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UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

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

Defendants.

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

RECEIVER'S REPLY TO DILLON INVESTORS' OPPOSITION TO RECEIVER'S MOTION FOR:

(A) AUTHORITY TO CONDUCT ORDERLY SALE OF GENERAL PARTNERSHIP PROPERTIES;

(B) APPROVAL OF PLAN OF DISTRIBUTING RECEIVERSHIP ASSETS; AND

(C) APPROVAL OF PROCEDURES FOR THE ADMINISTRATION OF INVESTOR CLAIMS [DKT. NO. 1181]

Date: May 6, 2016
Time: 1:30 p.m.
Ctrm.: 2D
Judge: Hon. Gonzalo P. Curiel

Thomas C. Hebrank ("Receiver"), Court-appointed receiver for First Financial Planning Corporation d/b/a Western Financial Planning Corporation ("Western"), its subsidiaries and the General Partnerships listed in Schedule 1 to the Preliminary Injunction Order entered on March 13, 2013 (collectively, "Receivership Entities"), submits this reply to the opposition of the investors represented by Timothy Dillon ("Dillon Investors") to the Motion for (A) Authority to Conduct Orderly Sale of General Partnership Properties, (B) Approval of Plan of Distributing Receivership Assets, and (C) Approval of Procedures for the Administration of Investor Claims ("Motion").

I. INTRODUCTION

Unlike the Aguirre Investors, the Dillon Investors set forth a coherent plan - approve the One Pot Approach, pool receivership assets, and sell GP properties consistent with the recommendations of Xpera Group ("Xpera"). As a general proposition, the Receiver does not oppose this approach, which, contrary to the Dillon Investors' contentions, does not conflict with the relief requested in the Motion. As discussed below, however, the Xpera recommendations do not take into account projected costs of entitlement work or carrying costs and therefore need to be further investigated and evaluated. What is clear is that the most fair and equitable path forward involves approval of the One Pot Approach, the orderly sale process (with modifications discussed below) for selling GP properties, fair consideration of the Xpera recommendations, and implementation of such recommendations in appropriate circumstances, *i.e.* where the projected benefits outweigh the projected costs.

II. FALSE AND MISLEADING STATEMENTS

The Dillon Investors mischaracterize the relief sought in the Motion in order to fabricate ways to attack it. Specifically, the Dillon Investors repeatedly contend that the Motion seeks a "fire sale" of all GP properties by December 31, 2016. Similarly, the Dillon investors insist the Motion is a "one size fits all" approach to selling GP properties. These contentions are completely false.

First, the term "fire sale" is the same false, emotionally-charged rhetoric used by Schooler to scare and mislead investors. It is unfortunate that investors continue to employ these same transparent scare tactics to influence other investors. As the Court knows, at no time and in no way has the Receiver ever proposed a "fire sale" of GP properties.

Equally false is the characterization of the Motion as a "one size fits all" approach to selling GP properties. Although the Dillon Investors suggest that granting the motion would put every GP property on an irreversible path to immediate "fire sale" by December 31, 2016,[1] there is no truth to their claim. Nothing in the Motion diminishes the ability of the Receiver or the Court to consider Xpera's recommendations and implement them in appropriate circumstances. Simply ***authorizing*** the Receiver to sell GP properties ***subject to further approval*** of broker engagements and actual sales does not determine any outcome, eliminate any options, impose any sale timelines or deadlines, or otherwise diminish the ability to implement Xpera's recommendations.

In fact, virtually nothing can or will happen until the next step in the process takes place - Court approval of proposed broker engagements. As discussed below, if the One Pot Approach is approved, the options with regard to GP properties will be vastly greater and, in some instances, it may be appropriate to wait to engage brokers and take other steps of the orderly sale process.

The Dillon Investors also present what are clearly "apples to oranges" comparisons between the 2015 appraisals and broker opinions of value or "BOVs" (which they characterize as the "Receiver's Value") and the 2016 Xpera values. As

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[1] December 31, 2016 was used in the Motion as a hypothetical sale closing date for projection purposes only. This was stated in bold and italics in the Motion, which also specifically states "***actual sale closings may well occur considerably before or after that date.***" Motion, p. 2.

Exhibit A hereto reflects, the vast majority of Xpera's values are in line with or modestly higher than the 2015 appraisals and BOVs. This can be expected when the two value estimates were obtained approximately a year apart. Where the 2015 and 2016 numbers differ by a larger margin, the Xpera values are largely based on zoning changes, subdivision maps, dividing properties into smaller parcels, or holding properties for up to a year. In contrast, the 2015 appraisals and BOVs valued the properties as they were at the time they were issued in relation to then-existing market conditions.

With respect to the Las Vegas properties (Las Vegas 1, Las Vegas 2, and LV Kade), the Dillon Investors falsely state that Xpera values the properties collectively at $29,315,441-$46,558,665. In fact, Xpera values the Las Vegas properties today at $17,286,350-$22,500,482. Dkt. 1234-2, p. 29 of 172. The numbers used by the Dillon Investors are their own calculation of what Xpera anticipates the Las Vegas 1 and LV Kade properties will be worth five years from now. Opposition, p. 6, fn. 4 ("For Purposes of Xpera's Value and Recommendation, it is assumed the properties would be held 5 years with a cost increase of $0.50 - $1.00 per square foot per year."). As noted above, the 2015 BOVs value the properties as they were in 2015. Comparing 2015 BOVs to Xpera's 2016 values is an "apples to oranges" comparison in itself. The Dillon Investors stretch the apples to oranges comparison even further by using their own calculation of Xpera's projected values *as of 2021*.

In fact, Xpera does not state the numbers used by the Dillon Investors anywhere in its report and actually says the Las Vegas 2 property "is appropriate for sale now." Dkt. No. 1234-2, p. 33 of 172. Xpera also states:

> We should note, however, that [sic] Las Vegas economy tends to be cyclical and therefore, prices do not move upward (or downward) in a smooth pattern. It will be necessary to closely track the economy to "catch" an upward wave to optimize the value of the properties.

Id. In other words, Xpera acknowledges the significant risk inherent in their recommendation to hold the Las Vegas 1 and LV Kade properties.

III. THE XPERA REPORT

It is important to understand the limitations of the Xpera report, which is an analysis of the GP properties without regard for the financial conditions of the GPs. In other words, Xpera makes recommendations about GP properties assuming all GPs are financially stable with the resources necessary to hold GP properties for long periods of time, undertake zoning changes, and wait for development and/or market conditions to improve. As things currently stand, that is not the case.

As discussed in the Receiver's Court-Ordered Proposal filed concurrently herewith, there are only nine GP properties where the GPs currently have sufficient cash to pay their basic operating expenses. *See* Proposal, Exh. B. Xpera recommends selling three of these properties now (as is) and seeking zoning changes and/or holding the other six properties for short periods of time (up to one year). As things currently stand, the GPs that hold the other 27 GP properties[2] have failed to raise required funds through capital calls and therefore have no ability to undertake zoning changes or wait for development to reach them. In other words, the Xpera recommendations for 27 out of 36 GP properties (other than its 2016 value estimates, which can be used in considering broker list prices and evaluating offers) are essentially irrelevant due to the severely distressed state of these GPs. In particular, the GP properties that Xpera believes have the greatest potential for appreciation – Las Vegas 1 (three properties), Las Vegas 2, and LV Kade - all have failed capital calls, unpaid property taxes, and cannot pay their basic operating expenses for 2016.

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[2] As discussed in the Proposal, although the number of GP properties has been referred to generally as 23, there are actually 36 separate GP properties. This is because certain GP properties are actually groupings of separate properties located in the same geographic area. For example, the Tecate property is actually seven separate properties in the same geographic area. *See* Proposal, p. 5.

The options available for the GP properties would change dramatically if the One Pot Approach is approved. The resulting pooling of receivership assets would (a) allow past due mortgage payments and past due property taxes to be paid, (b) stabilize the properties from a cash flow standpoint, (c) allow unpaid invoices to the GP administrator, Lincoln Property Group ("Lincoln"), and tax accounting firm, Duffy Kruspodin & Company, LLP ("Duffy"), to be paid so these important service providers do not resign,[3] and (d) allow the Court, the Receiver, and the parties to consider the recommendations of Xpera for all 36 GP properties and whether the likely benefits of implementing such recommendations outweigh the projected costs. As discussed above, nothing in the Motion forecloses or diminishes the ability to consider the Xpera recommendations or implement them in appropriate circumstances.

The Xpera report is lengthy and contains various assertions, opinions, and recommendations for each GP property. The Receiver has reviewed the report in detail and summarized its recommendations in a table, which is attached hereto as Exhibit A. To briefly summarize, Xpera recommends selling 16 GP properties now (as is), seeking zoning changes for three GP properties and then selling them, seeking approval of a subdivision map for one GP property and then selling it, dividing two GP properties into smaller parcels and selling the parcels over time, and holding 14 GP properties until market conditions improve.

It should be noted that in only once instance in which a zoning change, subdivision map, or division of a property is proposed are a projected timeframe or cost of work provided (Fernley I; subdivision map approval projected to take four months and cost $50,000). Dkt. No. 1234-2, p. 91 of 172. Even in this one instance, however, the carrying costs of the Fernley I property were not taken into account. Accordingly, before the costs and benefits of the Xpera recommendations can be

[3] The issue of past due amounts owed to Lincoln and Duffy is discussed in the Proposal at page 4.

properly evaluated, the projected length of time to complete entitlement work, costs of work, carrying costs, and other factors will have to be investigated further.

IV. 28 U.S.C. § 2001

Despite having presented the 2016 GP property valuations contained in the Xpera report, which they assert are accurate and should be accepted by the Court, the Dillon Investors reiterate their "stump speech" regarding private sales under 28 U.S.C. § 2001(b), obtaining appraisals from three disinterested persons, publishing notices, and conducting noticed sale hearings. Why the Dillon Investors insist the receivership estate should incur these substantial unnecessary costs is unclear. The Court now has valuation information on GP properties from 2013, 2015, and 2016, which is more than sufficient for it to evaluate proposed sales and determine whether they are reasonable, fair, and in the best interests of investors.

Under the Court-approved orderly sale process, proposed broker engagements will be submitted to the Court for approval and GP properties will be listed and marketed by licensed brokers located in the local areas surrounding the properties. Offers will be carefully evaluated with the benefit of the 2013, 2015, and 2016 valuations and, in the event there are multiple offers, a competitive bidding process will take place. There is no reason to believe the process will not produce sales that reflect market values for GP properties. Accordingly, the outdated procedural requirements of Section 2001 impose costs on investors with no benefit.

On April 6, 2016, well before the Dillon Investors filed their Opposition, the Receiver laid out a process for conducting public auctions under Section 2001(a), which minimizes administrative expenses while complying with the statute. *See* Supplement Brief re Jamul Valley, Dkt. No. 1225, pp. 11-14 ("Supplemental Brief"). The Dillon Investors completely ignore this proposed process.

The Receiver proposes the orderly sale procedures for GP properties be supplemented to include the steps laid out in the Supplemental Brief, including, once terms of a sale have been agreed on with a prospective purchaser, (a) publication of notices for four weeks leading up to a specified auction date, (b) pre-qualification of prospective bidders, and (c) a live auction outside the courthouse in the event there are multiple qualified bids (including the original prospective purchaser or "stalking horse" bidder).

As discussed in the Supplemental Brief, the steps required for private sales under Section 2001(b) are completely outdated and out of touch with the way real estate is sold in today's market. Supplemental Brief, pp. 8-9. By proceeding with public auctions under Section 2001(a), the receivership estate can avoid the significant costs and delay of (a) the Court having to appoint three disinterested appraisers, and (b) obtaining three appraisals from such appraisers. In the aggregate, the Receiver estimates the cost to obtain three appraisals for 36 GP properties would exceed $250,000, with no benefit to the receivership estate. In contrast, the proposed public auction procedures described above can be implemented for a small fraction of the cost and will promote competitive bidding at live auctions where there are multiple qualified bids. Accordingly, the supplemental sale procedures should be approved.

Finally, the Dillon Investors falsely accuse the Receiver of operating "in the shadows" and "sidestepping his obligations" to conduct open sales. Opposition, pp. 2-3. This is nonsense. At the Court's direction, the Receiver has filed recommendations on how to address offers and letters of intent for GP properties under seal. There is good reason to keep initial responses and negotiations with prospective purchasers confidential until such time as properties have been sold. For obvious reasons, disclosing prior negotiations could negatively affect the amount of subsequent offers. Investors in the applicable GPs have received notices of all reasonable offers in the form of ballots requesting their votes. Therefore, the process of addressing offers and letters of intent has been as transparent as possible without risking harm to GP property values.

Likewise, the orderly sale process, which includes investor notices and Court approval of broker engagements and sales (via noticed motion), is transparent and provides multiple opportunities for investors to voice their positions and have them considered by the Court.

V. JAMUL VALLEY

The Dillon Investors oppose the Receiver's request for an order confirming the sale of the Jamul Valley property to The Nature Conservancy. Dkt. Nos. 1197, 1219, 1227. They now submit the Xpera report, which makes the following recommendation:

> ***Accept the offer from the Nature Conservancy. It is a fair offer and has no brokerage commission involved.***

Dkt. No. 1234-2, p. 121 of 172 (emphasis added). Accordingly, the Court should not hesitate to confirm the sale, which has now been endorsed by the Dillon Investors' own expert.

VI. ONE POT APPROACH

The Dillon Investors support for the One Pot Approach further broadens the consensus in support, both express (the Receiver, the Commission, the Dillon Investors) and by non-opposition (Defendants and 92% of the investors).[4] For the reasons discussed in the Motion and the responses submitted by the Commission and the Dillon Investors, the One Pot Approach is the most fair and equitable method of distributing receivership assets and should be approved.

[4] Although certain investors have stated they oppose GP properties being sold, other than the Aguirre Investors, none have opposed the One Pot Approach to distribution.

CONCLUSION

For the foregoing reasons, the Court should grant the relief requested in the Motion, as modified by the supplemental sale procedures proposed above.

Dated: April 22, 2016

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

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

EXHIBIT INDEX

EXHIBIT A

EXHIBIT A

GP LAND VALUES AND XPERA RECOMMENDATIONS

	Receivership: 2013 Appraised Value	Receivership: 2015 Appraised/ BOV Value	Xpera Report: Low Valuation	Xpera Report: High Valuation	Xpera Report: Recommendation	Xpera Report: Cost of Entitlement Work	Xpera Report: Waiting Period to Complete Sale
Bratton Valley							
Bratton View Partners [1]	$ 68,667	$ 270,236					
Honey Springs Partners [1]	$ 68,667	$ 243,094					
Valley Vista Partners [1]	$ 68,667	$ 243,218					
Total [2]	$ 206,000	$ 756,548	$ 629,878	$ 944,816	Market now to other non-profits in the same price range as the Jamul Valley sale to The Nature Conservancy.	N/A	N/A
Dayton Valley I							
Dayton View Partners	$ 50,000	$ 90,000					
Fairway Partners	$ 50,000	$ 90,000					
Green View Partners	$ 50,000	$ 90,000					
Par Four Partners	$ 50,000	$ 90,000					
Total	$ 200,000	$ 360,000	$ 430,650	$ 558,250	Sell now "as is"	N/A	N/A
Dayton Valley II							
Comstock Partners	$ 25,000	$ 47,500					
Nevada View Partners	$ 25,000	$ 47,500					
Silver City Partners	$ 25,000	$ 47,500					
Storey County Partners	$ 25,000	$ 47,500					
Total	$ 100,000	$ 190,000	$ 224,280	$ 320,400	Sell after zoning change	Minimal	Unknown
Dayton Valley III							
Gold Ridge Partners	$ 12,500	$ 15,000					
Grand View Partners	$ 12,500	$ 15,000					
Rolling Hills Partners	$ 12,500	$ 15,000					
Sky View Partners	$ 12,500	$ 15,000					
Total	$ 50,000	$ 60,000	$ 49,000	$ 70,000	Sell after zoning change	Minimal	Unknown

	Receivership		Xpera Report				
	2013 Appraised Value	**2015 Appraised/ BOV Value**	**Low Valuation**	**High Valuation**	**Recommendation**	**Cost of Entitlement Work**	**Waiting Period to Complete Sale**
Dayton Valley IV							
Eagle View Partners	$ 40,000	$ 55,000					
Falcon Heights Partners	$ 40,000	$ 55,000					
Night Hawk Partners	$ 40,000	$ 55,000					
Osprey Partners	$ 40,000	$ 55,000					
Total	$ 160,000	$ 220,000	$ 221,438	$ 316,340	Sell after zoning change	Minimal	Unknown
Fernley I							
Crystal Clearwater Partners	$ 115,000	$ 105,000					
High Desert Partners	$ 115,000	$ 105,000					
Total	$ 230,000	$ 210,000	$ 315,353	$ 365,145	Obtain approval of subdivision map; then sell	$ 50,000	4 months
Jamul Valley							
Hidden Hills Partners	$ 131,667	$ 173,460					
Jamul Meadows Partners	$ 131,667	$ 173,460					
Lyons Valley Partners	$ 131,667	$ 173,460					
Total	$ 395,000	$ 520,380	$ 534,438	$ 801,656	Accept current offer from The Nature Conservancy	N/A	N/A
Las Vegas 1							
Park Vegas Partners [1]	$ 665,000	$ 925,000					
Production Partners [1]	$ 2,700,000	$ 3,300,000					
Silver State Partners [1]	$ 740,000	$ 1,050,000					
Total	$ 4,105,000	$ 5,275,000	$ 7,423,931	$ 9,764,410	Hold 5 - 10 years for appreciation	N/A	5 - 10 years
Las Vegas 2							
Horizon Partners	$ 472,500	$ 687,500					
Rainbow Partners	$ 472,500	$ 687,500					
Total	$ 945,000	$ 1,375,000	$ 1,609,978	$ 2,012,472	Sell now; high value based on rezoning to retail/commercial	Minimal	Unknown

	Receivership		Xpera Report				
	2013 Appraised Value	2015 Appraised/ BOV Value	Low Valuation	High Valuation	Recommendation	Cost of Entitlement Work	Waiting Period to Complete Sale
LV Kade							
BLA Partners	$ 1,027,500	$ 2,065,000					
Checkered Flag Partners	$ 1,027,500	$ 2,065,000					
Hollywood Partners	$ 1,027,500	$ 2,065,000					
Victory Lap Partners	$ 1,027,500	$ 2,065,000					
Total	$ 4,110,000	$ 8,260,000	$ 8,690,220	$ 11,173,140	Hold 5 - 10 years for appreciation	N/A	5 - 10 years
Minden							
Carson Valley Partners	$ 250,000	$ 450,000					
Heavenly View Partners	$ 250,000	$ 450,000					
Pine View Partners	$ 250,000	$ 450,000					
Sierra View Partners	$ 250,000	$ 450,000					
Total	$ 1,000,000	$ 1,800,000	$ 1,828,860	$ 2,353,743	Sell now "as is"; retain water rights	N/A	N/A
Santa Fe							
Pecos Partners	$ 210,000	$ 273,333					
Pueblo Partners	$ 210,000	$ 273,333					
Santa Fe View Partners	$ 210,000	$ 273,334					
Total	$ 630,000	$ 820,000	$ 942,000	$ 1,130,400	Sell now; concur with Receiver's proposed broker listing and marketing time	N/A	N/A
Silver Springs North							
Highway 50 Partners	$ 90,000	$ 80,000					
North Springs Partners	$ 90,000	$ 80,000					
Orange Vista Partners	$ 90,000	$ 80,000					
Rawhide Partners	$ 90,000	$ 80,000					
Total	$ 360,000	$ 320,000	$ 681,375	$ 908,500	Sell in 12 months	N/A	12 months
Silver Springs South							
Lahontan Partners	$ 75,000	$ 110,000					
Rail Road Partners	$ 75,000	$ 110,000					
Spruce Heights Partners	$ 75,000	$ 110,000					
Vista Del Sur Partners	$ 75,000	$ 110,000					
Total	$ 300,000	$ 440,000	$ 1,032,900	$ 1,377,200	Sell in 12 months	N/A	12 months

	Receivership		Xpera Report				
	2013 Appraised Value	**2015 Appraised/ BOV Value**	**Low Valuation**	**High Valuation**	**Recommendation**	**Cost of Entitlement Work**	**Waiting Period to Complete Sale**
Stead							
P-39 Aircobra Partners	$ 98,750	$ 105,000					
P-40 Warhawk Partners	$ 98,750	$ 105,000					
F-86	$ -	$ -					
P-51 LLC	$ 197,500	$ 210,000					
Total	$ 395,000	$ 420,000	$ 1,584,000	$ 3,168,000	Low value based on immediate sale to developer; high value based on dividing property into parcels and sale of parcels with substantial marketing time	Unknown	Unknown
Tecate							
ABL Partners	$ 111,000	$ 90,000					
Mex-Tec Partners	$ 111,000	$ 90,000					
Total	$ 222,000	$ 180,000	$ 173,042	$ 346,084	Hold for indefinite period until County decides on area development plan	Unknown	Unknown
Borderland Partners	$ 107,500	$ 61,928					
Prosperity Partners	$ 107,500	$ 61,928					
Total	$ 215,000	$ 123,856	$ 519,126	$ 692,168	Hold for indefinite period until County decides on area development plan	Unknown	Unknown
Free Trade Partners	$ 105,667	$ 60,319					
SunTec Partners	$ 105,667	$ 60,319					
Via 188 Partners	$ 105,667	$ 60,319					
Total	$ 317,000	$ 180,957	$ 346,084	$ 519,126	Hold for indefinite period until County decides on area development plan	Unknown	Unknown

	Receivership		Xpera Report				
	2013 Appraised Value	2015 Appraised/ BOV Value	Low Valuation	High Valuation	Recommendation	Cost of Entitlement Work	Waiting Period to Complete Sale
International Partners [1]	$ 77,000	$ 59,835	$ 346,084	$ 519,126	Hold for indefinite period until County decides on area development plan	Unknown	Unknown
Tecate South Partners [1]	$ 104,000	$ 59,884	$ 346,084	$ 519,126	Hold for indefinite period until County decides on area development plan	Unknown	Unknown
Twin Plant Partners [1]	$ 125,000	$ 39,607	$ 346,084	$ 519,126	Hold for indefinite period until County decides on area development plan	Unknown	Unknown
Vista Tecate Partners [1]	$ 96,000	$ 42,856	$ 346,084	$ 519,126	Hold for indefinite period until County decides on area development plan	Unknown	Unknown
Total All Tecate Properties	$ 1,156,000	$ 686,995	$ 2,422,588	$ 3,633,882			
Washoe County 1							
Reno Partners [1]	$ 50,000	$ 32,250					
Reno View Partners [1]	$ 50,000	$ 33,700					
Reno Vista Partners [1]	$ 50,000	$ 22,250					
Total	$ 150,000	$ 88,200	$ 75,546	$ 99,720	Sell now "as is"	N/A	N/A
Washoe County 3							
Antelope Springs Partners	$ 175,000	$ 240,000					
Spanish Springs View Partners	$ 175,000	$ 240,000					
Big Ranch Partners	$ 125,000	$ 230,000					
Wild Horse Partners	$ 125,000	$ 230,000					
Total Washoe County 3	$ 600,000	$ 940,000	$ 1,505,889	$ 5,019,630	Low value based on immediate sale to developer; high value based on dividing property into parcels and sale of parcels with substantial marketing time	Unknown	Unknown

	Receivership		Xpera Report				
	2013 Appraised Value	2015 Appraised/ BOV Value	Low Valuation	High Valuation	Recommendation	Cost of Entitlement Work	Waiting Period to Complete Sale
Washoe IV							
Galena Ranch Partners	$ 93,750	$ 87,500					
Redfield Heights Partners	$ 93,750	$ 87,500					
Rose Vista Partners	$ 93,750	$ 87,500					
Steamboat Partners	$ 93,750	$ 87,500					
Total	$ 375,000	$ 350,000	$ 582,150	$ 640,365	Sell now "as is"	N/A	N/A
Washoe County 5							
Frontage 177 Partners	$ 90,000	$ 120,000					
Pyramid Highway 177 Partners	$ 90,000	$ 120,000					
Total	$ 180,000	$ 240,000	$ 594,461	$ 629,951	Sell now "as is"	N/A	N/A
Yuma I							
Gila View Partners	$ 88,333	$ 51,000					
Painted Desert Partners	$ 88,333	$ 51,000					
Snow Bird Partners	$ 88,333	$ 51,000					
Total	$ 265,000	$ 153,000	$ 200,000	$ 250,000	Sell now; anticipate 2 - 3 years marketing time	N/A	2 - 3 years
Yuma II							
Desert View Partners	$ 68,750	$ 48,750					
Mesa View Partners	$ 68,750	$ 48,750					
Road Runner Partners	$ 68,750	$ 48,750					
Sonora View Partners	$ 68,750	$ 48,750					
Total	$ 275,000	$ 195,000	$ 190,000	$ 230,000	Sell now; anticipate 2 - 3 years marketing time	N/A	2 - 3 years
Yuma III							
Cactus Ridge Partners	$ 35,250	$ 39,905					
Mohawk Mountain Partners	$ 35,250	$ 39,905					
Mountain View Partners	$ 35,250	$ 39,905					
Ocotillo View Partners	$ 35,250	$ 39,905					
Total	$ 141,000	$ 159,620	$ 150,000	$ 170,000	Sell now; anticipate 2 - 3 years marketing time	N/A	2 - 3 years

[1] Property is individually owned by that GP and not part of a co-tenancy.

[2] Bratton Valley 2013 appraisal report omitted 2 of the 3 properties. A more accurate estimate of value at that time is $600,000 - $630,000.

PROOF OF SERVICE

I am employed in the County of San Diego, State of California. I am over the age of eighteen (18) and am not a party to this action. My business address is 501 West Broadway, 15th Floor, San Diego, California 92101-3541.

On April 22, 2016, I served the within document(s) described as:

- **RECEIVER'S REPLY TO DILLON INVESTORS' OPPOSITION TO RECEIVER'S MOTION FOR: (A) AUTHORITY TO CONDUCT ORDERLY SALE OF GENERAL PARTNERSHIP PROPERTIES; (B) APPROVAL OF PLAN OF DISTRIBUTING RECEIVERSHIP ASSETS; AND (C) APPROVAL OF PROCEDURES FOR THE ADMINISTRATION OF INVESTOR CLAIMS [DKT. NO. 1181]**

on interested parties in this action by:

☒ **BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF"):** the foregoing document(s) will be served by the court via NEF and hyperlink to the document. On April 22, 2016, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email addressed indicated below:

- Gary J. Aguirre - gary@aguirrelawapc.com; maria@aguirrelawapc.com
- John Willis Berry - berryj@sec.gov; LAROFiling@sec.gov
- Lynn M. Dean - deanl@sec.gov; larofiling@sec.gov; berryj@sec.gov; irwinma@sec.gov; cavallones@sec.gov
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- David R. Zaro - dzaro@allenmatkins.com; mdiaz@allenmatkins.com

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

Executed on April 22, 2016, at San Diego, California.

Edward G. Fates	/s/ Edward Fates
(Type or print name)	(Signature of Declarant)