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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,)
)
v.)
)
LOUIS V. SCHOOLER and FIRST)
FINANCIAL PLANNING CORPORATION,)
)
dba Western Financial Planning Corporation,)
)
)
Defendants.)
_____)

Case No. 3:12-cv-2164-GPC-JMA
**ORDER GRANTING IN PART
UNOPPOSED MOTION FOR RELIEF
FROM CERTAIN REQUIREMENTS
UNDER LOCAL RULE 66.1
(ECF NO. 75)**

This is a civil enforcement action initiated by the Securities and Exchange Commission (“Commission”), in which the Commission alleges defendants Louis V. Schooler (“Schooler”) and First Financial Planning Corporation d/b/a Western Financial Planning Corporation (“Western”) defrauded investors through the sale of unregistered securities tied to interests in real property. The Court has entered a preliminary injunction and appointed Thomas C. Hebrank (“Receiver”) as permanent receiver to operate and manage the affairs of Western, its subsidiaries, and the several general partnerships that Western formed in connection with the sale of the aforementioned interests in real property. Before the Court is the Receiver’s Motion for Relief from Certain Requirements under Civil Local Rule 66.1.

Specifically, the Receiver requests that he not be required to file a list of all creditors, their addresses, and the amounts of their claims as required by Civil Local Rule 66.1.e. The Receiver

1 asserts that publishing such a list would infringe on the personal privacy of the investors in this case
2 and could needlessly subject them to unwanted solicitation and harassment.

3 The Receiver proposes, as an alternative, that notices be provided to investors and other
4 creditors throughout the case without any identities or home addresses being published, other than as
5 necessary in resolving disputes concerning claims.

6 The Receiver also requests that he not be required to provide notice by mail of petitions for
7 confirmation of sales of property, reports of the receiver, and fee applications as required by Civil
8 Local Rule 66.1.f. The Receiver asserts that because there are approximately 3,370 investors, the cost
9 of providing mail notice of hearings related to the above filings has resulted, and will continue to
10 result, in unnecessary costs to the receivership estate. The Receiver states that mailing notice of the
11 hearing on the first set of interim fee applications to every investor cost approximately \$2,800.

12 The Receiver proposes, as an alternative, that notices related to petitions for confirmation of
13 sales of property, receiver reports, and fee applications be posed on the Receiver's website
14 (www.ethreadvisors.com). The Receiver further proposes that, if an investor prefers to receive
15 notices by mail, he or she can submit a written request to the Receiver and mail notices will be
16 provided.

17 The Court has broad discretion in the administration of a receivership estate. See SEC v.
18 Capital Consultants, LLC, 397 F.3d 733, 738 (9th Cir. 2005). Indeed, "a primary purpose of equity
19 receiverships is to promote orderly and efficient administration of the estate by the district court for
20 the benefit of creditors." SEC v. Hardy, 803 F.2d 1034, 1038 (9th Cir. 1986).

21 Regarding the filing of a list of all creditors, their addresses, and the amounts of their claims,
22 the Court notes that many of the addresses would likely be home addresses. The Court thus
23 appreciates the Receiver's concern regarding the privacy of investors. The Court, however, finds that
24 filing a report with investors' addresses redacted, along with a sealed unredacted report, is more
25 appropriate.


26 Regarding the mailing of notices required by Rule 66.1.f, the Court finds the Receiver's
27 proposals are consistent with promoting the orderly and efficient administration of the receivership
28 estate. The Court further finds that the Receiver's proposals are appropriately geared toward

1 conserving the limited receivership estate resources.

2 Based on the foregoing, the Receiver's Motion for Relief from Certain Requirements under
3 Local Rule 66.1 is **GRANTED IN PART**. Accordingly, **IT IS HEREBY ORDERED** that:

- 4 1. The Receiver shall file two versions of the report required by Local Rule 66.1.e: a
5 version wherein investors' addresses are redacted and a sealed unredacted version;
- 6 2. The Receiver is not required to mail notices of hearings related to petitions for
7 confirmation of sales of property, receiver reports, and fee applications but is required
8 to mail all other notices required by Local Rule 66.1.f;
- 9 3. The Receiver is required to post on its website the notices of hearings related to
10 petitions for confirmation of sales of property, receiver reports, and fee applications;
- 11 4. The Receiver is required to maintain its website in working condition during the
12 pendency of the receivership;
- 13 5. The Receiver shall send a written notice by mail to investors (1) providing them with
14 the Receiver's web address, (2) informing them that the Receiver will post all future
15 notices regarding petitions for confirmation of sales of property, receiver's reports, and
16 fee applications on the Receiver's website, and (3) informing them of the option to
17 continue receiving such notices by mail upon submission of a written request to that
18 effect; and
- 19 6. The hearing on the Receiver's Motion for Relief from Certain Requirements under
20 Local Rule 66.1, currently set for March 8, 2013, is **VACATED**.

21 DATED: March 7, 2013

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23 HON. GONZALO P. CURIEL
24 United States District Judge
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