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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 Igor Olshansky (the “Settling  
3 Party”).

4 Based upon the investigation by the Receiver and his attorneys and agents, the  
5 Receiver believes that by mid-2007 certain Westmoore entities owed substantial  
6 sums to a family of entities generally referred to as “MKA.” In 2007, without  
7 having any contractual relationship with the Settling Party, Westmoore made two  
8 \$50,000 payments to the Settling Party, who was at the time an investor in MKA  
9 Real Estate Opportunity Fund I, LLC (“MKA RE Opp Fund”). Later in 2007,  
10 Westmoore and MKA agreed that the \$100,000 paid to the Settling Party would be  
11 credited against Westmoore’s debt to MKA. The Receiver believes that as between  
12 MKA and the Settling Party, the transactions were treated as if MKA paid \$100,000  
13 to redeem some (but not all) of the Settling Party’s interests in MKA RE Opp Fund.  
14 In response to the Receiver’s complaint to recover this \$100,000 from the Settling  
15 Party, the Settling Party asserts that, because of the reduction of Westmoore’s debt  
16 to MKA, Westmoore received \$100,000 of value in exchange for the payment. The  
17 Receiver disputes the Settling Party’s alleged defense.

18 The Receiver believes that in early 2008 Westmoore desired to acquire the  
19 membership interests of fifty-one persons and entities in MKA RE Opp Fund,  
20 including the interest still owned by the Settling Party. From May 2008 through  
21 August 2008, Westmoore paid an aggregate of \$143,200 to the Settling Party. In  
22 response to the Receiver’s complaint to recover this \$143,200, the Settling Party  
23 initially asserted that the payment was made in exchange for his remaining interest  
24 in MKA RE Opp Fund. Subsequently, the Settling Party also asserted that at least  
25 part of the transaction was treated the same way as the 2007 payments – *i.e.*, as if  
26 Westmoore was paying down its debt to MKA. Regardless, the Settling Party  
27 claims to have a complete defense to the Receiver’s claim. The Receiver disputes  
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2 that the Settling Party has a valid defense because, among other things, the Receiver  
3 has not confirmed that units in MKA RE Opp Fund were in fact conveyed to  
4 Westmoore, and even if the units were conveyed they had little to no value.

5 Subject to Court approval to be obtained in accordance with the procedures  
6 established by this Court, the Receiver has entered into a settlement agreement with  
7 the Settling Party. The general terms of the settlement are that the Settling Party  
8 will pay \$65,000 to the Receiver and the Settling Party will release any and all  
9 claims he has against the Receivership Estate. In arriving at this settlement, the  
10 Receiver took into account a variety of factors typically considered by equity  
11 receivers and bankruptcy trustees, including but not limited to the additional legal  
12 fees and costs that would be incurred to litigate the matter, the complexity of the  
13 litigation involved, the probability of success on the merits, and the difficulties that  
14 would be encountered in collection. In that regard, the Receiver's settlement  
15 alleviates the need for the Receiver and his attorneys to incur substantial legal fees  
16 and costs that would be incurred responding to anticipated discovery requests from  
17 the Settling Party, conducting other further discovery on issues specific to the  
18 Settling Party, and going to trial. The Receiver also considered representations  
19 made on behalf of the Settling Party relevant to difficulties that the Receiver might  
20 encounter in collection of a judgment against Settling Party. Under the  
21 circumstances, in his business judgment, the Receiver believes that the proposed  
22 settlement is a fair and reasonable settlement of his claims against the Settling Party.

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

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

11 **PLEASE TAKE FURTHER NOTICE** that pursuant to the Court's  
12 Procedural Order, objections to the Receiver's proposed compromise with the  
13 Settling Party must be (a) in writing and (b) filed with the Court and served in  
14 accordance with the Court's Local Rules not later than fourteen (14) days from the  
15 date on which this notice was filed with the Court or, if later, posted on the  
16 Receiver's website.

17 **PLEASE TAKE FURTHER NOTICE** that if an objection is timely filed  
18 and served, the Receiver may file a reply and notice the matter for hearing. In that  
19 event, a separate notice of the hearing will be filed and served.

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

23 Dated: August 25, 2014

CASTILLO SNYDER, PC

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25 By: /s/ Edward C. Snyder  
26 Edward C. Snyder  
27 Counsel for Plaintiff  
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Dated: August 25, 2014

THE COOPER LAW FIRM, P.C.

By: /s/ Scott Cooper

Scott Cooper

Counsel for Plaintiff

