

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

11 Attorneys for Receiver  
12 THOMAS C. HEBRANK

13  
14 **UNITED STATES DISTRICT COURT**  
15  
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

**DECLARATION OF THOMAS C.  
HEBRANK IN SUPPORT OF  
RECEIVER'S REPORT AND  
RECOMMENDATIONS  
REGARDING GENERAL  
PARTNERSHIPS**

Date: January 23, 2015  
Time: 1:30 p.m.  
Ctm.: 2D  
Judge: Hon. Gonzalo P. Curiel

1 I, Thomas C. Hebrank, declare:

2 1. I am the Court-appointed receiver for First Financial Planning  
3 Corporation d/b/a Western Financial Planning Corporation ("Western"), and its  
4 subsidiaries and affiliates (collectively, "Receivership Entities"). I submit this  
5 declaration in support of my Receiver's Report and Recommendations Regarding  
6 General Partnerships. I have personal knowledge of the facts stated herein, and if  
7 called upon to do so, I could and would personally and competently testify to them.

8 2. My staff and I have communicated with hundreds of investors  
9 throughout the case. Most of them have not reviewed the information in the Real  
10 Estate Valuation Report about their GPs (Dkt. No. 203). Once they do, they are  
11 outraged by the amount they paid in relation to the amount Western paid for their  
12 GP property, and shocked and dismayed to learn the appraised value of the property.  
13 Most of these "Other Investors" had no intention of managing a GP when they  
14 invested (many of them believed they were investing in Western or a limited  
15 partnership) and they have no desire to manage a GP now. Nor do they have any  
16 desire to remain personally liable for the debts of the GP. The sentiment these  
17 investors repeatedly express is they want their money back and to be done with the  
18 investment.

19 3. Attached hereto as Exhibit A are examples of e-mails received from  
20 investors who have expressed some or all of the sentiments described above.

21 4. Attached hereto as Exhibit B is an e-mail received from investors Gwen  
22 Wolf-Iwanowski and Mark Iwanowski proposing to buy out Western's interests as  
23 well as the interests of other investors who want to be out of their GP.

24  
25  
26  
27  
28

1 I declare under penalty of perjury under the laws of the United States that the  
2 foregoing is true and correct.

3 Executed this 21st day of November, 2014, at San Diego, California.

4   
5  
6 THOMAS C. HEBRANK

7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**EXHIBIT INDEX**

Exhibit A	Examples of E-Mails Received from Investors	5
Exhibit B	E-mail Received from Investors Gwen Wolf-Iwanowski and Mark Iwanowski	20

# EXHIBIT A

# EXHIBIT A

---

**From:** Lynda Sands  
**Date:** Monday, November 17, 2014 at 2:50 PM  
**To:** Geno Rodriguez <[grodriguez@ethreadvisors.com](mailto:grodriguez@ethreadvisors.com)>  
**Subject:** Re: Steamboat Partners

Thank you, I really appreciate it. By the way, I have a few comments even on quick review, such as what are permitted transfers. Any transfer to WFP does not need prior approval and WTP can transfer without anyone else's approval. The signatory partner is acting as if a general partner in a limited partnership. A provision in the additional contribution section would be in my view an act of self-dealing. I am sure there are many more issues upon a close reading.

In the process of getting many emails from Dennis Gilman imploring us to remove the receiver, during my busy work hours, I checked the ballot to remove the receiver. I now know that Gilman is not even a partner in the Steamboat partnership, and there are other reasons for a change of heart. I would like to withdraw that vote to remove the receiver and if there is a formal way to do so, please let me know. I've been hoodwinked enough on this thing. Thanks.

*LYNDA*

Lynda L. Sands

CONFIDENTIALITY: This email and any files or attachments associated with it are confidential and are intended solely for the recipient to whom it is addressed. If you received this in error, please contact and delete the material from any computer or server. Any review, retransmission, dissemination, or taking of any action in reliance upon this information by persons or entities other than the intended recipient is prohibited.

---

**From:** Geno Rodriguez <[grodriguez@ethreadvisors.com](mailto:grodriguez@ethreadvisors.com)>

**Date:** Monday, November 17, 2014 at 2:22 PM

**To:** Lynda Sands

**Subject:** Steamboat Partners

Ms. Sands,

Attached is the requested agreement. Please let me know if I can be of further assistance.

Best regards,

Geno Rodriguez

Director

E3 Advisors

401 West 'A' Street, Suite 1830

San Diego, CA 92101

Off (619) 567-7223

[grodriguez@ethreadvisors.com](mailto:grodriguez@ethreadvisors.com)

CA Bureau of Real Estate # 01841759

**From:** Tariq Khan  
**Date:** March 6, 2014 at 4:54:06 PM PST  
**To:** WFP <[wfp@ethreadvisors.com](mailto:wfp@ethreadvisors.com)>  
**Subject:** Need Info

Hullo Mr. Hebrank. I am a GP in two land deals. I need a phone number or an email address to the administrators. I was charged two payments on one of the properties in February and I would like for it to be corrected.

I work very hard for my money. I feel like I am throwing away good money after bad. I am sick and tired of making these payments on these land deals that may be worth nothing. I now believe we were promised and sold a very bad bill of goods. I wish that this case would be resolved soon. Could you please tell me when would the appeal process be finalized so we can move on? Sincerely,

Tariq M. Khan



**From:** Vincent Velasquez  
**Date:** October 25, 2013 at 10:39:23 AM PDT  
**To:** Thomas Hebrank <[thebrank@ethreadvisors.com](mailto:thebrank@ethreadvisors.com)>  
**Subject:** Re: [] Schooler Case  
**Reply-To:** Vincent Velasquez

Tom,

I just read the Accounting Part 2. What are the next steps to liquidate and try to get anything back from our investments and what recourse do we have to go after Schooler and his assets? Also wouldn't this be defined as criminal at this point, not only for Schooler but also if any of the other higher paid individuals knew of the fraud?

Regards,

Vince Velasquez

On Tuesday, July 16, 2013 7:46 AM, Vincent Velasquez  
thanks

wrote:

**From:** Tom Hebrank <[thebrank@ethreadvisors.com](mailto:thebrank@ethreadvisors.com)>  
**To:** 'Vincent Velasquez'  
**Sent:** Monday, July 15, 2013 3:20 PM  
**Subject:** RE: [] Schooler Case

We will be issuing a report stating how the money was spent.

Thomas C. Hebrank  
E3 Advisors

-----Original Message-----

**From:** Vincent Velasquez  
**Sent:** Friday, July 12, 2013 6:15 PM  
**To:** [thebrank@ethreadvisors.com](mailto:thebrank@ethreadvisors.com)  
**Subject:** [] Schooler Case

Mr. Hebrank,

I have an investment with Western Planning and have a question. The Forensic Accounting report stated there was a 101 million investment and WP only used app. \$20 million to buy the land leaving a \$80 mm shortfall unaccounted for. In the last report it stated there was app \$152 million investment in land with only \$12 million of value based on appraisals. Are you still trying to track down unaccounted for investment money of \$80 mm or was the money invested but in some apparently very bad investments?

**From:** Eric Waln  
**Date:** August 1, 2013 at 12:21:15 PM PDT  
**To:** Thomas Hebrank <[thebrank@ethreadvisors.com](mailto:thebrank@ethreadvisors.com)>  
**Subject:** Louis Schooler GP

Mr. Hebrank,

I wanted to thank you for your concise, informative, and understandable summary of the pending case against Louis Schooler. That information was much needed as most of us had trouble following the legal jargon listed within the previous case filings.

I had sold my prior partnership (Steamboat) for a handsome profit (or so it seemed) many years ago, and then rolled that into this Riverview Partnership out in Reno. I am now wondering if that money was ever a reality or was I simply paid off by the influx of new investment and not necessarily the sale of that property. After all it was only a few pieces of paper indicating the new balance of my initial investment. I am sure you cannot comment too heavily, but it seems as though it is a type of Ponzi Scheme and the new investment eventually dried up leaving Louis unable to pay on his obligations?

If this is the case, I hope he goes to jail for a very long time, and that you seize his assets and help pay back the General Partnerships ultimately.

Any insight you can lend similar to the summary on your website would be helpful and much appreciated.

Kindest Regards,

Eric Waln

**From:** Don Lind

**Date:** May 17, 2013 at 10:14:26 PM PDT

**To:** Thomas Hebrank <[thebrank@ethreadvisors.com](mailto:thebrank@ethreadvisors.com)>

**Subject:** SEC v Louis Schooler, Western Financial Planning, etc.

Sorry to bother you...

We've all apparently been horribly lied to by Schooler and WFP.

If I'm reading things correctly, they sold these investments at 4 times their actual value.

And they then immediately pocketed 75% of the money we "invested."

And they then put a bunch of loans on the properties, pocketing another 15% or so of our investments (in round numbers).

It's sounding like we'll be very lucky to get even 5% of our investment back.

I understand "buyer beware."

But their behavior seems to be way past anything that should be legal.

I guess we could have had our own appraiser verify the value of each partnership we invested in.

That would have been prohibitively expensive, though.

**Are there any civil lawsuits going to try to recover any money for the investors (GPs)?**

Thanks...

Don Lind

**From:** Lori Winston  
**Sent:** Thursday, February 14, 2013 12:22 PM  
**To:** [thebrank@ethreadvisors.com](mailto:thebrank@ethreadvisors.com)  
**Subject:** Louis V Schooler

I read recently online that Western Financial Planning and Louis V Schooler were being investigated by the SEC. E3 Advisors were named as the receiver. I am hoping you can help me with a long standing problematic investment I made with Lou Schooler in 1977. I know that my problem is not part of the SEC investigation but I do not know where else to turn.

At that time I bought into a partnership property deal called San Pasqual 51-1400, LLC. ( In 1977 it was referred to as the San Pasqual 66 Acre Parcel). It was a part of EBS Land Company. In 1977 I was lead to believe the property would sell before the loan I took out on the property was paid. That did not happen. It has now been 36 years and the property has not sold. I have never been able to get a reasonable answer from WFP as to why they were unable to sell the property. Every so many years there would be an offer made usually requiring another investment from me to help market the property. It is also near to impossible to contact Louis Schooler and when I was able to do so I was told that sometimes it takes a long time to sell property. It makes me suspect that something illegal or at least unethical is involved. As far as I know the property has never been openly listed for sale. I am not a very sophisticated investor but after 36 years, during a time of unprecedented growth in Southern California, I cannot help but come to the conclusion that I have been taken advantage of. I just want the property to be sold.

Can you help me with this matter? If you cannot help would you please me refer to someone who can?

Thank you for your time.

Sincerely yours,

Frank T Del Boca

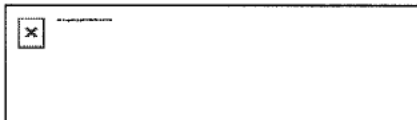
**From:** JThompson  
**Date:** February 20, 2013 at 4:50:13 PM PST  
**To:** Thomas Hebrank <[thebrank@ethreeadvisors.com](mailto:thebrank@ethreeadvisors.com)>  
**Subject:** Western Financial Planning account

Hello Mr. Hebrank,

My name is James Thompson and I am an investor in the Pyramid Highway 177 general partnership. It has been made aware to me that due to the pending SEC case against Louis Schooler and First Financial Planning Corporation the General Partnership is now in receivership. After reading through the US District Court Filing of September 4, 2012 it would be an understatement to say that I am vexed and have been duped. My request is to have the most expedient path to dissolve any shares I have in the General Partnership and any help and/or guidance you would be able to provide in this matter would be greatly appreciated.

Should you need further information from me (ie; account number, contact information) please don't hesitate to ask. I can be reached any time on my cell or at this e-mail address. I anxiously await your reply.

Regards,  
Jim



**James Thompson**

**From:**

**Date:** December 10, 2012 at 12:25:03 PM PST

**To:** Thomas Hebrank <[thebrank@ethreadvisors.com](mailto:thebrank@ethreadvisors.com)>

**Subject:** Gold Ridge Partner

After reading the documents posted on your web site , I felt this note was called for. Your conclusions and the opinions of the S.E.C. are exactly correct. Far too much was paid for the Dayton Valley land. MORTGAGE was never mentioned. We were just novice investors .

I have lots of questions -- -- -- will be looking for future postings.

Roy Honig



**From:** Daniel Esparza  
**Date:** October 16, 2012 at 11:48:38 AM PDT  
**To:** Thomas Hebrank <[thebrank@ethreadvisors.com](mailto:thebrank@ethreadvisors.com)>  
**Subject:** Help

Are you going to get my investment back from these crooks? Are the brokers going down too?

Mahalo

Daniel J Esparza

**From:** jaimie davis  
**Date:** November 15, 2012 at 11:04:33 AM PST  
**To:** Thomas Hebrank <[thebrank@ethreadvisors.com](mailto:thebrank@ethreadvisors.com)>  
**Subject:** Re: Per Our Conversation, Information RE: WFP Securities, Western Financial Planning

No, they refused to ever provide me any information. I kept insisting that how can i be in a "partnership" and not know who I am in business with. In fact their attorney Eric hougan repeatedly insisted they met the partnership rules not a security. he kept insisting they met the "Howey test" and I kept arguing they didn't. They knew I was on to them and I don't quit and that is why I think I got all my money back while a lot of people only got portions back. I did contact one of the "signatory trustees" and he did not eve know he was the signatory trustee. He said he was just told he should sign this stuff. He was clueless. We never got to vote on who the signatory trustee was. The Schoolers just picked clueless people to be in that position that they could put papers in front of and they would sign.

On Nov 15, 2012, at 10:59 AM, Tom Hebrank wrote:

Thank you for the information. Did you ever receive a response to them to the request in your letter for other GP information?

Thomas C. Hebrank  
E3 Advisors

-----Original Message-----

From: jaimie davis  
Sent: Thursday, November 15, 2012 5:10 AM  
To: [thebrank@ethreadvisors.com](mailto:thebrank@ethreadvisors.com)  
Subject: Per Our Conversation, Information RE: WFP Securities, Western Financial Planning  
Importance: High

Mr. Hebrank-

Please find attached a sample of documents which demonstrate that a restraining order against WFP Securities, Curtis Sathre, and John Schooler are necessary for the protection of investors and investors assets.

Please confirm receipt of this email. I am more than willing to cooperate in any way. Also, fyi - I was paid 100% of my money back in 2010 from Western after insisting that they should have been registered as a security rather than a partnership.

Also, attached is a declaration from Schooler that states that WFP Securities is "defunct and has no assets". This is a lie. They have a \$136,000 judgment against me for going after the issuers which the FINRA arbitrators said is against FINRA Rule 12209 because I am only to look to FINRA arbitration for the return of my money and doing otherwise is trying for "double recovery". The arbitrators also said my attorneys failed to prove WFP's fraud even though they admitted to doing no due diligence, admitted I wanted bonds not private placements, and the SEC rules never allow an advisor to put 100% of a retired persons funds in high risk private placements. An obvious injustice as the issuers were not subject to FINRA jurisdiction and if I would have waited the over 2 years for FINRA arbitration to be over the statute of limitations would have been over for claims against the ponzi / fraud issuers. Regardless, WFP, Schooler, and Sathre have attorneys harassing me daily to collect on this judgment even though I lost everything because they put 100% of my money in fraudulent Reg D offerings and unregistered securities like Western Financial Planning Land Deals.

Thank You,

Jaimie Davis

# EXHIBIT B

**EXHIBIT B**

---

**From:** Gwen Wolf-Iwanowski  
**Sent:** Friday, November 21, 2014 7:47 AM  
**To:** WFP  
**Cc:** Mark Iwanowski; Gwen Wolf-Iwanowski  
**Subject:** Re: Offer on Silver State Partners land

Hi, Thomas,

Mark and I are interested in buying out 'all' units owned by Louis Schooler, and Western Financial, in the Silver State Partnership. Their combined ownership percentage in the Partnership is @ 20%. Our offer would be to pay them 50% of their original purchase price, recorded Nov 8, 1985, for their 107,324 units. We believe Louis should 'forfeit' his shares to the Partnership after all we've been put through, so we feel this is a fair offer to him. Louis and Western Fin. are a great liability, and drag, to the Partnership, and we want them out.

We are also offering to buy out other general partners' who no longer wish to hold on to their units, so that we all have the same goal and can move expeditiously. We understand that the General Partners have the 'first right of refusal' to sell/purchase their investment share, and we wish to exercise that right, superseding the offer-to-purchase dated Oct. 23, 2014. After much research, yesterday, JKCH's offer of \$475k is not worth entertaining, nor a sincere offer to even begin negotiations. I will send our 'rejected' vote, today.

Please advise as to how we go forward with this offering to Louis Schooler/Western Fin., and other General Partners.

Thanks, Thomas, for sending me the offer-to-purchase contract and the letter, yesterday. Much appreciated. The contract was very 'enlightening'.

Gwen Wolf-Iwanowski and Mark Iwanowski

On Fri, Nov 21, 2014 at 7:42 AM, Gwen Wolf-Iwanowski

wrote:

We are rejecting the offer-to-purchase for \$475,000. I asked for a copy of the contract, and the 'purchaser' is a successful real estate broker in Las Vegas. Not only is the offer not worth entertaining, it is not a sincere enough offer to even begin negotiations, in our opinion.

The more unified the General Partnership becomes with the same goal in mind, the more effective, and expeditious we will be in making decisions for the Partnership, going forward. And, some of you may just want to 'throw in the towel', at this point, and that is understandable. For those Partners that no longer wish to hold your 'units', we, or other interested Silver State General Partners, will buy them from you. Hopefully, you will all 'reject' the offer-to purchase, from this 'savvy' real estate broker who we feel is trying to take advantage of the situation. Please offer your unwanted units to your fellow Partners, per our General Partners' right of first refusal' agreement, in lieu of voting to sell for \$475,000.

Regards,

Gwen Wolf-Iwanowski and Mark Iwanowski

On Thu, Nov 6, 2014 at 2:38 PM, WFP <[wfp@ethreeadvisors.com](mailto:wfp@ethreeadvisors.com)> wrote:

Silver State Investor:

As we previously advised you, the Receiver received an unsolicited offer from a local broker to purchase the Silver State property for \$580,000. Subsequently, the broker lowered the offer to \$475,000, claiming the grading on the property was significantly more challenged than they had expected in their first review.

The Court has authorized the Receiver to conduct a straight forward yes or no vote of the Silver State investors as to whether to accept or reject this offer. The Court also authorized the Receiver to provide you with the following survey to tally your votes:

<https://www.surveymonkey.com/s/2RHMVFH>

Please be advised, the survey should not take much time. The survey asks only one question, gives you an opportunity to provide comments and asks for updated contact information (this is required so that we can update our records). Only one vote will be allowed per computer.

The Court has instructed the Receiver to tally the investor votes and, on or before December 5, 2014, provide an update on the status of the balloting as well as a recommendation regarding what further action should be taken in light of the balloting results.

Best regards,

Thomas Hebrank, Receiver

---

**From:** WFP

**Sent:** Tuesday, October 7, 2014 10:58 AM

**To:**

**Subject:** Offer on Silver State Partners land

Dear Partners,

Please see attached letter regarding a recent, unsolicited offer we received for the Silver State Partners Land.

Best Regards,

WFP