursement
Worked	9,987.75	9,987.75	0.00	5,226.75	5,226.75	0.00	159,859.70	159,467.85	391.85
Unbilled Adj	0.00	0.00	0.00	0.00	0.00	0.00	(6.83)	5.69	(12.52)
Billed	22,400.10	22,400.10	0.00	0.00	0.00	0.00	158,196.87	157,817.54	379.33
Collected	22,400.10	22,400.10	0.00	0.00	0.00	0.00	158,196.87	157,817.54	379.33
AR Write Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>WIP Balance</b>	<b>4,916.25</b>	<b>4,916.25</b>	<b>0.00</b>						
<b>AR Balance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>						
<b>Unalloc Payment</b>	<b>0.00</b>								
<b>Client Trust Balance</b>	<b>0.00</b>								

### Billing Address

Thomas C. Hebrank, as Receiver for Western Financial  
c/o E3 Advisors  
501 West Broadway, Suite 800  
San Diego, CA 92101  
ATTN:

02/15/19 09:52:58 PROFORMA STATEMENT FOR MATTER 372640-00005 (Thomas C. Hebrank, as Receiver for Western Financial) (Operations & Asset Sales)

### ***Preliminary Billing Form***

Billing Atty: 001665 - Edward Fates

Matter #: 372640-00005

Matter Name: Operations & Asset Sales

Date of Last Billing: 09-20-2018

Client Name: Thomas C. Hebrank, as Receiver for Western Financial

Proforma Number 1403805

Client/Matter Joint Group # 372640-1

### **Fees for Matter 372640-00005 (Operations & Asset Sales)**

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
10/01/18	7629037	Advise G. Rodriguez on issues regarding potential assignment of PSA for Dayton 1 property (.2); address issues regarding closing of Las Vegas 2 sale and extension of escrow for Washoe IV sale (.3).	Fates, Edward	0.5	258.75	258.75	WO HD TR_____
10/03/18	7630978	Discuss strategy regarding Washoe V buyer and motion for approval of Dayton I sale with G. Rodriguez.	Fates, Edward	0.3	155.25	414.00	WO HD TR_____
10/04/18	7632258	Review correspondence and documentation from title relating to KB Homes closing for Las Vegas property.	Lorenzen, Jonathan	0.6	245.70	659.70	WO HD TR_____
10/04/18	7632336	Review Fidelity National Title Group Owner's Affidavit form; draft edits to Owner's Affidavit.	Thiels, Megan	1.4	455.00	1,114.70	WO HD TR_____
10/05/18	7632924	Discuss Dayton I sale with G. Rodriguez (.3); work on motion for approval of Dayton I sale (1.4); discuss overall strategy and timing regarding sales of remaining properties with G. Rodriguez (.4).	Fates, Edward	2.1	1,086.75	2,201.45	WO HD TR_____
10/05/18	7633027	Review and revise Owner's Affidavit.	Lorenzen, Jonathan	0.8	327.60	2,529.05	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
10/08/18	7634555	Work on motion to amend Washoe V sale approval order (1.4); communications with G. Rodriguez regarding same (.3).	Fates, Edward	1.7	879.75	3,408.80	WO HD TR_____
10/09/18	7636058	Advise G. Rodriguez on title issues regarding Washoe V and motion to amend sale order (.2); communications with G. Rodriguez regarding Dayton I sale motion (.2); revisions to same (.4); work on Receiver declaration in support of sale motion and proposed order (1.1).	Fates, Edward	1.9	983.25	4,392.05	WO HD TR_____
10/11/18	7638670	Revisions to motion to amend Washoe V sale order (.3); communications with G. Rodriguez regarding same and request from Washoe IV buyer for additional time to address title issues (.4).	Fates, Edward	0.7	362.25	4,754.30	WO HD TR_____
10/12/18	7639646	Finalize Dayton I sale motion, declaration, exhibits, and proposed order.	Fates, Edward	0.3	155.25	4,909.55	WO HD TR_____
10/15/18	7640550	Discuss marketing and sale issues regarding Fernley I and Washoe IV properties with G. Rodriguez (.4); communications with counsel for Washoe IV buyer regarding same (.2); communications with G. Rodriguez regarding motion to amend Washoe V sale order (.2).	Fates, Edward	0.8	414.00	5,323.55	WO HD TR_____
10/16/18	7641460	Revise notice to investors regarding credible offer for Tecate property.	Fates, Edward	0.2	103.50	5,427.05	WO HD TR_____
10/17/18	7642577	Advise G. Rodriguez on reimbursement of investor capital call	Fates, Edward	0.7	362.25	5,789.30	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
		funds and strategy regarding ongoing property sales and timing (.4); communications with Washoe IV buyer and G. Rodriguez regarding escrow extension and increase to deposit (.3).					
10/22/18	7645466	Revise and finalize notice of motion, motion to amend Washoe V sale order, and proposed order (.9); discuss status of Washoe IV extension and increase to escrow deposit with G. Rodriguez (.2).	Fates, Edward	1.1	569.25	6,358.55	WO HD TR_____
10/25/18	7649478	Communications with counsel for Washoe IV buyer regarding title issues.	Fates, Edward	0.2	103.50	6,462.05	WO HD TR_____
10/30/18	7653300	Address title issues for Washoe IV property and communications with buyer regarding same.	Fates, Edward	0.2	103.50	6,565.55	WO HD TR_____
11/07/18	7661746	Revise notice to investors regarding credible offer for Borderland/Prosperity property (.2); communications with G. Rodriguez regarding status on Dayton I sale (.2); prepare notice on non-receipt of qualified overbid for Dayton I (.4).	Fates, Edward	0.8	414.00	6,979.55	WO HD TR_____
11/15/18	7669629	Discuss inquiry from Washoe IV buyer re: extension of escrow with G. Rodriguez	Fates, Edward	0.2	103.50	7,083.05	WO HD TR_____
11/16/18	7670732	Discuss sale of Freetrade property with G. Rodriguez (.2); initial work on sale motion (.5).	Fates, Edward	0.7	362.25	7,445.30	WO HD TR_____
11/19/18	7671744	Work on motion for approval of sale of Freetrade property (1.9); discuss	Fates, Edward	2.2	1,138.50	8,583.80	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
		same with G. Rodriguez (.3).					
11/20/18	7673475	Work on Receiver declaration in support of Freetrade sale motion (.7); discuss same with Receiver (.2); work on proposed order (.2).	Fates, Edward	1.1	569.25	9,153.05	WO HD TR_____
11/21/18	7674802	Advise G. Rodriguez on issues relating to potential sale of Fernley property.	Fates, Edward	0.3	155.25	9,308.30	WO HD TR_____
12/05/18	7687147	Review order approving Dayton I sale and Washoe V amended sale order, advise Receiver and G. Rodriguez regarding same.	Fates, Edward	0.4	207.00	9,515.30	WO HD TR_____
12/05/18	7687685	Revisions to notice to investors regarding offer for Fernley I property.	Fates, Edward	0.4	207.00	9,722.30	WO HD TR_____
12/06/18	7690447	Advise on closing issues relating to Washoe V and Dayton I sales.	Fates, Edward	0.3	155.25	9,877.55	WO HD TR_____
12/10/18	7693212	Work on motion for approval of sale of Borderland property (1.6); communications with G. Rodriguez regarding same (.3).	Fates, Edward	1.9	983.25	10,860.80	WO HD TR_____
12/11/18	7694089	Work on Receiver's declaration, notice of motion, and proposed order for Borderland sale motion (1.1); communications with Receiver and G. Rodriguez regarding same (.2).	Fates, Edward	1.3	672.75	11,533.55	WO HD TR_____
12/19/18	7702834	Prepare updated Purchase and Sale Agreement for Fernley.	Lorenzen, Jonathan	0.6	245.70	11,779.25	WO HD TR_____
12/19/18	7704516	Begin reviewing the letter of intent for the purchase and sale of 78.84 acres in Lyon, Nevada; begin revising and editing previous Purchase and Sale Agreement to incorporate the new	Thiels, Megan	2.6	845.00	12,624.25	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
		deal points from the letter of intent.					
12/20/18	7703860	Review and revise Purchase and Sale Agreement.	Lorenzen, Jonathan	0.8	327.60	12,951.85	WO HD TR_____
12/20/18	7704539	Finish reviewing the letter of intent for the purchase and sale of 78.84 acres in Lyon, Nevada; finish revising and editing previous Purchase and Sale Agreement to incorporate the new deal points from the letter of intent.	Thiels, Megan	0.9	292.50	13,244.35	WO HD TR_____
12/26/18	7707287	Revise Purchase and Sale Agreement for Fernley.	Lorenzen, Jonathan	0.6	245.70	13,490.05	WO HD TR_____

### Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward Fates	20.3	517.50	10,505.25
002115	Jonathan Lorenzen	3.4	409.50	1,392.30
002306	Megan Thiels	4.9	325.00	1,592.50
		<u>28.6</u>		<u>13,490.05</u>
Total Fees				13,490.05
Total Disbursements				0.00

### Attorney Billing Instructions

( )	BILL ALL	( )	Hold
( )	BILL FEES ONLY	( )	Write Off
( )	BILL COST ONLY	( )	Transfer All

### Billing Instructions

EXPIRES 6/30/19 - 7/2016 rates less 10% DISCOUNT ON FEES (rated code 10)- AUTOMATIC; copies @ .05; no text editing

### Account Summary- As Of 12/31/2018



Fiscal YTD				Calendar YTD			LTD		
	Total	Fees	Disbursement	Total	Fees	Disbursement	Total	Fees	Disbursement
Worked	110,818.20	110,642.20	176.00	48,094.80	47,948.80	146.00	400,807.35	400,580.35	227.00
Unbilled Adj	(176.82)	(0.82)	(176.00)	0.00	0.00	0.00	(213.17)	13.83	(227.00)
Billed	171,617.33	171,617.33	0.00	0.00	0.00	0.00	387,104.13	387,104.13	0.00
Collected	171,617.33	171,617.33	0.00	0.00	0.00	0.00	387,104.13	387,104.13	0.00
AR Write Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>Fees</b>	<b>Cost</b>						
<b>WIP Balance</b>	<b>32,522.80</b>	<b>32,522.80</b>	<b>0.00</b>						
<b>AR Balance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>						
<b>Unalloc Payment</b>	<b>0.00</b>								
<b>Client Trust Balance</b>	<b>0.00</b>								

### Billing Address

Thomas C. Hebrank, as Receiver for Western Financial  
c/o E3 Advisors  
501 West Broadway, Suite 800  
San Diego, CA 92101  
ATTN:

02/15/19 09:52:58 PROFORMA STATEMENT FOR MATTER 372640-00006 (Thomas C. Hebrank, as Receiver for Western Financial) (Claims & Distributions)

### ***Preliminary Billing Form***

Billing Atty: 001665 - Edward Fates

Matter #: 372640-00006

Matter Name: Claims & Distributions

Date of Last Billing: 09-20-2018

Client Name: Thomas C. Hebrank, as Receiver for Western Financial

Proforma Number 1403806

Client/Matter Joint Group # 372640-1

### **Fees for Matter 372640-00006 (Claims & Distributions)**

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
10/03/18	7630976	Discuss issue with interim distribution check with G. Rodriguez.	Fates, Edward	0.2	103.50	103.50	WO HD TR_____
10/05/18	7632831	Call with SEC counsel regarding communications with atty G. Aguirre and issues raised by same.	Fates, Edward	0.2	103.50	207.00	WO HD TR_____
10/10/18	7637187	Revisions to monthly case update to investors for October.	Fates, Edward	0.2	103.50	310.50	WO HD TR_____
10/17/18	7642580	Advise and assist G. Rodriguez in preparing response to investor inquiry regarding cash on hand and future distributions.	Fates, Edward	0.3	155.25	465.75	WO HD TR_____
10/22/18	7645800	Respond to inquiry from counsel for investor regarding timing of distributions.	Fates, Edward	0.2	103.50	569.25	WO HD TR_____
11/02/18	7658847	Respond to inquiry from investor re timing of future distributions.	Fates, Edward	0.2	103.50	672.75	WO HD TR_____
11/07/18	7662048	Communications with Receiver regarding updates to notices on receivership website.	Fates, Edward	0.2	103.50	776.25	WO HD TR_____
11/09/18	7664726	Revisions to monthly update to investors regarding claims,	Fates, Edward	0.4	207.00	983.25	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
		distributions, and property sales.					
12/17/18	7699903	Revisions to monthly case update to investors.	Fates, Edward	0.3	155.25	1,138.50	WO HD TR_____

### Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward Fates	2.2	517.50	1,138.50
		2.2		1,138.50
Total Fees				1,138.50
Total Disbursements				0.00

### Attorney Billing Instructions

( )	BILL ALL	( )	Hold
( )	BILL FEES ONLY	( )	Write Off
( )	BILL COST ONLY	( )	Transfer All

### Billing Instructions

EXPIRES 6/30/19 - 7/2016 rates less 10% DISCOUNT ON FEES (rated code 10)- AUTOMATIC; copies @ .05; no text editing

### Account Summary- As Of 12/31/2018

	Fiscal YTD			Calendar YTD			LTD		
	Total	Fees	Disbursement	Total	Fees	Disbursement	Total	Fees	Disbursement
Worked	45,856.80	45,856.80	0.00	15,236.55	15,236.55	0.00	175,851.90	175,851.90	0.00
Unbilled Adj	0.00	0.00	0.00	0.00	0.00	0.00	(2.15)	(2.15)	0.00
Billed	55,164.15	55,164.15	0.00	0.00	0.00	0.00	174,711.25	174,711.25	0.00
Collected	55,164.15	55,164.15	0.00	0.00	0.00	0.00	174,711.25	174,711.25	0.00
AR Write Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>Fees</b>	<b>Cost</b>						
WIP Balance	3,522.60	3,522.60	0.00						
AR Balance	0.00	0.00	0.00						

<i>Unalloc Payment</i>	<i>0.00</i>
<i>Client Trust Balance</i>	<i>0.00</i>

**Billing Address**

Thomas C. Hebrank, as Receiver for Western Financial  
c/o E3 Advisors  
501 West Broadway, Suite 800  
San Diego, CA 92101  
ATTN:

02/15/19 09:52:58 PROFORMA STATEMENT FOR MATTER 372640-00007 (Thomas C. Hebrank, as Receiver for Western Financial) (Third Party Recoveries)

### ***Preliminary Billing Form***

Billing Atty: 001665 - Edward Fates

Matter #: 372640-00007

Matter Name: Third Party Recoveries

Date of Last Billing: 09-20-2018

Client Name: Thomas C. Hebrank, as Receiver for Western Financial

Proforma Number 1403807

Client/Matter Joint Group # 372640-1

### **Fees for Matter 372640-00007 (Third Party Recoveries)**

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
10/01/18	7629035	Analyze Rabobank payoff, lease issues, and related information from post-judgment receiver.	Fates, Edward	0.2	103.50	103.50	WO HD TR_____
10/04/18	7632227	Advise Receiver on strategy and timing regarding Rabobank payoff issues.	Fates, Edward	0.2	103.50	207.00	WO HD TR_____
10/09/18	7636082	Communications with post-judgment receiver regarding sale process for LinMar III property and timing of removal of contingencies.	Fates, Edward	0.2	103.50	310.50	WO HD TR_____
10/12/18	7639853	Review updated information and escrow extension for purchase of LinMar III property from post-judgment receiver.	Fates, Edward	0.2	103.50	414.00	WO HD TR_____
10/15/18	7640514	Calls with post-judgment receiver and G. Rodriguez regarding anticipated timing of sale closing and Rabobank issues.	Fates, Edward	0.7	362.25	776.25	WO HD TR_____
10/17/18	7643060	Review demand letter from counsel for Rabobank and discuss same with Receiver and G. Rodriguez.	Fates, Edward	0.4	207.00	983.25	WO HD TR_____
10/26/18	7650575	Call from atty P. Dyson regarding	Fates, Edward	0.3	155.25	1,138.50	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
		LinMar III sale process and Rabobank demand letter.					
11/05/18	7659012	Communications with post-judgment receiver regarding status of issues with buyer of LinMar III property.	Fates, Edward	0.3	155.25	1,293.75	WO HD TR_____
11/14/18	7669098	Communications with post-judgment receiver regarding anticipated timing of sale closing, advise Receiver and G. Rodriguez regarding next steps.	Fates, Edward	0.3	155.25	1,449.00	WO HD TR_____
12/06/18	7711359	Review and load video of Niebuhr inspection.	Hsu, Tim	0.7	367.50	1,816.50	WO HD TR_____
12/07/18	7691424	Advise regarding Rabobank payoff issues for potential sale of LinMar III property.	Fates, Edward	0.4	207.00	2,023.50	WO HD TR_____
12/18/18	7701021	Review post-judgment receiver's 22nd report.	Fates, Edward	0.3	155.25	2,178.75	WO HD TR_____
12/19/18	7702757	Analyze issues regarding sale of LinMar III property by post-judgment receiver and projected payouts to lienholders (.3); discuss same with G. Rodriguez (.2); communications with SEC counsel regarding same (.4).	Fates, Edward	0.9	465.75	2,644.50	WO HD TR_____
12/21/18	7705612	Calls with P. Dyson, post-judgment receiver and title company re: title issues for sale of LinMar III property (.8); advise Receiver re: same (.3).	Fates, Edward	1.1	569.25	3,213.75	WO HD TR_____
12/26/18	7707237	Communications with post-judgment receiver and SEC counsel regarding title issues and lien release documents for sale closing.	Fates, Edward	0.7	362.25	3,576.00	WO HD TR_____
12/27/18	7707964	Communications with post-judgment receiver and SEC counsel regarding	Fates, Edward	0.7	362.25	3,938.25	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
		execution and notarization of lien release and zero demand for LinMar III sale.					
12/27/18	7709548	Correspondence and attention to issue for SEC's release of lien (0.3).	Hsu, Tim	0.3	157.50	4,095.75	WO HD TR_____

### Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward Fates	6.9	517.50	3,570.75
002055	Tim Hsu	1.0	525.00	525.00
		<u>7.9</u>		<u>4,095.75</u>
Total Fees				4,095.75
Total Disbursements				0.00

### Attorney Billing Instructions

( )	BILL ALL	( )	Hold
( )	BILL FEES ONLY	( )	Write Off
( )	BILL COST ONLY	( )	Transfer All

### Billing Instructions

EXPIRES 6/30/19 - 7/2016 rates less10% DISCOUNT ON FEES (rated code 10)- AUTOMATIC; copies @ .05; no text editing

### Account Summary- As Of 12/31/2018

	Fiscal YTD			Calendar YTD			LTD		
	Total	Fees	Disbursement	Total	Fees	Disbursement	Total	Fees	Disbursement
Worked	19,834.95	19,834.95	0.00	11,082.00	11,082.00	0.00	152,603.40	152,603.40	0.00
Unbilled Adj	0.00	0.00	0.00	0.00	0.00	0.00	(2.80)	(2.80)	0.00
Billed	8,383.50	8,383.50	0.00	0.00	0.00	0.00	148,504.85	148,504.85	0.00
Collected	8,383.50	8,383.50	0.00	0.00	0.00	0.00	148,504.85	148,504.85	0.00
AR Write Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



	<i>Total</i>	<i>Fees</i>	<i>Cost</i>
<i>WIP Balance</i>	<i>12,279.45</i>	<i>12,279.45</i>	<i>0.00</i>
<i>AR Balance</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
<i>Unalloc Payment</i>	<i>0.00</i>		
<i>Client Trust Balance</i>	<i>0.00</i>		

#### Billing Address

Thomas C. Hebrank, as Receiver for Western Financial  
c/o E3 Advisors  
501 West Broadway, Suite 800  
San Diego, CA 92101  
ATTN:

02/15/19 09:52:58 PROFORMA STATEMENT FOR MATTER 372640-00009 (Thomas C. Hebrank, as Receiver for Western Financial)  
(Employment/Fees)

### ***Preliminary Billing Form***

Billing Atty: 001665 - Edward Fates

Matter #: 372640-00009

Matter Name: Employment/Fees

Date of Last Billing: 09-20-2018

Client Name: Thomas C. Hebrank, as Receiver for Western Financial

Proforma Number 1403808

Client/Matter Joint Group # 372640-1

### **Fees for Matter 372640-00009 (Employment/Fees)**

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
10/08/18	7634749	Respond to inquiry from local counsel in NV regarding timing of fee applications.	Fates, Edward	0.1	51.75	51.75	WO HD TR_____
11/20/18	7673606	Communications with L. Benjamin regarding preparation of Duffy fee application.	Fates, Edward	0.2	103.50	155.25	WO HD TR_____
12/03/18	7683990	Discuss Holley Driggs fee application with Receiver.	Fates, Edward	0.2	103.50	258.75	WO HD TR_____
12/07/18	7691154	Communications with Receiver and Duffy re: third quarter fee applications.	Fates, Edward	0.2	103.50	362.25	WO HD TR_____
12/10/18	7692333	Revisions to Duffy 10th fee application (.7); communications with L. Benjamin regarding same (.1).	Fates, Edward	0.8	414.00	776.25	WO HD TR_____
12/13/18	7697811	Revisions to Receiver's 25th fee application, discuss same with Receiver.	Fates, Edward	0.7	362.25	1,138.50	WO HD TR_____
12/14/18	7698685	Revisions to fee application of NV local counsel (.2); meet and confer communications with SEC counsel regarding fee applications (.2).	Fates, Edward	0.4	207.00	1,345.50	WO HD TR_____

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum	Circle Action
12/20/18	7703340	Meet and confer communications with SEC counsel regarding transmission of fee applications and exhibits.	Fates, Edward	0.2	103.50	1,449.00	WO HD TR_____

### Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward Fates	2.8	517.50	1,449.00
		2.8		1,449.00
Total Fees				1,449.00
Total Disbursements				0.00

### Attorney Billing Instructions

( )	BILL ALL	( )	Hold
( )	BILL FEES ONLY	( )	Write Off
( )	BILL COST ONLY	( )	Transfer All

### Billing Instructions

EXPIRES 6/30/19 - 7/2016 rates less 10% DISCOUNT ON FEES (rated code 10)- AUTOMATIC; copies @ .05; no text editing

### Account Summary- As Of 12/31/2018

	Fiscal YTD			Calendar YTD			LTD		
	Total	Fees	Disbursement	Total	Fees	Disbursement	Total	Fees	Disbursement
Worked	10,505.25	10,505.25	0.00	3,363.75	3,363.75	0.00	30,356.10	30,356.10	0.00
Unbilled Adj	0.00	0.00	0.00	0.00	0.00	0.00	(44.26)	(44.26)	0.00
Billed	7,659.00	7,659.00	0.00	0.00	0.00	0.00	28,862.84	28,862.84	0.00
Collected	7,659.00	7,659.00	0.00	0.00	0.00	0.00	28,862.84	28,862.84	0.00
AR Write Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>WIP Balance</b>	<b>6,572.25</b>	<b>6,572.25</b>	<b>0.00</b>						
<b>AR Balance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>						