

1 DAVID R. ZARO (BAR NO. 124334)  
TED FATES (BAR NO. 227809)  
2 ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP  
3 501 West Broadway, 15th Floor  
San Diego, California 92101-3541  
4 Phone: (619) 233-1155  
Fax: (619) 233-1158  
5 E-Mail: dzaro@allenmatkins.com  
tfates@allenmatkins.com

6 Attorneys for Court-appointed Receiver  
7 THOMAS C. HEBRANK

8 **UNITED STATES DISTRICT COURT**  
9 **SOUTHERN DISTRICT OF CALIFORNIA**

10  
11 SECURITIES AND EXCHANGE  
COMMISSION,

12 Plaintiff,

13 v.

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

17 Defendants.

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

**FIRST INTERIM FEE APPLICATION OF  
ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP, COUNSEL TO  
THE RECEIVER**

Date: March 8, 2013  
Time: 1:30 p.m.  
Ctrm: 9  
Judge: Hon. Gonzalo P. Curiel

**NO ORAL ARGUMENT UNLESS  
REQUESTED BY THE COURT**

1 Allen Matkins Leck Gamble Mallory & Natsis LLP ("Allen Matkins"), counsel for  
2 Thomas C. Hebrank ("Receiver"), Court-appointed receiver for First Financial Planning  
3 Corporation d/b/a Western Financial Planning Corporation ("Western"), and its subsidiaries and  
4 affiliates, including the general partnerships set up by Western (collectively, the "Receivership  
5 Entities"), hereby submits this first interim application for payment of professional fees and  
6 reimbursement of costs for the time period September 6, 2012, through September 30, 2012 ("First  
7 Application Period"). Allen Matkins respectfully requests the Court approve and authorize the  
8 Receiver to pay the firm \$31,969.35 in fees and \$726.41 in costs. The firm has discounted its  
9 customary billing rates by 10% for all services provided.

10 **I. PROCEDURAL BACKGROUND**

11 On September 4, 2012, the Securities and Exchange Commission ("Commission") filed its  
12 Complaint against Louis V. Schooler and Western (collectively, "Defendants"). The Commission  
13 also filed an Ex Parte Application for Temporary Restraining Order and Orders: (1) Freezing  
14 Assets; (2) Appointing a Temporary Receiver Over Western and the Entities It Controls;  
15 (3) Prohibiting the Destruction of Documents, (4) Granting Expedited Discovery, and  
16 (5) Requiring Accountings; and an Order to Show Cause re Preliminary Injunction and  
17 Appointment of a Permanent Receiver ("TRO"). The TRO was entered by the Court on  
18 September 6, 2012. The TRO appointed Thomas C. Hebrank temporary receiver for Western, and  
19 its subsidiaries and affiliates, including the entities listed on Schedule 1 to the TRO, and set a  
20 hearing on an Order to Show Cause re: Preliminary Junction and Appointment of a Permanent  
21 Receiver ("OSC") for September 17, 2012, at 11:30 a.m.

22 On September 11, 2012, Mr. Schooler moved on an emergency basis to vacate or modify  
23 the TRO ("Emergency Motion"). The Commission opposed the Emergency Motion, which was  
24 denied on September 13, 2012.

25 The parties filed extensive briefing in advance of the September 17, 2012, OSC hearing,  
26 and the Court heard considerable argument at the hearing. On October 5, 2012, the Court issued  
27 an order granting the Commission's request for a preliminary injunction based on a preliminary  
28 finding that Defendants had sold unregistered securities. The Court determined that the

1 receivership over the GPs should continue, but instructed the Receiver and the parties to meet and  
 2 confer and the Receiver to file a proposal regarding transitioning to a monitor role with regard to  
 3 Western and Mr. Schooler's assets.

4 After multiple conferences with the parties, the Receiver filed his Second Report and  
 5 Proposal Regarding the Assets of Western and Louis Schooler ("Proposal") on October 17, 2012.  
 6 In the Proposal, the Receiver recommended that Western remain in the receivership. The  
 7 Commission filed a brief in support of the Proposal, and Mr. Schooler filed an opposition. On  
 8 November 30, 2012, the Court entered its Order Re Receiver's Second Report and Proposal,  
 9 ordering that (a) Western remain in the receivership, (b) the Receiver proceed with his asset  
 10 evaluation and forensic accounting as outlined in the Proposal, (c) the asset freeze over  
 11 Mr. Schooler's assets be lifted, and (d) the Commission submit a proposed form of Preliminary  
 12 Injunction Order within seven days.

13 The Commission lodged its proposed form of Preliminary Injunction Order on  
 14 December 7, 2012. Mr. Schooler lodged objections to the proposed Preliminary Injunction Order  
 15 on December 24, 2012. The Receiver and the Commission filed their respective responses to  
 16 Mr. Schooler's objections on January 7, 2013.

## 17 **II. FEE APPLICATION**

18 The TRO vests the Receiver with authority to employ professionals to assist in his efforts.  
 19 TRO, Docket No. 10, Part VII.C. and G. Pursuant to that authority, the Receiver engaged Allen  
 20 Matkins as his general counsel for this matter. During the First Application Period, Allen Matkins  
 21 provided a total of 75.80 hours of services for a total of \$31,969.35 in fees. The firm has recorded  
 22 its services in the follow categories, as discussed in further detail below and as set forth task-by-  
 23 task in Exhibit A:

24	General Receivership	\$15,131.25
25	Asset Investigation	\$518.40
26	Reporting	\$7,757.55
27	Operations and Asset Sales	\$5,841.90
27	Pending Litigation	\$2,720.25
28	<b>Total Fees</b>	<b>\$31,969.35</b>

### 1 **III. TASKS PERFORMED DURING FIRST APPLICATION PERIOD**

2 During the First Application Period, Allen Matkins worked diligently to assist the Receiver  
3 with legal issues affecting the receivership. As reflected in the bills attached as Exhibit A, the  
4 legal work performed by Allen Matkins' attorneys and staff during the First Application Period  
5 did not overlap with or duplicate the Receiver's work. The following is a discussion of Allen  
6 Matkins' work during the First Application Period broken down by the categories listed above.<sup>1</sup>

#### 7 **A. General Receivership**

8 This category includes Allen Matkins' time reviewing the Complaint, Ex Parte Application  
9 for TRO, supporting declarations and exhibits, and TRO and advising the Receiver on the legal  
10 issues presented in the case. Allen Matkins assisted the Receiver in meetings with the  
11 Commission and with Mr. Schooler and his counsel. The firm reviewed the numerous pleadings  
12 and responses filed by the parties with respect to the TRO and Order to Show Cause re:  
13 Preliminary Injunction ("OSC") and assisted the Receiver in preparing a declaration addressing  
14 issues relevant to the OSC. Ted Fates, the Allen Matkins attorney primarily responsible for this  
15 matter, attended the September 17, 2012, hearing on the OSC.

16 Allen Matkins also assisted the Receiver in evaluating and analyzing the Receivership  
17 Entities' structure and business operations, assets and liabilities, employee and payroll issues,  
18 accounting and computer systems. Other Allen Matkins work in this category includes the filings  
19 required under 28 U.S.C. § 754; specifically, the Receiver filed the Complaint and TRO in the  
20 United States District Courts for the Districts of Nevada, Arizona, and New Mexico in order to  
21 extend the Court's territorial jurisdiction over the Receivership Entities' assets in those districts.  
22 The amount of reasonable and necessary fees for this category of work during the First  
23 Application Period totals \$15,131.25.

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27 <sup>1</sup> While every effort is made to be consistent and accurate in the allocation of activities to the  
28 various categories, certain activities may lend themselves to more than one category, or may  
simply be difficult to categorize. Nevertheless, Exhibit A reflects the actual time spent on any  
given activity and contains an accurate description of the services provided.

1           **B.     Asset Investigation**

2           This category includes time assisting the Receiver in investigating the assets of the  
3 Receivership Entities. In particular, Allen Matkins advised the Receiver regarding the legal  
4 definition of an “affiliate,” as that term is used in the TRO, and with respect to the possible  
5 issuance of subpoenas for records. The reasonable and necessary fees for this work total \$518.40.

6           **C.     Reporting**

7           This category includes time assisting the Receiver in drafting his Initial Report and  
8 Recommendations to the Court, which was filed on September 14, 2012. As one would expect,  
9 the initial week of the receivership involved substantial work by the Receiver to take control,  
10 investigate, preserve and protect assets of the Receivership Entities. Allen Matkins conferred with  
11 the Receiver on these activities, and the Receiver’s preliminary analysis and recommendations,  
12 and prepared the 12-page initial report. Allen Matkins’ reasonable and necessary fees for this  
13 work total \$7,757.55.

14           **D.     Operations and Asset Sales**

15           This category includes time assisting the Receiver with legal issues affecting the ongoing  
16 operations of the Receivership Entities. Specifically, Allen Matkins advised the Receiver with  
17 respect to Western’s cash flow concerns and assisted in preparing a stipulation and joint ex parte  
18 application to address Western’s immediate cash needs. Allen Matkins also advised the Receiver  
19 with respect to employee issues, office lease issues, and investor note payments. The reasonable  
20 and necessary fees for this work total \$5,841.90.

21           **E.     Pending Litigation**

22           This category includes time assisting the Receiver with two pending lawsuits against  
23 Western, non-party WFP Securities Corporation (“WFP Securities”), and other parties. The  
24 Receiver understands that WFP Securities is owned by defendant Schooler and his brother, but the  
25 company has ceased operating. In addition to the two pending lawsuits, approximately eleven  
26 arbitrations initiated by investors against WFP Securities are pending before FINRA. Allen  
27 Matkins corresponded with counsel of record for WFP Securities and the other parties in the  
28

actions, and notified the courts of the TRO. The reasonable and necessary fees for this work total \$2,720.25.

**F. Summary of Costs Requested**

Allen Matkins requests that the Court approve reimbursement of \$726.41 in out-of-pocket costs incurred in executing the foregoing tasks, as itemized in Exhibit A. Allen Matkins charges \$.19 per page for copies and \$1.00 per page for outgoing faxes. There is no charge for incoming faxes.

**IV. ALLEN MATKINS' FEES ARE REASONABLE AND SHOULD BE APPROVED BY THIS COURT**

“As a general rule, the expenses and fees of a receivership are a charge upon the property administered.” *Gaskill v. Gordon*, 27 F.3d 248, 251 (7th Cir. 1994). These expenses include the fees and expenses of this Receiver and his professionals, including Allen Matkins. Decisions regarding the timing and amount of an award of fees and costs to the Receiver and his professionals are committed to the sound discretion of the Court. *See SEC v. Elliot*, 953 F.2d 1560, 1577 (11th Cir. 1992) (rev’d in part on other grounds, 998 F.2d 922 (11th Cir. 1993)).

In allowing fees, courts should consider “the time, labor and skill required, but not necessarily that actually expended, in the proper performance of the duties imposed by the court upon the receiver[], the fair value of such time, labor and skill measured by conservative business standards, the degree of activity, integrity and dispatch with which the work is conducted and the result obtained.” *United States v. Code Prods. Corp.*, 362 F. 2d 669, 673 (3d Cir. 1966) (internal quotation marks omitted). In practical terms, receiver and professional compensation thus ultimately rests upon the result of an equitable, multi-factor balancing test involving the “economy of administration, the burden that the estate may be able to bear, the amount of time required, although not necessarily expended, and the overall value of the services to the estate.” *In re Imperial 400 Nat’l, Inc.*, 432 F.2d 232, 237 (3d Cir. 1970). Regardless of how this balancing test is formulated, no single factor is determinative and “a reasonable fee is based [upon] all circumstances surrounding the receivership.” *SEC v. W.L. Moody & Co., Bankers (Unincorporated)*, 374 F. Supp. 465, 480 (S.D. Tex. 1974).

1 Allen Matkins diligently assisted the Receiver in carrying out his duties under the TRO  
2 and additional orders of the Court. Allen Matkins' detailed bills describe the nature of services  
3 rendered and the identity and billing rate of each individual performing the work. *See* Exhibit A.  
4 The firm has staffed matters as efficiently as possible, while remaining cognizant of the  
5 complexity of the issues presented and has discounted its customary billing rates by 10%. Allen  
6 Matkins' work was essential in helping the Receiver preserve and protect the assets of the  
7 receivership estate and in keeping the Court and the parties apprised of his activities. The firm's  
8 requested fees and costs are fair and reasonable and should be approved.

9 **V. SOURCE OF PAYMENT**

10 Pursuant to the TRO, and now the proposed Preliminary Injunction Order, the Receiver has  
11 been appointed receiver for Western, the GPs, and all of their assets. The Receiver's work in  
12 investigating, preserving and protecting assets benefits Western and the GPs. It is logical and fair  
13 that Western and the GPs share responsibility for the costs of the receivership. Indeed, the  
14 proposed Preliminary Injunction Order provides that Western and its subsidiaries and affiliates,  
15 including the GPs, "shall pay the costs, fees and expenses of the permanent receiver incurred in  
16 connection with the performance of his duties described in this Order, including the costs and  
17 expenses of those persons who may be engaged or employed by him in carrying out his duties and  
18 obligations."

19 As discussed in the Receiver's Second Report and Proposal (Docket No. 49), Western does  
20 not have sufficient cash or income to pay its expenses. It is dependent on cash infusions from  
21 Mr. Schooler to fund its operations. Western does, however, hold other assets, including  
22 approximately \$10 million in equity investments in the GPs. Collectively, the GPs hold  
23 approximately \$6.5 million in cash. The Receiver proposes that to the extent Western's cash or  
24 other liquid assets and recoveries are not sufficient, Western's equity interests in the GPs be  
25 reduced to cash as necessary to cover administrative expenses of the receivership. Although not  
26 all GPs currently have cash in their accounts, the Receiver will ensure that the reduction in  
27 Western's equity interests is spread across the GPs as evenly as possible so that all GPs are treated  
28 as fairly as possible. Western's equity interests will be reduced to cash only as necessary to cover

1 Court approved fees and expenses. The specific reduction in Western's equity in each GP will be  
2 stated in the Receiver's reports to the Court, which will be filed on a quarterly basis.

3 **VI. CONCLUSION**

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

- 5 1. Approving payment to Allen Matkins of its fees for the work performed  
6 during the First Application Period, in the amount of \$31,969.35;
- 7 2. Approving reimbursement of expenses to Allen Matkins for the First  
8 Application Period, in the amount of \$726.41;
- 9 3. Authorizing and directing the Receiver to pay Allen Matkins from assets  
10 of the Receivership Entities; and
- 11 4. Granting such further and other relief as the Court deems just and proper.

12  
13 Dated: January 14, 2013

ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP

14  
15 By:           /s/ Ted Fates          

TED FATES  
Attorneys for Court-appointed Receiver  
THOMAS C. HEBRANK



**EXHIBIT INDEX**

Exhibit A	Detailed Time Reports	1-14
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# EXHIBIT A

EXHIBIT A

11/27/12 10:22:04 PROFORMA STATEMENT FOR MATTER 372640-00002 (General Receivership) 372640-00002

**Preliminary Billing Form**

Billing Atty: 001665 - Fates

Matter #: 372640-00002

Matter Name: General Receivership

Date of Last Billing:

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

Proforma Number 1052700

Client/Matter Joint Group # 372640-1

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

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
09/05/12	5708279	Review SEC's complaint, memorandum of points and authorities in support of TRO, proposed TRO, and supporting declarations; discuss same and strategy for assuming control of companies with Receiver.	Fates, Edward G.	5.2	2,176.20	0.00
09/06/12	5631875	Review supporting declarations and exhibits filed by SEC; discuss plans for takeover of companies with Receiver; communications with SEC's counsel; travel to company offices and meet with employees.	Fates, Edward G.	7.5	3,138.75	3,138.75
09/07/12	5653111	Telephone conference and analysis re: meeting with defendant and counsel and strategy to address various receivership issues.	Farrell, Michael R.	0.3	167.40	3,306.15
09/07/12	5631860	Meet with Receiver and forensic computer specialist (.4); call with SEC regarding data server/drive imaging issues (.3); meet with Defendant Schooler, counsel and employees to discuss TRO, business assets and operations (1.5); discuss transition of	Fates, Edward G.	4.9	2,050.65	5,356.80

11/27/12 10:22:04 PROFORMA STATEMENT FOR MATTER 372640-00002 (General Receivership) 372640-00002

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		bank accounts with Receiver (.3); begin work on district court filings of complaint and TRO (.5); discuss status regarding bank accounts and strategy with Receiver (.4); continue review of exhibits to SEC's declaration (1.5).				
09/09/12	5632638	Review report from computer forensic specialist (.2).	Fates, Edward G.	0.2	83.70	5,440.50
09/10/12	5634594	Review information and edit letters regarding filing of complaint and receivership order in other districts.	Kaup, John T.	0.3	63.45	5,503.95
09/10/12	5632924	Attention to issues with filing of complaint and TRO pursuant to 28 U.S.C. 754; review and revise communications to employees and general partners; communications with Schooler's counsel regarding notice of TRO and related issues; discuss same with Receiver.	Fates, Edward G.	1.8	753.30	6,257.25
09/11/12	5635755	Telephone calls and check status of filing of SEC complaints and temporary receivership order.	Kaup, John T.	0.3	63.45	6,320.70
09/11/12	5634317	Discuss mailing of notice of TRO with Receiver and begin work on same (.6); review SEC's motion to modify TRO (.3); review emergency motion filed by Schooler to vacate/modify TRO and discuss same with Receiver and SEC's counsel (.8); communications with law clerk regarding notice issue and temporary stay of notice provision (.5); review scheduling order and discuss same with Receiver (.4); prepare	Fates, Edward G.	3.9	1,632.15	7,952.85

11/27/12 10:22:04 PROFORMA STATEMENT FOR MATTER 372640-00002 (General Receivership) 372640-00002

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		declaration of Receiver in response to emergency motion and review sales data regarding same (1.3).				
09/12/12	5637161	Respond to email and review filings in district court.	Kaup, John T.	0.2	42.30	7,995.15
09/12/12	5636208	Work on Receiver's declaration in response to emergency motion, discuss sales data with Receiver, and finalize same (1.5); review Schooler's response to OSC re Preliminary Injunction (.4); discuss status with D. Zaro (.2).	Fates, Edward G.	2.1	878.85	8,874.00
09/13/12	5637714	Review SEC's reply to Schooler's response to OSC.	Fates, Edward G.	0.2	83.70	8,957.70
09/17/12	5639716	Review pleadings and orders in preparation for preliminary injunction hearing (.5); meet with SEC's counsel in advance of hearing (.5); attend hearing (3.4); review order regarding extension of TRO, communications regarding settlement conference and discuss same with Receiver and D. Zaro (.8); communications with Judge Dembin's law clerk (.2).	Fates, Edward G.	5.4	2,259.90	11,217.60
09/20/12	5643492	Communications with SEC's counsel, review order regarding settlement conference, call with SEC's counsel regarding terms of tentative settlement, and discuss same with Receiver and D. Zaro (1.4); communications with Teris (.2).	Fates, Edward G.	1.6	669.60	11,887.20
09/21/12	5645258	Communications regarding Teris forensic computer work.	Fates, Edward G.	0.1	41.85	11,929.05
09/24/12	5647391	Research regarding Arizona	Kaup, John T.	0.3	63.45	11,992.50

11/27/12 10:22:04 PROFORMA STATEMENT FOR MATTER 372640-00002 (General Receivership) 372640-00002

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		properties.				
09/24/12	5646191	Review proposed stipulation from Schooler and discuss same with Receiver (.3); call with SEC's counsel regarding same (.2); discuss Teris issues with Receiver and call with Teris regarding same (.5).	Fates, Edward G.	1.0	418.50	12,411.00
09/25/12	5648405	Review Schooler financial statement, supplemental response to OSC and order extending TRO.	Fates, Edward G.	0.4	167.40	12,578.40
09/26/12	5649529	Review SEC's brief and supporting declaration regarding OSC re Preliminary Injunction.	Fates, Edward G.	0.3	125.55	12,703.95
09/27/12	5650465	Communications with American West Bank, Receiver and SEC's counsel regarding asset freeze and Schooler's loan payments.	Fates, Edward G.	0.6	251.10	12,955.05

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

Trans Date	Index	Type	Quantity	Amt
09/06/12	1873992	Filing Fees - - U.S. District Court - Fee for filing Complaint and TRO	1.00	46.00
09/06/12	1873993	Filing Fees - - U.S. District Court - Fee for filing Complaint and TRO	1.00	46.00
09/06/12	1873994	Filing Fees - - U.S. District Court - Fee for filing Complaint and TRO	1.00	46.00
09/10/12	1874873	Duplication	287.00	54.53
09/10/12	1878628	Federal Express - - Messenger Invoice No: 201732172 Ship To: Clerk of the Court Ship Dt: 09/10/12 Airbill: 798927101167	1.00	17.52

11/27/12 10:22:04 PROFORMA STATEMENT FOR MATTER 372640-00002 (General Receivership) 372640-00002

Trans Date	Index	Type	Quantity	Amt
09/10/12	1878629	Federal Express - - Messenger Invoice No: 201732172 Ship To: Clerk of the Court Ship Dt: 09/10/12 Airbill: 798927121846	1.00	28.75
09/10/12	1878630	Federal Express - - Messenger Invoice No: 201732172 Ship To: Clerk of the Court Ship Dt: 09/10/12 Airbill: 798927148095	1.00	21.04
09/12/12	1875929	Postage	1.00	15.40
09/12/12	1876662	Duplication	244.00	46.36
09/12/12	1877824	Nationwide - - Filing Fees 9CC US COURT OF APPEALS-SAN FRAN ^ 119302	1.00	59.00
09/12/12	1880682	Postage	1.00	15.40
09/13/12	1876663	Duplication	169.00	32.11
09/14/12	1876664	Duplication	13.00	2.47
09/17/12	1876665	Duplication	1,557.00	295.83

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000739	Michael R. Farrell	0.3	558.00	167.40
000820	John T. Kaup	1.1	211.50	232.65
001665	Edward G. Fates	35.2	418.50	14,731.20
		<u>36.6</u>		<u>15,131.25</u>
Total Fees				15,131.25
Total Disbursements				726.41

11/15/12 11:55:26 PROFORMA STATEMENT FOR MATTER 372640-00003 (Asset Investigation) 372640-00003

**Preliminary Billing Form**

Billing Atty: 001665 - Fates

Matter #: 372640-00003

Matter Name: Asset Investigation

Date of Last Billing:

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

Proforma Number

Client/Matter Joint Group # 372640-1

**Fees for Matter 372640-00003 (Asset Investigation)**

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
09/17/12	5644338	Advice to counsel and assess the issues related to note collection, investigation, accounting and approach to report/OSC hearing (.4). Review of issues re subpoenas to third parties/timing re same (.2).	Zaro, David R.	0.6	351.00	351.00
09/20/12	5644372	Brief research regarding legal definition and standard for affiliated entities; discuss same with Receiver with regard to potential affiliated entities of Western.	Fates, Edward G.	0.4	167.40	518.40

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	0.6	585.00	351.00
001665	Edward G. Fates	0.4	418.50	167.40
		<u>1.0</u>		<u>518.40</u>
Total Fees				518.40
Total Disbursements				0.00



11/15/12 11:55:26 PROFORMA STATEMENT FOR MATTER 372640-00004 (Reporting) 372640-00004

**Preliminary Billing Form**

Billing Atty: 001665 - Fates

Matter #: 372640-00004

Matter Name: Reporting

Date of Last Billing:

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

Proforma Number

Client/Matter Joint Group # 372640-1

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

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
09/10/12	5634041	Begin work on Receiver's report.	Fates, Edward G.	1.2	502.20	502.20
09/11/12	5636362	Review/analysis of the First Financial Planning preliminary injunction/background documents and address report issues/advice re same (.6). Review/evaluate motion to overturn the TRO/preliminary injunction and emergency motion filings (.4). Call to provide legal advice re emergency motion, receiver report and investigation (.3).	Zaro, David R.	1.3	760.50	1,262.70
09/11/12	5635080	Work on Receiver's first report; discuss contents of same with Receiver.	Fates, Edward G.	2.2	920.70	2,183.40
09/12/12	5636476	Work on Receiver's report; discuss same with Receiver.	Fates, Edward G.	2.1	878.85	3,062.25
09/13/12	5640175	Review/evaluate the order on motion re TRO (.1). Assess reporting issues, advice to counsel/Receiver as to legal issues re accounting/report (.2).	Zaro, David R.	0.3	175.50	3,237.75
09/13/12	5637725	Work on Receiver's report; discuss contents of same with Receiver.	Fates, Edward G.	4.6	1,925.10	5,162.85

11/15/12 11:55:26 PROFORMA STATEMENT FOR MATTER 372640-00004 (Reporting) 372640-00004

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
09/14/12	5638492	Work on Receiver's report; discuss same with Receiver; revise and organize exhibits; finalize same; communications with law clerk regarding filing of report.	Fates, Edward G.	6.2	2,594.70	7,757.55

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	1.6	585.00	936.00
001665	Edward G. Fates	16.3	418.50	6,821.55
		<u>17.9</u>		<u>7,757.55</u>
Total Fees				7,757.55
Total Disbursements				0.00

11/15/12 11:55:26 PROFORMA STATEMENT FOR MATTER 372640-00005 (Operations &amp; Asset Sales) 372640-00005

**Preliminary Billing Form**

Billing Atty: 001665 - Fates

Matter #: 372640-00005

Matter Name: Operations &amp; Asset Sales

Date of Last Billing:

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

Proforma Number

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
09/10/12	5632918	Discuss employee access, interviews and other operational issues with Receiver; call with SEC's counsel regarding investor note payments and employee access.	Fates, Edward G.	0.8	334.80	334.80
09/26/12	5648762	Discuss Western cash flow concerns and possible solutions with Receiver and review cash spreadsheet (.8); call with SEC's counsel regarding same (.2).	Fates, Edward G.	1.0	418.50	753.30
09/27/12	5654492	Review issues related to funding of operations and property management functions, assess approach, legal barriers and issues and advise re same (.4).	Zaro, David R.	0.4	234.00	987.30
09/27/12	5650340	Discuss cash flow and operational expense issues with Receiver, SEC's counsel, and law clerk; communications with Schooler's counsel re same.	Fates, Edward G.	4.4	1,841.40	2,828.70
09/28/12	5652239	Discuss cash flow and operational expense issues with Receiver and SEC's counsel; draft stipulation, joint ex parte application, Receiver's	Fates, Edward G.	7.2	3,013.20	5,841.90

11/15/12 11:55:26 PROFORMA STATEMENT FOR MATTER 372640-00005 (Operations &amp; Asset Sales) 372640-00005

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		declaration and proposed order; communications with Schooler's counsel regarding same.				

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	0.4	585.00	234.00
001665	Edward G. Fates	13.4	418.50	5,607.90
		<u>13.8</u>		<u>5,841.90</u>
Total Fees				5,841.90
Total Disbursements				0.00

11/15/12 11:55:26 PROFORMA STATEMENT FOR MATTER 372640-00006 (Claims & Distributions) 372640-00006

***Preliminary Billing Form***

Billing Atty: 001665 - Fates

Matter #: 372640-00006

Matter Name: Claims & Distributions

Date of Last Billing:

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

Proforma Number

Client/Matter Joint Group # 372640-1

**Proforma Summary**

Total Disbursements

0.00

11/15/12 11:55:26 PROFORMA STATEMENT FOR MATTER 372640-00007 (Third Party Recoveries) 372640-00007

***Preliminary Billing Form***

Billing Atty: 001665 - Fates

Matter #: 372640-00007

Matter Name: Third Party Recoveries

Date of Last Billing:

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

Proforma Number

Client/Matter Joint Group # 372640-1

**Proforma Summary**

Total Disbursements

0.00

11/15/12 11:55:26 PROFORMA STATEMENT FOR MATTER 372640-00008 (Pending Litigation) 372640-00008

**Preliminary Billing Form**

Billing Atty: 001665 - Fates

Matter #: 372640-00008

Matter Name: Pending Litigation

Date of Last Billing:

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

Proforma Number

Client/Matter Joint Group # 372640-1

**Fees for Matter 372640-00008 (Pending Litigation)**

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
09/10/12	5634048	Discuss pending litigation involving receivership entities with attorney P. Hilding; communications with other attorneys representing receivership entities in pending matters.	Fates, Edward G.	1.8	753.30	753.30
09/11/12	5635087	Communications with counsel of record in FINRA arbitrations; communications with counsel of record and counsel for Endurance Insurance in pending court actions; prepare notices of TRO to be filed in pending court actions.	Fates, Edward G.	2.3	962.55	1,715.85
09/13/12	5637727	Review information on FINRA arbitrations provided by counsel representing WFP Securities.	Fates, Edward G.	0.2	83.70	1,799.55
09/18/12	5641601	Call with counsel for plaintiffs in FINRA arbitrations and discuss WFP affiliation issue with Receiver (1.1); call with plaintiff in FINRA matter Jamie Davis (.3).	Fates, Edward G.	1.4	585.90	2,385.45
09/20/12	5643575	Call with counsel for Jamie Davis regarding FINRA arbitration against WFP Securities, appeal of same, and	Fates, Edward G.	0.3	125.55	2,511.00

11/15/12 11:55:26 PROFORMA STATEMENT FOR MATTER 372640-00008 (Pending Litigation) 372640-00008

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		TRO/injunction.				
09/27/12	5650695	Review order denying Endurance motion to dismiss WFP claim.	Fates, Edward G.	0.2	83.70	2,594.70
09/28/12	5652842	Review memorandum decision granting WFP partial summary judgment in Endurance action.	Fates, Edward G.	0.3	125.55	2,720.25

**Proforma Summary**

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward G. Fates	6.5	418.50	2,720.25
		<u>6.5</u>		<u>2,720.25</u>
Total Fees				2,720.25
Total Disbursements				0.00