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15 **Attorneys for Permanent Receiver - DAVID GILL**

16 UNITED STATES DISTRICT COURT  
17 CENTRAL DISTRICT OF CALIFORNIA

18 SECURITIES AND EXCHANGE  
19 COMMISSION

20 Plaintiffs,

21 vs.

22 WESTMOORE  
23 MANAGEMENT, LLC, et al

24 Defendants.

Case No. 8:10-cv-00849 AG (MLGx)

**RECEIVER’S NOTICE OF INTENT  
TO COMPROMISE LITIGATION**

*[Per order entered December 5, 2011,  
no hearing required unless objection  
filed]*

25 **COMES NOW** David A. Gill, the permanent receiver for the Westmoore  
26 entities appointed in the above-captioned case (the “Receiver”) and hereby provides  
27 notice pursuant to the Court’s *Order Granting Receiver’s Motion for Order Limiting*  
28 *Meeting and Notice Requirements in Local Rules 7-3 and 66-7, Establishing*  
*Procedures Re: the Sale of Real and Personal Property and Approval of Settlements*  
(the “Procedural Order”) that the Receiver has reached a settlement and compromise

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2 of any and all claims between the Receiver and Diane Braun (the “Settling Party”).

3 Based upon the investigation by the Receiver and his attorneys and agents, the  
4 Receiver believes that in early 2008 Westmoore desired to acquire the membership  
5 interests of fifty-one persons and entities in MKA Real Estate Opportunity Fund I,  
6 LLC (“MKA”). In February 2008, a Westmoore entity paid \$400,000 to the Settling  
7 Party. Thereafter, the Settling Party executed an “LLC Membership Purchase  
8 Agreement” pursuant to which the Settling Party would transfer her MKA units to  
9 Westmoore Investment. In response to the Receiver’s complaint to recover the  
10 \$400,000 paid to her, the Settling Party has alleged, among other things, that she has  
11 a complete defense to the Receiver’s claim because the Settling Party allegedly gave  
12 value to Westmoore (i.e., the MKA units) in exchange for the payment. The  
13 Receiver disputes that the Settling Party has a valid defense because, among other  
14 things, the Receiver has not confirmed that the MKA units were in fact conveyed to  
15 Westmoore, and even if the units were conveyed the units conveyed to Westmoore  
16 had little to no value.

17 Subject to Court approval to be obtained in accordance with the procedures  
18 established by this Court, the Receiver has entered into a settlement agreement with  
19 the Settling Party. The general terms of the settlement are that the Settling Party  
20 will pay \$85,000 to the Receiver and the Settling Party will release any and all  
21 claims she has against the Receivership Estate. In arriving at this settlement, the  
22 Receiver took into account a variety of factors typically considered by equity  
23 receivers and bankruptcy trustees, including but not limited to the additional legal  
24 fees and costs that would be incurred to litigate the matter, the complexity of the  
25 litigation involved, the probability of success on the merits, and the difficulties that  
26 would be encountered in collection. In that regard, the Receiver considered, on a  
27 confidential basis and for settlement purposes only, financial information and  
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2 documents provided by the Settling Party pursuant to which the Receiver could  
3 evaluate difficulties that would be encountered in collection. Under the  
4 circumstances, in his business judgment, the Receiver believes that the proposed  
5 settlement is a fair and reasonable settlement of his claims against the Settling Party.

6 In accordance with the terms of the Court-approved retention agreement of  
7 special litigation counsel Castillo Snyder P.C., from the payment received at closing  
8 of the settlement, the Receiver will pay 30% of the settlement amount in fees to  
9 Castillo Snyder for their work on this matter, in accordance with the Court-approved  
10 contingent fee agreement between the Receiver and said law firm. The Receiver  
11 will also reimburse Castillo Snyder and its local counsel actual costs incurred by  
12 them in connection with this matter.

13 **PLEASE TAKE FURTHER NOTICE** that pursuant to the Court's *Order*  
14 *Granting Receiver's Motion for Order Limiting Meeting and Notice Requirements in*  
15 *Local Rules 7-3 and 66-7, Establishing Procedures Re: the Sale of Real and*  
16 *Personal Property and Approval of Settlements* (the "Procedural Order"), the  
17 Receiver will post a copy of this Notice available for download on the Receiver's  
18 website: [www.westmoorereceivership.com](http://www.westmoorereceivership.com). Service of the notice is deemed  
19 complete upon the posting of the notice on the website.

20 **PLEASE TAKE FURTHER NOTICE** that pursuant to the Court's  
21 Procedural Order, objections to the Receiver's proposed compromise with the  
22 Settling Party must be (a) in writing and (b) filed with the Court and served in  
23 accordance with the Court's Local Rules not later than fourteen (14) days from the  
24 date on which this notice was filed with the Court or, if later, posted on the  
25 Receiver's website.  
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**PLEASE TAKE FURTHER NOTICE** that if an objection is timely filed and served, the Receiver may file a reply and notice the matter for hearing. In that event, a separate notice of the hearing will be filed and served.

**PLEASE TAKE FURTHER NOTICE** that if no objection is timely filed and served, pursuant to the Procedural Order the Receiver will be authorized to proceed with the proposed compromise without further notice or order of the Court.

Dated: August 18, 2014

CASTILLO SNYDER, PC

By: /s/ Edward C. Snyder  
Edward C. Snyder  
Counsel for Plaintiff

Dated: August 18, 2014

THE COOPER LAW FIRM, P.C.

By: /s/ Scott Cooper  
Scott Cooper  
Counsel for Plaintiff

