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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 THIRTY-THIRD
INTERIM REPORT**

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 Thirty-Third Interim Report, which focuses
 6 on the Receiver's activities during the third quarter of 2020.

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. The Receiver also continued
 11 to address other legal issues unique to certain properties. In addition, the Receiver
 12 prepared his Thirty-Second Interim Report, which was filed on September 10,
 13 2020. Dkt. 1785.

14 At this point, there are only a few receivership properties remaining to be
 15 sold. The Receiver hopes to complete those sales in the first half of 2021 and
 16 begin the process of closing the receivership, including seeking authority to make
 17 a final distribution to investors with allowed claims.

18 II. SUMMARY OF RECEIVER'S ACTIVITIES

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

22 A. Business Operations

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

26 B. Closed and Pending Property Sales

27 Like most business sectors and markets, the real estate market has been
 28 adversely affected by the global COVID-19 pandemic. The Receiver is closely

1 monitoring the pandemic's effects on the values for the remaining assets in this
2 receivership. However, to date, the Receiver has closed 33 sales of receivership
3 properties and only three properties remain to be sold. The Receiver is in escrow
4 on one property, and in negotiations with buyers for the remaining two properties.

5 The property that is currently under contract is the previously approved
6 Washoe III property. As discussed in the last report, the property went to auction
7 and the winning bidder backed out of the transaction after the Court approved the
8 sale. The winning bidder did not complete their due diligence of the property
9 despite having time to perform that due diligence and after signing a fully non-
10 contingent overbid purchase and sale agreement. After various attempts to
11 negotiate with the winning bidder to either continue the sale or for the release of
12 their deposit to the Receiver failed, the Receiver began to market the property for
13 sale again. Recently, the winning bidder has indicated they are willing to purchase
14 the property, but at a price approximately 60% lower than their approved price.
15 Instead, the Receiver has accepted a higher offer from a competing prospective
16 buyer that is still significantly lower than the previously approved price.
17 Assuming that the prospective buyer removes their contingencies, the Receiver
18 will seek Court approval of that sale. While seeking that approval, the Receiver
19 intends to seek an Order from the Court determining that the Receiver is entitled to
20 the previous earnest money deposit from the prior Court-approved sale. The
21 escrow company has previously indicated that they are open to such an Order from
22 the Court to resolve the dispute concerning the deposit funds.

23 The Receiver is expecting to complete negotiations for the other two
24 remaining properties, the Western owned property in Dayton that is listed for
25 \$125,000 and the remainder of the Minden property that is expected to sell for
26 about \$900,000, in November 2020. Once due diligence is completed for each
27 respective property, the Receiver will seek approval for both sales. In particular,
28 the Minden property may take some time as the County is still finalizing the parcel

1 split and that work must be completed before the buyer completes their due
 2 diligence. It is anticipated that the Receiver will be seeking approval for both sales
 3 in December 2020 or January 2021.

4 **III. RECEIPTS AND DISBURSEMENTS**

5 Attached hereto as Exhibits A and B are (a) a summary of the receipts and
 6 disbursements for the consolidated receivership accounts, and (b) the Standardized
 7 Fund Accounting Report for the third quarter of 2020. Receipts during the period
 8 were comprised of property sales and bank interest earned. During this past
 9 quarter, because of the higher balances expected to accrue for a short period of
 10 time, the Receiver was able to negotiate a higher rate of interest¹ for the bank
 11 account that holds the majority of cash in the receivership estate.

12 **IV. INVESTOR COMMUNICATIONS**

13 The Receiver has continued to update his website, www.ethreeadvisors.com,
 14 with orders entered by the Court, Receiver reports, and briefs filed by the parties
 15 that pertain directly to the receivership. The Receiver and his staff have also
 16 responded to numerous inquiries from investors and other interested parties about
 17 the receivership, distribution checks, and have updated the Case Updates section of
 18 the Receiver's website to address common questions and themes in correspondence
 19 from investors. The Receiver has provided answers to Frequently Asked
 20 Questions to address common investor questions and misconceptions about the
 21 receivership.

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

25 The Receiver continues to provide periodic email updates to all investors.
 26 The emails provide investors with updates on new and anticipated developments in

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

1 the receivership, including sales of properties. Each case update reminds investors
 2 to provide updated contact information if their contact information changes.
 3 Investors are able to sign up to receive these updates on the Receiver's website or
 4 to "unsubscribe" from receiving them if they choose. Investors are also invited to
 5 submit offers on any remaining properties.

6 **V. RECOMMENDATIONS**

7 The Receiver recommends the receivership continue pursuant to the Court's
 8 orders until the remaining properties have been sold, the distribution process
 9 pursuant to the Court-approved Distribution Plan has been completed, and the
 10 Receiver has provided his final report and accounting. As noted above, the
 11 Receiver hopes to complete the sales of remaining receivership properties in the
 12 first half of 2021 and begin the process of closing the receivership, including
 13 seeking authority to make a final distribution to investors with allowed claims.

14 **VI. CONCLUSION**

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

17
 18 Dated: November 24, 2020

ALLEN MATKINS LECK GAMBLE
 MALLORY & NATSIS LLP

19 By: /s/ Edward Fates

20 EDWARD G. FATES
 Attorneys for Receiver
 THOMAS C. HEBRANK
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EXHIBIT A

EXHIBIT A

	Jul-20	Aug-20	Sep-20	Q3 2020 TOTAL
Balance - Money Market Account	2,963,570	2,964,826	3,221,624	3,221,624
Balance - Operating Account	496,591	490,836	436,179	436,179
Total	3,460,162	3,455,662	3,657,803	3,657,803
Receipts - Money Market Account				
36000 · Interest - Money Market Account	1,255	1,311	1,364	3,930
37000 · Linmar Settlement	-	-	-	-
48000 · Sales - Partnership Property	-	255,488	489,348	744,835
67000 · Property Tax - Refund	-	-	-	-
Total Receipts - Money Market Account	1,255	256,799	490,712	748,766
Receipts - Operating Account				
Transfer to Operating Account from Money Market/Claim Accounts	-	-	-	-
47900 · Sales - WFPC Property	-	-	-	-
48000 · Sales - Partnership Property	-	-	-	-
66500 · LLC Filing Fees - Refund	-	-	-	-
67000 · Property Tax - Refund	-	-	-	-
68600 · Utilities - Refund	-	-	-	-
Total Receipts - Operating Account	-	-	-	-
Disbursements - Money Market Account				
Transfer from Money Market Account to Operating Account	-	-	-	-
Transfer from Money Market Account to Claims Distribution	-	-	-	-
Total Disbursements - Money Market Account	-	-	-	-
Disbursements - Operating Account				
60000 · Marketing of Property Sales	1,574	-	-	1,574
60400 · Bank Service Charges	15	11	16	42
61700 · Computer and Internet Disbursementss	619	479	619	1,717
63300 · Insurance Disbursements	-	-	-	-
63400 · Interest on Mortgages	-	-	-	-
63450 · Mortgage Payoff Fees	-	-	-	-
63451 · Mortgage Late Penalties	-	-	-	-
63460 · Loan Write Off - Paid in Full	-	-	-	-
63500 · Maintenance	-	-	3	3
65000 · Postage & Shipping Fees	-	-	3	3
65500 · Printing Services	-	-	-	-
66500 · LLC Filing Fees	125	-	650	775
66650 · Legal Fees	-	5,706	-	5,706
66700 · Professional Fees	-	-	-	-
66750 · Receiver Fees	-	11,573	-	11,573
66800 · Tax Preparation Services	-	-	-	-
66830 · Permit Fees	-	-	-	-
67000 · Property Tax	-	3,823	4,604	8,427
67050 · Property Tax Special Assessment	-	32,101	-	32,101
67500 · Storage	960	963	963	2,886
68000 · Taxes - Federal and State	-	-	-	-
68600 · Utilities	-	-	-	-
68800 · Claims Distribution	2,463	-	20,747	23,210
69000 · WFP-Partnership Capital Contribution Refunds	-	-	-	-
Total Disbursements - Operating Account	5,755	54,657	27,604	88,016
Ending Balance - Money Market Account	2,964,826	3,221,624	3,712,336	3,712,336
Ending Balance - WFP Receivership	490,836	436,179	408,575	408,575
Total Ending Balance	3,455,662	3,657,803	4,120,911	4,120,911

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 07/01/2020 TO 09/30/2020

FUND ACCOUNTING (See instructions):			
	Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 07/01/20):	3,460,162	3,460,162
	<i>Increases in Fund Balance:</i>		
Line 2	Business Income	-	-
Line 3	Cash and Securities	-	-
Line 4	Interest/Dividend Income	3,930	3,930
Line 5	Business Asset Liquidation	744,836	744,836
Line 6	Personal Asset Liquidation	-	-
Line 7	Third-Party Litigation Income	-	-
Line 8	Misc - Insurance & Prop Tax Refunds	-	-
	Total Funds Available (Lines 1 - 8):	4,208,928	4,208,928
	<i>Decreases in Fund Balance:</i>		
Line 9	Disbursements to Investors	(23,210)	(23,210)
Line 10	Disbursements to Receivership Operations		
Line 10a	Disbursement to Receiver or Other Professionals	(17,279)	(17,279)
Line 10b	Business Asset Expenses	(47,528)	(47,528)
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		(64,807)
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):		(88,017)
Line 13	Ending Balance (As of 09/30/2020):		4,120,911

Line 14 Ending Balance of Fund - Net Assets:			
Line 14a Cash & Cash Equivalents			4,120,911
Line 14b Investments			-
Line 14c Other Assets or Uncleared Funds			-
Total Ending Balance of Fund - Net Assets			4,120,911
OTHER SUPPLEMENTAL INFORMATION:			
	Detail	Subtotal	Grand Total
Report of Items NOT to be Paid by the Fund:			
Line 15 Disbursement for Plan Administration Expenses Not Paid by the Fund:			
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	-		-
Total Plan Developmental Expenses Not Paid by the Fund			-
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	-		-
Total Plan Implementation Expenses Not Paid by the Fund			-
Line 15c Tax Administrator Fees & Bonds Not Paid by the Fund			-
Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16 Disbursements to Court/Other Not Paid by the Fund:			
Line 16a Investment Expenses/CRIS Fees	-		-
Line 16b Federal Tax Payments	-		-
Total Disbursement to Court/Other Not Paid by the Fund:			-
Line 17 DC & State Tax Payments	-		-
Line 18 No. of Claims:			
Line 18a # of Claims Received This Reporting Period.....			0
Line 18b # of Claims Received Since Inception of Fund.....			0
Line 19 No. of Claimants/Investors:			
Line 19a # of Claimants/Investors Paid this Reporting Period.....			0
Line 19b # of Claimants/Investors Paid Since Inception of Fund.....			3318

Receiver: Thomas C Hebrank
 By: Thomas C. Hebrank
 Thomas C. Hebrank
 Court-Appointed Receiver

Date: 11/24/20