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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

1  
2 of any and all claims between the Receiver and Ron Egigian (the “Settling Party”).

3 Based upon the investigation by the Receiver and his attorneys and agents, the  
4 Receiver believes that the Settling Party invested \$165,000 in Westmoore from  
5 April 2006 through April 2008. The Receiver also believes that Westmoore entities  
6 paid the Settling Party \$325,375 from June 2006 through November 2008, including  
7 \$128,166 paid in June 2007 to satisfy a \$125,000 investment the Settling Party had  
8 made in a non-receivership entity, Servimax Financial LLC (“Servimax”). The  
9 Receiver has filed a complaint against the Settling Party to recover his “net  
10 winnings” of \$160,375.

11 The Settling Party has alleged, among other things, that the \$128,166 payment  
12 was made pursuant to an “Asset Purchase Agreement” dated May 30, 2007, under  
13 which Westmoore purportedly agreed to purchase the Settling Party’s investment in  
14 Servimax. The Settling Party therefore alleges that he gave full value to Westmoore  
15 in exchange for that payment. The Receiver disputes that the Settling Party has a  
16 valid defense because, among other things, the payment was not consistent with the  
17 terms of the Asset Purchase Agreement, and the Receiver believes that the true value  
18 of the Servimax investment received by Westmoore from the Settling Party was far  
19 less than \$128,166. However, if the Settling Party were to prevail on this point, the  
20 Receiver’s total claim would be reduced to approximately \$30,000. Even if the  
21 Receiver were to fully litigate his claims and obtain a substantial judgment against  
22 the Settling Party, the prospects of collection are uncertain.

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

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

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

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

**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 25, 2014

CASTILLO SNYDER, PC

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

Dated: August 25, 2014

THE COOPER LAW FIRM, P.C.

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

