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8 Attorneys for Thomas C. Hebrank,
 9 Permanent Receiver

10 UNITED STATES DISTRICT COURT

11 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

12
 13 SECURITIES AND EXCHANGE
 COMMISSION,

14 Plaintiff,

15 v.

16 CHARLES P. COPELAND,
 17 COPELAND WEALTH
 18 MANAGEMENT, A FINANCIAL
 19 ADVISORY CORPORATION,
 20 AND COPELAND WEALTH
 MANAGEMENT, A REAL
 ESTATE CORPORATION,

21 Defendants.

CASE NO. 11-cv-08607-R-DTB

**NOTICE OF MOTION AND
 MOTION FOR ORDER: (1)
 APPROVING THE RECEIVER'S
 DISTRIBUTION OF ASSETS TO
 THE INVESTORS OF COPELAND
 PROPERTIES 18, L.P.; AND (2)
 AUTHORIZING TERMINATION
 AND CANCELLATION OF
 COPELAND PROPERTIES 18,
 L.P. AS AN ENTITY**

Date: September 16, 2013
 Time: 10:00 a.m.
 Ctrm: 8, 2nd Floor
 Judge: Hon. Manuel L. Real

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 25 **TO ALL INTERESTED PARTIES:**

26 **Please Take Notice** that on September 16, 2013, at 10:00 a.m., in
 27 Courtroom 8 of the above-entitled Court located at 312 N. Spring Street,
 28 Los Angeles, California 90012, a hearing will be held on the Motion of

MULVANEY BARRY BEATTY LINN & MAYERS
A LIMITED LIABILITY PARTNERSHIP
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SAN DIEGO, CALIFORNIA 92101-7944
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1 Thomas C. Hebrank (“Receiver”), the court-appointed Permanent
2 Receiver for Copeland Wealth Management, a Financial Advisory
3 Corporation, Copeland Wealth Management, a Real Estate Corporation,
4 and their subsidiaries and affiliates, for an Order Approving the
5 Receiver’s Distribution of Certain Assets to the Investors of Copeland
6 Properties 18, L.P. (“CP18”) and Authorizing the Termination and
7 Cancellation of CP18 as an Entity.

8 This Motion is based on the Memorandum of Points and
9 Authorities and the Declaration of Thomas C. Hebrank (“Hebrank
10 Declaration”), each filed concurrently herewith. The Motion and
11 supporting papers are available at the Receiver’s website:
12 www.ethreadvisors.com, may be reviewed at the Clerk’s Office located
13 at 312 North Spring Street, Los Angeles, California 90012 during normal
14 business hours, or may be obtained by requesting a copy from the
15 Receiver’s counsel, Mulvaney Barry Beatty Linn & Mayers LLP, attention
16 Toby S. Kovalivker, by calling (619) 238-1010.

17 **Procedural Requirements:** If you oppose this Motion, you are
18 required to file your written opposition with the Office of the Clerk, United
19 States District Court, 312 North Spring Street, Los Angeles, California
20 90012, and serve the same on the undersigned not later than twenty-one
21 (21) days prior to the hearing.

22 IF YOU FAIL TO FILE AND SERVE A WRITTEN OPPOSITION by
23 the above date, the Court may grant the requested relief without further
24 notice.

25 **Requested Relief:** The relief requested is discussed in greater
26 detail in the Memorandum of Points and Authorities. To summarize, the
27 Receiver requests an Order approving his distribution of the total amount
28 of \$2,257,425.38 (“Net Proceeds”) to the limited partners of CP18, with
certain exceptions. As a result of the sale of the real property formerly

1 WHEREFORE, the Receiver requests that the Court grant the
2 relief requested herein and such other relief as may be appropriate
3 under the circumstances.

4 Dated: August 16, 2013

MULVANEY BARRY BEATTY LINN &
MAYERS, LLP

7 By: /s/ John H. Stephens
8 Attorneys for Thomas C. Hebrank, Receiver

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EXHIBIT A

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION – LOS ANGELES

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

CHARLES P. COPELAND,
COPELAND WEALTH
MANAGEMENT, A FINANCIAL
ADVISORY CORPORATION,
AND COPELAND WEALTH
MANAGEMENT, A REAL
ESTATE CORPORATION,

Defendants.

CASE NO. 11-cv-08607-R-DTB

[PROPOSED]

**ORDER: (1) APPROVING THE
RECEIVER’S DISTRIBUTION OF
ASSETS TO THE INVESTORS OF
COPELAND PROPERTIES 18,
L.P.; AND (2) AUTHORIZING
TERMINATION AND
CANCELLATION OF COPELAND
PROPERTIES 18, L.P. AS AN
ENTITY**

Date: September 16, 2013
Time: 10:00 a.m.
Ctrm: 8, 2nd Floor
Judge: Hon. Manuel L. Real

The Court, having considered the Motion for Order: (1)
Approving the Receiver’s Distribution of Assets to the Investors of
Copeland Properties 18, L.P.; and (2) Authorizing Termination and

1 Cancellation of Copeland Properties 18, L.P. as an Entity (“Motion”)
2 filed by Mulvaney Barry Beatty Linn & Mayers LLP (“Mulvaney
3 Barry”), counsel for Thomas C. Hebrank (“Receiver”), the court-
4 appointed Permanent Receiver for Copeland Wealth Management, a
5 Financial Advisory Corporation, Copeland Wealth Management, a
6 Real Estate Corporation, and their subsidiaries and affiliates, and any
7 opposition thereto, and good cause appearing therefor,

8 IT IS HEREBY ORDERED as follows:

9 1. The Receiver is authorized to distribute the total amount of
10 \$2,257,425.38 (“Net Proceeds”) to the following investors in Copeland
11 Properties 18, L.P. (“CP18”): Adele Hansen, Albert Reid, Barbara Z.
12 Stahr, Taber Family Trust, Carol P. Lowe, David Ziilch Trust, Diana M.
13 Weed, Timothy C. Weed, Ehud Dotan, Dotan Family Trust, Janet Idhe,
14 Melvyn & Ruth Ross Revocable Trust, Sandra Hayes, Steve Weiss,
15 Steven Tozier, Werdna W. Eure, CWM, and Copeland Properties 5, LP
16 (collectively the “CP18 Partners”).

17 2. The Receiver’s distribution of the Net Proceeds shall be
18 made pursuant to the Distribution Schedule attached as **Exhibit “A”** to
19 the Declaration of Thomas C. Hebrank (“Hebrank Declaration”) filed in
20 support of the Motion. The Distribution Schedule is hereby incorporated
21 by this reference.

22 3. Once the Net Proceeds are distributed, the Receiver is
23 authorized to take any actions which are necessary and appropriate to
24 terminate and cancel CP18 as an entity.

25 ///

26 ///

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1 **IT IS SO ORDERED.**

2
3 **Dated:** _____ **Judge, United States District Court** _____

4 Submitted by:
5 **MULVANEY BARRY BEATTY LINN & MAYERS LLP**

6
7 **By: /s/ John H. Stephens**
8 **Attorneys for Thomas C. Hebrank, Permanent Receiver**

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28 [PROPOSED] ORDER: (1) APPROVING THE RECEIVER'S
DISTRIBUTION OF ASSETS TO THE INVESTORS OF COPELAND
PROPERTIES 18, L.P.; AND (2) AUTHORIZING TERMINATION AND
CANCELLATION OF COPELAND PROPERTIES 18, L.P. AS AN
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12 SECURITIES AND EXCHANGE
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15 v.

16 CHARLES P. COPELAND,
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 18 MANAGEMENT, A FINANCIAL
 19 ADVISORY CORPORATION,
 20 AND COPELAND WEALTH
 MANAGEMENT, A REAL
 ESTATE CORPORATION,

21 Defendants.

CASE NO. 11-cv-08607-R-DTB

**MEMORANDUM OF POINTS AND
 AUTHORITIES IN SUPPORT OF
 MOTION FOR ORDER: (1)
 APPROVING THE RECEIVER'S
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 PROPERTIES 18, L.P.; AND (2)
 AUTHORIZING TERMINATION
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Date: September 16, 2013
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MEMORANDUM OF POINTS AND AUTHORITIES

I.

INTRODUCTION

Thomas C. Hebrank (“Receiver”), the court-appointed Permanent Receiver for Copeland Wealth Management, a Financial Advisory Corporation (“CWM Financial”), Copeland Wealth Management, a Real Estate Corporation (“CWM Realty”), and their subsidiaries and affiliates (“Receivership Entities”) including, but not limited to, Copeland Properties 18, L.P. (“CP18”), hereby submits the following Memorandum of Points and Authorities in support of the Motion for an Order: (1) Approving the Receiver’s Distribution of Assets to Investors of CP18; and (2) Authorizing Termination and Cancellation of CP18 as an Entity.

II.

PROCEDURAL BACKGROUND

On October 18, 2011, the Securities and Exchange Commission (“SEC”) filed its Complaint for Violations of The Federal Securities Law, and the Proposed Judgment of Permanent Injunction and Other Relief as to Defendants. Docket Nos. 1 and 2. On October 25, 2011, the Court entered the Judgment of Permanent Injunction and Other Relief, appointing Thomas C. Hebrank as the permanent receiver for all assets of the Receivership Entities, placing their assets into the Receiver’s possession and control and granting him the full powers of an equity receiver, including the power to make such agreements as may be necessary and advisable in discharging his duties (“10/25/11 Order”). Docket No. 3. The Court determined by its March 12, 2012 Order Approving Receiver’s Response that CP18, among others, is included in the receivership as an affiliate of CWM Financial and CWM Realty. Docket No. 53.

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III.

FACTUAL BACKGROUND

CP18 is a California limited partnership. (Declaration of Thomas C. Hebrank filed concurrently herewith (“Hebrank Declaration”) ¶ 3.) The General Partner of CP18 was Copeland Realty, Inc. and is now CWM Realty. (Id.) The Limited Partners of CP18 include the following: Adele Hansen, Albert Reid, Barbara Z. Stahr, Taber Family Trust, Carol P. Lowe, David Ziilch Trust, Diana M. Weed, Timothy C. Weed, Ehud Dotan, Dotan Family Trust, Janet Idhe, Melvyn & Ruth Ross Revocable Trust, Sandra Hayes, Steve Weiss, Steven Tozier, Werdna W. Eure, CWM, and Copeland Properties 5, LP (collectively the “CP18 Partners”). (Id.)

CP18 was established in 2007 for the sole purpose of acquiring a commercial building located at 6103 Landmark Center Boulevard, Greensboro, North Carolina 27407, which is commonly referred to as the Garden Ridge Property, and all rents and profits generated therefrom (collectively the “Property”). (Hebrank Declaration ¶ 4.) In connection therewith, CP18 assumed a loan in the amount of \$7,100,000.00 (“Loan”) that was previously made to Wendover Greensboro, Ltd., as evidenced by a promissory note dated October 3, 2000 (“Note”) in favor of Continental Wingate Capital Corp., and later assigned to SBMS 2000-C3 Landmark Center, LLC (“SBMS”). (Id.) The Note was secured by a Deed of Trust, Assignment of Leases and Rents and Security Agreement (“Deed of Trust”) encumbering the Property. (Hebrank Declaration ¶ 5.) The Loan was guaranteed by Charles Copeland, Donald Copeland, Bruce Taber and Maureen Taber. (Id.)

The Note matured by its terms on November 1, 2010, and was not paid in full as of the maturity date. (Hebrank Declaration ¶ 6.) By letter

1 dated April 29, 2011, SBMS informed CP18 of its intent to enforce the
2 terms of the Loan, which included collection of alleged default interest
3 and alleged attorney’s fees. (Id.)

4 Subsequent to his appointment by the Court, the Receiver made
5 monthly payments to SBMS under the Loan at the non-default rate.
6 (Hebrank Declaration ¶ 7.) In August of 2012, the Receiver negotiated
7 the sale of the Property to National Retail Properties, LP (“Buyer”) for a
8 purchase price of \$8,550,000, and applied to the Court for approval of
9 the proposed sale. (Hebrank Declaration ¶ 8.) SBMS filed a Statement
10 re: Receiver’s Motion, wherein it requested payment directly from escrow
11 of \$5,813,001.44. (Id.) As this amount exceeded the principal balance
12 due on the Note, and included alleged default interest and purported
13 attorney’s fees and costs, the Receiver disputed payment of this amount.
14 (Id.)

15 The proposed sale was ultimately approved by the Court in its
16 October 3, 2012 Order Granting Receiver’s Motion for Order (A)
17 Approving Sale of Real Property Free and Clear of Liens; and (B)
18 Authorizing the Receiver to Pay Certain Liens and Claims From the Sale
19 Proceeds (“10/3/12 Order”). (Hebrank Declaration ¶ 9.) The 10/3/12
20 Order granted the Receiver authority to sell the Property, subject to
21 SBMS’s right to have the Court determine the amount of its lien. (Id.)

22 Subsequent to the entry of the Order, a dispute remained as to the
23 amount of SBMS’s lien on the Property. (Hebrank Declaration ¶ 10.) To
24 facilitate a timely sale to the Buyer, the parties entered into an
25 Agreement Regarding Receiver’s Proposed Sale of Property dated
26 November 21, 2012 (“Agreement Regarding Sale”), and an Escrow
27 Agreement dated December 6, 2012 (“Escrow Agreement”). (Id.)

28 //

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1 Pursuant to the terms of the Agreement Regarding Sale, *inter alia*,
2 the principal balance of \$5,129,404.62 was to be paid to SBMS upon the
3 sale of the Property, along with \$106,429.17 in third party expenses
4 allegedly incurred by SBMS. (Hebrank Declaration ¶ 11.) The Agreement
5 Regarding Sale further provided that alleged default interest in the
6 amount of \$577,127.42 (“Disputed Default Interest”) and alleged
7 attorney’s fees in the amount of \$15,000.00 (“Disputed Attorney’s Fees”)
8 were to be held in escrow pending further order of the Court, or further
9 agreement between the Receiver and SBMS. (Id.)

10 Pursuant to the terms of the Escrow Agreement, and in connection
11 with the closing of the sale of the Property, the Disputed Default Interest
12 and the Disputed Attorney’s Fees, in the combined amount of
13 \$597,114.36 (“Disputed Funds”), were deposited by Republic
14 Commercial Title Company of Florida, LLC (“Escrow Agent”) into an
15 interest bearing account at a federally insured institution, pending further
16 order of the Court or further agreement between the Receiver and
17 SBMS. (Hebrank Declaration ¶ 12.) Upon the close of escrow, SBMS
18 was paid a total of \$5,235,833.79, and the Receiver was paid the sum of
19 \$2,411,637.74 on behalf of CP18. (Id.)

20 The Receiver and SBMS subsequently reached an agreement
21 regarding the Disputed Funds pursuant to which SBMS shall receive
22 payment of \$385,000.00 from the Escrow Agent and the remaining
23 amount of the Disputed Funds, in the amount of \$212,114.36 (or such
24 greater amount as may exist by reason accrued interest) shall be paid
25 out of escrow to the Receiver on behalf of CP18. (Hebrank Declaration ¶
26 13.) The complete terms of the agreement are set forth in a Settlement
27 Agreement and Mutual Release (“Settlement Agreement”) dated August
28 5, 2013, executed by SBMS and the Receiver. (Id.) Concurrently with the

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1 instant Motion, the Receiver has filed a Motion for Approval of the
2 Settlement Agreement, which Motion will be heard on the same date as
3 the instant Motion. (Hebrank Declaration ¶ 14.)

4 As of August 9, 2013, the Receiver was holding the sum of
5 \$2,687,099.81 on behalf of CP18 (“CP18 Cash on Hand”). (Hebrank
6 Declaration ¶ 15.) In addition, pursuant to the Settlement Agreement,
7 subject to Court approval thereof, the Receiver will receive the remaining
8 amount of the Disputed Funds, in the approximate amount of
9 \$212,114.36, after SBMS is paid \$385,000.00. (Id.) After payment of
10 CP18’s liabilities, in the total amount of \$617,442.98, and tax related
11 costs in the amount of \$25,000.00, the net proceeds for distribution to
12 the CP18 Partners total \$2,257,425.38 (“Net Proceeds”). (Hebrank
13 Declaration ¶ 16.) These amounts are detailed in the “CP18 Sales
14 Proceeds Distributions” (“Distribution Schedule”) prepared by the
15 Receiver, a true and correct copy of which is attached to the Hebrank
16 Declaration as Exhibit “A” and incorporated herein by reference. (Id.)

17 As indicated in the proposed Distribution Schedule, the funds
18 allocated to Janet Idhe and Werdna W. Eure, according to their
19 respective ownership interests in CP18, are to be retained by the
20 Receiver and are not to be paid to them. (Hebrank Declaration, ¶ 17;
21 Exhibit “A”). This is due to the fact that outstanding obligations currently
22 exist pursuant to which Janet Idhe owes money to CWM Realty,
23 Copeland Fixed Income Three, LP, and Copeland Properties Twelve, LP
24 (“CP12”), all of which are Receivership Entities, and Werdna W. Eure
25 owes money to CWM Realty. (Id.) The total amount of these respective
26 obligations exceed the proposed distributions to these investors. (Id.)
27 Consequently, the Receiver intends to retain Janet Idhe’s and Werdna

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1 W. Eure’s share of the distribution to apply towards those unpaid
2 obligations. (Id.)

3 Additionally, the portion of funds allocated to the Taber Family
4 Trust is to be reduced by \$9,099.00, which amount will be retained by
5 the Receiver to apply towards an unpaid obligation owed by the Taber
6 Family Trust to Copeland Fixed Income One, LP, also a Receivership
7 Entity. (Hebrank Declaration, ¶ 18; Exhibit “A”).

8 Finally, the Proof of Claim submitted against CP18 by Neal Bricker
9 (“Bricker”) in the amount of \$223,098.00 (“Bricker Claim”) and the claim
10 by CP18 investors Melvyn and Ruth Ross for repayment of an alleged
11 \$350,000.00 loan they made to CP12 that was purportedly secured by
12 an interest in CP18 held by CWM Realty (“Ross Claim”)¹ will not be paid
13 out of the Net Proceeds and do not alter or affect any distribution to the
14 CP18 Partners under the Distribution Schedule. (Hebrank Declaration, ¶
15 19.)

16 As to the Bricker Claim, it is based on the theory that Copeland
17 Properties 14, LP (“CP14”) and its purported assignee, CP18, were
18 indebted to Copeland Properties Three, LP (“CP3”) for amounts that
19 CP14 had allegedly borrowed from CP3 to purchase the Property.
20 (Hebrank Declaration, ¶ 20.) As an investor in CP3, Bricker claims he is
21 owed his initial capital contribution to CP3 in the amount of \$215,000.00,
22 plus \$8,958.00, which is allegedly owed to him as an annual payment
23 from CP3. (Id.) However, CP3 did not loan money to CP18, nor did CP3
24 purchase the Property. (Hebrank Declaration, ¶ 21.) Rather, CP3
25

26 ¹ On December 16, 2009, Charles Copeland purportedly executed a “Pledge of Security Interest” in
27 favor of Melvyn and Ruth Ross (collectively “Ross”), pursuant to which CWM Realty pledged its
28 12.8745% interest in CP18 to Ross as additional security for a purported \$350,000.00 loan to CP12
from Ross.

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1 acquired an interest in CP14, which was later transferred to CP18, and
2 then distributed to CP3’s partners when CP3 was terminated. (Id.)
3 Unfortunately for Bricker, his contribution was transferred to Copeland
4 Fixed Income Two, LP, which Charles Copeland later drained. (Id.)
5 Accordingly, Bricker has no valid claim to CP18’s assets.

6 As to the Ross Claim, the CP18 Partnership Agreement prohibits
7 the general partner from using, directly or indirectly, the partnership
8 assets for any purpose other than conducting partnership business for
9 the full and exclusive benefit of the CP18 Partners. (Hebrank
10 Declaration, ¶ 22). The purported security interest in CP18, alleged to
11 have been pledged to Ross by CWM Realty, was not part of CP18’s
12 “sole purpose,” which was to own and operate the Property. (Id.) In
13 addition, the alleged security interest was not for the exclusive benefit of
14 the CP18 Partners and would diminish their investments. (Id.)
15 Furthermore, the purported security interest in CP18 was not perfected
16 by the filing of a UCC-1 Financing Statement.² (Hebrank Declaration, ¶
17 23.) Therefore, even if the unperfected security interest was somehow
18 valid, it is subordinate to the Receiver’s lien. Given that CP18 does not
19 have sufficient assets to pay its creditors in full, the Receiver is entitled to
20 avoid the unperfected security interest.

21 As a result of the sale of the Property, the proposed distribution of
22 the Disputed Funds pursuant to the Settlement Agreement, the proposed
23 distribution of the Net Proceeds, and the consideration and denial of the
24 Bricker Claim and the Ross Claim, the Receiver now has no further
25 interest in CP18 or the Property, and no further claims exist against
26

27 ² When the Receiver was appointed, he became a lien creditor over the personal property in the
28 Receivership Estate, and his lien position is superior to any unperfected security interest at the time of
his appointment. (California Commercial Code §§ 9102(52)(A)(iv), 9317(a)(2).)

1 CP18. (Hebrank Declaration, ¶ 24.) Furthermore, once the Net Proceeds
 2 are distributed, CP18 will have no remaining assets now that its sole
 3 asset, the Property, is sold. (Hebrank Declaration, ¶ 25.) Accordingly,
 4 the Receiver moves this Court for an Order approving the distribution of
 5 the Net Proceeds to the CP18 Partners according to the Distribution
 6 Schedule. (Hebrank Declaration ¶ 26.) The proposed distribution is
 7 based on a pro rata share, calculated by each of the CP18 Partners’
 8 respective ownership interest in CP18, as determined by their 2011
 9 Schedule K-1 tax documents. (Id.) Further, the Receiver requests that
 10 the Court enter an Order authorizing the termination and cancellation of
 11 CP18. Once the Net Proceeds are distributed, CP18 will have no
 12 remaining assets and no reason to exist. (Hebrank Declaration ¶ 27.)

13
 14 **IV.**
ARGUMENT

15 Federal district courts have broad discretion in fashioning relief in
 16 equity receiverships. See *SEC v. Credit Bancorp, Ltd.*, 290 F.3d 80, 91
 17 (2d Cir. 2002); *SEC v. Basic Energy & Affiliated Res., Inc.*, 273 F.3d 657,
 18 668 (6th Cir. 2001); *SEC v. Forex Asset Mgmt. LLC*, 242 F.3d 325, 328
 19 (5th Cir. 2001); *SEC v. Elliott*, 953 F.2d 1560, 1566-67 (11th Cir. 1992);
 20 *SEC v. Hardy*, 803 F.2d 1034, 1037-39 (9th Cir. 1986). Pursuant to
 21 these broad powers, courts may authorize any distribution of
 22 receivership assets that is “fair and reasonable.” *SEC v. Wealth Mgmt.*
 23 *LLC*, 628 F.3d 323, 332-33 (7th Cir. 2010); *SEC v. Wang*, 944 F.2d 80,
 24 85 (2d Cir. 1991); *SEC v. Byers*, 637 F. Supp. 2d 166, 174 (S.D.N.Y.
 25 2009) (*quoting Wang*, 944 F.2d at 81). So long as a court divides the
 26 assets “in a logical way,” the court’s distribution will not be disturbed on
 27 appeal. *United States v. Durham*, 86 F.3d 70, 73 (5th Cir. 1996).

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1 Appellate review of distribution orders is “narrow,” *Forex*, 242 F.3d
2 at 331 (quotation omitted), as appellate courts must not “chain the hands
3 of the court in Equity” nor “rob the lower court of the discretion essential
4 to its function.” *Durham*, 86 F.3d at 73. District courts frequently order
5 interim or preliminary distributions. *See, e.g., Credit Bancorp*, 290 F.3d at
6 85; *SEC v. Black*, 163 F.3d 188, 193 (3d Cir. 1998); *CFTC v. PrivateFX*
7 *Global One*, 778 F. Supp. 2d 775, 778 (S.D. Tex. 2011); *SEC v.*
8 *Amerifirst*, No. 3:08-CV-1188-D, 2008 WL 919546, at *6-7 (N.D. Tex.
9 Mar. 13, 2008); *CFTC v. Eustace*, No. 05-2973, 2008 WL 471574, at *7
10 (E.D. Pa. Feb. 19, 2008); *SEC v. Merrill Scott & Assocs., Ltd.*, No. 2:02-
11 CV-39, 2006 WL 3813320, at *1 (D. Utah Dec. 26, 2006).

12 In this case, the Receiver’s plan to distribute the Net Proceeds to
13 the CP18 Partners is fair and reasonable. The Net Proceeds are being
14 divided in a logical way according to the Distribution Schedule. In equity
15 receiverships, federal courts overwhelmingly order pro rata distribution.
16 *SEC v. Capital Consultants, LLC*, 397 F.3d 733, 737, 746-47 (9th Cir.
17 2005); *Credit Bancorp*, 290 F.3d at 87-89; *Forex*, 242 F.3d at 331-32;
18 *Elliot*, 953 F.2d at 1569-70; *Wealth Mgmt.*, 628 F.3d at 333. Upon
19 approval of the plan for distribution, the Receiver will be distributing the
20 Net Proceeds to the CP18 Partners on a pro rata basis according to
21 each of their respective interests in CP18 as evidenced by their 2011
22 Schedule K-1 tax documents. (Hebrank Declaration ¶¶ 26).

23 Additionally, once the Net Proceeds are distributed, the Receiver
24 will have no further interest in CP18 or the Property, and no further
25 claims will exist against CP18. (Hebrank Declaration ¶¶ 24.) The Property
26 has been sold and the disbursement of the Disputed Funds has been
27 agreed upon pursuant to the Settlement Agreement. The Receiver has
28 considered the Bricker Claim and the Ross Claim, and has denied those

1 claims on the grounds stated herein. Consequently, once the Net
2 Proceeds are distributed as proposed herein, CP18 will have no further
3 assets. (Hebrank Declaration ¶¶ 25.)

4 Finally, the Court should authorize the termination and cancellation
5 of CP18, as there will no longer be any purpose to CP18 once the Net
6 Proceeds are distributed. Keeping CP18 active as an entity will only
7 generate unnecessary costs that CP18 has no resources to pay.
8 (Hebrank Declaration ¶¶ 27.)

9
10 **IV.**
CONCLUSION

11 Based upon the foregoing, all pleadings on file herein, as well as
12 such argument and evidence as may be admitted during the hearing, the
13 Receiver requests entry of an order approving the Receiver’s distribution
14 of funds to the CP18 Partners in accordance with the Distribution
15 Schedule, and authorizing termination and cancellation of CP18 as an
16 entity.

17 Dated: August 16, 2013

MULVANEY BARRY BEATTY LINN &
MAYERS, LLP

19
20 By: /s/ John H. Stephens
21 Attorneys for Thomas C. Hebrank,
22 Receiver

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28 HEBCO.100.496834.1

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8 Attorneys for Thomas C. Hebrank,
 9 Permanent Receiver

10 UNITED STATES DISTRICT COURT

11 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

12 SECURITIES AND EXCHANGE
 13 COMMISSION,

14 Plaintiff,

15 v.

16 CHARLES P. COPELAND,
 17 COPELAND WEALTH
 18 MANAGEMENT, A FINANCIAL
 19 ADVISORY CORPORATION,
 20 AND COPELAND WEALTH
 MANAGEMENT, A REAL
 ESTATE CORPORATION,

21 Defendants.

CASE NO. 11-cv-08607-R-DTB

**DECLARATION OF THOMAS C.
 HEBRANK IN SUPPORT OF
 MOTION FOR ORDER: (1)
 APPROVING THE RECEIVER'S
 DISTRIBUTION OF ASSETS TO
 THE INVESTORS OF COPELAND
 PROPERTIES 18, L.P.; AND (2)
 AUTHORIZING TERMINATION
 AND CANCELLATION OF
 COPELAND PROPERTIES 18,
 L.P. AS AN ENTITY**

Date: September 16, 2013
 Time: 10:00 a.m.
 Ctrm: 8, 2nd Floor
 Judge: Hon. Manuel L. Real

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1 I, Thomas C. Hebrank, declare as follows:

2 1. I am the court-appointed Permanent Receiver for Copeland
3 Wealth Management, a Financial Advisory Corporation (“CWM
4 Financial”), Copeland Wealth Management, a Real Estate Corporation
5 (“CWM Realty”), and their subsidiaries and affiliates (collectively, the
6 “Receivership Entities”) including, but not limited to, Copeland Properties
7 18, L.P. (“CP18”).

8 2. The following are facts within my knowledge, except those
9 stated on information and belief and as to those I believe them to be
10 true. If called as a witness I could and would testify to them under oath.

11 3. I am informed and believe that CP18 is a California limited
12 partnership, and that the General Partner of CP18 was Copeland Realty,
13 Inc. and is now CWM Realty. I am informed and believe that the Limited
14 Partners of CP18 include the following: Adele Hansen, Albert Reid,
15 Barbara Z. Stahr, Taber Family Trust, Carol P. Lowe, David Ziilch Trust,
16 Diana M. Weed, Timothy C. Weed, Ehud Dotan, Dotan Family Trust,
17 Janet Idhe, Melvyn & Ruth Ross Revocable Trust, Sandra Hayes, Steve
18 Weiss, Steven Tozier, Werdna W. Eure, CWM, and Copeland Properties
19 5, LP (collectively the “CP18 Partners”).

20 4. I am informed and believe that CP18 was established in 2007
21 for the sole purpose of acquiring a commercial building located at 6103
22 Landmark Center Boulevard, Greensboro, North Carolina 27407, which
23 is commonly referred to as the Garden Ridge Property, and all rents and
24 profits generated therefrom (collectively the “Property”). In connection
25 therewith, CP18 assumed a loan in the amount of \$7,100,000.00
26 (“Loan”) that was previously made to Wendover Greensboro, Ltd., as
27 evidenced by a promissory note dated October 3, 2000 (“Note”) in favor

28 //

1 of Continental Wingate Capital Corp., and later assigned to SBMS 2000-
2 C3 Landmark Center, LLC (“SBMS”).

3 5. The Note was secured by a Deed of Trust, Assignment of
4 Leases and Rents and Security Agreement (“Deed of Trust”)
5 encumbering the Property. The Loan was guaranteed by Charles
6 Copeland, Donald Copeland, Bruce Taber and Maureen Taber.

7 6. I am informed and believe that the Note matured by its terms
8 on November 1, 2010, and was not paid in full as of the maturity date.
9 By letter dated April 29, 2011, SBMS informed CP18 of its intent to
10 enforce the terms of the Loan, which included collection of alleged
11 default interest and alleged attorney’s fees.

12 7. Subsequent to my appointment by the Court, I made monthly
13 payments to SBMS under the Loan at the non-default rate.

14 8. In August of 2012, I negotiated the sale of the Property to
15 National Retail Properties, LP (“Buyer”) for a purchase price of
16 \$8,550,000, and applied to the Court for approval of the proposed sale.
17 SBMS filed a Statement re: Receiver’s Motion, wherein it requested
18 payment directly from escrow of \$5,813,001.44. As this amount
19 exceeded the principal balance due on the Note, and included alleged
20 default interest and purported attorney’s fees and costs, I disputed
21 payment of this amount.

22 9. The proposed sale was ultimately approved by the Court in
23 its October 3, 2012 Order Granting Receiver’s Motion for Order (A)
24 Approving Sale of Real Property Free and Clear of Liens; and (B)
25 Authorizing the Receiver to Pay Certain Liens and Claims From the Sale
26 Proceeds (“10/3/12 Order”). The 10/3/12 Order granted me the authority
27 to sell the Property, subject to SBMS’s right to have the Court determine
28 the amount of its lien.

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1 10. Subsequent to the entry of the Order, a dispute remained as
2 to the amount of SBMS’s lien on the Property. To facilitate a timely sale
3 to the Buyer, SBMS and I entered into an Agreement Regarding
4 Receiver’s Proposed Sale of Property dated November 21, 2012
5 (“Agreement Regarding Sale”), and an Escrow Agreement dated
6 December 6, 2012 (“Escrow Agreement”).

7 11. Pursuant to the terms of the Agreement Regarding Sale, *inter*
8 *alia*, the principal balance of \$5,129,404.62 was to be paid to SBMS
9 upon the sale of the Property, along with \$106,429.17 in third party
10 expenses allegedly incurred by SBMS. The Agreement Regarding Sale
11 further provided that alleged default interest in the amount of
12 \$577,127.42 (“Disputed Default Interest”) and alleged attorney’s fees in
13 the amount of \$15,000.00 (“Disputed Attorney’s Fees”) were to be held
14 in escrow pending further order of the Court, or further agreement
15 between the Receiver and SBMS.

16 12. Pursuant to the terms of the Escrow Agreement, and in
17 connection with the closing of the sale of the Property, the Disputed
18 Default Interest and the Disputed Attorney’s Fees, in the combined
19 amount of \$597,114.36 (“Disputed Funds”), were deposited by Republic
20 Commercial Title Company of Florida, LLC (“Escrow Agent”) into an
21 interest bearing account at a federally insured institution, pending further
22 order of the Court or further agreement between myself and SBMS.
23 Upon the close of escrow, SBMS was paid a total of \$5,235,833.79, and
24 I was paid the sum of \$2,411,637.74 on behalf of CP18.

25 13. SBMS and I subsequently reached an agreement regarding
26 the Disputed Funds pursuant to which SBMS shall receive payment of
27 \$385,000.00 from the Escrow Agent and the remaining amount of the
28 Disputed Funds, in the amount of \$212,114.36 (or such greater amount

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1 as may exist by reason accrued interest) shall be paid out of escrow to
2 me on behalf of CP18. The complete terms of the agreement are set
3 forth in a Settlement Agreement and Mutual Release (“Settlement
4 Agreement”) dated August 5, 2013, executed by myself, on behalf of
5 CP18, and SBMS.

6 14. Concurrently with the instant Motion, I have filed a Motion for
7 Approval of the Settlement Agreement, which Motion will be heard on the
8 same date as the instant Motion.

9 15. As of August 9, 2013, I was holding the sum of
10 \$2,687,099.81 on behalf of CP18 (“CP18 Cash on Hand”). In addition,
11 pursuant to the Settlement Agreement, subject to Court approval thereof,
12 I will receive the remaining amount of the Disputed Funds, in the
13 approximate amount of \$212,114.36, after SBMS is paid \$385,000.00.

14 16. After payment of CP18’s liabilities, in the total amount of
15 \$617,442.98, and tax related costs in the amount of \$25,000.00, the net
16 proceeds for distribution to the CP18 Partners total \$2,257,425.38 (“Net
17 Proceeds”). These amounts are set forth in the “CP18 Sales Proceeds
18 Distributions” (“Distribution Schedule”) prepared by myself, a true and
19 correct copy of which is attached hereto as **Exhibit “A”** and incorporated
20 herein by reference.

21 17. As indicated in the proposed Distribution Schedule, the
22 funds allocated to Janet Idhe and Werdna W. Eure, according to their
23 respective ownership interests in CP18, are to be retained by me and
24 are not to be paid to them. This is due to the fact that outstanding
25 obligations currently exist pursuant to which Janet Idhe owes money to
26 CWM Realty, Copeland Fixed Income Three, LP (“CP3”) and Copeland
27 Properties Twelve, LP (“CP12”), all of which are Receivership Entities,
28 and Werdna W. Eure owes money to CWM Realty. The total amount of

1 these respective obligations exceeds the proposed distributions to these
2 investors. I intend to retain Janet Idhe’s and Werdna W. Eure’s share of
3 the distribution to apply towards those unpaid obligations.

4 18. The portion of funds allocated to the Taber Family Trust is to
5 be reduced by \$9,099.00, which amount will be retained by me to apply
6 towards an unpaid obligation owed by the Taber Family Trust to
7 Copeland Fixed Income One, LP, also a Receivership Entity.

8 19. The Proof of Claim submitted against CP18 by Neal Bricker
9 (“Bricker”) in the amount of \$223,098.00 (“Bricker Claim”) and the claim
10 by CP18 investors Melvyn and Ruth Ross for repayment of an alleged
11 \$350,000.00 loan they made to CP12 that was purportedly secured by
12 an interest in CP18 held by CWM Realty (“Ross Claim”)¹ will not be paid
13 out of the Net Proceeds and do not alter or affect any distribution to the
14 CP18 Partners under the Distribution Schedule.

15 20. The Bricker Claim is based on the theory that Copeland
16 Properties 14, LP (“CP14”) and its purported assignee, CP18, were
17 indebted to CP3 for amounts that CP14 had allegedly borrowed from
18 CP3 to purchase the Property. As an investor in CP3, Bricker claims he
19 is owed his initial capital contribution to CP3 in the amount of
20 \$215,000.00, plus \$8,958.00, which is allegedly owed to him as an
21 annual payment from CP3.

22 21. I am informed and believe that CP3 did not loan money to
23 CP18, nor did CP3 purchase the Property. I am informed and believe
24 that CP3 acquired an interest in CP14, which was later transferred to
25

26 ¹ On December 16, 2009, Charles Copeland purportedly executed a “Pledge of Security Interest” in
27 favor of Melvyn and Ruth Ross (collectively “Ross”), pursuant to which CWM Realty pledged its
28 12.8745% interest in CP18 to Ross as additional security for a purported \$350,000.00 loan to CP12
from Ross.

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1 CP18, and then distributed to CP3’s partners when CP3 was terminated.
2 I am informed and believe that Bricker’s contribution was transferred to
3 Copeland Fixed Income Two, LP, which Charles Copeland later drained.

4 22. I am informed and believe that the CP18 Partnership
5 Agreement prohibits the general partner from using, directly or indirectly,
6 the partnership assets for any purpose other than conducting partnership
7 business for the full and exclusive benefit of the CP18 Partners. The
8 purported security interest in CP18, alleged to have been pledged to
9 Ross by CWM Realty, was not part of CP18’s “sole purpose,” which was
10 to own and operate the Property. I am informed and believe that the
11 alleged security interest was not for the exclusive benefit of the CP18
12 Partners and would diminish their investments.

13 23. I am informed and believe that the purported security interest
14 in CP18 was not perfected by the filing of a UCC-1 Financing Statement.

15 24. As a result of the sale of the Property, the proposed
16 distribution of the Disputed Funds pursuant to the Settlement
17 Agreement, the proposed distribution of the Net Proceeds, and the
18 consideration and denial of the Bricker Claim and the Ross Claim, once
19 the Net Proceeds are distributed I will have no further interest in CP18 or
20 the Property, and no further claims will exist against CP18.

21 25. Once the Net Proceeds are distributed, CP18 will have no
22 remaining assets now that its sole asset, the Property, is sold.

23 26. I request that the Court enter an Order approving the
24 distribution of the Net Proceeds to the CP18 Partners according to the
25 Distribution Schedule. The proposed distribution is based on a pro rata
26 share, calculated by each of the CP18 Partners’ respective ownership
27 interest in CP18, as determined by their 2011 Schedule K-1 tax
28 documents.

1 27. There is no longer any purpose to CP18 once the Net
2 Proceeds are distributed. Keeping CP18 active as an entity will only
3 generate unnecessary costs that CP18 will have no resources to pay.
4 Therefore, I request that the Court enter an Order authorizing the
5 termination and cancellation of CP18.

6 I declare under penalty of perjury under the laws of the State of
7 California that the foregoing is true and correct, and that this Declaration
8 was executed in San Diego, California on August 16, 2013.

9
10
11 By: /s/ Thomas C. Hebrank
12 Thomas C. Hebrank, Permanent Receiver

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EXHIBIT A

CP18 Sales Proceeds Distributions

CASH

Cash on Hand 08-09-13	\$2,687,099.81
Escrowed Sales Proceeds	<u>\$597,768.55</u>
	<u>\$3,284,868.36</u>

DISBURSEMENTS

SBMS Landmark Center	Lender	\$ 385,000.00
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Other Liabilities

2005 - Note Payable - CP5	\$ 45,500.00	Receivership Estate
2015 - CP15 Loan Payable	\$ 25,000.00	Receivership Estate
2017 - Note Payable - CP17	\$ 20,700.00	Receivership Estate
2030.3 - Note Payable-CWMRE/Eure	\$ 93,000.00	Receivership Estate
2030 - Note Payable - CRI	\$ 200,524.68	Receivership Estate
2035 - N/P - Accrued Management Fees	\$ 165,466.80	Receivership Estate
Accrued Attorneys Fees	<u>\$ 67,251.50</u>	Receivership Estate
	\$ 617,442.98	

Costs

2011 to 2013 Tax Return Preparation	\$ 10,000.00
2012 Taxes	\$ 12,240.00
Contingency - 2013 Taxes & Other Obligations	<u>\$ 2,760.00</u>
	\$ 25,000.00

Net Proceeds for Distribution \$ 2,257,425.38

Equity

Adele Hansen	5.63426%	127,189.22	Withhold \$5,121.43 - Owes Attorney's Fees to personal counsel
Albert Reid IRA	4.02447%	90,849.41	
Barbara Z Stahr	4.61472%	104,173.86	
Taber Family Trust	12.23439%	276,182.22	Withhold \$9,099.00 - Owes to CFI1
Carol P Lowe	4.02447%	90,849.41	
David Ziilch Trust	4.61472%	104,173.86	
Diana M Weed	2.30737%	52,087.16	
Timothy C Weed	2.30737%	52,087.16	
Ehud Dotan IRA	2.06053%	46,514.93	
Dotan Family Trust	7.30844%	164,982.58	Withhold \$5,121.43 - Owes Attorney's Fees to personal counsel
Janet Ihde IRA	6.92209%	156,261.02	Withhold All - Owes \$579,135.55 to CWM, CFI3 and CP12
Melvyn & Ruth Ross Revocable Trust	6.92209%	156,261.02	Withhold \$5,121.43 - Owes Attorney's Fees to personal counsel
Sandra Hayes	6.43915%	145,359.01	
Steve Weiss IRA	2.99420%	67,591.83	
Steven Tozier IRA	3.86349%	87,215.40	Withhold \$5,121.43 - Owes Attorney's Fees to personal counsel
W.W. Eure	10.84997%	244,929.98	Withhold All - Owes \$388,020.56 to CWM and other potential obligations
CWM Real Estate	6.08537%	137,372.59	Receivership Estate
Copeland Property 5	6.79290%	153,344.75	Receivership Estate
Counsel for Adele Hansen, Dotan Family Trust, Melvyn & Ruth Ross Revocable Trust, and Steven Tozier IRA	0.00000%	-	Total Fees - \$20,485.72
	<u>100.00000%</u>	<u>2,257,425.38</u>	

Total Distributions \$ 3,284,868.36

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8 Attorneys for Thomas C. Hebrank,
 9 Permanent Receiver

10 UNITED STATES DISTRICT COURT

11 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

12
 13 SECURITIES AND EXCHANGE
 COMMISSION,

14 Plaintiff,

15 v.

16 CHARLES P. COPELAND,
 17 COPELAND WEALTH
 18 MANAGEMENT, A FINANCIAL
 19 ADVISORY CORPORATION,
 20 AND COPELAND WEALTH
 MANAGEMENT, A REAL
 ESTATE CORPORATION,

21 Defendants.

CASE NO. 11-cv-08607-R-DTB

**NOTICE OF LODGMENT OF
 ORDER: (1) APPROVING THE
 RECEIVER’S DISTRIBUTION OF
 ASSETS TO THE INVESTORS OF
 COPELAND PROPERTIES 18,
 L.P.; AND (2) AUTHORIZING
 TERMINATION AND
 CANCELLATION OF COPELAND
 PROPERTIES 18, L.P. AS AN
 ENTITY**

Date: September 16, 2013
 Time: 10:00 a.m.
 Ctrm: 8, 2nd Floor
 Judge: Hon. Manuel L. Real

25 Mulvaney Barry Beatty Linn & Mayers LLP, counsel for Thomas C.
 26 Hebrank (“Receiver”), the court-appointed Permanent Receiver for
 27 Copeland Wealth Management, a Financial Advisory Corporation,

28 //

1 Copeland Wealth Management, a Real Estate Corporation, and their
2 subsidiaries and affiliates, hereby lodges the following:

- 3 (1) Order Approving the Receiver's Distribution of Assets to the
- 4 Investors of Copeland Properties 18, L.P. and Authorizing the
- 5 Termination and Cancellation of Copeland Properties 18, L.P.
- 6 as an Entity

7
8 Dated: August 16, 2013

MULVANEY BARRY BEATTY LINN &
MAYERS, LLP

9
10
11 By: /s/ John H. Stephens
12 Attorneys for Thomas C. Hebrank,
Receiver

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EXHIBIT A

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION – LOS ANGELES

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

CHARLES P. COPELAND,
COPELAND WEALTH
MANAGEMENT, A FINANCIAL
ADVISORY CORPORATION,
AND COPELAND WEALTH
MANAGEMENT, A REAL
ESTATE CORPORATION,

Defendants.

CASE NO. 11-cv-08607-R-DTB

[PROPOSED]

**ORDER: (1) APPROVING THE
RECEIVER’S DISTRIBUTION OF
ASSETS TO THE INVESTORS OF
COPELAND PROPERTIES 18,
L.P.; AND (2) AUTHORIZING
TERMINATION AND
CANCELLATION OF COPELAND
PROPERTIES 18, L.P. AS AN
ENTITY**

Date: September 16, 2013
Time: 10:00 a.m.
Ctrm: 8, 2nd Floor
Judge: Hon. Manuel L. Real

The Court, having considered the Motion for Order: (1)
Approving the Receiver’s Distribution of Assets to the Investors of
Copeland Properties 18, L.P.; and (2) Authorizing Termination and

1 Cancellation of Copeland Properties 18, L.P. as an Entity (“Motion”)
2 filed by Mulvaney Barry Beatty Linn & Mayers LLP (“Mulvaney
3 Barry”), counsel for Thomas C. Hebrank (“Receiver”), the court-
4 appointed Permanent Receiver for Copeland Wealth Management, a
5 Financial Advisory Corporation, Copeland Wealth Management, a
6 Real Estate Corporation, and their subsidiaries and affiliates, and any
7 opposition thereto, and good cause appearing therefor,

8 IT IS HEREBY ORDERED as follows:

9 1. The Receiver is authorized to distribute the total amount of
10 \$2,257,425.38 (“Net Proceeds”) to the following investors in Copeland
11 Properties 18, L.P. (“CP18”): Adele Hansen, Albert Reid, Barbara Z.
12 Stahr, Taber Family Trust, Carol P. Lowe, David Ziilch Trust, Diana M.
13 Weed, Timothy C. Weed, Ehud Dotan, Dotan Family Trust, Janet Idhe,
14 Melvyn & Ruth Ross Revocable Trust, Sandra Hayes, Steve Weiss,
15 Steven Tozier, Werdna W. Eure, CWM, and Copeland Properties 5, LP
16 (collectively the “CP18 Partners”).

17 2. The Receiver’s distribution of the Net Proceeds shall be
18 made pursuant to the Distribution Schedule attached as **Exhibit “A”** to
19 the Declaration of Thomas C. Hebrank (“Hebrank Declaration”) filed in
20 support of the Motion. The Distribution Schedule is hereby incorporated
21 by this reference.

22 3. Once the Net Proceeds are distributed, the Receiver is
23 authorized to take any actions which are necessary and appropriate to
24 terminate and cancel CP18 as an entity.

25 ///

26 ///

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1 **IT IS SO ORDERED.**

2
3 **Dated:** _____ **Judge, United States District Court** _____

4 Submitted by:
5 **MULVANEY BARRY BEATTY LINN & MAYERS LLP**

6
7 **By: /s/ John H. Stephens**
8 **Attorneys for Thomas C. Hebrank, Permanent Receiver**

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HEBCO.100.497468.1

[PROPOSED] ORDER: (1) APPROVING THE RECEIVER'S DISTRIBUTION OF ASSETS TO THE INVESTORS OF COPELAND PROPERTIES 18, L.P.; AND (2) AUTHORIZING TERMINATION AND CANCELLATION OF COPELAND PROPERTIES 18, L.P. AS AN ENTITY

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12 Attorneys for Permanent Receiver,
13 Thomas C. Hebrank

14 UNITED STATES DISTRICT COURT
15 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

16 SECURITIES AND EXCHANGE
17 COMMISSION,

18 Plaintiff,

19 v.

20 CHARLES P. COPELAND,
21 COPELAND WEALTH
22 MANAGEMENT, A FINANCIAL
23 ADVISORY CORPORATION,
24 AND COPELAND WEALTH
25 MANAGEMENT, A REAL
26 ESTATE CORPORATION,

27 Defendants.

CASE NO. 11-cv-08607-R-DTB

CERTIFICATE OF SERVICE

DATE: September 16, 2013

TIME: 10:00 a.m.

Crtrm: 8, 2nd Floor

Judge: Hon. Manuel L. Real

28 I, Cindy Jennings, declare that I am over the age of 18 years and not
a party to the action. I am employed in the County of San Diego,
California, within which county the subject service occurred. My business
address is 401 West A Street, 17th Floor, San Diego, California, 92101-
7994.

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MULVANEY BARRY BEATTY LINN & MAYERS
A LIMITED LIABILITY PARTNERSHIP
SEVENTEENTH FLOOR
401 WEST A STREET
SAN DIEGO, CALIFORNIA 92101-7944
TELEPHONE 619 238-1010
FACSIMILE 619 238-1981

On August 16, 2013, I served the following documents:

1. **NOTICE OF MOTION AND MOTION FOR ORDER: (1) APPROVING THE RECEIVER’S DISTRIBUTION OF ASSETS TO THE INVESTORS OF COPELAND PROPERTIES 18, L.P.; AND (2) AUTHORIZING TERMINATION AND CANCELLATION OF COPELAND PROPERTIES 18, L.P. AS AN ENTITY**

2. **MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR ORDER: (1) APPROVING THE RECEIVER’S DISTRIBUTION OF ASSETS TO THE INVESTORS OF COPELAND PROPERTIES 18, L.P.; AND (2) AUTHORIZING TERMINATION AND CANCELLATION OF COPELAND PROPERTIES 18, L.P. AS AN ENTITY**

3. **DECLARATION OF THOMAS C. HEBRANK IN SUPPORT OF MOTION FOR ORDER: (1) APPROVING THE RECEIVER’S DISTRIBUTION OF ASSETS TO THE INVESTORS OF COPELAND PROPERTIES 18, L.P.; AND (2) AUTHORIZING TERMINATION AND CANCELLATION OF COPELAND PROPERTIES 18, L.P. AS AN ENTITY**

4. **NOTICE OF LODGMENT OF ORDER: (1) APPROVING THE RECEIVER’S DISTRIBUTION OF ASSETS TO THE INVESTORS OF COPELAND PROPERTIES 18, L.P.; AND (2) AUTHORIZING TERMINATION AND CANCELLATION OF COPELAND PROPERTIES 18, L.P. AS AN ENTITY**

 X **BY MAIL.** I placed each envelope for collection and mailing following ordinary business practices. I am readily familiar with Mulvaney Barry Beatty Linn & Mayers LLP’s practice for collection and processing correspondence for mailing with the United States Postal Service pursuant to which practice all correspondence will be deposited with the United States Postal Service the same day in the ordinary course of business by placing a true copy of the foregoing document in a separate, sealed envelope with postage fully prepaid, for each addressee named hereafter.

[SEE SERVICE LIST BELOW]

 X **BY ELECTRONIC NOTICE VIA THE ECF SYSTEM.** I electronically filed the documents listed above with the Clerk of the Court by using the CM/ECF system. Participants in the case who are registered

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1 CM/ECF users will be served by the CM/ECF system. All Parties are
2 registered ECF users.

3 X **FEDERAL.** I hereby certify that I am employed in the office of a
4 member of the Bar of the United States Bankruptcy Court for the Southern
5 District of California, at whose direction this service was made.

6 Executed on **August 16, 2013**, at San Diego, California.

7 /s/Cindy Jennings

8 Cindy Jennings

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United States District Court Central District of CA Western Division – Los Angeles
Securities and Exchange Commission v. Charles P. Copeland et al.
Case No. 2:11-cv-08607-R-DTB

SERVICE LIST

Updated: 08/12/13

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Home Savings & Loan Attn: Dan NY White 275 W. Federal St Youngstown, OH 44503	Wells Fargo Commercial Mortgage Servicing 1901 Harrison St 7 th Flr Oakland CA 94612	Andrew J. Haley, Esq. Greenwald Pauly Foster & Miller P.C. 1299 Ocean Ave. Ste 400 Santa Monica, CA 90401-1007
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Adele M. Hansen 6609 Summertrail Place Highland, CA 92346	Robert & Gladys Mitchell 11761 Almond Court Loma Linda, CA 92354	Betty Markwardt 1220 West 4th St Anaconda, MT 59711
Barbara Z. Stahr 667 Gull Dr. Bodega Bay, CA 94923	Carol P. Lowe 1837 Onda Dr. Camarillo, CA 93010	Charles Grey 63 Turnbury Ln. Irvine, CA 92620
Carol Docis Brokerage A/C 18028 W. Kenwood Ave. Devore, CA 92407	Richard Neal 7322 Starboard St. Carlsbad, CA 92011	Charles Schwab FBO Robert Howard IRA 502 Avenida La Costa San Clemente, CA 92672
Charles Schwab FBO Melvyn B. Roth IRA 5401 Lido Sands Dr Newport Beach, CA 92663-2204	Bonnie Kilmer 5120 Breckenridge Ave Banning, CA 92220	William F Davis Re: Floyd N. Andersen Highway 111 #9-472 La Quinta, CA 92253
Charles Schwab FBO Irena Sniecinski IRA P.O. Box 161680 Big Sky, MT 59716-1680	Maria Perez 1364 Aurora Ln San Bernardino, CA 92408	Geoffrey A. Gardiner 11535 Acacia St Loma Linda, CA 92354
Fred & Joyce Dimmitt 321 Myrtlewood Dr Calimesa, CA 92320	Charles Schwab FBO Melvyn Ross Roth IRA 5401 Lido Sands Dr Newport Beach, CA 92663	Charles Schwab FBO Janet Ihde IRA 35-800 Bob Hope Dr Ste 225 Rancho Mirage, CA 92270
Charles Schwab FBO Janet K. Ihde IRA P.O. Box 2131 Palm Springs, CA 92263	Charles Schwab FBO Kirk Howard Roth IRA 1648 Woodlands Rd Beaumont, CA 92223	Charles Schwab FBO Leonard F. Neumann IRA 30176 Live Oak Canyon Rd Redlands, CA 92373
Charles Schwab FBO Albert IRA 232 Anita Court Redlands, CA 92373	Charles Schwab FBO Angela Ellingson IRA 1155 Dysart Dr Banning, CA 92220	Charles Schwab FBO Harold Racine IRA 1408 S. Center St Redlands, CA 92373

Charles Schwab FBO Donald I. Peterson IRA Rollover 11075 Benton Street, Apt. 224 Loma Linda, CA 92354	Charles Schwab FBO Janet Ihde IRA P.O. Box 2131 Palm Springs, CA 92263	Charles Schwab FBO Kirk Howard IRA 1648 Woodlands Rd Beaumont, CA 92223
Charles Schwab FBO Janet Ihde 74-785 Hwy 111 Wall St W, Bldg #102 Indian Wells, CA 92210	Charles Schwab FBO Melvyn Ross Roth IRA 5401 Lido Sands Dr Newport Beach CA 92663	Charles Schwab FBO Richard Paul Blandford Roth IRA 7838 Valmont St Highland, CA 92346
Charles Schwab FBO Karl Phillips Roth IRA 27878 Via Sarasate Mission Viejo, CA 92692	Jacobson Trust 384 Mesa Verde Park Beaumont, CA 92223	Christi C. Higdon 11331 Sundance Lane Boca Raton, FL 33428
Robert & Enid McColloch 5520 Apple Orchard Ln. Riverside, CA 92506	J. Jay & Theresa Whan 30660 Susan Dr. Cathedral City, CA 92234	Clem M. McColloch Trust 5520 Apple Orchard Ln. Riverside, CA 92506
Christine Coffman 11331 Sundance Lane Boca Raton, FL 33428	Cinque Family Trust 36261 Chaparral Court Yucaipa, CA 92399	David Ziilch Trust 941 Kensington Dr Redlands, CA 92374
Cynthia Healy 2560 Gorden Rd. Ste 201-A Monterey, CA 93942	David Conston 417 Chino Canyon Palm Springs, CA 92262	Dusty Bricker 7002 Kennedy Boulevard E Apt 22F West New York NJ 07093-4921
Diana M. Weed 1339 Wallach Place NW Washington, DC 20009	Dotan Family Trust 1618 Woodlands Beaumont, CA 92228	Elena Nizzia 1155 Dysart Dr. Banning, CA 92220
Earl R. Schamehorn Jr. 1721 Valley Falls Ave Redlands, CA 92374	Eddie & Jamie Dotan 20 Fairlee Terrace Waban, MA 02468	Gordon & Myra Peterson 118 Edgemont Dr. Redlands, CA 92373
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Henry W. Shelton 805 Nottingham Dr Redlands, CA 92373	Jessie Coleen Birch Revocable Trust 1948 Cave St Redlands, CA 92374	Jill A. Meader Revocable Trust 27250 Nicolas Rd Apt. A231 Temecula, CA 92591
Hu Tongs Inc. 16127 Kasota Rd Ste 105 Apple Valley, CA 92307	JRT Revocable Trust Jon Taylor Trustee P.O. Box 681 Calimesa, CA 92320	Kasota Group 279 Green Mountain Palm Desert, CA 92211
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Jean Seyda 168 Lakeshore Dr Rancho Mirage CA 92270	Robert Casady 14047 Pamlico Rd Apple Valley CA 92307	Jon J. Whan 30660 Susan Dr Cathedral City CA 92234
Joe Pinkner 279 Green Mountain Palm Desert CA 92211	Leonard F. Neumann 30176 Live Oak Canyon Rd Redlands CA 92373	Leslie G. Laybourne 11050 Bryant St Space 276 Yucaipa CA 92399
Joseph Dotan 1618 Woodlands Beaumont CA 92228	Louise Coffman 19291 Sabal Lake Dr Boca Raton FL 33434	Luckey Charitable Trust 8531 Glendale Rd Hesperia CA 92345
Kathi Seegraves 20521 Whitstone Circle Bend OR 97702	Margarita Estrada Perez P.O. Box 370 Chino CA 91708	Marjorie Hatfield Living Trust (Peggy Neumann) 30176 Live Oak Canyon Rd Redlands CA 92373
Khari Baker 27878 Via Sarasate Mission Viejo CA 92692	Mary Margaret Hasy Revocable Trust 6609 Summer Trail Place Highland CA 92346	Melvyn & Ruth Ross 5401 Lido Sands Dr. Newport Beach CA 92663
Smith Revocable Trust Lenna Smith 38367 Cherrywood Dr Murrieta CA 92562	Neal & Ruth Bricker Family Trust 985 S Orange Grove Blvd Unit 101 Pasadena CA 91105	Neal Living Trust 7322 Starboard St Carlsbad CA 92011

Lillian N. Franklin 740 E. Avery St San Bernardino CA 92404	Ngyuen & Nong Pension Plan 209 East Sunset Dr South Redlands CA 92373	Patrice A. Milkovich 3605 Bonita Verde Dr Bonita CA 91902
Manley J. Luckey 8531 Glendale Rd Hesperia CA 92345	Peggy Hatfield Neumann 30176 Live Oak Canyon Rd Redlands CA 92373	Perez Family Survivors Trust 13219 Pipeline Ave Chino CA 91710
Mark & Barbara Carpenter 35571 Sleepy Hollow Rd Yucaipa CA 92399	Peterson Revocable Living Trust 11075 Benton Street, Apt. 224 Loma Linda CA 92354	Pinkner Family Trust 279 Green Mountain Palm Desert CA 92211
Neonatology Medical Group Inc. Retirement Plan 731 Buckingham Dr Redlands CA 92374	Ron Mitchell 12033 Fourth St Yucaipa CA 92399	Samuel D. Gregory 4432 Strong St Riverside CA 92501
Paul Family Trust P.O. Box 7357 Redlands CA 92375	Schachtel Family Trust 6 Strauss Terrace Rancho Mirage CA 92270	Steele Family Trust 26858 Calle Real Capistrano Beach CA 92624
Perry Damiani 16127 Kasota Rd Ste 105 Apple Valley CA 92307	Taber Family Trust 1475 Crestview Rd Redlands CA 92374	TD Ameritrade FBO Steven IRA 14424 Greenpoint Ln Huntersville NC 28078
Rhonda Dean 2172 Clark Avenue Cottage Grove, OR 97424	Donna Wooley 12721 Columbia Ave Yucaipa CA 92399	TD Ameritrade FBO Betty Markwardt IRA 1220 West 4th St Anaconda MT 59711
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Stahr Living Trust 667 Gull Dr Bodega Bay CA 94923	TD Ameritrade FBO Joseph Dotan IRA 1618 Woodlands Rd Beaumont CA 92223	The Bork Family Trust 24968 Lawton Ave Loma Linda CA 92357
TD Ameritrade FBO Charles Grey IRA 63 Turnbury Ln Irvine CA 92620	Ziilch Family Trust 667 Gull Dr Bodega Bay CA 94923	Thomas Phillips 1582 Huckleberry Ln San Luis Obispo CA 93401
TD Ameritrade FBO Jill Meader IRA 27250 Nicolas Rd Apt. A231 Temecula CA 92591	William & Marion Conley 376 Franklin Ave Redlands CA 92373	Ziilch Bypass Trust 667 Gull Dr Bodega Bay CA 94923
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Charles Schwab FBO W.W. Eure Jr. MD Inc. IRA P.O. Box 10065 San Bernardino, CA 92423	W.W. Eure Jr. MD Inc. Donald Mason Registered Agent 8275 Deadwood Ct Redlands, CA 92373	Muraligopal Living Trust 731 Buckingham Dr Redlands, CA 92374
Vellore G. Muraligopal 731 Buckingham Dr Redlands, CA 92374	John J. Kohut 6946 Orozco Dr Riverside, CA 92506	Kohut Family Trust 6946 Orozco Dr Riverside, CA 92506
TD Ameritrade FBO John Kohut IRA 6946 Orozco Dr Riverside, CA 92506	Robert M. Shaughnessy Esq. DUCKOR SPRADLING 3043 4th Ave San Diego, CA 92103	Dan Baker c/o Jonathan L. Geballe Esq. 11 Broadway Ste 615 New York, NY 10004
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LandAmerica Assessment Corporation P.O. Box 27567 Richmond, VA 23261	Midland Loan Services PNC Bank Lockbox Lockbox Number 771223 1223 Solutions Center Chicago, IL 60677-1002	North Carolina Department of Revenue P.O. Box 25000 Raleigh, NC 27640-0645
Paracorp dba Parasec P.O. Box 160568 Sacramento, CA 95816-0568	Premium Assignment Corporation P.O. Box 3100 Tallahassee, FL 32315-3100	Scott Showler, Attorney at Law 1839 Commercenter West San Bernardino, CA 92408
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MNJ Key Corporation P.O. Box 3655 San Diego CA 92163-3655	Charles & Mildred Grey 63 Turnbury Lane Irvine, CA 92620-0244	Mound Investments Attn: Rhonda Welday 34124 Freedom Road Farmington, MI 48335
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Wesseling & Brackermann 6439 28 th Avenue Hudsonville, MI 49426	Ace Restoration & Waterproofing Inc. 620 E. Walnut Avenue Fullerton, CA 92831	Champion Roof Company 2233 Martin St. Suite 202 Irvine, CA 92612
Club Resource Group 25520 Schulte Court Tracy, CA 95377	Elizabeth Branson P.O. Box 911 Loma Linda, CA 92354	Michigan Department of Treasury P.O. Box 30113 Lansing, MI 48909
Michigan Dept of Treasury P.O. Box 30774 Lansing, MI 48909-8274	State of Michigan c/o Michigan Dept. of Treasury Dept. 77003 Detroit, MI 48277-0003	Cornerstone Lane Surveying Company 958 Temescal Circle Corona, CA 92879
Don Kent Riverside County Treasurer P.O. Box 12010 Riverside, CA 92502-2210	Elrod Fence Company 6459 Mission Blvd. Riverside, CA 92509	EMC Insurance Companies P.O. Box 219225 Kansas City, MO 64121-9225
FATCO National Commercial Services Attn: Accounts Receivable Dept. 5 First American Way Santa Ana, CA 92707	Innovative Electric & Consulting Inc. 18355 Hibiscus Avenue Riverside, CA 92508	Keystone Mortgage Corporation Attn: Loan Servicing Dept. 360 N. Sepulveda Blvd., Suite El Segundo, CA 90245
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The Mattacola Law Firm 217 N. Washington Street P.O. Box 725 Rome, NY 13442-0725	A J Horne Electric Company c/o Goldberg & Bloom, Inc. Attn: Robin Bloom 4750 N. Hiatus Rd. Fort Lauderdale, FL 33351	AJ Horne Electric Company 1200 South Broadway, Suite 105 Lexington, KY 40504
ADT Security Services Inc. P.O. Box 371967 Pittsburgh, PA 15250-7967	Aetna Building Maintenance P.O. Box 636290 Cincinnati, OH 45263-6290	Allied Waste Services #922 Sacramento P.O. Box 78030 Phoenix, AZ 85062-8030
Isaac Commercial Properties 771 Corporate Drive, Suite 30 Lexington, KY 40555-5066	B.B.D. Cleaning Service & Solutions P.O. Box 817 Lawrenceburg, KY 40342	Ben-Tel Service B.W. Blanton, Jr. 4001 Palmetto Springs Way Lexington, KY 40513-1603
C & R Asphalt P.O. Box 8201 Lexington, KY 40533-8201	Cathy Burgess Interiors 155 East Main Street, Suite 102 Lexington, KY 40507	Columbia Gas of Kentucky P.O. Box 742523 Cincinnati, OH 45274-2523
Commonwealth of Kentucky Office of Housing, Building & Const. 101 Sea Hero Road, Suite 200 Frankfort, KY 40601-5405	Davis H. Elliot Construction Co., Inc. P.O. Box 37251 Baltimore, MD 21297-3251	Derek Roscoe c/o NAI Isaac Commercial Prop. 771 Corporate Dr., Suite 300 Lexington, KY 40503
Division of Revenue Lexington-Fayette Urban Cnty Govt P.O. Box 14058 Lexington, KY 40512	Golden Eagle Insurance P.O. Box 84834 San Diego, CA 92186-5834	Home Savings & Loan Company Commercial Loan Dpt. P.O. Box 1111 Youngstown, OH 44501
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Thomas N. Jacobson, Esq. 3750 Santa Fe Avenue, Suite 105 Riverside, CA 92507	CLMG Corp. P.O. Box 55278 Boston, MA 02205-5278	Locke & Lord 111 South Wacker Drive Chicago, IL 60606

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