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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-FOURTH
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-Fourth Interim Report, which focuses
 6 on the Receiver's activities during the fourth 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-Third Interim Report, which was filed on November 28, 2020.
 13 Dkt. 1789.

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.

4 Of the three remaining receivership properties, the Receiver recently
 5 received approval for the sale of one property and is in escrow on the remaining
 6 two properties. The property recently approved for sale is the Western-owned
 7 Dayton land. That transaction is expected to close in February 2021 due to a
 8 looming deadline for the buyer's 1031 Exchange. The two properties in escrow
 9 are the Washoe III property, which sale motion is currently set for hearing on
 10 March 12, 2021 (the overbid deadline is February 22, 2021), and the remainder of
 11 the Minden property which is pending a contingency removal by the buyer.

12 Once the final property sale is closed, the Receiver will seek an Order from
 13 the Court to make a final distribution and to wind up the case. Based on current
 14 timing, this is anticipated in the second or third quarter of 2021.

15 **III. RECEIPTS AND DISBURSEMENTS**

16 Attached hereto as Exhibits A and B are (a) a summary of the receipts and
 17 disbursements for the consolidated receivership accounts, and (b) the Standardized
 18 Fund Accounting Report for the fourth quarter of 2020. Receipts during the period
 19 were comprised of property sales and bank interest earned. During this past
 20 quarter, because of the higher balances expected to accrue for a short period of
 21 time, the Receiver was able to negotiate a higher rate of interest¹ for the bank
 22 account that holds the majority of cash in the receivership estate.

23 **IV. INVESTOR COMMUNICATIONS**

24 The Receiver has continued to update his website, www.ethreeadvisors.com,
 25 with orders entered by the Court, Receiver reports, and briefs filed by the parties
 26 that pertain directly to the receivership. The Receiver and his staff have also

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

1 responded to numerous inquiries from investors and other interested parties about
2 the receivership, distribution checks, and have updated the Case Updates section of
3 the Receiver's website to address common questions and themes in correspondence
4 from investors. The Receiver has provided answers to Frequently Asked
5 Questions to address common investor questions and misconceptions about the
6 receivership.

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

10 The Receiver continues to provide periodic email updates to all investors.
11 The emails provide investors with updates on new and anticipated developments in
12 the receivership, including sales of properties. Each case update reminds investors
13 to provide updated contact information if their contact information changes.
14 Investors are able to sign up to receive these updates on the Receiver's website or
15 to "unsubscribe" from receiving them if they choose. Investors are also invited to
16 submit offers on any remaining properties.

17 **V. RECOMMENDATIONS**

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

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VI. CONCLUSION

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

Dated: February 23, 2021

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	7
Exhibit B	Standardized Fund Accounting Report	9

EXHIBIT A

EXHIBIT A

	Oct-20	Nov-20	Dec-20	Q4 2020 TOTAL
Balance - Money Market Account	3,712,336	3,113,720	3,114,996	3,116,026
Balance - Operating Account	408,575	1,006,149	987,281	970,847
Total	4,120,911	4,119,869	4,102,278	4,086,873
36000 · Interest - Money Market Account	1,384	1,276	1,030	3,690
37000 · Linmar Settlement	-	-	-	-
48000 · Sales - Partnership Property	-	-	-	-
67000 · Property Tax - Refund	-	-	-	-
	1,384	1,276	1,030	3,690
Transfer to Operating Account from Money Market/Claim Accounts	600,000	-	-	600,000
47900 · Sales - WFPC Property	-	-	-	-
48000 · Sales - Partnership Property	-	-	-	-
66500 · LLC Filing Fees - Refund	-	-	-	-
67000 · Property Tax - Refund	-	-	-	-
68600 · Utilities - Refund	-	-	-	-
	600,000	-	-	600,000
Transfer from Money Market Account to Operating Account	600,000	-	-	600,000
Transfer from Money Market Account to Claims Distribution	-	-	-	-
	600,000	-	-	600,000
60000 · Marketing of Property Sales	-	443	584	1,027
60400 · Bank Service Charges	96	18	5	119
61700 · Computer and Internet Disbursementss	364	139	139	642
63300 · Insurance Disbursements	-	-	-	-
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	1	-	2	3
65500 · Printing Services	1	-	2	3
66500 · LLC Filing Fees	-	-	-	-
66650 · Legal Fees	-	-	-	-
66700 · Professional Fees	-	-	-	-
66750 · Receiver Fees	-	-	13,883	13,883
66800 · Tax Preparation Services	-	-	-	-
66830 · Permit Fees	-	-	-	-
67000 · Property Tax	-	7,788	-	7,788
67050 · Property Tax Special Assessment	-	-	-	-
67500 · Storage	963	963	963	2,890
68000 · Taxes - Federal and State	-	-	-	-
68600 · Utilities	-	-	-	-
68800 · Claims Distribution	1,001	9,517	857	11,375
69000 · WFP-Partnership Capital Contribution Refunds	-	-	-	-
	2,426	18,868	16,434	37,728
Ending Balance - Money Market Account	3,113,720	3,114,996	3,116,026	3,116,026
Ending Balance - WFP Receivership	1,006,149	987,281	970,847	970,847
Total Ending Balance	4,119,869	4,102,278	4,086,873	4,086,873

EXHIBIT B

EXHIBIT B

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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 10/01/2020 TO 12/31/2020

STANDARDIZED FUND ACCOUNTING REPORT for Western Financial Planning - Cash Basis

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

Reporting Period 10/01/2020 to 12/31/2020

FUND ACCOUNTING (See instructions):			
	Detail	Subtotal	Grand Total
Line 1 Beginning Balance (As of 10/01/20):	4,120,911		4,120,911
<i>Increases in Fund Balance:</i>			
Line 2 Business Income	-		-
Line 3 Cash and Securities	-		-
Line 4 Interest/Dividend Income	3,690		3,690
Line 5 Business Asset Liquidation	-		-
Line 6 Personal Asset Liquidation	-		-
Line 7 Third-Party Litigation Income	-		-
Line 8 Misc - Insurance & Prop Tax Refunds	-		-
Total Funds Available (Lines 1 - 8):	4,124,601		4,124,601
<i>Decreases in Fund Balance:</i>			
Line 9 Disbursements to Investors	(11,375)		(11,375)
Line 10 Disbursements to Receivership Operations			
Line 10a Disbursement to Receiver or Other Professionals	(13,883)		(13,883)
Line 10b Business Asset Expenses	(12,470)		(12,470)
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			(26,353)
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):			(37,728)
Line 13 Ending Balance (As of 12/31/2020):			4,086,873

STANDARDIZED FUND ACCOUNTING REPORT for Western Financial Planning - Cash Basis

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

Reporting Period 10/01/2020 to 12/31/2020

Line 14	Ending Balance of Fund - Net Assets:			
Line 14a	Cash & Cash Equivalents			4,086,873
Line 14b	Investments			-
Line 14c	Other Assets or Uncleared Funds			-
	Total Ending Balance of Fund - Net Assets			4,086,873

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:		
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:

By:

Thomas C. Hebrank

Court-Appointed Receiver

Date:

2/23/21