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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
16 COMMISSION,

17 Plaintiff,

18 v.

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

22 Defendants.

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

**RECEIVER'S THIRTIETH INTERIM
REPORT**

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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 on Schedule 1 to
4 the Preliminary Injunction Order entered on March 13, 2013 (collectively,
5 "Receivership Entities"), submits this Thirtieth Interim Report, which focuses on
6 the Receiver's activities during the fourth quarter of 2019.

7 **I. EXECUTIVE SUMMARY**

8 The Receiver continued his work to preserve and protect the assets of the
9 Receivership Entities, including marketing and selling properties pursuant to the
10 Court-approved Modified Orderly Sale Procedures. On April 8, 2019, the
11 Receiver filed a motion seeking authority to make a second round of interim
12 distributions in the total amount of \$6,000,000, which motion was approved on
13 June 17, 2019. Dkt. 1727. Accordingly, the Receiver issued distribution checks
14 totaling \$5,934,758 to investors with allowed claims in July 2019 (as discussed
15 below, the difference between the total distributions sent out and the amount
16 approved for distribution is due to the small number of investors the Receiver has
17 been unable to contact). As of December 31, 2019, a total of \$5,803,083 in
18 distribution checks had cleared the receivership account for the second
19 distribution. The Receiver also continued to address other legal issues unique to
20 certain properties. In addition, the Receiver prepared his Twenty-Ninth Interim
21 Report, which was filed on November 20, 2019. Dkt. 1748.

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

23 The Receiver's primary focus since his appointment has been on preserving
24 and protecting the Receivership Entities' assets. These activities fall into the
25 following general categories:
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1 **A. Business Operations**

2 The Receiver continued to operate the Receivership Entities, process
3 receipts and disbursements, and address issues regarding real properties, letters of
4 intent from potential purchasers, and related issues.

5 **B. Closed and Pending Property Sales**

6 To date, the Receiver has closed 29 sales of receivership properties, opened
7 escrow with a buyer for a part of one additional property, is negotiating the PSA
8 for an additional property and has the remaining 6 properties listed for sale with
9 licensed brokers. The following is a summary of recently closed and pending
10 sales:

- 11 • On July 19, 2019, the Receiver moved for approval of the sale of the
12 Yuma I, Yuma II, Yuma III, and Western-owned Yuma
13 properties. Dkt. 1735. The motion was granted on November 13, 2019
14 (Dkt. 1747) and the sale closed on January 24, 2020.
- 15 • On February 11, 2020, the Receiver opened escrow for a two-acre
16 section of the Minden property. As part of the sale, the buyer must
17 subdivide the two-acre section from the remainder of the Minden
18 parcel. The buyer is expected to release all contingencies under the
19 purchase and sale agreement (other than Court approval) by April 11,
20 2020.
- 21 • The Receiver is negotiating a sale of the Silver Springs Property;
22 however, due to the current Covid-19 changes in the market, it is
23 unknown if the purchase and sale agreement will be signed.

24 **C. Pending Offers and Negotiations**

25 The Receiver has continued to list the remaining unsold properties for sale
26 through licensed brokers and vet all offers received. Consistent with the Modified
27 Orderly Sale Process, the Receiver will notify investors of all credible offers.

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III. RECEIPTS AND DISBURSEMENTS

Attached hereto as Exhibit A is a summary of the receipts and disbursements for the consolidated receivership accounts during the fourth quarter of 2019. Receipts during the period comprised of proceeds from the sales of receivership properties and bank interest earned on the account balance. During this past quarter, because of the higher balances expected to accrue for a short period of time, the Receiver was able to negotiate a higher rate of interest¹ for the bank account that holds the majority of cash in the receivership estate.

Attached as Exhibit B is the Standardized Fund Accounting Report for the fourth quarter of 2019. As noted above, on April 8, 2019, the Receiver filed a motion seeking authority to make a second round of interim distributions in the total amount of \$6,000,000, which motion was granted on June 17, 2019. Accordingly, on July 24, 2019, interim distribution checks totaling \$5,934,758 were mailed/wired out to investors with allowed claims. The difference between the sent distributions and the amount approved for distribution is due to the small number of investors that the Receiver has been unable to contact.

For investors for whom the Receiver does not have current contact information, the Receiver has reached out to all known points of contact (e.g. mailing addresses, email addresses, and phone numbers). When those efforts were unsuccessful, the Receiver's staff has conducted internet searches on those investor points of contact to see if the investor, or even a relative of the investor, could be located. In some instances, these efforts have been successful. If, however, the Receiver is unable to locate current contact information for an investor, then, as provided for in the Court-approved Distribution Plan, the investor's claim will be permanently extinguished before the third and final distribution is made. The Receiver hopes to sell the remaining receivership

¹ The interest rate was doubled by Banner Bank as compared to its regular market rate.

1 properties this year and will then seek authority to make a final distribution and
2 wrap up the receivership.

3 **IV. INVESTOR COMMUNICATIONS**

4 The Receiver has continued to update his website, www.ethreadvisors.com,
5 with orders entered by the Court, Receiver reports, and briefs filed by the parties
6 that pertain directly to the receivership. The Receiver and his staff have also
7 responded to numerous inquiries from investors and other interested parties about
8 the receivership, distribution checks, and have updated the Case Updates section of
9 the Receiver's website to address common questions and themes in correspondence
10 from investors. The Receiver has provided answers to Frequently Asked
11 Questions to address common investor questions and misconceptions about the
12 receivership.

13 Investors are again reminded of the importance of informing the Receiver of
14 any change in their email address or physical address, especially if they have an
15 allowed claim and have not received an interim distribution check.

16 The Receiver continues to provide monthly email updates to all investors.
17 The emails provide investors with updates on new and anticipated developments in
18 the receivership, including sales of properties. Each case update reminds investors
19 to provide updated contact information if their contact information changes.
20 Investors are able to sign up to receive these updates on the Receiver's website or
21 to "unsubscribe" from receiving them if they choose.

22 **V. RECOMMENDATIONS**

23 The Receiver recommends the receivership continue pursuant to the Court's
24 orders until the remaining properties have been sold, the distribution process
25 pursuant to the Court-approved Distribution Plan has been completed, and the
26 Receiver has provided his final report and accounting.

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VI. CONCLUSION

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

Dated: March 31, 2020

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

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

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION	PAGE NO.
Exhibit A	Summary of Receipts and Disbursements for Consolidated Receivership Accounts During Fourth Quarter of 2019	8
Exhibit B	Standardized Fund Accounting Report	10

EXHIBIT A

EXHIBIT A

	Oct-19	Nov-19	Dec-19	Q4 2019 TOTAL	2019 Annual
Balance - Money Market Account	3,083,980	3,087,052	3,084,210	3,084,210	7,467,646
Balance - Operating Account	564,060	452,870	416,339	416,339	96,769
Total	3,648,039	3,539,923	3,500,549	3,500,549	7,564,415
36000 · Interest - Money Market Account	3,073	2,710	2,752	8,534	71,362
37000 - Linmar Settlement	-	44,448	-	44,448	164,448
48000 · Sales - Partnership Property	-	-	-	-	2,008,506
67000 · Property Tax - Refund	-	-	-	-	-
	3,073	47,158	2,752	52,983	2,244,316
Transfer to Operating Account from Money Market/Claim Accounts	-	50,000	-	50,000	6,625,000
47900 · Sales - WFPC Property	-	-	-	-	-
48000 · Sales - Partnership Property	-	-	-	-	-
66500 · LLC Filing Fees - Refund	-	-	-	-	-
67000 · Property Tax - Refund	-	-	-	-	-
68600 · Utilities - Refund	-	-	-	-	359
	-	50,000	-	50,000	6,625,359
Transfer from Money Market Account to Operating Account	-	50,000	-	50,000	6,625,000
Transfer from Money Market Account to Claims Distribution	-	-	-	-	-
	-	50,000	-	50,000	6,625,000
60000 · Marketing of Property Sales	-	-	-	-	2,599
60400 - Bank Service Charges	21	32	284	338	2,193
61700 · Computer and Internet Disbursementss	534	1,349	534	2,417	7,047
63300 · Insurance Disbursements	750	-	-	750	750
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	-	3	6	9	1,725
65500 · Printing Services	-	4	8	12	2,195
66500 · LLC Filing Fees	650	-	-	650	819
66650 · Legal Fees	-	15,799	-	15,799	94,954
66700 · Professional Fees	-	-	-	-	-
66750 · Receiver Fees	-	33,062	-	33,062	121,158
66800 · Tax Preparation Services	-	-	-	-	37,490
66830 · Permit Fees	-	-	-	-	200
67000 · Property Tax	-	5,503	-	5,503	43,289
67050 - Property Tax Special Assessment	-	-	-	-	33,706
67500 · Storage	863	863	818	2,544	10,082
68000 · Taxes - Federal and State	-	-	1,173	1,173	1,973
68600 · Utilities	-	-	-	-	1,237
68800 - Claims Distribution	108,371	29,916	16,469	154,756	5,963,666
69000 · WFP-Partnership Capital Contribution Refunds	-	-	-	-	-
	111,190	86,532	19,292	217,013	6,325,081
Ending Balance - Money Market Account	3,087,052	3,084,210	3,086,962	3,086,962	3,086,962
Ending Balance - WFP Receivership	452,870	416,339	397,047	397,047	397,047
Total Ending Balance	3,539,923	3,500,549	3,484,009	3,484,009	3,484,009

EXHIBIT B

EXHIBIT B

Thomas C. Hebrank, Receiver
E3 Advisors
501 West Broadway, Suite 290
San Diego, CA 92101
(619) 567-7223

STANDARDIZED FUND ACCOUNTING REPORT

CIVIL - RECEIVERSHIP FUND

SECURITIES AND EXCHANGE COMMISSION,
Plaintiff,

v.

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

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

REPORTING PERIOD 10/01/2019 TO 12/31/2019

FUND ACCOUNTING (See instructions):				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 10/01/19):	3,648,039		3,648,039
	<i>Increases in Fund Balance:</i>			
Line 2	Business Income	-		-
Line 3	Cash and Securities	-		-
Line 4	Interest/Dividend Income	8,534		8,534
Line 5	Business Asset Liquidation	44,449		44,449
Line 6	Personal Asset Liquidation	-		-
Line 7	Third-Party Litigation Income	-		-
Line 8	Misc - Insurance & Prop Tax Refunds	-		-
	Total Funds Available (Lines 1 - 8):	3,701,022		3,701,022
	<i>Decreases in Fund Balance:</i>			
Line 9	Disbursements to Investors	(154,756)		(154,756)
Line 10	Disbursements to Receivership Operations			
Line 10a	Disbursement to Receiver or Other Professionals	(48,861)		(48,861)
Line 10b	Business Asset Expenses	(13,396)		(13,396)
Line 10c	Personal Asset Expenses	-		-
Line 10d	Investment Expenses	-		-
Line 10e	Third-Party Litigation Expenses	-		-
	1. Attorney Fees	-		-
	2. Litigation Expenses	-		-
	Total Third-Party Litigation Expenses	-		-
	Line 10f Tax Administrator Fees and Bonds	-		-
	Line 10g Federal and State Tax Payments	-		-
	Total Disbursements for Receivership Operations			(62,257)
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	-		-
	Total Plan Developmental Expenses	-		-
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	-		-
	Total Plan Implementation Expenses	-		-
	Total Disbursements for Distribution Expenses Paid by the Fund			-
Line 12	Disbursements to Court/Other:			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees	-		-
Line 12b	Federal Tax Payments	-		-
	Total Disbursement to Court/Other:	-		-
	Total Funds Disbursed (Lines 9 - 11):			(217,013)
Line 13	Ending Balance (As of 12/31/2019):			3,484,009

Line 14 Ending Balance of Fund - Net Assets:			
<i>Line 14a Cash & Cash Equivalents</i>			3,484,009
<i>Line 14b Investments</i>			-
<i>Line 14c Other Assets or Uncleared Funds</i>			-
Total Ending Balance of Fund - Net Assets			3,484,009
OTHER SUPPLEMENTAL INFORMATION:			
	<u>Detail</u>	<u>Subtotal</u>	<u>Grand Total</u>
Report of Items NOT to be Paid by the Fund:			
Line 15 Disbursement for Plan Administration Expenses Not Paid by the Fund:			
<i>Line 15a Plan Development Expenses Not Paid by the Fund:</i>			
1. Fees:			
Fund Administrator.....	-		-
IDC.....	-		-
Distribution Agent.....	-		-
Consultants.....	-		-
Legal Advisors.....	-		-
Tax Advisors.....	-		-
2. Administrative Expenses	-		-
3. Miscellaneous	-		-
Total Plan Developmental Expenses Not Paid by the Fund			-
<i>Line 15b Plan Implementation Expenses Not Paid by the Fund</i>			
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	-		-
Total Plan Implementation Expenses Not Paid by the Fund			-
<i>Line 15c Tax Administrator Fees & Bonds Not Paid by the Fund</i>			
Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16 Disbursements to Court/Other Not Paid by the Fund:			
<i>Line 16a Investment Expenses/CRIS Fees</i>	-		-
<i>Line 16b Federal Tax Payments</i>	-		-
Total Disbursement to Court/Other Not Paid by the Fund:			-
Line 17 DC & State Tax Payments			
	-		-
Line 18 No. of Claims:			
<i>Line 18a # of Claims Received This Reporting Period.....</i>			0
<i>Line 18b # of Claims Received Since Inception of Fund.....</i>			0
Line 19 No. of Claimants/Investors:			
<i>Line 19a # of Claimants/Investors Paid this Reporting Period.....</i>			0
<i>Line 19b # of Claimants/Investors Paid Since Inception of Fund.....</i>			3318

Receiver:

By:

Thomas C Hebrank

Thomas C. Hebrank
 Court-Appointed Receiver

Date:

3/30/20