

1 ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP  
2 DAVID R. ZARO (BAR NO. 124334)  
515 South Figueroa Street, Ninth Floor  
3 Los Angeles, California 90071-3309  
Phone: (213) 622-5555  
4 Fax: (213) 620-8816  
E-Mail: dzaro@allenmatkins.com

5 EDWARD G. FATES (BAR NO. 227809)  
6 501 West Broadway, 15th Floor  
San Diego, California 92101-3541  
7 Phone: (619) 233-1155  
Fax: (619) 233-1158  
8 E-Mail: tfates@allenmatkins.com

9 Attorneys for Receiver  
THOMAS C. HEBRANK

11 **UNITED STATES DISTRICT COURT**  
12 **SOUTHERN DISTRICT OF CALIFORNIA**

14 SECURITIES AND EXCHANGE  
COMMISSION,

15 Plaintiff,

16 v.

17 LOUIS V. SCHOOLER and FIRST  
18 FINANCIAL PLANNING  
CORPORATION d/b/a WESTERN  
19 FINANCIAL PLANNING  
CORPORATION,

20 Defendants.

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

**RECEIVER'S OPPOSITION TO  
INVESTORS' MOTION FOR AN  
ORDER DIRECTING THE  
RECEIVER TO PROVIDE AN  
ACCOUNTING OR IN THE  
ALTERNATIVE FOR AN AUDIT OF  
THE RECEIVERSHIP BY AN  
INDEPENDENT ACCOUNTANT**

Date: June 10, 2016  
Time: 1:30 p.m.  
Ctrm.: 2D  
Judge: Hon. Gonzalo P. Curiel

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1 Thomas C. Hebrank ("Receiver"), Court-appointed receiver for First Financial  
2 Planning Corporation d/b/a Western Financial Planning Corporation ("Western"),  
3 and its subsidiaries and the General Partnerships listed on Schedule 1 to the  
4 Preliminary Injunction Order entered on March 13, 2013 (collectively,  
5 "Receivership Entities"), submits this opposition to the Motion for an Order  
6 Directing the Receiver to Provide an Accounting or in the Alternative an Audit of  
7 the Receivership by an Independent Accountant ("Motion") filed by the investors  
8 represented by attorney Gary Aguirre ("Aguirre Investors").

### 9 I. INTRODUCTION

10 In the Motion, the Aguirre Investors continue their campaign of  
11 misrepresenting the facts and making spurious attacks on the Receiver. In their  
12 desperate attempt to manufacture an accounting scandal, they make the ridiculous  
13 statement that "[u]nless the Court grants this motion, no one – with the possible  
14 exception of the Receiver and his attorneys – will ever know how much he spent or  
15 received." Motion, p. 7. In fact, every dollar received and disbursed by Western  
16 and the GPs during the course of the receivership has been properly accounted for  
17 consistent with the Court's orders.

18 The system of investor note payments, GP note payments, and underlying  
19 mortgage payments received and disbursed by the Receivership Entities is  
20 somewhat complex and not easily understood by those unfamiliar with it. The Court  
21 observed this and specifically asked the Receiver to clarify it, which he did. Dkt.  
22 Nos. 59, 80. The Aguirre Investors have made no effort to understand the system  
23 and have never asked the Receiver to explain it. Instead, they simply point to things  
24 they do not understand and announce that millions of dollars have been secretly  
25 spent by the Receiver. This is complete nonsense, of course.

26 Except in instances in which the Court has specifically authorized the  
27 Receiver to alter the system in order to protect receivership assets, the Receiver has  
28 collected and disbursed investor note payments, GP note payments, and underlying

1 mortgage payments just as they were prior to his appointment. In addition,  
2 wherever possible, the Receiver has reduced the operating expenses of the GPs,  
3 including by installing a professional administrator, Lincoln Property Group  
4 ("Lincoln"), and reducing GP property taxes through appeals.

5 Not only do the Aguirre Investors make no effort to understand the  
6 Receivership Entities' financial transactions, but in spuriously attacking the  
7 Receiver, they completely ignore the entire history and context of this case,  
8 including (a) the Court's instructions to the Receiver to preserve the status quo,  
9 (b) the fact that since the beginning of the case, Western and many of the GPs have  
10 been in a constant state of cash flow crisis, often lacking sufficient funds to pay their  
11 basic expenses, (c) the fact that until March 2015, day-to-day administration of the  
12 GPs was handled by the pre-receivership administrators, Alice Jacobson and  
13 Beverly Shuler, who the Aguirre Investors strongly supported, (d) the extensive  
14 efforts made by the Receiver and the Court to minimize administrative expenses,  
15 and (e) the fact that all administrative expenses have been paid from Western's  
16 assets (after lengthy delays) in order to preserve the limited funds in GP accounts.

17 For many years, Ms. Jacobson and Ms. Shuler handled the day-to-day  
18 administration of the GPs. Unfortunately, they had no experience using accounting  
19 software and instead used an outside independent contractor, Louise Cohen, to  
20 compile and enter data into QuickBooks from bank statements at the end of each  
21 year so Duffy Kruspodin & Company, LLP ("Duffy") could prepare GP tax returns.  
22 This system, although unsophisticated and inefficient, was the status of the  
23 administration of the GPs when the Receiver was appointed.

24 As the Court knows, both Western and many of the GPs have been in a  
25 persistent cash flow crisis since the beginning of the case. Overhauling the  
26 administration of Western and the GPs and instituting new, more expensive  
27 accounting procedures was simply not an option. Making mortgage payments,  
28 property tax payments, and meeting other obligations has been and continues to be a

1 major challenge. Accordingly, the accounting procedures used by the GPs, under  
2 the administration of Ms. Jacobson and Ms. Shuler, remained in place until they  
3 were terminated in March 2015. Fortunately, once the Court determined the GPs  
4 would remain in the receivership (Dkt. No. 1003), the Receiver was able to install a  
5 more professional administrator, Lincoln, which has instituted more standard,  
6 efficient accounting procedures and has been able to save the GPs money on  
7 administration fees in the process.

8 The Aguirre Investors ignore this history, make no effort to understand the  
9 accounting records (both publicly available and provided to them by the Receiver),  
10 and demand a retroactive accounting of every receipt and disbursement for all 86  
11 GPs and the Western entities since the inception of the receivership. This would  
12 cost tens of thousands of dollars and impose substantial unnecessary costs on the  
13 other 92% of investors.<sup>1</sup> The accounting procedures used in the case were the result  
14 of the heavily contested nature of the litigation, the Court's orders and directions, the  
15 critical need to minimize administrative expenses, and the very limited resources of  
16 Western and many GPs.

17 Regardless, there is absolutely no evidence supporting the Aguirre Investors'  
18 accusations that receivership funds have not been accounted for properly. Instead,  
19 the Motion is based on their lack of understanding, misrepresentations, ridiculous  
20 comparisons to Enron, and pure paranoia about imaginary first class trips to Hawaii.  
21 As discussed below, every receipt and disbursement for the Receivership Entities  
22 since the inception of the receivership has been appropriately accounted for  
23 consistent with the Court's orders. Further retroactive accounting work would do  
24 nothing but diminish the funds in the receivership estate available to distribute to  
25 investors. Accordingly, the Motion should be denied.

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28 <sup>1</sup> Mr. Aguirre's clients and Mr. Dillon's clients, combined, make up approximately  
8% of the approximately 3,300 investors.

## II. BACKGROUND FACTS

1  
2 From the outset of the case, Louis Schooler ("Schooler") aggressively  
3 defended the claims of the Securities and Exchange Commission ("Commission").  
4 Schooler had three different firms representing him and brought motion after motion  
5 challenging virtually every aspect of the Commission's Complaint, the Temporary  
6 Restraining Order, the receivership, the Preliminary Injunction Order, including  
7 whether Western and the GPs should be in the receivership, and a myriad of other  
8 issues.

9 The Court initially seemed to agree with Schooler as to inclusion of the GPs  
10 in the receivership. On August 16, 2013, the Court entered an order stating the GPs  
11 would be released from the receivership on certain terms and conditions. Dkt.  
12 No. 470. Schooler then appealed the order, challenging the terms and conditions of  
13 the contemplated release and the Court stayed the order. Dkt. No. 513. While the  
14 appeal was pending, on April 25, 2014, the Court granted summary judgment in  
15 favor of the Commission on the issue of whether the GP units sold by Schooler and  
16 Western are securities. Dkt. No. 583.

17 In light of the ruling, the Court *sua sponte* reconsidered its decision to release  
18 GPs from the receivership, held several hearings on the issue, directed the Receiver  
19 to provide a detailed report (Dkt. No. 852), and ultimately decided to keep the GPs  
20 in the receivership in March 2015. Dkt. No. 1003. In keeping the GPs in the  
21 receivership, the Court also authorized the Receiver to transition administration of  
22 the GPs from pre-receivership administrators, Ms. Jacobson and Ms. Shuler, to  
23 Lincoln. *Id.* Since taking over administration of the GPs, Lincoln has instituted  
24 more standard, efficient accounting procedures, the costs of which were built into  
25 the Lincoln fees discussed in the Receiver's Report and Recommendation. Dkt.  
26 No. 852, Page 28.

27 The Court then directed the Receiver to provide a report and recommendation  
28 regarding the best course of action for the GPs, which he did, including

1 recommendations to disseminate information packets to investors, issue capital calls  
2 to GPs with insufficient cash to meet their 2016 operating expenses, and move  
3 properties with failed capital calls to an orderly sale process. Dkt. No. 1056. The  
4 Court approved the Receiver's recommendations, with limited modifications to the  
5 capital call process. Dkt. No. 1069. The Receiver has since published information  
6 packets for each and every GP on the receivership website (with notice going to  
7 investors by mail and email) and issued capital calls to the GPs that own 27 of the  
8 36 separate GP properties,<sup>2</sup> all of which have insufficient cash to meet their 2016  
9 expenses. Each and every capital call failed. *See* Dkt. No. 1264, Exh. A (showing  
10 amounts needed to be raised and amounts actually raised). Accordingly, the 27 GP  
11 properties have been moved to the orderly sale process. *Id.* (showing where the  
12 properties stood in the orderly sale process as of April 22, 2016).

13 **A. Accounting During the Receivership**

14 At the beginning of the case, the Court could have instructed the Receiver to  
15 terminate all employees, overhaul the administration of Western and the GPs, and  
16 institute more comprehensive accounting procedures. But it did not and for good  
17 reason. First, the Commission and Schooler were engaged in very active litigation  
18 over numerous issues, including whether the GP units sold by Schooler and Western  
19 were unregistered securities and whether Schooler and Western committed fraud in  
20 selling GP units to investors. Second, Western and many of the GPs had little or no  
21 cash available to pay for new accounting personnel or new accounting software.  
22 Rather, the Court made it clear the Receiver's primary charge was to preserve the  
23 status quo, preserve receivership assets while the litigation was ongoing, and clarify  
24 the pre-receivership financial affairs of Western and the GPs. Dkt. Nos. 59, 174.

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27 <sup>2</sup> The number of GP properties was previously discussed in general terms as 23.  
28 However, the number of separate GP properties is actually 36. *See* Dkt.  
No. 1264, p. 5.

1 Consistent with those directives, the Receiver did his best with the very  
2 limited funds available to keep Western and the GPs current on their obligations  
3 (which, as the Receiver stated many times, was not always possible for the GPs).  
4 The Receiver provided quarterly interim reports with total receipts and total  
5 disbursements for each of the 86 GPs and a separate detailed schedule for Western.  
6 To date, the Receiver has filed 14 such reports. Dkt. Nos. 27, 49, 80, 184, 481, 517,  
7 547, 596, 759, 1000, 1065, 1103, 1148, and 1189.

8 As noted above, Ms. Jacobson and Ms. Shuler never kept a ledger listing each  
9 transaction for each GP and did not prepare statements of receipts and  
10 disbursements. Declaration of Thomas Hebrank filed herewith ("Hebrank Decl."),  
11 ¶ 5. Nor were they willing to do so for the limited amount the GPs paid them. *Id.*  
12 Terminating Ms. Jacobson and Ms. Shuler would have caused a significant upheaval  
13 and overhaul in the administration of the GPs at a time when it was not clear the  
14 GPs would remain in the receivership. *Id.* at ¶ 6. Moreover, it was not clear anyone  
15 would be willing to take their place.<sup>3</sup> *Id.* Purchasing new accounting software and  
16 hiring an accountant to institute new accounting procedures was not an expense  
17 Western or the GPs could afford.<sup>4</sup> *Id.* at ¶ 7.

18 Accordingly, the Receiver monitored and tracked GP receipts and  
19 disbursements and compiled them in a spreadsheet, which was then attached as  
20 Exhibit A to the interim reports listing the total receipts and total disbursements and  
21 ending balance for each GP. *Id.* at ¶ 8. This was the most reasonable and efficient  
22 method available to track GP transactions and provide summary accounting  
23 information on a quarterly basis. *Id.* The Receiver also tracked the receipts and  
24 disbursements for the Western entities and included them at the bottom of  
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26 <sup>3</sup> The Receiver interviewed two potential administrators prior to engaging Lincoln  
and both of them declined the job.

27 <sup>4</sup> The Receiver looked into purchasing new property management accounting  
28 software, but the cost would have been approximately \$100,000 up front, plus  
about \$70,000 in annual maintenance costs.

1 Exhibit A, along with the ending balances for Western entity accounts. *Id.* Finally,  
2 the Receiver obtained a revenue and expense schedule from Western's controller  
3 (Traci Harris) and attached that schedule to his interim reports as Exhibit B.

4 On October 17, 2014, the Court directed the Receiver to provide an updated  
5 report and recommendation on the GPs, including, among other things, information  
6 about receipts and disbursements for each GP. Hebrank Decl., ¶ 9. At about the  
7 same time, Traci Harris left Western. Accordingly, the Receiver created a new  
8 "master spreadsheet" as well as a spreadsheet for each GP reflecting the receipts and  
9 disbursements by category starting on January 1, 2014. *Id.* From that point on,  
10 receipt and disbursements for the GPs have been logged and tracked via these  
11 spreadsheets. *Id.* The actual receipts and disbursements for 2014 and projected  
12 receipts and disbursements for 2015 were included in the Receiver's report and  
13 recommendation, along with a projected ending cash balance as of December 31,  
14 2015. *Id.* Dkt. No. 852-1.

15 Furthermore, pursuant to the Court's orders, the Receiver provided two  
16 forensic accounting reports to clarify the pre-receivership financial affairs of  
17 Western and the GPs. Dkt. Nos. 181, 504. The Receiver also sought relief to  
18 address the systemic problem of GPs that did not provide sufficient funds to  
19 Western for Western to make the underlying mortgage payments on their properties.  
20 Dkt. No. 519. These shortfalls had previously been covered by cash from Western,  
21 which was generated either from new sales of GP units (approximately 93% of  
22 which cash went to Western) and from regular cash infusions from Schooler  
23 (between January 5, 2012 and September 5, 2012, Schooler transferred a total of  
24 \$1,064,000 to Western). Dkt. No. 49. p. 2. As the Court has recognized, these  
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1 sources of cash no longer existed, so Western was unable to cover the shortfalls.  
 2 Dkt. No. 1003, p. 8. The Court approved the Receiver's proposal.<sup>5</sup> Dkt. No. 524.

3 Moreover, at various points throughout the case, and often at the Court's  
 4 request, the Receiver has filed reports, recommendations, and proposals detailing  
 5 the financial condition of Western and the GPs. Dkt. Nos. 203, 519, 852, 1056,  
 6 1181. On May 12, 2015, the Court directed the Receiver to prepare an information  
 7 packet for each GP. Dkt. No. 1069, Hebrank Decl., ¶ 10. The Receiver did so and  
 8 provided the actual receipts and disbursements for each GP for 2014, the receipts  
 9 and disbursements for each GP for 2015 (some of which were actual and some of  
 10 which were projected), and the projected receipts and disbursements for each GP for  
 11 2016. *Id.* The receipts and disbursements are broken down by category, contrary to  
 12 the Aguirre Investors' false accusations. *Id.* The information packets also state the  
 13 outstanding balances on mortgages and delinquent property taxes. An example of  
 14 the information packets – for the GPs that own the LV Kade property – is attached  
 15 to the Hebrank Declaration as Exhibit A.

16 Moreover, over the last four months, extensive additional financial  
 17 documentation has been provided to the Aguirre Investors, including the  
 18 QuickBooks financial statements prepared by Louise Cohen (2012-2014), the master  
 19 spreadsheet and related GP spreadsheets showing receipts and disbursements by  
 20 category for each GP (2014 to present), accounting ledgers and financial statements  
 21 maintained by Lincoln (March 2015 to present), as well as all GP bank statements  
 22 since the inception of the receivership. *Id.* at ¶ 11. Examples of these documents  
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25 <sup>5</sup> There are currently two instances in which the GPs – those that own the Santa Fe  
 26 and Yuma III properties – do not pay enough to Western to allow Western to  
 27 make the full mortgage payments on their properties. The Receiver specifically  
 28 raised this issue with the Court and sought permission to make partial mortgage  
 payments based on the amounts collected from the applicable GPs. Dkt.  
 No. 1000, pp. 4-6. The Court approved the Receiver's recommendation, which  
 he has since implemented. Dkt. No. 1005. All other GP mortgages are current  
 or have been paid off.



1           **B. Purported Enron-Style "Phony Revenue"**

2           The Aguirre Investors repeatedly assert the Receiver has recognized "phony  
3 revenue" by listing note payments from GPs on a "revenue and expense" schedule  
4 and likens this to Enron, one of the largest bankruptcy cases in United States history,  
5 involving a \$63.4 billion fraud and numerous criminal convictions. *See e.g.* Motion,  
6 pp. 1, 14, 23. This comparison is absurd, to say the least.

7           The Receiver acknowledges that schedules including GP note payments  
8 should have been labeled "receipts" instead of "revenue" and the Exhibit B schedule  
9 to his interim reports is more appropriately called a "receipts and disbursements" or  
10 "cash flow" schedule, rather than a "revenue and expense" schedule. The bottom of  
11 the schedule, however, which shows beginning cash and ending cash, makes it clear  
12 it is a cash flow statement of receipts and disbursements, not a revenue and expense  
13 schedule. *See e.g.* Dkt. No. 598, Exh. B. This is not the Enron scandal Mr. Aguirre  
14 claims, just an inadvertent mislabeling of a schedule.

15           The main Enron comparison made by the Aguirre Investors relates to the  
16 reporting of receipts and disbursements. The Aguirre Investors contend "[t]hrough  
17 extrapolation, it appears the Receiver failed to report approximately \$9.6 million in  
18 receipts and approximately \$9.4 million in disbursements in his Reports to the  
19 Court." Motion, p. 11. By simply inquiring of the Receiver or reviewing the bank  
20 statements provided to them, the Aguirre Investors would have discovered the  
21 simple answer to this "stubborn question." *Id.* The simple answer is that the legacy  
22 system created by Western utilizes multiple Western-related entities to perform  
23 specific functions, most notably receiving and disbursing investor note payments,  
24 GP note payments, and mortgage payments. Hebrank Decl., ¶ 12.

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1 For investor note payments, the OPADS system<sup>6</sup> and bank ACH interface  
2 depend on the WSCC LLC bank account to receive investor note payments, and  
3 then they are transferred almost immediately over to the relevant GP bank accounts.  
4 *Id.* Similarly, GP note payments are swept from the GP bank accounts into the  
5 WFPC - Business bank account, and then disbursed to the Western corporate  
6 account to then be paid to the underlying mortgage holder. *Id.*; *see also* Dkt.  
7 No. 1263, pp. 5-6 (describing these flow-through transactions). The Receiver's  
8 "Enron-style" accounting schedules exclude these in and out bank transfers purely  
9 because they inflate receipts and disbursements, and provide a misleading picture of  
10 Western's financial activity. It was for this reason the Receiver eliminated the  
11 portion of Exhibit A relating to the Western entities from his interim reports after  
12 the Ninth Interim Report. Hebrank Decl., at ¶ 12.

13 Nevertheless, to address the Aguirre Investors' paranoia, the Receiver has  
14 recreated quarterly reports of all Western-related bank account receipts and  
15 disbursements, which are attached to the Hebrank Decl. as Exh. C (flow-through  
16 transactions described above are highlighted). The "double accounting" of receipts  
17 and disbursements is summarized below and accounts for a minimum of  
18 approximately \$12.2 million in inflated receipts and disbursements. *Id.* at ¶ 13. It  
19 should be noted that other bank accounts listed on this schedule, including  
20 Fernley I, LLC, P51 LLC, Santa Fe Venture and SFV II, LLC also contain in and  
21 out transactions, so the amount of double counted receipts and disbursements is  
22 actually understated by these items. *Id.*

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25 <sup>6</sup> The Aguirre Investors complain that the data contained in the OPADS system  
26 has not been produced to them by the Receiver. This is because OPADS only  
27 tracks investor payments, notes, capital calls, and contact information. It does  
28 not contain any GP-level transactions or Western-level transactions.  
Accordingly, as the Receiver's counsel explained to Mr. Aguirre, it is not  
relevant to any pending motion, nor would it be appropriate for the Receiver to  
produce personal data regarding other investors to the Aguirre Investors.

**Western In & Out Transactions  
WFPC Business & WSCC Bank Account**

	<b>Receipts</b>	<b>Disbursements</b>
2012	1,271,542.92	1,223,913.01
1Q13	900,607.82	855,425.20
2Q13	1,011,170.13	1,010,108.37
3Q13	704,850.68	730,324.01
4Q13	1,005,868.35	997,237.17
1Q14	1,061,853.90	1,115,629.75
2Q14	946,546.97	941,662.41
3Q14	986,583.25	988,959.98
4Q14	932,175.76	937,081.34
1Q15	909,823.87	900,287.49
2Q15	850,109.21	844,214.69
3Q15	813,278.38	798,159.42
4Q15	804,717.37	814,291.90
<b>Total</b>	<b>12,199,128.61</b>	<b>12,157,294.74</b>

**C. Fees and Costs of the Receivership**

Just as Schooler, Dennis Gilman, and those aligned with them have for the last three years, the Aguirre Investors (who include Dennis Gilman) argue again that the Receiver is paying fees and costs of the receivership from GP funds and insist that loans the GPs owe Western must not be collected.

For as long as his fight with the Commission was ongoing, one of Schooler's strategies with respect to the receivership was to convince investors the receivership was harming them so they would support his efforts to have the GPs released. Schooler set up a website, sent letters to investors, and held group meetings with investors at his lawyers' offices. The Court observed that one of the letters sent to investors by Schooler "demonstrates, in the Court's view, an effort by Schooler to guide and influence the actions and perceptions of investors in these proceedings." Dkt. No. 549.

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1 Schooler is apparently quite good at influencing investors. The investors who  
2 appeared before the Court at the hearing held on October 10, 2014, almost  
3 uniformly believed their GPs were paying the costs of the receivership despite  
4 numerous prior statements by the Receiver and the Court that they were not. When  
5 this notion was addressed and rejected during the hearing, Schooler's lawyers  
6 immediately jumped up to defend it, eliminating any doubt as to who had  
7 propagated it. Their defense was that "technically" the Receiver was collecting  
8 loans the GPs owe Western (as the Court had instructed him to), and these funds  
9 were going to Western and would be available to pay some of the fees and costs of  
10 the receivership, so therefore the GPs were indirectly paying the fees and costs of  
11 the receivership.

12 This exact same argument is now being made by the Aguirre Investors. The  
13 Aguirre Investors go as far as to say "[t]he cash flow between the GPs and Western  
14 was not designed to create a cash cushion. It was supposed to be just enough so  
15 Western could pay the mortgages." Motion, p. 24. This is a telling contention –  
16 how would the Aguirre Investors know the "design" of the cash flow other than  
17 from the person who designed it? The parallels in the arguments previously made  
18 by Schooler and rejected by the Court and those made by the Aguirre Investors now  
19 are striking.

20 The Receiver and the Court have covered this ground many times and have  
21 informed investors the following:

- 22 • The fees and costs of the receivership are legitimate expenses of  
23 Western (Dkt. No. 511, pp. 7-8);
- 24 • Loans the investors owe their GP and their GPs owe Western would be  
25 paid regardless of whether there is a receivership or not (Dkt. No. 1003,  
26 p. 7);
- 27 • The larger operational bills and capital calls that have gone out to  
28 investors during the receivership are because fewer and fewer investors

- 1 are paying the bills, and therefore the GPs have slipped further and  
2 further behind in collecting necessary funds (Dkt. No. 1003, p. 8); and  
3 • Western is unable to cover shortfalls between GP cash and expenses as  
4 it had prior to the receivership (Dkt. No. 1003, p. 8).

5 There is no secret or mystery as to how the fees and costs of the receivership  
6 have been paid to date. They have been paid in increments over time from  
7 Western's assets, including loans collected from GPs, amounts collected on the  
8 judgments against the LinMar entities, and amounts collected from the Court-  
9 approved sales of Western's automobiles, gold coins, and office furniture and  
10 equipment. As detailed below, there is currently \$399,043.47 in Court-approved but  
11 unpaid fees and costs of the receivership because of Western's constant cash  
12 shortage (and another \$79,848 in Court-approved but unpaid fees owed to Duffy by  
13 the GPs because of GPs that have no cash). Hebrank Decl., ¶ 14. The Aguirre  
14 Investors never asked the Receiver how fees and costs of the receivership have been  
15 paid, they just reiterate Schooler's previously rejected argument that they must be  
16 paid from GP funds. *Id.* at ¶ 18.

17 Nor is there any secret or mystery as to how the fees and costs of the  
18 receivership will be paid under the proposed distribution plan. Under the One Pot  
19 Approach, fees and costs of the receivership will be paid from the pooled assets of  
20 the receivership estate. Dkt. No. 1181-1, Exh. E (explaining that a reserve of cash to  
21 pay administrative claims, *i.e.*, fees and costs of the receivership, will be  
22 established). Under the Two Tier Approach, they would be paid from the second  
23 tier, *i.e.*, the assets of Western, in the same manner (cash reserve). Again, the  
24 Aguirre Investors never asked the Receiver how the fees and costs of the  
25 receivership will be paid under the proposed Distribution Plan.

26 For purposes of projecting outcomes in the Distribution Motion (Dkt.  
27 No. 1181), the Receiver estimated what the unpaid fees and costs of the receivership  
28 through the end of 2016 (including holdbacks) might be – \$1,500,000 – and used

1 that number (about which, the Aguirre Investors never asked the Receiver).  
2 Hebrank Decl., ¶¶ 15, 18. Of course, there is no way to know what the actual future  
3 fees and costs will be, so the Receiver's best estimate is just that – an estimate. *Id.* at  
4 ¶ 15. The actual fees and costs incurred in the future are likely to vary substantially  
5 from the estimate. *Id.*

6 1. Fees and Costs Incurred, Paid, and Unpaid

7 From inception of the receivership through September 30, 2015, the Receiver  
8 incurred fees and costs of \$1,072,363.24, of which amount \$209,377.71 is subject to  
9 holdback pending approval of the Receiver's final fee application at the conclusion  
10 of the receivership, \$636,772.50 has been approved by the Court and paid from  
11 Western's assets, and \$226,213.74 has been approved by the Court but remains  
12 unpaid. *Id.* at ¶ 16. During the same time period, Allen Matkins incurred fees and  
13 costs of \$807,808.88, of which amount \$171,852.71 is subject to holdback pending  
14 approval of Allen Matkins' final fee application at the conclusion of the  
15 receivership, \$463,126.45 has been approved by the Court and paid from Western's  
16 assets, and \$172,829.73 has been approved by the Court but remains unpaid. *Id.*  
17 Finally, during the same time period, tax accountant Duffy Kruspodin &  
18 Company, LLP has incurred \$46,687.52 for preparing tax returns for Western and  
19 other non-GP Receivership Entities, all of which has been paid from Western's  
20 assets, and has incurred \$303,686.52 for preparing GP tax returns, of which  
21 \$79,848.00 remains unpaid because of GPs that have no cash. *Id.*

22 **D. Standardized Fund Accounting Report**

23 The Aguirre Investors point out that the Receiver has not filed the exact form  
24 of Standardized Fund Accounting Report ("SFAR") included in the Commission's  
25 billing instructions with his interim fee applications. In fact, the Receiver's fourteen  
26 quarterly interim reports and exhibits thereto provide more detailed financial  
27 information about the Receivership Entities than is called for in the SFAR. The  
28 interim reports are submitted on a quarterly basis, as are the fee applications, so it is

1 easy to review the financial reports for the applicable quarter in conjunction with the  
2 fee applications. The fee applications are extremely detailed and are accompanied  
3 by bills describing each task, the person who performed it, the hourly rate, and the  
4 amount of time spent on it (in standard six-minute increments).

5 Moreover, the Receiver has submitted the fee applications to the Commission  
6 for review before filing them with the Court. The Receiver specifically states in the  
7 fee applications that the Commission has advised him it does not oppose the fee  
8 applications. *See e.g.* Dkt. No. 1153, p. 5. The Court independently reviews the fee  
9 applications and has approved the requested fees and costs, often over the objection  
10 of Schooler. Therefore, this is a non-issue, has no bearing on the case, and does not  
11 support the Aguirre Investors' request for an accounting.

12 **E. Mortgages and Past Due Property Taxes**

13 The Aguirre Investors contend the Receiver has not disclosed the amounts  
14 due on mortgages and property taxes. This is false. At several junctures during the  
15 case, the Receiver has provided the Court, the parties, and investors with the  
16 outstanding balances on mortgages and amounts of unpaid property taxes. *See*  
17 Dkt. Nos. 203, 852; *see also* Information Packets available on receivership website.

18 Next, the Aguirre Investors argue the Receiver could have taken out a loan to  
19 pay the past due property taxes on the LV Kade property. This makes no sense.  
20 The four GPs that own the LV Kade property have essentially no cash. Collectively,  
21 they needed to raise \$98,277 from their investors to meet their 2016 Expenses, but  
22 only raised \$30,027, all of which will be returned to the investors from which it  
23 came because the capital call failed. *See* Dkt. No. 1264, Exh. A. Lenders do not  
24 make loans to entities that have no income and no cash available to make loan  
25 payments. Even if such an unconventional "hard money" loan was available, the  
26 terms would be very unfavorable and the transaction costs of obtaining the loan  
27 would outweigh the benefit. Hebrank Decl., ¶ 17.

28

1 The solution to the problem of unpaid property taxes for the LV Kade  
2 property and other GP properties is to approve the One Pot Approach, thereby  
3 allowing (a) delinquent property taxes to be brought current from pooled  
4 receivership funds, (b) properties that are best sold now to be listed, marketed, and  
5 sold, and (c) properties where there would be a net benefit from a zoning change or  
6 some delay in selling to be handled accordingly.

7 **IV. CONCLUSION**

8 The complete lack of effort to understand the accounting made by the Aguirre  
9 Investors and Dillon Investors shows they do not care to know the true facts, but  
10 instead simply look for ways to attack the Receiver and advance their predetermined  
11 theories. There is no basis on which to make the 92% of investors not represented  
12 by Mr. Aguirre or Mr. Dillon pay tens of thousands of dollars to conduct further  
13 retroactive accounting work, simply to address the baseless accusations, previously  
14 rejected arguments, and paranoia of the 8% that have filed and joined the Motion.  
15 Nothing would be accomplished from such expenditures other than diminishing  
16 receivership assets ultimately available to distribute to investors. The Aguirre  
17 Investors and Dillon Investors have been given the accounting records and bank  
18 statements from which to perform additional accounting work if they wish to do so.  
19 Accordingly, the Motion should be denied.

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Dated: May 13, 2016

ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP

By:           /s/ Edward Fates            
EDWARD G. FATES  
Attorneys for Receiver  
THOMAS C. HEBRANK

1 ALLEN MATKINS LECK GAMBLE  
MALLORY & NATSIS LLP  
2 DAVID R. ZARO (BAR NO. 124334)  
515 South Figueroa Street, Ninth Floor  
3 Los Angeles, California 90071-3309  
Phone: (213) 622-5555  
4 Fax: (213) 620-8816  
E-Mail: dzaro@allenmatkins.com

5 EDWARD G. FATES (BAR NO. 227809)  
6 501 West Broadway, 15th Floor  
San Diego, California 92101-3541  
7 Phone: (619) 233-1155  
Fax: (619) 233-1158  
8 E-Mail: tfates@allenmatkins.com

9 Attorneys for Receiver  
THOMAS C. HEBRANK

10  
11 **UNITED STATES DISTRICT COURT**  
12 **SOUTHERN DISTRICT OF CALIFORNIA**

13  
14 SECURITIES AND EXCHANGE  
COMMISSION,

15 Plaintiff,

16 v.

17 LOUIS V. SCHOOLER and FIRST  
18 FINANCIAL PLANNING  
CORPORATION d/b/a WESTERN  
19 FINANCIAL PLANNING  
CORPORATION,

20 Defendants.  
21  
22

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

**DECLARATION OF THOMAS C.  
HEBRANK IN SUPPORT OF  
OPPOSITION TO INVESTORS'  
MOTION FOR AN ORDER  
DIRECTING THE RECEIVER TO  
PROVIDE AN ACCOUNTING OR IN  
THE ALTERNATIVE FOR AN  
AUDIT OF THE RECEIVERSHIP BY  
AN INDEPENDENT ACCOUNTANT**

Date: June 10, 2016  
Time: 1:30 p.m.  
Ctrm.: 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 the General Partnerships listed on Schedule 1 to the Preliminary  
5 Injunction Order entered on March 13, 2013 (collectively, "Receivership Entities").  
6 I have personal knowledge of the facts stated herein, and if called upon to do so, I  
7 could and would personally and competently testify to them.

8 **Accounting and Restructuring Credentials**

9 2. I have over 30 years of experience as a Certified Public Accountant and  
10 am also a Certified Insolvency and Restructuring Advisor. I began my career as a  
11 public auditor for then "Big 8" CPA firm Price Waterhouse. I have served as a  
12 controller or audit director for firms in the banking, insurance, and real estate  
13 industries. Since 2002, I have worked in the "problem resolution" area, involving  
14 receiverships, bankruptcy trustee, and forensic accounting work.

15 3. I have served as receiver, lead project manager, or Chapter 11  
16 bankruptcy trustee in approximately 100 cases, including operating companies such  
17 as insurance and investment firms, assisted living facilities, transportation  
18 companies, as well as various real estate projects and portfolios, including  
19 condominium conversions, residential developments, apartments, high-rise office  
20 towers, hotels, and country clubs. I have performed complex forensic accounting  
21 projects in many of these cases.

22 4. I have also served as one of three public members on the five member  
23 City of San Diego Audit Committee for the past five years. Finally, I have served  
24 on the board of the San Diego City Employee's Retirement System (the Pension  
25 Board), stepping into the role of Board President during a very tumultuous time in  
26 San Diego's history. In this role, I assisted in reforming and turning around an  
27 organization that had become the symbol of San Diego's financial crisis.

28

**GP and Western Accounting Procedures**

1  
2 5. The partnership administrators in place at the time of my appointment,  
3 Alice Jacobson and Beverly Shuler, never kept a ledger listing each transaction for  
4 each GP and did not prepare statements of receipts and disbursements. They had no  
5 experience using accounting software and instead used an outside independent  
6 contractor, Louise Cohen, to compile and enter data into QuickBooks from bank  
7 statements at the end of each year so Duffy Kruspodin & Company, LLP ("Duffy")  
8 could prepare GP tax returns.

9 6. Ms. Jacobson and Ms. Shuler had been handling the administration of  
10 the GPs for many years, but were not willing to change their accounting procedures  
11 for the limited amount the GPs paid them. Terminating them would have caused a  
12 significant upheaval and overhaul in the administration of the GPs at a time when it  
13 was not clear the GPs would remain in the receivership. Moreover, it was not clear  
14 anyone would be willing to take their place. Geno Rodriguez from my staff  
15 interviewed two potential administrators prior to Lincoln Property Company  
16 ("Lincoln") and both of them declined the job.

17 7. Purchasing new property management accounting software and hiring  
18 an accountant to institute new accounting procedures was not an expense Western or  
19 the GPs could afford. Mr. Rodriguez looked into purchasing new property  
20 management accounting software, but the cost would have been approximately  
21 \$100,000 up front, plus about \$70,000 in annual maintenance costs.

22 8. Accordingly, I monitored and tracked GP receipts and disbursements  
23 and compiled them in a spreadsheet, which was then attached as Exhibit A to the  
24 interim reports listing the total receipts and total disbursements and ending balance  
25 for each GP. This was the most reasonable and efficient method available to track  
26 GP transactions and provide summary accounting information on a quarterly basis.  
27 I also tracked the receipts and disbursements for the Western entities and included  
28 them at the bottom of Exhibit A, along with the ending balances for Western entity

1 accounts. Finally, I had Western's controller (Traci Harris) prepare a revenue and  
2 expense schedule for Western and attached that schedule to my interim reports as  
3 Exhibit B.

4 9. On October 17, 2014, the Court directed me to provide an updated  
5 report and recommendation on the GPs, including, among other things, information  
6 about receipts and disbursements for each GP. At about the same time, Traci Harris  
7 left Western. Accordingly, I created a new "master spreadsheet" as well as a  
8 spreadsheet for each GP reflecting the receipts and disbursements by category  
9 starting on January 1, 2014. From that point on, receipts and disbursements for the  
10 GPs have been logged and tracked via these spreadsheets. The actual receipts and  
11 disbursements for 2014 and projected receipts and disbursements for 2015 were  
12 included in my report and recommendation, along with a projected ending cash  
13 balance as of December 31, 2015.

14 10. On May 12, 2015, the Court directed me to prepare an information  
15 packet for each GP. I did so and provided the actual receipts and disbursements for  
16 each GP for 2014, the receipts and disbursements for each GP for 2015 (some of  
17 which were actual and some of which were projected), and the projected receipts  
18 and disbursements for each GP for 2016. The receipts and disbursements are broken  
19 down by category, contrary to the Aguirre Investors' false accusations. The  
20 information packets also state the outstanding balances on mortgages and delinquent  
21 property taxes. An example of the information packets – for the GPs that own the  
22 LV Kade property – is attached hereto as Exhibit A.

23 11. Over the last four months, extensive additional financial documentation  
24 has been provided to the Aguirre Investors, including the QuickBooks financial  
25 statements prepared by Louise Cohen (2012-2014), the master spreadsheet and  
26 related GP spreadsheets showing receipts and disbursements by category for each  
27 GP (2014 to present), accounting ledgers and financial statements maintained by  
28 Lincoln (March 2015 to present), as well as all GP bank statements since the

1 inception of the receivership. Examples of these documents (not including bank  
2 statements) for one GP - ABL Partners - are attached hereto as Exhibit B.

### 3 Flow-Through Transactions

4 12. The legacy system created by Western utilizes multiple Western-related  
5 entities to perform specific functions, most notably receiving and disbursing  
6 investor note payments, GP note payments, and mortgage payments. For investor  
7 note payments, the OPADS system<sup>1</sup> and bank ACH interface depend on the  
8 WSCC LLC bank account to receive investor note payments, and then they are  
9 transferred almost immediately over to the relevant GP bank accounts. Similarly,  
10 GP note payments are swept from the GP bank accounts into the WFPC - Business  
11 bank account, and then disbursed to the Western corporate account to then be paid  
12 to the underlying mortgage holder. These in and out bank transfers inflate receipts  
13 and disbursements, and provide a misleading picture of Western's financial activity.  
14 It was for this reason that I eliminated the bottom portion of the Exhibit A schedule  
15 from my interim reports after the Ninth Interim Report.

16 13. Nevertheless, I have recreated quarterly reports of all Western-related  
17 bank account receipts and disbursements, which are attached hereto as Exhibit C  
18 (flow-through transactions described above are highlighted). The "double counting"  
19 of receipts and disbursements is summarized below and accounts for a minimum of  
20 approximately \$12.2 million in inflated receipts and disbursements. It should be  
21 noted that other bank accounts listed on this schedule, including Fernley I, LLC,  
22 P51 LLC, Santa Fe Venture and SFV II, LLC also contain in and out transactions, so  
23  
24

---

25  
26 <sup>1</sup> The Aguirre Investors complain that the data contained in the OPADS system  
27 has not been produced to them. This is because OPADS only tracks investor  
28 payments, notes, capital calls, and contact information. It does not contain any  
GP-level transactions or Western-level transactions. Accordingly, as my counsel  
explained to Mr. Aguirre, it is not relevant to any pending motion, nor would it  
be appropriate for me to produce personal data regarding other investors to the  
Aguirre Investors.

1 the amount of double counted receipts and disbursements is actually understated by  
2 these items.

3 **Western In & Out Transactions**  
4 **WFPC Business & WSCC Bank Account**

	<b>Receipts</b>	<b>Disbursements</b>
5		
6	2012	1,271,542.92
7	1Q13	900,607.82
8	2Q13	1,011,170.13
9	3Q13	704,850.68
10	4Q13	1,005,868.35
11	1Q14	1,061,853.90
12	2Q14	946,546.97
13	3Q14	986,583.25
14	4Q14	932,175.76
15	1Q15	909,823.87
16	2Q15	850,109.21
17	3Q15	813,278.38
18	4Q15	804,717.37
19		
20	Total	12,199,128.61
21		12,157,294.74

22 **Fees and Costs of the Receivership**

23 14. The Court-approved fees and costs of the receivership have been paid  
24 in increments over time from Western's assets, including loans collected from GPs,  
25 amounts collected on the judgments against the LinMar entities, and amounts  
26 collected from the Court-approved sales of Western's automobiles, gold coins, and  
27 office furniture and equipment. As detailed below, there is currently \$399,043.47 in  
28 Court-approved but unpaid fees and costs of the receivership because of Western's  
constant cash shortage (and another \$79,848 in Court-approved but unpaid fees  
owed to Duffy by the GPs because of GPs that have no cash).

15 15. For purposes of projecting outcomes in the Distribution Motion, I  
16 estimated what the unpaid fees and costs of the receivership through the end of 2016  
17 (including holdbacks) might be – \$1,500,000 – and used that number. Of course,  
18

1 there is no way to know what the actual future fees and costs will be, so my best  
2 estimate is just that – an estimate. The actual fees and costs incurred in the future  
3 are likely to vary substantially from the estimate.

4 16. From inception of the receivership through September 30, 2015, I have  
5 incurred fees and costs of \$1,072,363.24, of which amount \$209,377.71 is subject to  
6 holdback pending approval of my final fee application at the conclusion of the  
7 receivership, \$636,772.50 has been approved by the Court and paid from Western's  
8 assets, and \$226,213.74 has been approved by the Court but remains unpaid.  
9 During the same time period, Allen Matkins incurred fees and costs of \$807,808.88,  
10 of which amount \$171,852.71 is subject to holdback pending approval of Allen  
11 Matkins' final fee application at the conclusion of the receivership, \$463,126.45 has  
12 been approved by the Court and paid from Western's assets, and \$172,829.73 has  
13 been approved by the Court but remains unpaid. Finally, during the same time  
14 period, tax accountant Duffy Kruspodin & Company, LLP has incurred \$46,687.52  
15 for preparing tax returns for Western and other non-GP Receivership Entities, all of  
16 which has been paid from Western's assets, and has incurred \$303,686.52 for  
17 preparing GP tax returns, of which \$79,848.00 remains unpaid because of GPs that  
18 have no cash.

#### 19 LV Kade Property Taxes

20 17. The Aguirre Investors argue I could have taken out a loan to pay the  
21 past due property taxes on the LV Kade property. This makes no sense. The four  
22 GPs that own the LV Kade property have essentially no cash. Collectively, they  
23 needed to raise \$98,277 from their investors to meet their 2016 expenses, but only  
24 raised \$30,027, all of which will be returned to the investors from which it came  
25 because the capital call failed. Lenders do not make loans to entities that have no  
26 income and no cash available to make loan payments. Even if such an  
27 unconventional "hard money" loan was available, the terms would be very  
28

1 unfavorable and the transaction costs of obtaining the loan would outweigh the  
2 benefit.

3 **Complete Lack of Effort to Understand Accounting**

4 18. There is a vast amount of accounting documents and information  
5 regarding the Receivership Entities that are both publicly available and that I have  
6 provided directly to the Aguirre Investors and Dillon Investors. In their motion,  
7 they make very serious false accusations about improper accounting and numerous  
8 false statements and assumptions. Yet, at no time have the Aguirre Investors or  
9 Dillon Investors asked me to explain any aspect whatsoever of the accounting  
10 documents and information. Nor have they asked me how the fees and costs of the  
11 receivership have been paid to date, how they will be paid under the proposed  
12 distribution plan, or what amount for fees and costs I used for purposes of the  
13 distribution projections in the Distribution Motion (Dkt. No. 1181).

14

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

17 Executed this 13th day of May 2016, at San Diego, California.

18

19



THOMAS C. HEBRANK

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**EXHIBIT INDEX**

<b>EXHIBIT NO.</b>	<b>DESCRIPTION</b>	<b>PAGE NO.</b>
Exhibit A	LV Kade Property Example Information Packet	10
Exhibit B	ABL Partners Accounting Records and Financial Statements	21
Exhibit C	Recreated Quarterly Reports of All Western-Related Bank Account Receipts and Disbursements	36

# EXHIBIT A

# EXHIBIT A



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](http://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.

LV Kade Property Investors

June 29, 2015

Page 2

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.

	<b>Western Land Purchase Price</b>	<b>Amount Raised From Investors</b>	<b>Excess Proceeds Raised by Western</b>	<b>Excess Proceeds %</b>	<b>2015 Appraised Value</b>
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

LV Kade Property Investors  
 June 29, 2015  
 Page 3

**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:

	<b>Average % Paid</b>	<b>Estimated Amount Paid</b>
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](http://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.

	<b>Cash as of 1/1/2015</b>	<b>Est 2015 &amp; 2016 Receipts</b>	<b>Est 2015 &amp; 2016 Expenses</b>	<b>Estimated Cash as of 12/31/2016</b>	<b>Percentage of Operational Bills Paid Since 2013</b>
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%

LV Kade Property Investors  
 June 29, 2015  
 Page 4

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.

	<b>Estimated Net Sale Proceeds</b>	<b>GP Notes Payable to Western</b>	<b>Outstanding Balance on Mortgages</b>	<b>Estimated Cash Proceeds to GPs from Sale</b>
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 written in a cursive style with a large initial 'T' and a distinct '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)
<b>Receipts</b>			
Investor Operational Contributions	22,924	874	-
2013 Cleared Deposits			
Misc. Receipts	-	-	-
Investor Note Payments	-	-	-
<b>Total Receipts</b>	<b>22,924</b>	<b>874</b>	<b>-</b>
<b>Disbursements</b>			
Administrator Payroll	1,500	1,300	<sup>1</sup> 1,200
K-1 Preparation	2,641	2,567	<sup>2</sup> 1,400
Property Taxes/Bond Payments	16,481	18,037	<sup>3</sup> 7,406
Insurance	70	200	200
Office Supplies	406	425	425
Appraisal	-	-	-
State and Local Entity Filings	-	-	-
Income Taxes	-	-	-
Miscellaneous	-	1,000	<sup>4</sup> 1,000
Operational Loan Repayment	-	4,700	<sup>5</sup> 4,700
Note Repayment to Western	-	-	-
<b>Total Disbursements</b>	<b>21,098</b>	<b>28,229</b>	<b>16,331</b>
Ending Cash Balance	16,564	(10,791)	(27,121)
<b>Amount to be Billed</b>		<b>10,791</b>	<b>27,121</b>

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

<sup>2</sup> 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.

<sup>3</sup> The amount in 2015 includes defaulted property taxes for 2013.

<sup>4</sup> This amount is included for budgetary reasons but is not expensed if not used.

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

**Amount to be Billed****20,136**

- <sup>1</sup> In April 2015, the GPs will pay a small upfront fee to Lincoln property, but will see comparable costs thereafter.
- <sup>2</sup> 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.
- <sup>3</sup> This amount includes a portion of past due property taxes from 2013 and 2014.
- <sup>4</sup> This amount is included for budgetary reasons but is not expensed if not used.

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

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

<sup>2</sup> 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.

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

<sup>4</sup> This amount is included for budgetary reasons but is not expensed if not used.

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

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

<sup>2</sup> 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.

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

<sup>4</sup> This amount is included for budgetary reasons but is not expensed if not used.

<sup>5</sup> 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.

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

# EXHIBIT B

# EXHIBIT B

**ABL PARTNERS**  
**Statement of Revenues and Expenses - Income Tax Basis**  
**January through December 2012**

	<u>Jan - Dec 12</u>
Income	0.00
Expense	
Accounting	2,576.80
Administrative Fees	1,200.00
Fees	150.00
Insurance	250.00
Office Expense	180.80
Real Estate Taxes	751.89
Total Expense	<u>5,109.49</u>
Net Income	<u><u>-5,109.49</u></u>

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**ABL PARTNERS**  
**Statement of Assets, Liabilities, Capital - Income Tax Basis**  
**As of December 31, 2012**

	Dec 31, 12
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Cash Security Bus Bk/AmWest Bk	30,009.78 ✓
Total Checking/Savings	30,009.78
Total Current Assets	30,009.78
Other Assets	
Land	1,205,306.92
Water & Sewer Improvements	30,563.69
Notes Receivable Partners	8,858.98
Organization Cost	141,363.51
Amortization Organization Cost	-141,363.51
Total Other Assets	1,244,719.59
<b>TOTAL ASSETS</b>	<b>1,274,729.37</b>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
Partners Capital	1,279,838.86 ✓
Net Income	-5,109.49
Total Equity	1,274,729.37
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,274,729.37</b>

1,235,186.1 ✓

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**ABL PARTNERS**  
**Statement of Revenues and Expenses - Income Tax Basis**  
**January through December 2013**

	<u>Jan - Dec 13</u>
Ordinary Income/Expense	
Expense	
Accounting	2,041.62
Administrative Fees	1,540.00
Insurance	275.00
Office Expense	47.65
Appraisal	166.50
Real Estate Taxes	751.89
Total Expense	4,822.66
Net Ordinary Income	-4,822.66
Other Income/Expense	
Other Income	9.97
Total Other Income	9.97
Net Other Income	9.97
Net Income	-4,812.69

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**ABL PARTNERS**  
**Statement of Assets, Liabilities, Capital - Income Tax Basis**  
**As of December 31, 2013**

	Dec 31, 13
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
Cash in AmWest Bank	25,127.12
<b>Total Checking/Savings</b>	25,127.12
<b>Total Current Assets</b>	25,127.12
<b>Other Assets</b>	
Land	1,205,316.89
Water & Sewer Improvements	30,553.69
Notes Receivable Partners	8,858.98
Organization Cost	141,363.51
Amortization Organization Cost	-141,363.51
<b>Total Other Assets</b>	1,244,729.56
<b>TOTAL ASSETS</b>	<b>1,269,856.68</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Equity</b>	
Partners Capital	1,274,729.37
Partners Distributions	-60.00
Net Income	-4,812.69
<b>Total Equity</b>	1,269,856.68
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,269,856.68</b>

1,235,871

**ABL**

Actual and Estimated Cash from January 2014 flow through December 2015

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	2014
Beginning Cash Balance	25,667	25,267	23,455	23,255	22,517	22,117	22,017	21,917	21,817	21,717	21,617	20,734	25,667
<b>Receipts</b>													
Partner Operational Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Partner Note Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Disbursements</b>													
Administrator Payroll	400	-	200	-	100	100	100	100	100	100	100	100	1,400
K1 Preparation	-	-	-	700	-	-	-	-	-	-	-	-	700
Property Taxes/Bond Payments	-	1,637	-	-	-	-	-	-	-	-	784	-	2,421
Insurance	-	-	-	-	300	-	-	-	-	-	-	-	300
Office Supplies	-	175	-	37	-	-	-	-	-	-	-	-	212
Appraisal	-	-	-	-	-	-	-	-	-	-	-	-	-
State and Local Entity Filings	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
<sup>1</sup> Operational Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-
<sup>1</sup> Mortgage Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Disbursements</b>	400	1,813	200	737	400	100	100	100	100	100	884	100	5,033
Ending Cash Balance	25,267	23,455	23,255	22,517	22,117	22,017	21,917	21,817	21,717	21,617	20,734	20,634	20,634

**ABL**

Actual and Estimated Cash from January 2014 flow through December 2015

	Balance Sheet 12/31/2013	2014 Activity	Balance Sheet 12/31/2014
Cash AmWest Bank	25,127.12	(5,033.43)	20,093.69
Land	1,205,316.89		1,205,316.89
Other Assets	-		-
Land Improvements	30,553.69		30,553.69
Common Area Improvements	-		-
Notes Receivable Partners	8,858.98	-	8,858.98
Organization Cost	141,363.51		141,363.51
Amortization Organization Cost	(141,363.51)		(141,363.51)
Total Assets	<u>1,269,856.68</u>		<u>1,264,823.25</u>
Other Liabilities	-	-	-
Trust Deed Payable	-	-	-
Partners Capital	(1,274,729.37)		(1,274,729.37)
Partners Contributions	-	-	-
Partners Distributions	60.00		60.00
Net Income	4,812.69	5,033.43	9,846.12
Total Liabilities & Equity	<u>(1,269,856.68)</u>		<u>(1,264,823.25)</u>

**ABL**

Actual and Estimated Cash from January 2014 flow through December 2015

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	2015	Total
Beginning Cash Balance	20,634	20,534	19,142	19,042	18,259	17,959	17,959	17,819	17,690	17,690	16,939	16,939	20,634	16,939
<b>Receipts</b>														
Partner Operational Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partner Note Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Disbursements</b>														
Administrator Payroll	100	100	100	-	-	-	139	30	-	30	-	59	558	1,958
K1 Preparation	-	1,291	-	-	-	-	-	-	-	721	-	1,212	3,225	3,925
Property Taxes/Bond Payments	-	-	-	784	-	-	-	-	-	-	-	-	784	3,205
Insurance	-	-	-	-	300	-	-	-	-	-	-	-	300	600
Office Supplies	-	-	-	-	-	-	-	-	-	-	-	101	101	314
Appraisal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
State and Local Entity Filings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	100	-	-	-	-	100	100
<sup>1</sup> Operational Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<sup>1</sup> Mortgage Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Disbursements</b>	100	1,391	100	784	300	-	139	130	-	751	-	1,372	5,068	10,101
Ending Cash Balance	20,534	19,142	19,042	18,259	17,959	17,959	17,819	17,690	17,690	16,939	16,939	15,566	15,566	15,566

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MASTER  
BS TECATE  
LPC Commercial  
Balance Sheet  
For the Period Ending February 29, 2016

74082 ABL

Description	Account	February Balance	January Balance	Change
ASSETS:				
CASH & CASH EQUIVALENTS				
CASH				
CASH-OPERATING				
Cash-Operating	10510	14,802.23	14,831.78	(29.55)
CASH RESERVES				
CASH-OTHER				
RESTR CASH-ESCROW / RESERV				
		-	-	-
TOTAL CASH & CASH EQUIVALENTS		14,802.23	14,831.78	(29.55)
A/R AND ACCRUED REVENUE				
INTERCOMPANY				
Intercompany	11101	(7.28)	(7.28)	
A/R-RESIDENTS				
ACCRUED REVENUE				
A/R-INSURANCE				
ACCOUNTS RECEIVABLE-OTHER				
A/R-EMPLOYEES				
A/R-PARTNERS				
A/R-Partner Contrib	11710	8,858.98	8,858.98	
A/R-PARTNERSHIP LOANS				
ALLOW FOR DOUBTFUL ACCTS				
		-	-	-
TOTAL ACCOUNTS RECEIVABLE		8,851.70	8,851.70	
NOTES RECEIVABLE				
N/R-SECURED				
N/R-UNSECURED				
N/R-TENANTS				
N/R-NON LPC PARTNERS				
N/R-LPC PARTNERS				
N/R-INTERCOMPANY				
N/R-OTHER				
WORK IN PROGRESS				
WORK IN PROGRESS-CONTRA				
REAL PROPERTY-CONTRA				
CAP AMORT LOAN COST				
FIXED ASSETS				
LAND COSTS				
ORIGINAL COSTS				
Acq Real Prop-Land Impr	16105	30,553.69	30,553.69	
Acq Real Property-Comm	16115	1,205,316.89	1,205,316.89	
REHAB COSTS				
CAPITAL IMPROVEMENTS				
OTHER INTANGIBLE ASSETS				
Organization Costs	16505	141,363.51	141,363.51	
LEASEHOLD IMPROVEMENTS				
FARM & NURSERY PROPERTY				

OIL AND GAS EQUIPMENT			
OTHER DEPRECIABLE ASSETS			
FIXED ASSTS-FULLY DEPR/SOLD			
	-	-	-
TOTAL FIXED ASSETS		1,377,234.09	1,377,234.09
ACCUMULATED DEPR/AMORT			
ACC DEP/AMOR-ORIG PRJ COST			
ACC DEP/AMORT-REHAB COST			
ACC DEP/AMORT-CAP IMPROVE			
ACC AMORT-OTHER INTAN ASSET			
A/A-Organization Costs	17505	(141,363.51)	(141,363.51)
ACC DEP-LEASEHOLD IMPROV			
ACC DEP-FARM/NURSERY PROP			
ACCUM DEPR-OIL & GAS EQUIP			
ACC DEP-OTHER DEPREC ASSET			
ACC DEP/AMORT-FULL/SOLD			
	-	-	-
TOTAL ACCUM DEPR/AMORT		(141,363.51)	(141,363.51)
OTHER ASSETS			
INVENTORY			
PREPAID EXPENSES			
DEPOSITS			
DEFERRED EXPENSES			
INVESTMENTS IN LPC ENTITIES			
INVEST IN NON-LPC ENTITIES			
PARTNER PERS INVESTMENTS			
MISCELLANEOUS ASSETS			
	-	-	-
TOTAL ASSETS		1,259,524.51	1,259,554.06
		=====	=====
			(29.55)
LIABILITIES			
A/P AND ACCRUED EXPENSES			
INTERCO PAYABLE/ADVANCES			
ACCOUNTS PAYABLE			
A/P-Trade			36.41
			(36.41)
ACCRUED EXPENSES			
Accrued Operating Exp	21310	(36.41)	(36.41)
A/P-OTHER			
A/P-PAYROLL RELATED			
A/P-PARTNERS			
A/P- PARTNERSHIP LOANS			
A/P- P/S LOAN-ACCD INTEREST			
A/P-PTR CONTRIB-PREF RET			
	-	-	-
TOTAL A/P & ACCRUED EXPENSES		(36.41)	(36.41)
NOTES PAYABLE			
NOTES PAYABLE-RECOURSE			
NOTES PAYBLE-NONRECOURSE			
NOTES PAYABLE-PARTNERS			
NOTES PAYBLE-INTERCO-REC			
NOTES PAYABLE-INTER-NONREC			
N / P-OTHER-RECOURSE			
N / P OTHER-NONRECOURSE			
OTHER LIABILITIES			
UNEARNED REVENUE			
SECURITY DEPOSITS			
DEPOSITS			
GENERAL CLEARING/SUSPENSE			

PAYROLL CLEARING				
DEFERRED INCOME				
MISCELLANEOUS LIABILITIES				
TOTAL LIABILITIES		(36.41)		(36.41)
EQUITY				
FEE OWNERS & INVESTOR ADJ'S				
ADJ TO CAP-OWNERS/INVEST				
OWNERS CONTRIB & DISTRIB				
401K CONTRIB/DISTRIB				
401K PLAN CONTRIBUTIONS				
401K PLAN DISTRIBUTIONS				
CONTRIBUTIONS				
CASH P/S CONTRIBUTIONS				
Cash Contrib-Original	32110	(1,264,823.25)	(1,264,823.25)	
PROPERTY P/S CONTRIBUTIONS				
CORPORATE CONTRIBUTIONS				
BASIS ADJ/PTR TRANSFERS				
PARTNER CONTRIB-INTERNAL				
PARTNER PERSONAL CONTRIB				
DISTRIBUTIONS				
CASH P/S DISTRIBUTIONS				
PROPERTY P/S DISTRIBUTIONS				
CORPORATE DISTRIBUTIONS				
PARTNER DISTRIB-INTERNAL				
PARTNER PERSONAL DISTRIB				
INCOME/LOSS				
INCOME/LOSS				
RETAINED EARNINGS ACCTS				
Prior Yr Unallocated P&L	39998	4,727.17	4,727.17	
TOTAL EQUITY		(1,260,096.08)	(1,260,096.08)	
INCOME "-"/LOSS CURRENT YEAR		607.98	542.02	65.96
TOTAL LIABILITIES & EQUITY		(1,259,524.51)	(1,259,554.06)	29.55

**ABL**

## 2016 Cash Flow

	2015	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	2016	Total
Beginning Cash Balance	20,634	15,410	14,832	14,802	14,802	14,802	14,802	14,802	14,802	14,802	14,802	14,802	14,802	15,410	25,667
<b>Receipts</b>															
Partner Operational Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013 Cleared Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(540)
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partner Note Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(540)
<b>Disbursements</b>															
Administrator Payroll	300	-	-	-	-	-	-	-	-	-	-	-	-	-	1,700
Administrative Expense	923	-	-	-	-	-	-	-	-	-	-	-	-	-	923
K1 Preparation	2,503	174	-	-	-	-	-	-	-	-	-	-	-	174	3,377
Property Taxes/Bond Payments	910	-	-	-	-	-	-	-	-	-	-	-	-	-	3,331
Insurance	300	-	-	-	-	-	-	-	-	-	-	-	-	-	600
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	212
Appraisal	-	375	-	-	-	-	-	-	-	-	-	-	-	375	375
State and Local Entity Filings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Courier Service	7	-	-	-	-	-	-	-	-	-	-	-	-	-	7
Management Fees	280	30	30	-	-	-	-	-	-	-	-	-	-	59	339
<sup>1</sup> Operational Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<sup>1</sup> Mortgage Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Disbursements</b>	5,223	578	30	-	-	-	-	-	-	-	-	-	-	608	10,865
Ending Cash Balance	15,410	14,832	14,802	14,802	14,802	14,802	14,802	14,802	14,802	14,802	14,802	14,802	14,802	14,802	14,802

<sup>1</sup> Payable to Western Financial Planning Corp

PAGE: 1 BANK ACCOUNT RECONCILIATION DATE: 3/16/16 Email Recipients:  
 TIME: 12/52/36  
 REGION: KK AS OF: 2/29/16 REC BY: RPOYNTER  
 LE: 74082-10510 -558315 BU: ABL-Tecate CA  
 BNK ACCT#110007267 BANK: American West

TYPE DESCRIPTION	REF. DATE	REP.	AMOUNT	DAYS OLD Disposition:
BALANCE PER BANK	2/29/16		14,958.10	
* PK RPC PROPERTY TAX ADVISO	111715	001017	126.32-	101
PK LPC WEST, LLC	022416	001025	29.55-	2
ADJUSTED BANK BALANCE			14,802.23	
=====				
BALANCE PER BOOKS	2/29/16		14,802.23	
ADJUSTED BOOK BALANCE			14,802.23	
=====				
DIFFERENCE			.00	

DF-UNREPORTED DEPOSIT UD-UNRECORDED DEPOSIT RE-RECORDING ERROR  
 BC-BANK CHARGE UN-UNRECORDED NSF DT-DEPOSIT IN TRANSIT  
 IN-INTEREST EARNED UC-UNRECORDED CHECK OC-OUTSTANDING CHECK  
 BE-BANK ERROR BD-BANK DEBIT PK-OUTSTANDING CHECK

PAGE: 1 BANK ACCOUNT RECONCILIATION DATE: 3/16/16 Email Recipients:  
 REGION: KK AS OF: 2/29/16 TIME: 12/52/36  
 LE: 74082-10510 -558315 BU: ABL-Tecate CA REC BY: RPOYNTER  
 BNK ACCT#110007267 BANK: American West

TYPE DESCRIPTION	REF. DATE	REF.	AMOUNT	DAYS	OLD Disposition:
-----					
BALANCE PER BOOKS:	2/29/16		14,802.23		
OUTSTANDING CHECKS:					
* PK RPC PROPERTY TAX ADVISO	111715	001017	126.32	101	
PK LPC WEST, LLC	022416	001025	29.55	2	
BALANCE PER BANK:			14,958.10		
Difference:			.00		

DF-UNREPORTED DEPOSIT UD-UNRECORDED DEPOSIT RE-RECORDING ERROR  
 BC-BANK CHARGE UN-UNRECORDED NSF DT-DEPOSIT IN TRANSIT  
 IN-INTEREST EARNED UC-UNRECORDED CHECK OC-OUTSTANDING CHECK  
 BE-BANK ERROR BD-BANK DEBIT PK-OUTSTANDING CHECK

*Handwritten:*  
 3/18/16  
 3/18/16  
 3/16/16

09200P

Account Ledger Print

Date - 3/16/16  
 Page - 1  
 From Date/Per 02/01/16  
 Thru Date/Per 02/29/16  
 Ledger Type AA  
 Sub Ledger/Ty \*  
 Currency Code

Account 74082.10510.558315 Banner Bank

DT Document	Date	Explanation	Batch	Subledger.	Debit	Credit
PK 1025 00530187	02/24/16	LPC WEST, LLC	2356460			29.55-
			Batch Date	02/24/16		
						29.55-

User ID CLPOLK

Ledger Total  
 Unposted  
 Year-to-Date  
 Cumulative

---- Account Balances ----  
 29.55-  
 607.98-  
 14,802.23

# EXHIBIT C

# EXHIBIT C

**WFPC Receipts and Disbursements Schedule  
Q4 2012**

Bank Name	9/5/12 Balance	9/5/12 to 12/31/12 Deposits	9/5/12 to 12/31/12 Disbursements	12/31/12 Balance
<b>BANK ACCOUNTS:</b>				
Fernley I, LLC	102.86	11,506.56	11,600.00	9.42
P51 LLC	2,664.22	15,685.57	17,342.76	1,007.03
Santa Fe Venture	10,850.86	56,988.73	64,060.64	50.52
SFV II, LLC	4,084.04	9,703.20	12,416.68	2,702.16
WFPC - Corp	177,359.03	550,804.75	646,525.01	67,770.62
WFPC - Business	(118,928.69)	539,386.83	502,160.19	(18,749.44)
WFPC - Payroll (Closed)	-	111,369.52	111,369.52	-
WFPC - MMKT (Closed)	847.27	0.13	20.00	827.40
WFPC - Special	222.88	1,741.34	-	1,964.22
WFPC - FFP	1,598.24	9,087.05	6,000.00	4,044.33
WFPC - Las Vegas Prop Tax	1,771.53	-	-	1,771.53
WSCC, LLC	45,334.51	732,156.09	721,752.82	55,737.78
<b>Total WFPC Bank Accounts</b>	125,906.75	2,038,429.77	2,093,247.62	117,135.57

**ACH & Sweep Transactions Appearing Twice**

WFPC - Business	539,386.83	502,160.19
WSCC, LLC	732,156.09	721,752.82

Total Deposits & Disbursements

Total	\$1,271,542.92	\$1,223,913.01
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**WFPC Receipts and Disbursements Schedule  
Q1 2013**

Bank Name	Beginning Balance	Deposits			Disbursements			Ending Balance
		Jan-13	Feb-13	Mar-13	Jan-13	Feb-13	Mar-13	
<b>BANK ACCOUNTS:</b>	Dec-12							
Fernley I, LLC	9.42	2,876.64	2,876.64	2,876.64	2,800.00	2,875.00	2,000.00	964.34
P51 LLC	1,007.03	4,199.59	4,199.59	4,199.59	4,807.82	3,875.21	2,981.56	1,941.21
Santa Fe Venture	50.52	16,081.52	16,481.52	16,081.52	16,015.16	16,590.16	16,015.16	74.60
SFV II, LLC	2,702.16	4,925.80	2,425.80	2,425.80	2,960.42	5,028.36	2,496.68	1,994.10
WFPC - Corp	67,770.62	110,249.13	104,510.85	143,909.22	142,576.54	102,364.89	123,505.04	57,993.35
WFPC - Business	(18,749.44)	140,955.31	92,534.13	112,674.28	122,205.87	92,534.13	140,472.29	(27,798.01)
WFPC - Payroll (Closed)	-	1,621.33	230.76	230.76	1,621.33	230.76	230.76	-
WFPC - MMKT (Closed)	827.40	0.07	0.06	40.05	10.00	10.00	847.58	-
WFPC - Special	1,964.22	-	-	-	-	1,900.00	-	64.22
WFPC - FFP	4,044.33	2,602.62	1,149.45	3,217.70	5,000.00	2,200.00	3,800.00	14.10
WFPC - Las Vegas Prop Tax	1,771.53	-	-	-	-	-	-	1,771.53
WSCC, LLC	55,737.78	179,566.59	197,284.26	177,593.25	145,717.93	215,336.61	139,158.37	109,968.97
<b>Total WFPC Bank Accounts</b>	117,135.57	463,078.60	421,693.06	463,248.81	443,715.07	442,945.12	431,507.44	146,988.41

**ACH & Sweep Transactions Appearing Twice**

WFPC - Business	140,955.31	92,534.13	112,674.28	122,205.87	92,534.13	140,472.29
WSCC, LLC	179,566.59	197,284.26	177,593.25	145,717.93	215,336.61	139,158.37
<b>Total</b>	<b>320,521.90</b>	<b>289,818.39</b>	<b>290,267.53</b>	<b>267,923.80</b>	<b>307,870.74</b>	<b>279,630.66</b>

Total Deposits & Disbursements

**\$900,607.82**

**\$855,425.20**

**WFPC Receipts and Disbursements Schedule  
Q2 2013**

Bank Name	Beginning Balance	Deposits			Disbursements			Ending Balance
		Apr-13	May-13	Jun-13	Apr-13	May-13	Jun-13	
<b>BANK ACCOUNTS:</b>	Mar-13							Jun-13
Fernley I, LLC	964.34	2,876.64	2,876.64	2,876.64	3,000.00	3,700.00	2,800.00	94.26
P51 LLC	1,941.21	4,199.59	4,199.59	4,275.83	4,984.94	4,773.31	4,344.87	513.10
Santa Fe Venture	74.60	16,881.52	25,169.18	6,753.09	16,815.16	16,015.16	16,015.16	32.91
SFV II, LLC	1,994.10	2,425.80	4,054.62	796.98	3,296.68	2,496.68	2,496.68	981.46
WFPC - Corp	57,993.35	148,679.60	260,798.10	67,596.34	198,319.99	172,094.04	138,755.25	25,898.11
WFPC - Business	(27,798.01)	187,973.73	157,534.81	135,155.25	160,175.72	157,534.81	135,155.25	-
WFPC - Payroll (Closed)	-	346.26	-	-	346.26	-	-	-
WFPC - MMKT (Closed)	-	-	-	-	-	-	-	-
WFPC - Special	64.22	-	-	-	-	-	-	64.22
WFPC - FFP	14.10	2,256.41	3,338.96	1,117.79	1,900.00	1,900.00	2,300.00	627.26
WFPC - Las Vegas Prop Tax	1,771.53	-	-	-	-	-	-	1,771.53
WSCC, LLC	109,968.97	180,478.43	201,521.66	148,506.25	198,991.99	224,764.21	133,486.39	83,232.72
<b>Total WFPC Bank Accounts</b>	146,988.41	546,117.98	659,493.56	367,078.17	587,830.74	583,278.21	435,353.60	113,215.57

**ACH & Sweep Transactions Appearing Twice**

WFPC - Business	187,973.73	157,534.81	135,155.25	160,175.72	157,534.81	135,155.25
WSCC, LLC	180,478.43	201,521.66	148,506.25	198,991.99	224,764.21	133,486.39
<b>Total</b>	368,452.16	359,056.47	283,661.50	359,167.71	382,299.02	268,641.64

Total Deposits & Disbursements

**\$1,011,170.13**

**\$1,010,108.37**

**WFPC Receipts and Disbursements Schedule  
Q3 2013**

Bank Name	Beginning Balance	Deposits			Disbursements			Ending Balance
		Jul-13	Aug-13	Sep-13	Jul-13	Aug-13	Sep-13	
<b>BANK ACCOUNTS:</b>	Jun-13							Sep-13
Fernley I, LLC	94.26	2,876.64	2,876.64	2,876.64	-	5,800.00	2,900.00	24.18
P51 LLC	513.10	4,199.59	4,199.59	4,199.59	203.68	7,345.32	260.50	5,302.37
Santa Fe Venture	32.91	16,081.52	6,881.52	11,881.52	-	14,559.23	14,559.23	5,759.01
SFV II, LLC	981.46	2,425.80	2,425.80	2,425.80	-	2,496.68	-	5,762.18
WFPC - Corp	25,898.11	134,670.39	94,881.17	89,069.47	68,178.47	61,129.44	69,884.44	145,326.79
WFPC - Business	-	58,978.47	61,129.44	64,084.44	58,978.47	61,129.44	64,084.44	-
WFPC - Payroll (Closed)	-	-	-	-	-	-	-	-
WFPC - MMKT (Closed)	-	-	-	-	-	-	-	-
WFPC - Special	64.22	-	-	-	-	-	-	64.22
WFPC - FFP	627.26	2,297.67	2,244.25	2,244.25	-	4,900.00	2,200.00	313.43
WFPC - Las Vegas Prop Tax	1,771.53	-	-	-	-	-	-	1,771.53
WSCC, LLC	83,232.72	174,482.12	182,318.41	163,857.80	197,123.73	175,963.76	173,044.17	57,759.39
<b>Total WFPC Bank Accounts</b>	113,215.57	396,012.20	356,956.82	340,639.51	324,484.35	333,323.87	326,932.78	222,083.10

**ACH & Sweep Transactions Appearing Twice**

WFPC - Business	58,978.47	61,129.44	64,084.44	58,978.47	61,129.44	64,084.44
WSCC, LLC	174,482.12	182,318.41	163,857.80	197,123.73	175,963.76	173,044.17
<b>Total</b>	<b>233,460.59</b>	<b>243,447.85</b>	<b>227,942.24</b>	<b>256,102.20</b>	<b>237,093.20</b>	<b>237,128.61</b>

Total Deposits & Disbursements

**\$704,850.68**

**\$730,324.01**

**WFPC Receipts and Disbursements Schedule  
Q4 2013**

Bank Name	Beginning Balance	Deposits			Disbursements			Ending Balance
		Oct-13	Nov-13	Dec-13	Oct-13	Nov-13	Dec-13	
<b>BANK ACCOUNTS:</b>	Sep-13							Dec-13
Fernley I, LLC	24.18	2,876.64	2,876.64	2,876.64	-	2,800.00	-	5,854.10
P51 LLC	5,302.37	4,199.59	4,199.59	4,199.59	-	9,270.26	637.33	7,993.55
Santa Fe Venture	5,759.01	6,881.52	8,381.52	46,703.97	2,911.86	2,911.86	29,118.46	32,783.84
SFV II, LLC	5,762.18	2,425.80	2,425.80	2,568.20	4,993.36	-	2,496.68	5,691.94
WFPC - Corp	145,326.79	118,788.16	91,679.88	130,195.15	145,018.59	192,084.87	125,331.55	23,554.97
WFPC - Business	-	145,018.59	160,767.40	94,784.93	145,018.59	160,767.40	94,784.93	-
WFPC - Payroll (Closed)	-	-	-	-	-	-	-	-
WFPC - MMKT (Closed)	-	-	-	-	-	-	-	-
WFPC - Special	64.22	-	-	-	-	-	-	64.22
WFPC - FFP	313.43	2,090.92	2,047.00	2,225.91	-	3,400.00	-	3,277.26
WFPC - Las Vegas Prop Tax	1,771.53	-	-	-	-	-	-	1,771.53
WSCC, LLC	57,759.39	167,494.12	182,793.25	255,010.06	145,114.06	212,620.72	238,931.47	66,390.57
<b>Total WFPC Bank Accounts</b>	222,083.10	449,775.34	455,171.08	538,564.45	443,056.46	583,855.11	491,300.42	147,381.98

**ACH & Sweep Transactions Appearing Twice**

WFPC - Business	145,018.59	160,767.40	94,784.93	145,018.59	160,767.40	94,784.93
WSCC, LLC	167,494.12	182,793.25	255,010.06	145,114.06	212,620.72	238,931.47
<b>Total</b>	312,512.71	343,560.65	349,794.99	290,132.65	373,388.12	333,716.40

Total Deposits & Disbursements

\$1,005,868.35

\$997,237.17

**WFPC Receipts and Disbursements Schedule  
Q1 2014**

Bank Name	Beginning Balance	Deposits			Disbursements			Ending Balance
		Jan-14	Feb-14	Mar-14	Jan-14	Feb-14	Mar-14	
<b>BANK ACCOUNTS:</b>	Dec-13							Mar-14
Fernley I, LLC	5,854.10	2,876.64	2,876.64	2,876.64	8,500.00	-	5,800.00	184.02
P51 LLC	7,993.55	4,199.59	4,199.59	4,199.59	11,142.22	298.71	8,702.39	449.00
Santa Fe Venture	32,783.84	22,787.91	16,014.99	16,014.99	10,911.86	-	16,617.79	60,072.08
SFV II, LLC	5,691.94	4,161.42	2,497.00	2,497.00	-	-	7,490.04	7,357.32
WFPC - Corp	23,554.97	231,660.26	115,442.20	134,347.31	95,818.53	233,757.37	115,687.92	59,740.92
WFPC - Business	-	88,567.92	229,290.62	113,846.03	88,567.92	229,290.62	113,846.03	-
WFPC - Payroll (Closed)	-	-	-	-	-	-	-	-
WFPC - MMKT (Closed)	-	-	-	-	-	-	-	-
WFPC - Special	64.22	-	-	-	-	-	-	64.22
WFPC - FFP	3,277.26	2,925.32	1,077.23	2,068.36	-	6,100.00	2,000.00	1,248.17
WFPC - Las Vegas Prop Tax	1,771.53	-	-	-	-	-	-	1,771.53
WSSC, LLC	66,390.57	204,749.94	212,410.11	212,989.28	249,254.34	204,235.34	230,435.50	12,614.72
<b>Total WFPC Bank Accounts</b>	147,381.98	561,929.00	583,808.38	488,839.20	464,194.87	673,682.04	500,579.67	143,501.98

**ACH & Sweep Transactions Appearing Twice**

WFPC - Business	88,567.92	229,290.62	113,846.03	88,567.92	229,290.62	113,846.03
WSSC, LLC	204,749.94	212,410.11	212,989.28	249,254.34	204,235.34	230,435.50
<b>Total</b>	293,317.86	441,700.73	326,835.31	337,822.26	433,525.96	344,281.53

Total Deposits & Disbursements

\$1,061,853.90

\$1,115,629.75

**WFPC Receipts and Disbursements Schedule  
Q2 2014**

Bank Name	Beginning Balance	Deposits			Disbursements			Ending Balance
		Apr-14	May-14	Jun-14	Apr-14	May-14	Jun-14	
<b>BANK ACCOUNTS:</b>	Mar-14							Jun-14
Fernley I, LLC	184.02	2,876.64	3,198.64	2,876.64	2,800.00	3,459.00	-	2,876.94
P51 LLC	449.00	4,199.59	4,199.59	4,199.59	4,403.33	4,284.64	148.10	4,211.70
Santa Fe Venture	60,072.08	16,014.99	16,014.99	16,014.99	60,492.85	15,022.28	-	32,601.92
SFV II, LLC	7,357.32	2,497.00	2,497.00	2,497.00	3,296.68	478.80	-	11,072.84
WFPC - Corp	59,740.92	116,140.38	132,208.18	107,164.49	131,462.07	155,898.58	70,157.92	57,735.40
WFPC - Business	-	113,846.03	113,846.03	113,846.03	113,846.03	113,846.03	113,846.03	-
WFPC - Payroll (Closed)	-	-	-	-	-	-	-	-
WFPC - MMKT (Closed)	-	-	-	-	-	-	-	-
WFPC - Special	64.22	-	-	-	-	-	-	64.22
WFPC - FFP	1,248.17	2,029.09	2,597.82	1,386.88	3,000.00	1,000.00	-	3,261.96
WFPC - Las Vegas Prop Tax	1,771.53	-	-	-	-	-	-	1,771.53
WSCC, LLC	12,614.72	203,469.42	201,879.02	199,660.44	197,286.57	216,824.12	186,013.63	17,499.28
<b>Total WFPC Bank Accounts</b>	143,501.98	461,073.14	476,441.27	447,646.06	516,587.53	510,813.45	370,165.68	131,095.79

**ACH & Sweep Transactions Appearing Twice**

WFPC - Business	113,846.03	113,846.03	113,846.03	113,846.03	113,846.03	113,846.03
WSCC, LLC	203,469.42	201,879.02	199,660.44	197,286.57	216,824.12	186,013.63
<b>Total</b>	317,315.45	315,725.05	313,506.47	311,132.60	330,670.15	299,859.66

Total Deposits & Disbursements

\$946,546.97

\$941,662.41

**WFPC Receipts and Disbursements Schedule  
Q3 2014**

Bank Name	Beginning Balance	Deposits			Disbursements			Ending Balance
		Jul-14	Aug-14	Sep-14	Jul-14	Aug-14	Sep-14	
<b>BANK ACCOUNTS:</b>	Jun-14							Sep-14
Fernley I, LLC	2,876.94	2,876.64	2,876.64	2,876.64	-	8,400.00	3,000.00	106.86
P51 LLC	4,211.70	4,199.59	6,149.59	4,199.59	2,176.71	9,806.21	5,618.18	1,159.37
Santa Fe Venture	32,601.92	16,014.99	16,014.99	16,014.99	48,045.48	1,455.93	16,015.16	15,130.32
SFV II, LLC	11,072.84	2,497.00	2,497.00	2,497.00	7,490.04	2,496.68	2,496.68	6,080.44
WFPC - Corp	57,735.40	107,127.46	123,429.37	122,620.40	116,803.46	106,533.97	182,070.70	5,504.50
WFPC - Business	-	112,816.97	100,961.80	178,651.46	112,816.97	100,961.80	178,651.46	-
WFPC - Payroll (Closed)	-	-	-	-	-	-	-	-
WFPC - MMKT (Closed)	-	-	-	-	-	-	-	-
WFPC - Special	64.22	-	-	-	-	-	-	64.22
WFPC - FFP	3,261.96	2,172.96	1,682.81	1,471.60	4.75	6,000.00	2,000.00	584.58
WFPC - Las Vegas Prop Tax	1,771.53	-	-	-	-	-	-	1,771.53
WSCC, LLC	17,499.28	198,314.82	194,265.45	201,572.75	202,888.73	193,092.66	200,548.36	15,122.55
<b>Total WFPC Bank Accounts</b>	131,095.79	446,020.43	447,877.65	529,904.43	490,226.14	428,747.25	590,400.54	45,524.37

**ACH & Sweep Transactions Appearing Twice**

WFPC - Business	112,816.97	100,961.80	178,651.46	112,816.97	100,961.80	178,651.46
WSCC, LLC	198,314.82	194,265.45	201,572.75	202,888.73	193,092.66	200,548.36
<b>Total</b>	311,131.79	295,227.25	380,224.21	315,705.70	294,054.46	379,199.82

Total Deposits & Disbursements

\$986,583.25

\$988,959.98

**WFPC Receipts and Disbursements Schedule  
Q4 2014**

Bank Name	Beginning Balance	Deposits			Disbursements			Ending Balance
		Oct-14	Nov-14	Dec-14	Oct-14	Nov-14	Dec-14	
<b>BANK ACCOUNTS:</b>	Sep-14							
Fernley I, LLC	106.86	2,876.64	2,876.64	2,876.64	2,900.00	2,900.00	2,900.00	36.78
P51 LLC	1,159.37	4,849.59	4,199.59	4,199.59	4,762.62	3,766.57	4,423.49	1,455.46
Santa Fe Venture	15,130.32	16,014.99	16,014.99	16,014.99	16,015.16	16,015.16	30,574.39	570.58
SFV II, LLC	6,080.44	2,497.00	2,497.00	2,497.00	2,496.68	2,496.68	2,496.68	6,081.40
WFPC - Corp	5,504.50	121,214.48	118,471.71	117,652.44	101,674.58	92,643.40	153,593.03	14,932.12
WFPC - Business	-	92,807.39	88,941.92	149,922.64	92,807.39	88,941.92	149,922.64	-
WFPC - Payroll (Closed)	-	-	-	-	-	-	-	-
WFPC - MMKT (Closed)	-	-	-	-	-	-	-	-
WFPC - Special	64.22	-	-	-	-	-	-	64.22
WFPC - FFP	584.58	2,084.55	672.11	1,602.18	1,900.00	1,400.00	1,100.00	543.42
WFPC - Las Vegas Prop Tax	1,771.53	-	-	-	-	-	-	1,771.53
WSCC, LLC	15,122.55	347,667.44	53,592.37	199,244.00	211,992.21	172,899.87	220,517.31	10,216.97
<b>Total WFPC Bank Accounts</b>	<b>45,524.37</b>	<b>590,012.08</b>	<b>287,266.33</b>	<b>494,009.48</b>	<b>434,548.64</b>	<b>381,063.60</b>	<b>565,527.54</b>	<b>35,672.48</b>

**ACH & Sweep Transactions Appearing Twice**

WFPC - Business	92,807.39	88,941.92	149,922.64	92,807.39	88,941.92	149,922.64
WSCC, LLC	347,667.44	53,592.37	199,244.00	211,992.21	172,899.87	220,517.31
<b>Total</b>	<b>440,474.83</b>	<b>142,534.29</b>	<b>349,166.64</b>	<b>304,799.60</b>	<b>261,841.79</b>	<b>370,439.95</b>

Total Deposits & Disbursements

\$932,175.76

\$937,081.34

**WFPC Receipts and Disbursements Schedule  
Q1 2015**

Bank Name	Beginning Balance	Deposits			Disbursements			Ending Balance
		Jan-15	Feb-15	Mar-15	Jan-15	Feb-15	Mar-15	
<b>BANK ACCOUNTS:</b>	Dec-14							
Fernley I, LLC	36.78	2,876.64	3,451.64	2,876.64	2,800.00	3,475.00	2,800.00	166.70
P51 LLC	1,455.46	4,199.59	4,199.59	4,849.59	4,206.53	4,285.10	4,550.33	1,662.27
Santa Fe Venture	570.58	16,014.99	9,342.07	29,436.52	1,455.93	2,030.93	37,223.00	14,654.30
SFV II, LLC	6,081.40	2,497.00	2,497.00	2,497.00	2,496.68	2,496.68	2,496.68	6,082.36
WFPC - Corp	14,932.12	116,942.49	112,220.66	123,573.68	103,162.16	111,440.59	122,604.87	30,461.33
WFPC - Business	-	98,797.00	104,039.88	118,832.93	98,797.00	104,039.88	118,832.93	-
WFPC - Payroll (Closed)	-	-	-	-	-	-	-	-
WFPC - MMKT (Closed)	-	-	-	-	-	-	-	-
WFPC - Special	64.22	-	-	-	-	-	-	64.22
WFPC - FFP	543.42	1,552.48	1,484.18	1,169.82	1,800.00	1,450.00	1,400.00	99.90
WFPC - Las Vegas Prop Tax	1,771.53	-	-	-	-	-	-	1,771.53
WSCC, LLC	10,216.97	208,920.64	183,452.95	195,780.47	196,683.06	182,844.48	199,090.14	19,753.35
<b>Total WFPC Bank Accounts</b>	<b>35,672.48</b>	<b>451,800.83</b>	<b>420,687.97</b>	<b>479,016.65</b>	<b>411,401.36</b>	<b>412,062.66</b>	<b>488,997.95</b>	<b>74,715.96</b>

**ACH & Sweep Transactions Appearing Twice**

WFPC - Business	98,797.00	104,039.88	118,832.93	98,797.00	104,039.88	118,832.93
WSCC, LLC	208,920.64	183,452.95	195,780.47	196,683.06	182,844.48	199,090.14
<b>Total</b>	<b>307,717.64</b>	<b>287,492.83</b>	<b>314,613.40</b>	<b>295,480.06</b>	<b>286,884.36</b>	<b>317,923.07</b>

Total Deposits & Disbursements

\$909,823.87

\$900,287.49

**WFPC Receipts and Disbursements Schedule  
Q2 2015**

Bank Name	Beginning Balance	Deposits			Disbursements			Ending Balance
		Apr-15	May-15	Jun-15	Apr-15	May-15	Jun-15	
<b>BANK ACCOUNTS:</b>	Mar-15							Jun-15
Fernley I, LLC	166.70	2,876.64	2,876.64	2,876.64	800.00	5,000.00	2,900.00	96.62
P51 LLC	1,662.27	4,199.59	4,199.59	5,174.59	1,959.17	6,409.23	4,759.28	2,108.36
Santa Fe Venture	14,654.30	12,615.07	12,242.07	15,242.07	15,359.23	-	1,154.00	38,240.28
SFV II, LLC	6,082.36	2,497.00	2,497.00	2,497.00	3,296.68	-	4,993.36	5,283.32
WFPC - Corp	30,461.33	99,955.21	121,473.35	104,360.71	81,608.97	39,258.66	213,091.18	22,291.79
WFPC - Business	-	78,339.66	35,727.22	208,521.59	78,339.66	35,727.22	208,521.59	-
WFPC - Payroll (Closed)	-	-	-	-	-	-	-	-
WFPC - MMKT (Closed)	-	-	-	-	-	-	-	-
WFPC - Special	64.22	-	-	-	-	-	-	64.22
WFPC - FFP	99.90	882.37	829.47	936.16	-	1,606.59	900.00	241.31
WFPC - Las Vegas Prop Tax	1,771.53	-	-	-	-	-	-	1,771.53
WSCC, LLC	19,753.35	177,549.06	174,885.10	175,086.58	182,591.12	164,631.98	174,403.12	25,647.87
<b>Total WFPC Bank Accounts</b>	74,715.96	378,914.60	354,730.44	514,695.34	363,954.83	252,633.68	610,722.53	95,745.30

**ACH & Sweep Transactions Appearing Twice**

WFPC - Business	78,339.66	35,727.22	208,521.59	78,339.66	35,727.22	208,521.59
WSCC, LLC	177,549.06	174,885.10	175,086.58	182,591.12	164,631.98	174,403.12
<b>Total</b>	255,888.72	210,612.32	383,608.17	260,930.78	200,359.20	382,924.71

Total Deposits & Disbursements

\$850,109.21

\$844,214.69

**WFPC Receipts and Disbursements Schedule  
Q3 2015**

Bank Name	Beginning Balance	Deposits			Disbursements			Ending Balance
		Jul-15	Aug-15	Sep-15	Jul-15	Aug-15	Sep-15	
<b>BANK ACCOUNTS:</b>	Jun-15							Sep-15
Fernley I, LLC	96.62	2,876.64	2,876.64	2,876.64	2,900.00	2,900.00	2,900.00	26.54
P51 LLC	2,108.36	5,174.59	4,199.59	4,849.59	5,119.70	6,292.63	4,250.00	669.80
Santa Fe Venture	38,240.28	9,242.07	14,142.07	5,110.23	-	-	5,110.23	61,624.42
SFV II, LLC	5,283.32	2,497.00	2,497.00	2,497.00	2,496.68	2,496.68	-	7,780.96
WFPC - Corp	22,291.79	104,709.30	120,287.20	78,479.92	62,868.48	152,086.13	35,332.71	75,480.89
WFPC - Business	-	58,658.55	147,729.74	16,992.34	58,658.55	147,729.74	16,992.34	(0.00)
WFPC - Payroll (Closed)	-	-	-	-	-	-	-	-
WFPC - MMKT (Closed)	-	-	-	-	-	-	-	-
WFPC - Special	64.22	-	-	-	-	-	-	64.22
WFPC - FFP	241.31	1,020.74	904.73	372.66	700.00	750.00	900.00	189.44
WFPC - Las Vegas Prop Tax	1,771.53	-	-	-	-	-	-	1,771.53
WSCC, LLC	25,647.87	402,143.02	52,410.92	135,343.81	272,971.15	184,335.42	117,472.22	40,766.83
<b>Total WFPC Bank Accounts</b>	95,745.30	586,321.91	345,047.89	246,522.19	405,714.56	496,590.60	182,957.50	188,374.63

**ACH & Sweep Transactions Appearing Twice**

WFPC - Business	58,658.55	147,729.74	16,992.34	58,658.55	147,729.74	16,992.34
WSCC, LLC	402,143.02	52,410.92	135,343.81	272,971.15	184,335.42	117,472.22
<b>Total</b>	460,801.57	200,140.66	152,336.15	331,629.70	332,065.16	134,464.56

Total Deposits & Disbursements

\$813,278.38

\$798,159.42

**WFPC Receipts and Disbursements Schedule  
Q4 2015**

Bank Name	Beginning Balance	Deposits			Disbursements			Ending Balance
		Oct-15	Nov-15	Dec-15	Oct-15	Nov-15	Dec-15	
<b>BANK ACCOUNTS:</b>	Sep-15							Dec-15
Fernley I, LLC	26.54	2,876.64	-	5,753.28	2,900.00	-	2,800.00	2,956.46
P51 LLC	669.80	5,099.59	650.00	8,399.18	5,141.85	386.16	4,277.50	5,013.06
Santa Fe Venture	61,624.42	11,092.62	-	-	71,015.52	-	-	1,701.52
SFV II, LLC	7,780.96	2,497.00	-	4,994.00	2,496.68	2,496.68	5,593.36	4,685.24
WFPC - Corp	75,480.89	354,766.43	972.23	129,414.68	145,444.80	219,946.31	101,193.23	94,049.89
WFPC - Business	(0.00)	129,409.37	199,026.65	75,959.96	129,409.37	199,026.65	75,959.96	-
WFPC - Payroll (Closed)	-	-	-	-	-	-	-	-
WFPC - MMKT (Closed)	-	-	-	-	-	-	-	-
WFPC - Special	64.22	-	-	-	-	-	-	64.22
WFPC - FFP	189.44	931.09	812.04	1,199.94	900.00	-	1,600.00	632.51
WFPC - Las Vegas Prop Tax	1,771.53	-	-	-	-	-	-	1,771.53
WSCC, LLC	40,766.83	159,327.42	125,055.58	115,938.39	164,566.78	43,628.94	201,700.20	31,192.30
<b>Total WFPC Bank Accounts</b>	188,374.63	666,000.16	326,516.50	341,659.43	521,875.00	465,484.74	393,124.25	142,066.73

**ACH & Sweep Transactions Appearing Twice**

WFPC - Business	129,409.37	199,026.65	75,959.96	129,409.37	199,026.65	75,959.96
WSCC, LLC	159,327.42	125,055.58	115,938.39	164,566.78	43,628.94	201,700.20
<b>Total</b>	288,736.79	324,082.23	191,898.35	293,976.15	242,655.59	277,660.16

Total Deposits & Disbursements

\$804,717.37

\$814,291.90