



June 29, 2015

LV Kade Property Information Packet

- Hollywood Partners (1996) – 25%
- BLA Partners (1997) – 25%
- Checkered Flag Partners (1997) – 25%
- Victory Lap Partners (1998) – 25%

Dear Investor:

This information packet is being provided to you pursuant to an order of the District Court in the pending case between the Securities and Exchange Commission ("SEC"), Louis Schooler, and First Financial Planning Corporation d/b/a Western Financial Planning Corporation ("Western"). The relevant order, which is dated March 4, 2015, and is entitled Order Keeping General Partnerships Under Receivership ("Order"), is available at the Receiver's website, www.ethreadvisors.com (use the SEC Case Docs tab). You are encouraged to review the order carefully.

This packet is intended to provide you with information about the District Court case, the Receiver's findings, and the financial condition of your General Partnership ("GP"). Specifically, the Order instructs the Receiver to provide you with the following information:

I. SEC ALLEGATIONS

The following is a summary of the allegations made by the SEC in the case:

On September 4, 2012, the SEC filed a complaint against Louis Schooler and Western, alleging they committed fraud and failed to register securities in violation of the federal securities laws.

A. Fraud Allegations

The SEC alleges Mr. Schooler orchestrated an offering fraud that involved buying raw, undeveloped land and using his company, Western, to sell the land to investors for far more than it was worth, without properly disclosing its true value. The SEC alleges Mr. Schooler marked up the land and sold it to investors at a price that was several times higher than what he paid for it (in some cases, 500% higher or more) without disclosing to investors the price he paid.

The SEC also alleges Mr. Schooler led investors to believe they received a good price for the land Western offered. His sales force allegedly used real estate "comps" that appeared to show that similar land was worth even more than what investors were paying for Western's land.

However, the SEC alleges the "comps" were not truly comparable because they often included entitlements, zoning, water rights, and other features that Western's land did not have.

In addition to misrepresenting the value of the land to investors, the SEC alleges Mr. Schooler concealed the fact the land Western offered to investors was often subject to mortgages Western had taken out to pay for the land. The SEC also alleges Mr. Schooler did not disclose the land was not owned outright nor the risk that the seller could foreclose upon the property if Western ceased making mortgage payments.

B. Registration Violations

The SEC alleges Western sold its land to investors through GPs that it structured, organized, and managed from inception through the time of an eventual land sale. Investors, many of whom were allegedly unsophisticated in business affairs, purchased units in a GP, and the GP purchased land from Western. The SEC alleges the GP units are securities because investors were completely dependent on Schooler and Western to manage their investment. Because Schooler and Western failed to register their securities offerings with the SEC, the SEC alleges they violated the securities registration provisions. On April 25, 2014, the District Court decided that the GP units sold to investors are securities.

II. RECEIVER'S FINDINGS

A. Original Purchase Prices of GP Properties, Funds Raised By Western, and Appraised Values of GP Properties

The purchase price paid by Western for this property is no longer available through a review of public documents and tax records due to the age of the property purchase (1996 or before). However, for the 13 properties Western purchased after 2003, the average mark-up over Western's initial purchase price was 412%. Using this average, it would be estimated that Western paid approximately \$1,565,000 for the property, or \$6,450,000 less than the partnerships paid for the land. In 1996 - 1998, Western formed 4 underlying partnerships, each with a 25% undivided interest in the property. Western raised \$8,015,000 when it sold the land to the investors of the four partnerships. An outside appraisal obtained in June 2015 valued the property at \$8,260,000. This is all outlined in the chart below.

	Western Land Purchase Price	Amount Raised From Investors	Excess Proceeds Raised by Western	Excess Proceeds %	2015 Appraised Value
Hollywood Partners	N/A	1,850,000	N/A	N/A	2,065,000
BLA Partners	N/A	1,887,000	N/A	N/A	2,065,000
Checkered Flag Partners	N/A	1,957,000	N/A	N/A	2,065,000
Victory Lap Partners	N/A	2,321,000	N/A	N/A	2,065,000
	N/A	8,015,000	N/A	N/A	8,260,000

B. How the Difference Between the Original Purchase Prices and the Money Raised Was Spent by Western

Western did not keep separate accounts for the funds it obtained from each GP. All funds it obtained from the GPs for selling land went to the same primary bank account. Therefore, there is no way to know exactly how the funds Western obtained for selling the LV Kade Property land were used, as opposed to funds obtained from selling other land. And as previously mentioned, we have not been able to obtain the initial purchase price Western paid for this property.

The Receiver did an analysis of how funds were spent by Western for the time period 2005 - 2012. Based upon average amounts spent during that period by category, the \$6,450,000 in estimated excess proceeds received by Western is estimated to have been spent as follows:

	Average % Paid	Estimated Amount Paid
Payments to Schooler	21%	\$1,379,743
Sales Commissions	15%	\$997,616
Payroll - Other	17%	\$1,126,051
Operating Expenses	21%	\$1,356,948
Western Investments in GPs	9%	\$585,482
Income Taxes	6%	\$362,535
Payments to Related Parties	6%	\$371,548
Payments to Escrow Companies	4%	\$270,078
	100%	\$6,450,000

Additional information on the Receiver's findings concerning the financial affairs of Western and the GPs can be found on the Receiver's website, www.ethreadvisors.com (use the SEC Case Docs tab), including Part One and Part Two of the Receiver's Forensic Accounting Report.

III. CURRENT FINANCIAL STATUS OF LV KADE PROPERTY GPS

Listed below are the current and projected cash balances for the LV Kade Property GPs.

	Cash as of 1/1/2015	Est 2015 & 2016 Receipts	Est 2015 & 2016 Expenses	Estimated Cash as of 12/31/2016	Percentage of Operational Bills Paid Since 2013
Hollywood Partners	\$16,564	\$874	(\$44,560)	(\$27,122)	30%
BLA Partners	\$15,715	\$528	(\$36,379)	(\$20,136)	40%
Checkered Flag Partners	\$14,825	\$0	(\$35,029)	(\$20,204)	29%
Victory Partners	\$7,983	\$828	(\$39,628)	(\$30,817)	27%
	\$55,087	\$2,230	(\$155,596)	(\$99,279)	31%

The receipts primarily consist of investor payments of operational billings. Expenses consist primarily of administrators, tax preparation, property taxes (both current year, and delinquent 2013), insurance, and most significantly, loan payments due to Western for financed investments. Attached as Exhibit "A" are actual and estimated receipts and disbursements for 2014, 2015 and 2016 for each GP.

The LV Kade Property GPs are already delinquent on 2013 property taxes totaling (\$38,362) and in paying back shortfall loans from Western totaling (\$26,160). All of the GPs in this property are projected to run out of money, and not be able to pay items such as current and past due property taxes and loan payments. Accordingly, a capital call will be sent out shortly to all of the investors in the LV Kade Property GPs to fund these projected deficiencies.

The GPs have historically only raised 31% from investors since 2013 to pay expenditures for the LV Kade Property. If this historic percentage of operational billing payments holds true for the capital call, and sufficient capital is not raised, the LV Kade Property will be sold, subject to Court approval of the sale terms.

It is important to understand that, because of the co-tenancy structure for LV Kade Property, in which each of the four GPs own a percentage of the same land, the financial status of each GP can potentially affect the other GPs. If, for example, one GP in the group becomes unable to pay its operating expenses such as property taxes, the other GPs may be adversely effected by the late charges and/or penalties incurred for the land as a whole. Per the Court's order, if the investors in one or more of the LV Kade Partners GPs do not raise sufficient funds in this capital call, investors in the remaining GPs will be given the opportunity to cover the shortfall in capital needed to pay expenses. Investors can also voluntarily contribute additional capital to the LV Kade Property GPs, with a corresponding increase in their ownership interest.

IV. ESTIMATED CURRENT VALUE OF INVESTMENT

Listed below is the estimated cash proceeds that would be received from a sale of the property, based on its June 2015 appraised value. The estimated net sale proceeds are based on the existing 2015 appraised value (less cost of sale). There are no underlying GP notes payable or mortgages payable on this property. A sale based on these assumptions would yield positive net proceeds of \$7,681,800 for the 4 GPs that comprise the LV Kade Property. This amount would be further reduced, based on the status of the past due property taxes and shortfall loans previously discussed.

	Estimated Net Sale Proceeds	GP Notes Payable to Western	Outstanding Balance on Mortgages	Estimated Cash Proceeds to GPs from Sale
Hollywood Partners	\$1,920,450	\$0	\$0	\$1,920,450
BLA Partners	\$1,920,450	\$0	\$0	\$1,920,450
Checkered Flag Partners	\$1,920,450	\$0	\$0	\$1,920,450
Victory Lap Partners	\$1,920,450	\$0	\$0	\$1,920,450
	\$7,681,800	\$0	\$0	\$7,681,800

LV Kade Property Investors
June 29, 2015
Page 5

Sincerely,

A handwritten signature in blue ink that reads "Thomas C Hebrank". The signature is fluid and cursive, with a large initial "T" and a stylized "C" for "C.".

Thomas C. Hebrank, CPA, CIRA
Receiver

EXHIBIT “A”

Hollywood

2014/2015/2016 Operational Summary and Estimated Operational Expenses

	Actual 2014	Actual / Projected 2015	Projected 2016
Beginning Cash Balance	14,738	16,564	(10,791)
Receipts			
Investor Operational Contributions	22,924	874	-
2013 Cleared Deposits			
Misc. Reciepts	-	-	-
Investor Note Payments	-	-	-
Total Receipts	22,924	874	-
Disbursements			
Administrator Payroll	1,500	1,300	¹ 1,200
K-1 Preparation	2,641	2,567	² 1,400
Property Taxes/Bond Payments	16,481	18,037	³ 7,406
Insurance	70	200	200
Office Supplies	406	425	425
Appraisal	-	-	-
State and Local Entity Filings	-	-	-
Income Taxes	-	-	-
Miscellaneous	-	1,000	⁴ 1,000
Operational Loan Repayment	-	4,700	⁵ 4,700
Note Repayment to Western	-	-	-
Total Disbursements	21,098	28,229	16,331
Ending Cash Balance	16,564	(10,791)	(27,121)
Amount to be Billed		10,791	27,121

¹ In April 2015, the GPs will pay a small upfront fee to Lincoln property, but will see comparable costs thereafter.

² It should be noted that the 2014 K-1 preparation was due in 2014, but not paid until 2015 because the Court had not yet authorized that payment. We anticipate that expense will be due and payable in the applicable year on a go-forward basis (i.e billed in 2015 and paid in 2015). Therefore, the K-1 Preparations expenses include 2014 and 2015 fees.

³ The amount in 2015 includes defaulted property taxes for 2013.

⁴ This amount is included for budgetary reasons but is not expensed if not used.

⁵ In previous years, Western would cover portions of the operational bills for the partnerships when they did not have sufficient funds to pay these expenses. The Court has ordered us to recover these funds from the respective partnership.

BLA

2014/2015/2016 Operational Summary and Estimated Operational Expenses

	Actual 2014	Actual / Projected 2015	Projected 2016
Beginning Cash Balance	12,604	15,715	(8,555)
Receipts			
Investor Operational Contributions	17,025	528	-
2013 Cleared Deposits	5,017		
Misc. Receipts	-	-	-
Investor Note Payments	-	-	-
Total Receipts	22,042	528	-
Disbursements			
Administrator Payroll	1,300	1,300	¹ 1,200
K-1 Preparation	725	3,886	² 1,400
Property Taxes/Bond Payments	16,481	18,037	³ 7,406
Insurance	69	200	200
Office Supplies	356	375	375
Appraisal	-	-	-
State and Local Entity Filings	-	-	-
Income Taxes	-	-	-
Miscellaneous	-	1,000	⁴ 1,000
Operational Loan Repayment	-	-	-
Note Repayment to Western	-	-	-
Total Disbursements	18,931	24,798	11,581
Ending Cash Balance	15,715	(8,555)	(20,136)

Amount to be Billed

20,136

- ¹ In April 2015, the GPs will pay a small upfront fee to Lincoln property, but will see comparable costs thereafter.
- ² It should be noted that the 2014 K-1 preparation was due in 2014, but not paid until 2015 because the Court had not yet authorized that payment. We anticipate that expense will be due and payable in the applicable year on a go-forward basis (i.e. billed in 2015 and paid in 2015). Therefore, the K-1 Preparations expenses include 2014 and 2015 fees.
- ³ This amount includes a portion of past due property taxes from 2013 and 2014.
- ⁴ This amount is included for budgetary reasons but is not expensed if not used.

Checkered Flag

2014/2015/2016 Operational Summary and Estimated Operational Expenses

	Actual 2014	Actual / Projected 2015	Projected 2016
Beginning Cash Balance	17,826	14,825	(8,622)
Receipts			
Investor Operational Contributions	13,566	-	-
2013 Cleared Deposits	2,585		
Misc. Reciepts	-	-	-
Investor Note Payments	-	-	-
Total Receipts	16,151	-	-
Disbursements			
Administrator Payroll	1,500	1,300	¹ 1,200
K-1 Preparation	745	1,942	² 1,400
Property Taxes/Bond Payments	16,481	18,037	³ 7,406
Insurance	69	200	200
Office Supplies	356	375	375
Appraisal	-	-	-
State and Local Entity Filings	-	-	-
Income Taxes	-	-	-
Miscellaneous	-	1,000	⁴ 1,000
Operational Loan Repayment	-	593	⁵ -
Note Repayment to Western	-	-	-
Total Disbursements	19,151	23,448	11,581
Ending Cash Balance	14,825	(8,622)	(20,203)
Amount to be Billed		8,622	20,203

¹ In April 2015, the GPs will pay a small upfront fee to Lincoln property, but will see comparable costs thereafter.

² It should be noted that the 2014 K-1 preparation was due in 2014, but not paid until 2015 because the Court had not yet authorized that payment. We anticipate that expense will be due and payable in the applicable year on a go-forward basis (i.e billed in 2015 and paid in 2015). Therefore, the K-1 Preparations expenses include 2014 and 2015 fees.

³ This amount includes a portion of past due property taxes from 2013 and 2014.

⁴ This amount is included for budgetary reasons but is not expensed if not used.

⁵ In previous years, Western would cover portions of the operational bills for the partnerships when they did not have sufficient funds to pay these expenses. The Court has ordered us to recover these funds from the respective partnership.

Victory Lap

2014/2015/2016 Operational Summary and Estimated Operational Expenses

	Actual 2014	Actual / Projected 2015	Projected 2016
Beginning Cash Balance	11,330	7,983	(19,136)
Receipts			
Investor Operational Contributions	14,101	828	-
2013 Cleared Deposits	1,777	-	-
Misc. Reciepts	-	-	-
Investor Note Payments	-	-	-
Total Receipts	15,878	828	-
Disbursements			
Administrator Payroll	1,500	1,300	¹ 1,200
K-1 Preparation	725	2,278	² 1,400
Property Taxes/Bond Payments	16,481	18,037	³ 7,406
Insurance	69	200	200
Office Supplies	451	475	475
Appraisal	-	-	-
State and Local Entity Filings	-	-	-
Income Taxes	-	-	-
Miscellaneous	-	1,000	⁴ 1,000
Operational Loan Repayment	-	2,067	⁵ -
Note Repayment to Western	-	2,590	⁶ -
Total Disbursements	19,226	27,947	11,681
Ending Cash Balance	7,983	(19,136)	(30,817)
Amount to be Billed		19,136	30,817

¹ In April 2015, the GPs will pay a small upfront fee to Lincoln property, but will see comparable costs thereafter.

² It should be noted that the 2014 K-1 preparation was due in 2014, but not paid until 2015 because the Court had not yet authorized that payment. We anticipate that expense will be due and payable in the applicable year on a go-forward basis (i.e. billed in 2015 and paid in 2015). Therefore, the K1 Preparations expenses include 2014 and 2015 fees.

³ This amount includes a portion of past due property taxes from 2013 and 2014.

⁴ This amount is included for budgetary reasons but is not expensed if not used.

⁵ In previous years, Western would cover portions of the operational bills for the partnerships when they did not have sufficient funds to pay these expenses. The Court has ordered us to recover these funds from the respective partnership.

⁶ This payment reflects the amount due from the partnership to Western for those Investors that financed their investment.