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14 THOMAS C. HEBRANK

15 **UNITED STATES DISTRICT COURT**
16 **SOUTHERN DISTRICT OF CALIFORNIA**

17 **SECURITIES AND EXCHANGE**
18 **COMMISSION,**

19 Plaintiff,

20 v.

21 **LOUIS V. SCHOOLER and FIRST**
22 **FINANCIAL PLANNING**
23 **CORPORATION d/b/a WESTERN**
24 **FINANCIAL PLANNING**
25 **CORPORATION,**

26 Defendants.

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

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

Date: August 16, 2013
Time: 1:30 p.m.
Ctrm: 9D
Judge: Hon. Gonzalo P. Curiel

[NO ORAL ARGUMENT UNLESS
REQUESTED BY THE COURT]

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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, including the General Partnerships ("GPs") set up by Western (collectively, "Receivership Entities"), hereby submits this third interim application for payment of professional fees and reimbursement of costs for the time period January 1, 2013 through March 31, 2013 ("Third Application Period"). Allen Matkins incurred \$50,899.50 in fees and \$4,501.93 in costs during the three-month period and seeks interim approval and payment of 80% of fees incurred, or \$40,711.60, and 100% of costs incurred.

I. FEE APPLICATION

The Temporary Restraining Order ("TRO") and Preliminary Injunction Order vests the Receiver with authority to employ counsel. TRO, Dkt. No. 10, Part VII.C. and G; Preliminary Injunction Order, Docket No. 174, Part III.C. and G. Pursuant to that authority, the Receiver engaged Allen Matkins as his general counsel for this matter. During the Third Application Period, Allen Matkins provided a total of 128.8 hours of service for a total of \$50,899.50 in fees. Allen Matkins requests payment on an interim basis of 80% of this amount.¹

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:

General Receivership	\$9,520.65
Asset Investigation	\$13,524.30
Reporting	\$9,516.15
Operations and Asset Sales	\$7,690.50
Claims and Distributions	\$3,173.85
Pending Litigation	\$3,013.20
Employment/Fees	\$4,460.85
Total Fees	\$50,899.50

¹ Payment of amounts held back from interim fee applications will be sought at the conclusion of the receivership in connection with applications of the Receiver and his professionals for final approval of all fees and costs.

II. TASKS PERFORMED DURING THIRD APPLICATION PERIOD

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

A. General Receivership

This category includes Allen Matkins' time reviewing Mr. Schooler's objections to the Commission's proposed Preliminary Injunction Order and advising the Receiver regarding the same. Docket No. 70. Allen Matkins assisted the Receiver in drafting and filing a response to Mr. Schooler's objections. Docket No. 72. Further, Allen Matkins assisted the Receiver in drafting a motion for relief from the requirements under Local Rule 66.1. to mail notice to all investors of certain filings and to file a schedule listing all investor addresses. Docket No. 75. This request was made in an effort to reduce receivership costs and protect investors' privacy. The motion was granted in part on March 7, 2013. Docket No. 170.

This category also includes Allen Matkins' work in promptly filing the Preliminary Injunction Order entered on March 13, 2013 in each judicial district in which receivership property is located, pursuant to 28 U.S.C. § 754. Further, Allen Matkins advised the Receiver as to issues related to the joint motion filed by the Commission and Mr. Schooler regarding expedited discovery. Docket No. 82. The amount of reasonable and necessary fees for this category of work during the Third Application Period totals \$9,520.65.

² While every effort is made to be consistent and accurate in the allocation of activities to various categories, certain activities may lend themselves to more than one category, or may simply be difficult to categorize. Nevertheless, Exhibit A reflects actual time spent on any given activity and contains an accurate description of services provided.

1 **B. Asset Investigation**

2 This category includes time assisting the Receiver in investigating assets and
3 potential assets of the Receivership Entities. During the Third Application Period,
4 Allen Matkins' work in this area focused primarily on loans Western made to various
5 LinMar entities and two automobiles owned by Western. Allen Matkins reviewed
6 entity documents for the 20 LinMar entities that borrowed money from Western to
7 determine the relationship between the LinMar entities and the Receivership Entities.
8 Allen Matkins also reviewed loan documents for the 11 loans Western made to the
9 LinMar borrowers. The firm prepared and issued a payoff demand letter to the
10 LinMar borrowers and prepared and issued subpoenas to each of the 20 LinMar
11 borrowers and Mr. Schooler for documents relevant to the Receiver's investigation of
12 the loans and their collectability. Allen Matkins communicated with Defendants'
13 counsel on several occasions regarding production of financial statements and other
14 documents relating to the LinMar entities. This work resulted in a partial production
15 of documents by Mr. Schooler and proposal from Mr. Schooler to payoff three of the
16 loans over time. The Receiver responded with a counter-proposal to which
17 Mr. Schooler has not responded. Accordingly, on May 23, 2013, the Receiver filed a
18 motion seeking authority to commence lawsuits to collect on the loans. Docket
19 No. 192.

20 One of the loans was made to a group of LinMar entities known as the LinMar
21 Tacoma entities. This loan was secured by a second deed of trust on property located
22 in Tacoma, Washington. The Receiver was contacted by counsel for the senior
23 secured lender regarding a foreclosure proceeding in Washington and the
24 appointment of a receiver for the property. Allen Matkins assisted the Receiver in
25 reviewing pleadings relating to the Washington proceedings and communicating with
26 counsel for the senior lender.

27 With regard to the two automobiles owned by Western, Allen Matkins
28 communicated with Mr. Schooler's counsel on several occasions, including

1 demanding information about the vehicles and turnover of the vehicles to the
2 Receiver. After some delay, Mr. Schooler produced the information and an
3 agreement was reached whereby Mr. Schooler purchased the 1998 Lexus for
4 \$12,000. Allen Matkins then assisted the Receiver in preparing a motion seeking
5 approval of this sale, as well as authority to sell the other automobile and gold coins
6 owned by Western. This motion is discussed further below.

7 Further, Allen Matkins assisted the Receiver in reviewing and analyzing a loan
8 listed on Western's books and records as "Loan 1792." Loan 1792 was used to
9 purchase property that is partially owned by P51, LLC, a subsidiary of Western, and
10 partially owned by two GPs. When the Receiver was appointed, Western was in the
11 process of selling ownership interests in the third GP that was set up to acquire an
12 interest in the P51 property. The loan matured prior to the Receiver's appointment,
13 but is not secured by the P51 property. Instead, the loan is secured by property
14 owned by Mr. Schooler.

15 Finally, Allen Matkins assisted the Receiver in investigating Real Asset
16 Locators, Inc. ("RAL"), which was confirmed to be part of the receivership estate by
17 the Court's Preliminary Injunction Order entered on March 13, 2013. The Receiver
18 assisted in preparing an access letter to the Securities and Exchange Commission
19 ("Commission") in order to obtain documents pertaining to RAL gathered by the
20 Commission during its investigation. The reasonable and necessary fees for Allen
21 Matkins' work in this category total \$13,524.30.

22 **C. Reporting**

23 Allen Matkins assisted the Receiver in preparing his Third Interim Report,
24 which was filed on February 14, 2013. Considerable time and analysis went into the
25 Third Interim Report, which, in addition to providing a description of the Receiver's
26 activities and the financial condition of the Receivership Entities, includes a detailed
27 description of the numerous notes and related obligations between and among
28 investors, the GPs, Western and third party lenders. The Third Interim Report,

1 including the Receiver's recommendations therein, was approved on March 13, 2013.
2 Docket No. 173.

3 Allen Matkins also assisted the Receiver in preparing Part One of his Forensic
4 Accounting Report. Although this report was not filed until April 18, 2013, some of
5 the initial drafting work was done in March 2013. Allen Matkins' reasonable and
6 necessary fees for work in this category total \$9,516.15.

7 **D. Operations and Asset Sales**

8 Allen Matkins' work in this category focused on obtaining authority to sell two
9 automobiles and gold coins owned by Western and obtaining such authority
10 promptly such that the sale proceeds could be used to help make payments on loans
11 secured by GP properties. Allen Matkins assisted the Receiver in preparing the
12 motion and supporting papers for authorization to complete the sales (Docket
13 No. 85), as well as an ex parte application for an order shortening time on the motion
14 (Docket No. 171). The Court granted the order shortening time on March 13, 2013
15 (Docket No. 172), and authorized the Receiver to complete the sales by order entered
16 on March 21, 2013 (Docket No. 180).

17 Allen Matkins also assisted the Receiver in various legal issues relating to
18 ongoing operations of the Receivership Entities, including tax issues, the Receiver's
19 engagement of the Duffy Kruspodin firm to assist in preparing tax returns, and
20 certain employee issues. The reasonable and necessary fees for this work in this
21 category total \$7,690.50.

22 **E. Claims and Distributions**

23 This category includes time assisting the Receiver in responding to investor
24 inquiries regarding the receivership, claims, distributions and related issues. Allen
25 Matkins also advised the Receiver regarding tax issues pertaining to investor IRA
26 accounts. Finally, Allen Matkins assisted the Receiver in maintaining and updating
27 the database of all investor names and mailing addresses. The investor database
28 work, which totaled 6.7 hours, was performed by a case administrator at an hourly

1 rate of \$76.50. The amount of reasonable and necessary fees for this work totals
2 \$3,173.85.

3 **F. Pending Litigation**

4 As discussed in the Receiver's interim reports, there are several pending
5 lawsuits and FINRA arbitrations in which one or more of the Receivership Entities
6 are parties. During the Third Application Period, Allen Matkins assisted the
7 Receiver in communicating with counsel for the parties in these cases, including
8 informing them as to the status and scope of the receivership and the Court's orders.

9 One lawsuit involves four of the GPs and the real estate they own. This
10 lawsuit, which is pending in state court in Storey County, Nevada, involves the
11 condemnation of a portion of the GP property by Sierra Pacific Power Company, a
12 public utility company ("Sierra Pacific"). Although Sierra Pacific successfully
13 condemned the relevant portion of the property and paid approximately \$4.4 million
14 to the applicable GPs as compensation, an appeal is pending and Sierra Pacific has
15 now sought to abandon the condemned property and obtain return of the funds.

16 During the Third Application Period, Allen Matkins assisted the Receiver in
17 communications with counsel for Sierra Pacific and in producing certain financial
18 information to Sierra Pacific relevant to ongoing settlement discussions. The
19 reasonable and necessary fees for Allen Matkins' work in this category total
20 \$3,013.20.

21 **G. Employment/Fees**

22 Although fee applications are a necessary component of federal equity
23 receiverships, neither the Receiver nor his professionals bill any time for preparing
24 these detailed applications. It is not reasonable or fair, however, to require the
25 Receiver and his professionals to also defend their fee applications without any
26 compensation for the work involved. Accordingly, this category includes Allen
27 Matkins' time responding to Mr. Schooler's objections to the First Interim Fee
28 Applications of the Receiver, Allen Matkins, and TERIS, the Receiver's forensic

1 computer specialist. This consisted of reviewing and analyzing Mr. Schooler's
2 objections to the three fee applications and drafting a reply brief. Docket No. 81.
3 The reasonable and necessary fees for this work total \$4,460.85.

4 **H. Summary of Costs Requested**

5 Allen Matkins requests that the Court approve reimbursement of \$4,501.93 in
6 out-of-pocket costs incurred in executing the foregoing tasks, as itemized in
7 Exhibit A. Pursuant to the Court's Order Granting in Part First Fee Applications,
8 Allen Matkins has reduced its request for reimbursement of copy costs to five cents
9 per page and written off any excess copy charges incurred. A large portion of the
10 costs incurred (\$2,931.18) is for postage incurred in mailing (a) notice of the First
11 Interim Fee Applications to all interested parties, and (b) the notice required by the
12 Court's Order Granting in Part Unopposed Motion for Relief from Certain
13 Requirements under Local Rule 66.1. ("Local Rule Order") to all investors. The
14 notice of First Interim Fee Applications was required to be mailed prior to entry of
15 the Local Rule Order. Pursuant to the Local Rule Order, fee applications, sale
16 motions, and Receiver reports are now posted on the Receiver's website and mailed
17 only to those who request mail service in writing. This has already significantly
18 reduced postage costs.

19 **III. ALLEN MATKINS' FEES ARE REASONABLE**
20 **AND SHOULD BE APPROVED**

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

1 **A. Complexity of Tasks**

2 Here, the tasks performed by Allen Matkins are significantly complex and the
3 number of hours billed to complete them are reasonable. These tasks include
4 (a) analyzing corporate documents, loan agreements and other contracts, (b) advising
5 the Receiver regarding federal equity receivership, debtor/creditor, real property,
6 contract, employment, insurance, tax, civil procedure, appellate procedure, and other
7 applicable areas of law, and (c) helping the Receiver sell assets, collect on loans,
8 obtain relief from certain local rule requirements in order to reduce receivership
9 costs, protect the Receivership Entities interests in pending litigation matters, and
10 provide detailed reports to the Court and interested parties on his activities and
11 forensic accounting work. In addition, Allen Matkins wrote off and did not charge
12 for 18.3 hours of time (\$6,623.55) during the Third Application Period.

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

14 In the First Fee Order, the Court found that the hourly rates of the Receiver
15 and Allen Matkins "represent the fair value of the time, labor, and skill required."
16 First Fee Order, Dkt. No. 169, p. 9. The Court, however, encouraged the Receiver
17 and his professionals to submit evidence of comparable rates in future fee
18 applications. Accordingly, in their Second Interim Fee Applications, the Receiver
19 and Allen Matkins cited to the rates charged by receivers and their counsel in other
20 SEC enforcement actions in Southern California. Docket Nos. 175 and 176. In its
21 Order Granting in Part Second Interim Fee Applications ("Second Fee Order"), the
22 Court agreed that the rates of the Receiver and Allen Matkins are comparable to
23 those charged by other receivers and their counsel in SEC enforcement actions in the
24 geographic area. Docket No. 190.

25 As they have throughout the case, Allen Matkins' attorney rates for
26 representing the Receiver range from \$265.50 to \$585 per hour, with paralegal and
27 case administrator time at \$211.50 and \$76.50 per hour, respectively. For this
28 application, the blended hourly rate is \$395.18 per hour. These rates are comparable

1 to those charged by other law firms representing receivers in similar matters and
2 represent the fair value of the time, labor and skill required.

3 **C. Quality of Work Performed**

4 Allen Matkins diligently and competently assisted the Receiver in all aspects
5 of the receivership, including preserving and protecting the assets of the
6 Receivership Entities, analyzing the Receivership Entities' assets and liabilities,
7 addressing Western's cash shortage, reducing Western's operating expenses as well
8 as administrative expenses of the receivership, selling assets and collecting on loans,
9 addressing pending litigation, assisting the Court with recommendations regarding
10 the scope and structure of the receivership, and keeping the Court and the interested
11 parties apprised of the Receiver's activities. These services have allowed the
12 Receiver to preserve and protect the value of the Receivership Entities' assets for the
13 benefit of investors and creditors.

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

15 In the First Fee Order, the Court found that the GPs have some ability to bear
16 the burden of the initial fee requests. In its Second Fee Order, the Court expressed
17 "reservation regarding the receivership estate's ultimate ability to bear the costs of
18 this receivership," noting that "the Court does not currently have a full picture of the
19 receivership entities' financial affairs." Docket No. 190.

20 The aggregate balance in GP accounts was \$6,361,566.30 as of January 1,
21 2013, and was \$6,180,600.27 as of March 31, 2013. Receiver's Fourth Interim
22 Report, Docket No. 184, Exhibit A. Accordingly, although expenses must be paid
23 from GP accounts, the requested fees and costs can safely be paid by reducing
24 Western's equity interests in the GPs, as necessary, without putting the GPs in any
25 danger of being unable to pay their expenses.

26 Moreover, the Receiver will file Part Two of his Forensic Accounting Report
27 prior to the hearing date on this application. The Receiver will also provide an
28 update on Western's cash position and the aggregate balance in GP accounts. As

1 discussed below, the Receiver will continue to make every effort to pay Court-
2 approved fees and costs from the assets of Western and avoid having to reduce
3 Western's equity interests in the GPs.

4 **E. Commission's Opposition of Acquiescence**

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

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

12 **IV. SOURCE OF PAYMENT**

13 In the First Fee Order, the Court approved the Receiver's recommendation that
14 the fees and costs of the receivership be paid first from Western's cash and then by
15 reducing Western's equity interests in the GPs to cash. As it turned out, the Receiver
16 was able to pay the fees and costs approved by the First Fee Order without reducing
17 Western's equity in the GPs. The Receiver accomplished this by collecting on
18 certain pre-receivership loans Western made to the GPs. Before making each loan
19 payment, the Receiver analyzed the upcoming expenses of each GP to ensure that the
20 loan payments would not put the GP in jeopardy of being unable to meet its financial
21 obligations.

22 In the Second Fee Order, the Court again approved the Receiver's
23 recommendation that fees and costs be paid first from Western's cash and then by
24 reducing Western's equity interests in the GPs to cash. The Receiver was able to pay
25 the fees and costs authorized in the Second Fee Order through a hybrid of collecting
26 on pre-receivership loans Western made to the GPs (after doing the same analysis
27 described above) and reducing Western's equity in the GPs to cash. A total of
28 \$32,572 was collected on loans and a total of \$51,001 was generated by reducing

1 Western's equity interests to cash. The specific equity reduction in each GP will be
2 listed in the Receiver's Fifth Interim Report.

3 The Receiver believes that the source of payment used to date remains the
4 most equitable way to address the fees and costs of the receivership at this time. The
5 Receiver will continue efforts to avoid having to reduce Western's equity in the GPs.
6 By selling Western assets, collecting on loans Western made to LinMar entities
7 (totaling more than \$1.26 million), and pursuing other potential sources of cash, this
8 may be possible. However, to the extent it is not, the Receiver should be authorized
9 to reduce Western's equity in the GPs, as he was in the First and Second Fee Orders.
10 With the assistance of Allen Matkins, the Receiver has properly performed the duties
11 assigned to him by the Court. He has substantially reduced operating expenses and
12 managed to keep all mortgages on GP properties current while conducting a forensic
13 accounting and evaluation of real estate assets despite Western's severe cash
14 shortage.³ As the Court has observed, the work of the Receiver and Allen Matkins
15 has provided a substantial benefit to the GPs and the Court. The Receiver and Allen
16 Matkins should be fairly compensated for their work, even if it is necessary to reduce
17 Western's equity in the GPs to cash in order to do so.

18 Although not all GPs currently have cash in their accounts, the Receiver will
19 ensure that the reduction in Western's equity interests is spread across the GPs as
20 evenly as possible such that all GPs are treated as fairly as possible. The specific
21 reduction in Western's equity in each GP will be stated in the Receiver's reports to
22 the Court, which are posted on the Receiver's website. Investors can review the
23 reports and object if they believe an adjustment or reallocation should be made.

24
25
26 ³ It was not until May 2013, nine months into the case, that a mortgage payment
27 could not timely be made. During the nine months leading up to the Receiver's
28 appointment in September 2012, Mr. Schooler transferred more than \$1 million to
Western so it could make mortgage payments and pay its operating expenses.
Virtually all of this cash had been spent as of the date the Receiver was appointed.

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 \$40,711.60;

2. Approving reimbursement of expenses to Allen Matkins on an interim basis of \$4,501.93;

3. Authorizing and directing the Receiver to pay these amounts to Allen Matkins from assets of the Receivership Entities; and

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

Dated: June 4, 2013

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

By: /s/ Ted Fates

TED FATES
Attorneys for Receiver
THOMAS C. HEBRANK

EXHIBIT INDEX

Exhibit A	Detailed Time Reports	13
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EXHIBIT A

EXHIBIT A

05/20/13 15:08:11 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: 03-28-2013

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
01/02/13	5743426	Work on response to Schooler's objections to proposed Preliminary Injunction Order (2.4); discuss same with Receiver and K. Bui (.4).	Fates, Edward G.	2.8	1,171.80	1,171.80
01/02/13	5775153	Legal analysis and research re impropriety of Western retaining its own attorney, and receiver bond.	Bui, Kim A.	1.5	398.25	1,570.05
01/03/13	5745355	Review/evaluate the opposition to the preliminary injunction order, defendants' redline of SEC order, assess changes and approach/advice to counsel (.9). Review approach to report/accounting based on the order and advice to counsel re same (.3).	Zaro, David R.	1.2	702.00	2,272.05
01/03/13	5744032	Continue work on response to Schooler's objections to proposed Preliminary Injunction Order (1.7); discuss same with D. Zaro and SEC's counsel (.4).	Fates, Edward G.	2.1	878.85	3,150.90
01/04/13	5745430	Continue work on response to Schooler's objections to proposed Preliminary Injunction order (1.0); discuss same with Receiver (.2); discuss same with SEC's counsel (.2).	Fates, Edward G.	1.4	585.90	3,736.80

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00002 (General Receivership) 372640-00002

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
01/07/13	5746246	Discuss Schooler's objections to proposed preliminary injunction order with SEC's counsel (.2); work on Receiver's response to objections (2.1).	Fates, Edward G.	2.3	962.55	4,699.35
01/08/13	5748180	Review SEC's response to Schooler's objections to proposed Preliminary Injunction order.	Fates, Edward G.	0.4	167.40	4,866.75
01/11/13	5752497	Discuss QSF tax issue with Receiver (.2); review order regarding filing of preliminary injunction order and related papers (.1).	Fates, Edward G.	0.3	125.55	4,992.30
01/14/13	5752747	Communications with SEC's counsel regarding timing of filing previously lodged documents (.2); review investor correspondence rejected by court; forward same to Receiver (.2).	Fates, Edward G.	0.4	167.40	5,159.70
01/16/13	5756623	Review email from SEC counsel regarding possible additional GP, discuss same with Receiver (.3) review and revise engagement letter with Duffy tax accounting firm, discuss same with Receiver (.5)	Fates, Edward G.	0.8	334.80	5,494.50
01/17/13	5757992	Prepare notice of filing response to Schooler objections to proposed preliminary injunction order	Fates, Edward G.	0.2	83.70	5,578.20
01/18/13	5759613	Communications with SEC's counsel (.2); attention to ECF technical problems regarding filing of response to objections to proposed preliminary injunction order (.1).	Fates, Edward G.	0.3	125.55	5,703.75
01/22/13	5759615	Review communications with Duffy firm regarding engagement by Receiver (.2); discuss updates to	Fates, Edward G.	0.3	125.55	5,829.30

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00002 (General Receivership) 372640-00002

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		receivership website with Receiver (.1).				
01/24/13	5763115	Review Schooler's reply brief regarding proposed preliminary injunction order, advise Receiver regarding same.	Fates, Edward G.	0.4	167.40	5,996.70
01/29/13	5766690	Discuss posting of recent pleadings to receivership website with Receiver.	Fates, Edward G.	0.1	41.85	6,038.55
02/03/13	5775714	Address email from investor, assess issues and follow-up with investor/Receiver related to status/coordination of communication (.3).	Zaro, David R.	0.3	175.50	6,214.05
02/05/13	5776290	Discuss need to limit costs of notice with Receiver (.3); discuss Motion for Relief From Local Rule 66 with K. Bui (.6); review and revise website posting and discuss communication to SEC's counsel regarding same with Receiver (.4).	Fates, Edward G.	1.3	544.05	6,758.10
02/05/13	5793921	Begin drafting motion for relief from local rules (i.e. notice to all interested parties, etc.) (1.7)	Bui, Kim A.	1.7	451.35	7,209.45
02/06/13	5777707	Discuss motion regarding limiting mail service and protecting investor information with K. Bui (.2); review and revise same (.5).	Fates, Edward G.	0.7	292.95	7,502.40
02/06/13	5795618	Draft legal arguments in support of motion to limit notice required under local rule 66.1.f (1.6)	Bui, Kim A.	1.6	424.80	7,927.20
02/07/13	5778088	Revise motion regarding local rule requirements (.4); discuss same with SEC's counsel (.2); prepare order	Fates, Edward G.	0.8	334.80	8,262.00

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00002 (General Receivership) 372640-00002

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		regarding same (.2).				
02/08/13	5780313	Discuss motion regarding relief from local rule and related issues with SEC's counsel (.2); finalize same (.2).	Fates, Edward G.	0.4	167.40	8,429.40
02/15/13	5787956	Review joint motion filed by SEC and Schooler regarding expedited discovery issue (.3); discuss same with Receiver (.2).	Fates, Edward G.	0.5	209.25	8,638.65
02/27/13	5802593	Review order denying Schooler's request for expedited discovery and discuss same with Receiver.	Fates, Edward G.	0.2	83.70	8,722.35
03/07/13	5808935	Prepare for hearing on motion for relief from local rule 66.	Fates, Edward G.	0.2	83.70	8,806.05
03/08/13	5809224	Discuss Court orders with SEC's counsel.	Fates, Edward G.	0.1	41.85	8,847.90
03/14/13	5815304	Review preliminary injunction order and advise Receiver regarding same (.5); discuss SEC's inquiry regarding real asset locators with Receiver (.1).	Fates, Edward G.	0.6	251.10	9,099.00
03/15/13	5818366	Assist with preparation of filings of complaint and receivership order.	Kaup, John T.	0.9	190.35	9,289.35
03/18/13	5819051	Telephone call to clerk regarding miscellaneous filing of receivership order.	Kaup, John T.	0.1	21.15	9,310.50
03/20/13	5822372	Check status of district court filings of receivership order.	Kaup, John T.	0.2	42.30	9,352.80
03/20/13	5821819	Discuss filing of preliminary injunction in Arizona district court, LinMar loans, and other issues with SEC's counsel.	Fates, Edward G.	0.3	125.55	9,478.35
03/21/13	5825171	Follow up on district court receivership filings.	Kaup, John T.	0.2	42.30	9,520.65

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Disbursements for Matter 372640-00002 (General Receivership)

Trans Date	Index	Type	Quantity	Amt
01/02/13	1911981	Duplication	25.00	1.25
01/03/13	1916646	Document Search - - Pacer Service 10/01/12 - 12/31/12^LAAM0021-Q4201	1.00	10.30
01/03/13	1916647	Document Search - - Pacer Service 10/01/12 - 12/31/12^LAAM0021-Q4201	1.00	8.40
01/15/13	1911982	Duplication	6,751.00	337.55
01/31/13	1925687	Postage	1.00	1,399.78
02/06/13	1925688	Postage	1.00	137.00
02/08/13	1918929	Text Editing	0.10	3.00
02/12/13	1919389	Text Editing	2.40	72.00
02/12/13	1919417	Text Editing	1.10	33.00
02/12/13	1922467	Federal Express - - Messenger Invoice No: 217830074 Ship To: Linmar Management, Inc , et al	1.00	12.21
02/13/13	1925686	Duplication-colored Copies	1.00	33.00
02/15/13	1925393	Filing Fees - - Cal Express - United States District Court ^105841	1.00	24.00
03/15/13	1927555	Filing Fees - - Clerk of Court - Complaint and Preliminary Injunction Order - Nevada	1.00	46.00
03/18/13	1929929	Duplication	3,023.00	151.15
03/19/13	1943525	CalExpress - - Filing Fees R USDC SOUTHERN DISTRICT ANNEX ^ 106449	1.00	18.90
03/20/13	1929930	Duplication	352.00	17.60
03/20/13	1941292	Postage	1.00	1,531.40

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00002 (General Receivership) 372640-00002

Trans Date	Index	Type	Quantity	Amt
03/20/13	1943526	CalExpress - - Messenger UNITED STATES POST OFFICE ^ 106449	1.00	47.00
03/28/13	1937462	Nationwide - - Service of Process -LOUIS V. SCHOOLER C/O ERIC J.HOUGEN ^ 122062	1.00	173.25
03/28/13	1937463	Nationwide - - Service of Process -LOUIS V. SCHOOLER C/O PHILIP DYSON ^ 122062	1.00	194.25
03/28/13	1937464	Nationwide - - Service of Process -LINMAR MANAGEMENT ^ 122062	1.00	173.25
03/28/13	1937465	Nationwide - - Service of Process -LINMAR III, LLC. ^ 122062	1.00	35.00
03/28/13	1937466	Nationwide - - Service of Process -LINMAR IV, LLC. ^ 122062	1.00	35.00
03/28/13	1941295	Postage	1.00	4.14
03/29/13	1934537	Duplication	70.00	3.50

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	1.5	585.00	877.50
000820	John T. Kaup	1.4	211.50	296.10
001665	Edward G. Fates	16.9	418.50	7,072.65
002130	Kim A. Bui	4.8	265.50	1,274.40
		<hr/> 24.6		<hr/> 9,520.65
Total Fees				9,520.65
Total Disbursements				4,501.93

05/20/13 15:08:11 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: 03-28-2013

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
01/02/13	5743463	Discuss investigation of automobiles, LinMar notes and loan 1792 with Receiver (.5); draft email to Schooler's counsel regarding same (.3).	Fates, Edward G.	0.8	334.80	334.80
01/10/13	5750256	Review and analysis of LinMar loan documents (8); discuss status and strategy regarding same with Receiver (.3).	Fates, Edward G.	1.1	460.35	795.15
01/11/13	5753461	Review/evaluate the progress of Receiver accounting and legal advice as to the valuation issues, forensic accounting and tax returns approach (.4).	Zaro, David R.	0.4	234.00	1,029.15
01/17/13	5756868	Draft message to Schooler counsel regarding automobiles, discuss same with Receiver, send message to Schooler counsel	Fates, Edward G.	0.5	209.25	1,238.40
01/22/13	5760036	Discuss status of appraisals and forensic accounting with Receiver (.3); review letter from Schooler's counsel (.2); forward same to Receiver (.1); review information regarding Western automobile and	Fates, Edward G.	0.9	376.65	1,615.05

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00003 (Asset Investigation) 372640-00003

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		discuss same with Receiver (.3).				
01/23/13	5761601	Discuss issues regarding Western automobiles with Receiver.	Fates, Edward G.	0.2	83.70	1,698.75
01/24/13	5762431	Discuss scope and goals of forensic accounting work with Receiver (.2); review and revise outline of report (.6).	Fates, Edward G.	0.8	334.80	2,033.55
01/24/13	5763337	Discuss review of accounting records regarding automobiles with Receiver.	Fates, Edward G.	0.2	83.70	2,117.25
01/25/13	5764311	Discuss investigation into automobiles with Receiver (.2); draft response to Schooler's counsel regarding same (.3).	Fates, Edward G.	0.5	209.25	2,326.50
01/28/13	5765460	Review accounting information relating to Western automobiles (.1); discuss same and LinMar notes with Receiver (.2).	Fates, Edward G.	0.3	125.55	2,452.05
01/30/13	5768620	Discuss LinMar loans and demand letters regarding same with G. Rodriguez (.2); review loan documents (.3); discuss preparation of default and demand letters with K. Bui (.2).	Fates, Edward G.	0.7	292.95	2,745.00
02/01/13	5775707	Review of accounting progress as to the receivership, address findings/next steps to assess timing on appraisals/legal issues (.2).	Zaro, David R.	0.2	117.00	2,862.00
02/02/13	5774140	Review and analysis of ten LinMar promissory notes and terms of same re default (1.5); draft demand letter to borrowers re maturity default (1.8)	Bui, Kim A.	3.3	876.15	3,738.15
02/04/13	5775783	Address issues related to preliminary injunction order, turnover of assets	Zaro, David R.	0.2	117.00	3,855.15

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00003 (Asset Investigation) 372640-00003

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		and advice related to enforcement of order, possible order to show cause (.2).				
02/04/13	5774450	Review and revise demand letter for LinMar notes and discuss same and amounts owed with G. Rodriguez and Receiver (1.0); discuss automobiles with SEC counsel, discuss strategy regarding same with Receiver, and draft communication to Schooler's counsel regarding same (.9); discuss Loan 1792 with Receiver and draft communication to Schooler's counsel regarding same (.3).	Fates, Edward G.	2.2	920.70	4,775.85
02/05/13	5775693	Discuss demand letter regarding LinMar notes with K. Bui (.2); review same and send to Receiver (.3); follow-up on automobile values (.1).	Fates, Edward G.	0.6	251.10	5,026.95
02/05/13	5776779	Analysis of Receiver's calculations re interest and total amount due under each LinMar loan (.2); incorporate same into demand letter (.7); revisions and edits to letter for clarity (.2)	Bui, Kim A.	1.1	292.05	5,319.00
02/06/13	5777881	Review Bluebook information on automobiles provided by Receiver (.2); complete drafting communication to Schooler's counsel and send same (.2).	Fates, Edward G.	0.4	167.40	5,486.40
02/07/13	5779386	Review LinMar loan accounting information and discuss same with Receiver (.3); call with Schooler's counsel regarding automobiles and Loan 1792 and discuss same with Receiver (.4).	Fates, Edward G.	0.7	292.95	5,779.35

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00003 (Asset Investigation) 372640-00003

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
02/08/13	5780686	Discuss status on LinMar notes and demand letter with Receiver.	Fates, Edward G.	0.3	125.55	5,904.90
02/11/13	5781671	Call with local counsel in Nevada and Receiver regarding water rights associated with two Nevada properties and steps required to maintain same (.5); communications with Receiver and G. Rodriguez regarding LinMar loan calculations and demand letter (.6); discuss Loan 1792 issues with Receiver (.4).	Fates, Edward G.	1.5	627.75	6,532.65
02/12/13	5786466	Review/evaluate the Receiver's approach to Nevada asset and loan re same (.3). Assess documents related to Nevada property, loan/security and implications/impact of non-payment (.3). Advice to counsel as to default issues/impact (.3).	Zaro, David R.	0.9	526.50	7,059.15
02/12/13	5783102	Discuss Loan 1792 issues with D. Zaro and Receiver (.8); discuss LinMar notes and demand letter regarding same with Receiver (.2); discuss automobiles with Schooler's counsel and Receiver (.6).	Fates, Edward G.	1.6	669.60	7,728.75
02/13/13	5789692	Review/revise draft report of Receiver to address legal issues, advice on approach to mortgage loans (.8). Call/advice to counsel to address scope of authority re asset recovery/disposition of existing TRO (.3).	Zaro, David R.	1.1	643.50	8,372.25
02/19/13	5788937	Discuss Schooler's delivery of the 2008 Lexus with Receiver (.2); discuss Loan 1792 with Receiver (.2);	Fates, Edward G.	0.5	209.25	8,581.50

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00003 (Asset Investigation) 372640-00003

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		discuss information on Western property sales with Receiver (.1).				
03/04/13	5803628	Review Notice of Postponement of Trustee's Sale of LinMar Tacoma property, communications with foreclosing lender's counsel, discuss strategy regarding collection of LinMar loans with Receiver, and attempts to reach Schooler's counsel regarding same (1.1); discuss need for order shortening time on motion to sell cars and coins with Receiver (.2).	Fates, Edward G.	1.3	544.05	9,125.55
03/06/13	5806917	Review email and trustee sale guarantee provided by counsel for senior secured lender on LinMar Tacoma property (.2); discuss same with Receiver (.1); call with counsel for Schooler regarding LinMar loans (.2).	Fates, Edward G.	0.5	209.25	9,334.80
03/07/13	5807389	Review and analyze LinMar entities formation documents and Secretary of State filings regarding ownership and collectibility of loans (1.0); discuss same with Receiver (.2); draft response regarding same to Schooler's counsel (.3).	Fates, Edward G.	1.5	627.75	9,962.55
03/15/13	5818010	Address court's orders on pending motions, including the preliminary injunction, address impact on Receiver's work and follow-up advice to counsel and Receiver (.4).	Zaro, David R.	0.4	234.00	10,196.55
03/20/13	5820089	Discuss issues regarding enforcement of LinMar notes with Receiver and draft communication to Schooler's counsel regarding same	Fates, Edward G.	1.4	585.90	10,782.45

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00003 (Asset Investigation) 372640-00003

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		(.3); discuss issues regarding investigation of Real Asset Locators with Receiver and draft communication to Schooler's counsel regarding same (.5); discuss Real Asset Locators with SEC's counsel, prepare access letter, and discuss same with Receiver (.6).				
03/21/13	5825629	Review/evaluate the issues, background documents related to unsecured loans, legal pleadings re pursuit and collection of the loans (.6).	Zaro, David R.	0.6	351.00	11,133.45
03/21/13	5822458	Discuss Real Asset Locators, LinMar loans, forensic accounting work, and related issues with Receiver (.3); review and finalize SEC access letter (.2); analyze potential LinMar collection actions and discuss issuance of subpoenas with K. Bui (.5); discuss Loan 1792 issues with Receiver (.2).	Fates, Edward G.	1.2	502.20	11,635.65
03/22/13	5824044	Discuss subpoenas to LinMar borrowers with K. Bui (.2); finalize SEC access letter regarding RAL documents (.3).	Fates, Edward G.	0.5	209.25	11,844.90
03/22/13	5831970	Draft subpoenas to the LinMar borrowers, including description of documents to be produced, research agent for service of process (1.8)	Bui, Kim A.	1.8	477.90	12,322.80
03/24/13	5824607	Review and revise subpoenas to be issued to LinMar borrowers.	Fates, Edward G.	0.4	167.40	12,490.20
03/25/13	5824999	Review new documents regarding Loan 1792 (.3); discuss same with	Fates, Edward G.	0.4	167.40	12,657.60

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00003 (Asset Investigation) 372640-00003

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		Receiver (.1).				
03/26/13	5826426	Finalize subpoenas to LinMar borrowers and Schooler.	Fates, Edward G.	0.2	83.70	12,741.30
03/27/13	5828128	Discuss Loan 1792 issues and communications with bank re same with Receiver (.4) discuss hard drive/chain of custody issue with Receiver (.1).	Fates, Edward G.	0.5	209.25	12,950.55
03/27/13	5832006	Coordinate service of subpoenas to LinMar borrowers (.3)	Bui, Kim A.	0.3	79.65	13,030.20
03/28/13	5862664	Discuss service of LinMar subpoenas with Receiver and K. Bui (.4); discuss access letter and timing for conference call with SEC's counsel (.1).	Fates, Edward G.	0.5	209.25	13,239.45
03/28/13	5831998	Revise subpoenas and coordinate service of same (.4)	Bui, Kim A.	0.4	106.20	13,345.65
03/29/13	5830746	Attention to issues regarding service of LinMar subpoenas; finalize same.	Fates, Edward G.	0.3	125.55	13,471.20
03/29/13	5831999	Coordinate service of subpoenas (.2)	Bui, Kim A.	0.2	53.10	13,524.30

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	3.8	585.00	2,223.00
001665	Edward G. Fates	22.5	418.50	9,416.25
002130	Kim A. Bui	7.1	265.50	1,885.05
		<hr/> 33.4		<hr/> 13,524.30
Total Fees				13,524.30
Total Disbursements				0.00

05/20/13 15:08:11 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: 03-28-2013

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
01/09/13	5748954	Work on Receiver's Third Interim Report (3.3); discuss same with Receiver (.3).	Fates, Edward G.	3.6	1,506.60	1,506.60
01/10/13	5751049	Continue work on Third Interim Report (.4); discuss same with Receiver (.1).	Fates, Edward G.	0.5	209.25	1,715.85
01/22/13	5760572	Continue work on Third Interim Report.	Fates, Edward G.	0.8	334.80	2,050.65
01/24/13	5763341	Work on Receiver's Third Interim Report.	Fates, Edward G.	1.5	627.75	2,678.40
01/25/13	5763816	Work on Receiver's Third Interim Report.	Fates, Edward G.	1.2	502.20	3,180.60
01/28/13	5765464	Work on Third Interim Report and discuss same with Receiver.	Fates, Edward G.	2.3	962.55	4,143.15
01/29/13	5766704	Work on Third Interim Report and discuss same with Receiver.	Fates, Edward G.	0.3	125.55	4,268.70
01/31/13	5770006	Discuss status and timing of Third Interim Report with Receiver.	Fates, Edward G.	0.1	41.85	4,310.55
02/04/13	5774245	Review and discuss cash activity report to be used for interim report with Receiver.	Fates, Edward G.	0.3	125.55	4,436.10

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00004 (Reporting) 372640-00004

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
02/08/13	5780685	Discuss report with Receiver (.2); continue work on same (1.5); review Schooler's pleadings (.2); discuss note issues with Receiver (.2).	Fates, Edward G.	2.1	878.85	5,314.95
02/11/13	5781558	Continue work on Receiver's third interim report (1.2); discuss structure of notes with Receiver (.4).	Fates, Edward G.	1.6	669.60	5,984.55
02/12/13	5784068	Work on Third Interim Report (.8); discuss Western financials with Receiver (.4).	Fates, Edward G.	1.2	502.20	6,486.75
02/13/13	5784577	Continue work on report and exhibits thereto (1.8); discuss same with Receiver (.3).	Fates, Edward G.	2.1	878.85	7,365.60
02/14/13	5790925	Address the issues as to accounting and advice as to scope/nature (.2).	Zaro, David R.	0.2	117.00	7,482.60
02/14/13	5785915	Work on Third Interim Report (1.6); discuss same with Receiver and SEC's counsel (.4); draft proposed order (.1).	Fates, Edward G.	2.1	878.85	8,361.45
03/05/13	5807072	Follow-up on issues related to receivership assets, Western's accounting issues and funding, Review receivership work with counsel/advise related to the same (.4).	Zaro, David R.	0.4	234.00	8,595.45
03/06/13	5806671	Discuss forensic accounting work and plan regarding report on same with Receiver.	Fates, Edward G.	0.3	125.55	8,721.00
03/07/13	5807280	Work on outline for initial forensic accounting report.	Fates, Edward G.	0.4	167.40	8,888.40
03/14/13	5815107	Review order approving third interim report and recommendations; advise	Fates, Edward G.	0.1	41.85	8,930.25

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00004 (Reporting) 372640-00004

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		Receiver regarding same.				
03/27/13	5828129	Discuss preliminary forensic accounting report with Receiver.	Fates, Edward G.	0.2	83.70	9,013.95
03/28/13	5862658	Discuss preliminary forensic accounting report with Receiver and begin work on same (1.2).	Fates, Edward G.	1.2	502.20	9,516.15

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	0.6	585.00	351.00
001665	Edward G. Fates	21.9	418.50	9,165.15
		<u>22.5</u>		<u>9,516.15</u>
Total Fees				9,516.15
Total Disbursements				0.00

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00005 (Operations & Asset Sales) 372640-00005

Preliminary Billing Form

Billing Atty: 001665 - Fates

Matter #: 372640-00005

Matter Name: Operations & Asset Sales

Date of Last Billing: 03-28-2013

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
01/03/13	5744332	Discuss status of tax and employee issues with Receiver.	Fates, Edward G.	0.2	83.70	83.70
01/09/13	5748921	Discuss engagement of Duffy accounting firm with Receiver (.2); review webpage and send recommended edits to Receiver (.3).	Fates, Edward G.	0.5	209.25	292.95
01/10/13	5750859	Review and revise Western's consulting agreement with T. Harris (.3); discuss same with Receiver (.1).	Fates, Edward G.	0.4	167.40	460.35
01/17/13	5757852	Discuss potential motion re sale of automobiles and gold coins with Receiver	Fates, Edward G.	0.3	125.55	585.90
01/22/13	5759650	Review and revise operational billing letter to partners (.5); discuss same with Receiver (.2); review schedule of partners who had shut off their note payments (.2).	Fates, Edward G.	0.9	376.65	962.55
01/23/13	5761599	Discuss updates to website and tax issues with Receiver.	Fates, Edward G.	0.3	125.55	1,088.10
02/13/13	5785108	Discuss sale/delivery of cars with Schooler's counsel and Receiver (.9); begin work on motion for authority to	Fates, Edward G.	1.4	585.90	1,674.00

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00005 (Operations & Asset Sales) 372640-00005

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		sell cars and gold coins (.5).				
02/14/13	5785608	Work on motion, declaration, and proposed order regarding sale of automobiles and gold coins (2.0); discuss status regarding automobiles and gold coins with SEC's counsel (.2); communications with Schooler's counsel and Receiver regarding delivery of 2008 Lexus (.4).	Fates, Edward G.	2.6	1,088.10	2,762.10
02/15/13	5787514	Work on motion regarding sales of automobiles and gold coins, supporting declaration and proposed order.	Fates, Edward G.	1.5	627.75	3,389.85
02/19/13	5788939	Discuss sale process for 2008 Lexus with Receiver (.2); work on motion regarding sale (.9)	Fates, Edward G.	1.1	460.35	3,850.20
02/20/13	5794853	Review/revise the draft motion to sell assets, follow-up advice to counsel re process (.5).	Zaro, David R.	0.5	292.50	4,142.70
02/20/13	5789857	Work on motion regarding sale of automobiles (.9); discuss same and damage to 2008 Lexus with Receiver (.4); discuss motion with SEC's counsel (.2).	Fates, Edward G.	1.5	627.75	4,770.45
02/21/13	5791157	Finalize motion and supporting papers regarding sale of cars and gold coins (.3); discuss hearing date and financial issues with Receiver (.2).	Fates, Edward G.	0.5	209.25	4,979.70
03/05/13	5805017	Begin work on ex parte application for order shortening time on motion to sell cars and gold coins (.4); discuss same with Receiver (.1).	Fates, Edward G.	0.5	209.25	5,188.95

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00005 (Operations & Asset Sales) 372640-00005

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
03/06/13	5806231	Discuss motion to sell cars and gold coins with SEC's counsel.	Fates, Edward G.	0.2	83.70	5,272.65
03/07/13	5807383	Draft ex parte application for OST on motion to sell cars and gold coins, proposed OST.	Fates, Edward G.	1.1	460.35	5,733.00
03/11/13	5811263	Discuss cash flow projection needed for ex parte application for OST with Receiver (.2); review projection (.1); revise application (.5); discuss schedule with Receiver (.1); discuss ex parte application with SEC's counsel and Schooler's counsel (.4).	Fates, Edward G.	1.3	544.05	6,277.05
03/12/13	5814339	Review/evaluate the ex parte application of the Receiver to sell assets/revisions to the pleadings (.6). Advice to counsel and Receiver as to evidence/sale process, follow-up re sale motions and ex parte issues as to sale (.3).	Zaro, David R.	0.9	526.50	6,803.55
03/12/13	5812272	Revisions to ex parte application for OST on motion to sell cars and gold coins, discuss same with Receiver, and finalize same (1.0); discuss auto insurance deductible and W9 tax issue with Receiver (.3).	Fates, Edward G.	1.3	544.05	7,347.60
03/14/13	5816329	Follow-up on additional issues related to asset sale, advice to counsel re motion/funding of receivership (.3).	Zaro, David R.	0.3	175.50	7,523.10
03/14/13	5815007	Review order shortening time on motion regarding sale of cars and coins; advise Receiver regarding same.	Fates, Edward G.	0.2	83.70	7,606.80
03/21/13	5822869	Review order authorizing sale of cars and gold coins; discuss same with	Fates, Edward G.	0.2	83.70	7,690.50

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00005 (Operations & Asset Sales) 372640-00005

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		Receiver.				

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	1.7	585.00	994.50
001665	Edward G. Fates	16.0	418.50	6,696.00
		<hr/> 17.7		<hr/> 7,690.50
Total Fees				7,690.50
Total Disbursements				0.00

05/20/13 15:08:11 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

Fees for Matter 372640-00006 (Claims & Distributions)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
01/02/13	5835015	Review correspondence from investors; make appropriate updates to investor address list.	Batiste, Janine	0.2	15.30	15.30
01/14/13	5835016	Review correspondence from investors; make appropriate updates to investor address list.	Batiste, Janine	0.3	22.95	38.25
01/15/13	5835017	Review correspondence from investors; make appropriate updates to investor address list.	Batiste, Janine	0.1	7.65	45.90
01/22/13	5835018	Review correspondence from investors; make appropriate updates to investor address list.	Batiste, Janine	0.2	15.30	61.20
01/28/13	5835019	Review correspondence from investors; make appropriate updates to investor address list.	Batiste, Janine	0.2	15.30	76.50
01/31/13	5769314	Respond to inquiry from counsel for investor regarding litigation stay.	Fates, Edward G.	0.2	83.70	160.20
02/01/13	5835020	Review correspondence from investors; make appropriate updates to investor address list.	Batiste, Janine	0.2	15.30	175.50
02/03/13	5774213	Review communications from investor	Fates, Edward G.	0.2	83.70	259.20

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00006 (Claims & Distributions) 372640-00006

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		and forward same to Receiver.				
02/04/13	5774236	Review and respond to investor emails; discuss same with Receiver.	Fates, Edward G.	0.6	251.10	510.30
02/05/13	5775197	Review and forward inquiry from investor to G. Rodriguez.	Fates, Edward G.	0.1	41.85	552.15
02/05/13	5835021	Review correspondence from investors; make appropriate updates to investor address list.	Batiste, Janine	0.2	15.30	567.45
02/06/13	5777929	Review and forward inquiries from investors to G. Rodriguez.	Fates, Edward G.	0.2	83.70	651.15
02/06/13	5835022	Review correspondence from investors; make appropriate updates to investor address list.	Batiste, Janine	0.1	7.65	658.80
02/07/13	5778655	Discuss vendor claims/notices with Receiver.	Fates, Edward G.	0.2	83.70	742.50
02/11/13	5782672	Review and forward emails from investors to Receiver.	Fates, Edward G.	0.1	41.85	784.35
02/11/13	5782959	Call from investor Nash.	Fates, Edward G.	0.2	83.70	868.05
02/12/13	5835023	Review correspondence from investors; make appropriate updates to investor address list.	Batiste, Janine	0.2	15.30	883.35
02/13/13	5784569	Call from investor Johnson (.2); review letter filed by investor Yue and discuss same with Receiver (.2).	Fates, Edward G.	0.4	167.40	1,050.75
02/14/13	5785572	Review letter from investor Coan filed with Court; forward same to Receiver.	Fates, Edward G.	0.2	83.70	1,134.45
02/15/13	5787953	Review communications from investors and forward same to Receiver.	Fates, Edward G.	0.2	83.70	1,218.15
02/15/13	5835024	Review correspondence from	Batiste, Janine	0.5	38.25	1,256.40

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00006 (Claims & Distributions) 372640-00006

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		investors; make appropriate updates to investor address list.				
02/19/13	5788567	Review and forward messages from investors to Receiver (.2); discuss investor email with Receiver (.1).	Fates, Edward G.	0.3	125.55	1,381.95
02/20/13	5790080	Review investor letter and send to Receiver (.1); review investor letter filed with Court (.1).	Fates, Edward G.	0.2	83.70	1,465.65
02/21/13	5792224	Review investor letters and forward same to Receiver.	Fates, Edward G.	0.3	125.55	1,591.20
02/26/13	5835025	Review correspondence from investors; make appropriate updates to investor address list.	Batiste, Janine	0.3	22.95	1,614.15
03/04/13	5803980	Review investor letters and emails (.3); forward same to Receiver (.1).	Fates, Edward G.	0.4	167.40	1,781.55
03/04/13	5835026	Review correspondence from investors (.4); make appropriate updates to investor address list (.8).	Batiste, Janine	1.2	91.80	1,873.35
03/05/13	5805761	Discuss investor letters and address issues with J. Batiste.	Fates, Edward G.	0.1	41.85	1,915.20
03/06/13	5807085	Review letters and email communications from investors.	Fates, Edward G.	0.1	41.85	1,957.05
03/06/13	5835027	Review correspondence from investors (.3); make appropriate updates to investor address list (.3).	Batiste, Janine	0.6	45.90	2,002.95
03/07/13	5807849	Review investor correspondence.	Fates, Edward G.	0.2	83.70	2,086.65
03/08/13	5835028	Review correspondence from investors; make appropriate updates to investor address list.	Batiste, Janine	0.3	22.95	2,109.60
03/11/13	5835029	Review correspondence from investors; make appropriate updates	Batiste, Janine	0.3	22.95	2,132.55

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00006 (Claims & Distributions) 372640-00006

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		to investor address list.				
03/13/13	5814654	Discuss IRA account fee issue with Receiver.	Fates, Edward G.	0.2	83.70	2,216.25
03/14/13	5816322	Review issues with counsel and legal advice related to IRA rollover/fee issues (.4).	Zaro, David R.	0.4	234.00	2,450.25
03/14/13	5814854	Discuss IRA account fee issues with D. Zaro and revise FAQ for receivership website regarding same (.5); review and revise Receiver's letter to investors regarding notices (.2).	Fates, Edward G.	0.7	292.95	2,743.20
03/14/13	5834967	Review correspondence from investors; make appropriate updates to investor address list.	Batiste, Janine	0.2	15.30	2,758.50
03/15/13	5834978	Review correspondence from investors; make appropriate updates to investor address list.	Batiste, Janine	0.3	22.95	2,781.45
03/20/13	5820115	Return call from counsel for investor.	Fates, Edward G.	0.1	41.85	2,823.30
03/20/13	5834983	Review correspondence from investors; make appropriate updates to investor address list.	Batiste, Janine	0.2	15.30	2,838.60
03/22/13	5823496	Call from investor Castle.	Fates, Edward G.	0.2	83.70	2,922.30
03/22/13	5824051	Assist in drafting notice to investors regarding IRA account/custodian issues.	Fates, Edward G.	0.2	83.70	3,006.00
03/25/13	5834987	Review correspondence from investors (.2); make appropriate updates to investor address list (.3).	Batiste, Janine	0.5	38.25	3,044.25
03/26/13	5827117	Review correspondence regarding deceased investor and advise	Fates, Edward G.	0.2	83.70	3,127.95

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00006 (Claims & Distributions) 372640-00006

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		regarding probate issues.				
03/26/13	5834994	Review correspondence from investors; make appropriate updates to investor address list.	Batiste, Janine	0.3	22.95	3,150.90
03/27/13	5834996	Review correspondence from investors; make appropriate updates to investor address list.	Batiste, Janine	0.2	15.30	3,166.20
03/28/13	5834997	Review correspondence from investors; make appropriate updates to investor address list.	Batiste, Janine	0.1	7.65	3,173.85

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	0.4	585.00	234.00
001665	Edward G. Fates	5.8	418.50	2,427.30
001763	Janine Batiste	6.7	76.50	512.55
		<u>12.9</u>		<u>3,173.85</u>
Total Fees				3,173.85
Total Disbursements				0.00

05/20/13 15:08:11 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: 03-28-2013

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
01/02/13	5743472	Call from counsel for claimants in FINRA arbitrations against WFP Securities regarding scope of receivership and injunction (.3); call from counsel for registered representative English regarding same (.3).	Fates, Edward G.	0.6	251.10	251.10
01/04/13	5744939	Communications with local counsel in Nevada regarding settlement discussions with Sierra Pacific; arrange conference call regarding same.	Fates, Edward G.	0.2	83.70	334.80
01/09/13	5749768	Call with counsel for Sierra Pacific regarding GP financial condition and possible settlement of Nevada litigation (.8); discuss same and financial data requested by Receiver (.2); communications with local counsel in Nevada regarding same (.2).	Fates, Edward G.	1.2	502.20	837.00
01/14/13	5753846	Review correspondence from parties in FINRA arbitrations to FINRA regarding affect of receivership stay on arbitrations.	Fates, Edward G.	0.4	167.40	1,004.40

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00008 (Pending Litigation) 372640-00008

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
01/15/13	5755305	Discuss investigation of GP financial activity relating to Sierra Pacific case with Receiver, review documents re same	Fates, Edward G.	0.4	167.40	1,171.80
01/31/13	5769310	Communications with counsel for parties in pending FINRA arbitrations concerning scope of receivership/litigation stay and application to WFP Securities.	Fates, Edward G.	0.4	167.40	1,339.20
02/01/13	5773931	Communications with Receiver and local counsel in Nevada regarding accounting information requested by Sierra Pacific.	Fates, Edward G.	0.2	83.70	1,422.90
02/06/13	5777934	Review email from local counsel in Nevada and discuss same with Receiver.	Fates, Edward G.	0.2	83.70	1,506.60
02/07/13	5778503	Discuss accounting information to be provided to Sierra Pacific with Receiver (.3); communications with local counsel in Nevada regarding same and call to discuss water rights issues (.4).	Fates, Edward G.	0.7	292.95	1,799.55
02/12/13	5783487	Communications with local counsel in Nevada (.2); call with counsel for Sierra Pacific regarding additional information needed for settlement evaluation (.3).	Fates, Edward G.	0.5	209.25	2,008.80
02/13/13	5785090	Communications with Sierra Pacific's counsel regarding status of receivership.	Fates, Edward G.	0.2	83.70	2,092.50
03/12/13	5812414	Review letter from counsel for Sierra Pacific requesting information to evaluate settlement.	Fates, Edward G.	0.1	41.85	2,134.35

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00008 (Pending Litigation) 372640-00008

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
03/20/13	5821724	Discuss letter from Sierra Pacific with Receiver (.2); call with counsel for Sierra Pacific regarding status of receivership and information requested in letter (.6).	Fates, Edward G.	0.8	334.80	2,469.15
03/27/13	5827774	Communications with Sierra Pacific's counsel to arrange conference call.	Fates, Edward G.	0.1	41.85	2,511.00
03/28/13	5829695	Call with counsel for Sierra Pacific regarding issues in Nevada litigation, receivership, claims process and related issues relevant to potential settlement.	Fates, Edward G.	0.8	334.80	2,845.80
03/29/13	5831621	Review orders entered in Endurance/WFP Securities lawsuit.	Fates, Edward G.	0.4	167.40	3,013.20

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
001665	Edward G. Fates	7.2	418.50	3,013.20
		<u>7.2</u>		<u>3,013.20</u>
Total Fees				3,013.20
Total Disbursements				0.00

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00009 (Employment/Fees) 372640-00009

Preliminary Billing Form

Billing Atty: 001665 - Fates

Matter #: 372640-00009

Matter Name: Employment/Fees

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 372640-00009 (Employment/Fees)

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
02/01/13	5773999	Review Schooler's opposition to fee applications and discuss same with Receiver.	Fates, Edward G.	0.4	167.40	167.40
02/05/13	5775682	Work on response to Schooler's objection to fee applications.	Fates, Edward G.	2.8	1,171.80	1,339.20
02/06/13	5777781	Work on response to Schooler's objection to fee applications.	Fates, Edward G.	1.8	753.30	2,092.50
02/08/13	5779841	Work on response to Schooler's objection to fee applications.	Fates, Edward G.	1.2	502.20	2,594.70
02/09/13	5781554	Communications with SEC's counsel regarding fee applications.	Fates, Edward G.	0.1	41.85	2,636.55
02/14/13	5790924	Review/revise the draft response and follow-up advice to counsel re same (.4).	Zaro, David R.	0.4	234.00	2,870.55
02/14/13	5785529	Work on reply to Schooler's objection to fee applications (1.1); discuss same with Receiver (.3).	Fates, Edward G.	1.4	585.90	3,456.45
02/15/13	5787511	Work on reply regarding fee applications (.6); discuss same with Receiver (.2); finalize same (.3).	Fates, Edward G.	1.1	460.35	3,916.80
02/26/13	5797691	Review motion for permission to file	Fates, Edward G.	0.4	167.40	4,084.20

05/20/13 15:08:11 PROFORMA STATEMENT FOR MATTER 372640-00009 (Employment/Fees) 372640-00009

Trans Date	Index	Description of Service Rendered	Timekeeper	Hours	Fees	Sum
		surreply and order thereon (.2); discuss same with Receiver (.2).				
03/01/13	5803289	Review surreply to fee applications filed by Schooler.	Fates, Edward G.	0.2	83.70	4,167.90
03/04/13	5803845	Discuss surreply filed by Schooler and hearing with Receiver.	Fates, Edward G.	0.2	83.70	4,251.60
03/06/13	5805983	Communications with SEC's counsel regarding whether hearing on fee applications will be held.	Fates, Edward G.	0.1	41.85	4,293.45
03/25/13	5825005	Discuss fee application status and process with local counsel in Nevada.	Fates, Edward G.	0.4	167.40	4,460.85

Proforma Summary

Timekeeper Number	Timekeeper	Hours	Rate	Amounts
000313	David R. Zaro	0.4	585.00	234.00
001665	Edward G. Fates	10.1	418.50	4,226.85
		<hr/> 10.5		<hr/> 4,460.85
Total Fees				4,460.85
Total Disbursements				0.00