(the "Procedural Order") that the Receiver has reached a settlement and compromise

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of any and all claims between the Receiver and Paul Bickford, Core Supply Company, Inc., aka Core Supply, Heritage West Group, LLC, aka Heritage West and Kendis Lescher, fka Kendis Bickford (the "Settling Parties").

Based upon the investigation by the Receiver and his attorneys and agents, the Receiver believes that in June 2007 defendant Paul Bickford and non-defendant Kendis Bickford (the "Bickfords") acquired a 9% ownership interest in a San Diego apartment building. The purchase price for their 9% interest was \$447,000, which they satisfied by paying \$149,912.12 cash as part of a "1031 exchange" and executing a promissory note (later assigned to Westmoore) for the balance of \$297,087.68. The Bickfords made no payments under the note, even after they sold their 9% interest in early 2010 for \$250,000. The Receiver filed a complaint against Paul Bickford to recover the balance due under the note.

In August 2014, the Receiver filed a motion for summary judgment against Paul Bickford. Mr. Bickford did not respond. Shortly before the hearing, Mr. Bickford filed a motion for leave to file an opposition, alleging that it was his attorney's fault that an opposition was not filed. The Court granted the motion and rescheduled the hearing. Mr. Bickford filed an opposition, alleging that Westmoore and he had agreed that he would not have to pay back the note unless and until the apartment building was sold for a profit. Prior to the hearing, the Receiver and Mr. Bickford agreed to a settlement of the Receiver's claims.

Subject to Court approval to be obtained in accordance with the procedures established by this Court, the Receiver has entered into a settlement agreement with the Settling Parties. The general terms of the settlement are that Mr. Bickford will pay \$17,500 to the Receiver within ten days of approval of the settlement. Core Supply and Heritage West Group are parties to the settlement because the Receiver insisted that those entities (with which Mr. Bickford is affiliated) expressly release

any and all claims against Westmoore's receivership estate as part of the settlement, and those releases will be effective upon approval of the settlement. Upon payment in full, the Receiver will release the Settling Parties of any and all claims.

In arriving at this settlement, the Receiver took into account a variety of factors typically considered by equity receivers and bankruptcy trustees, including but not limited to the additional legal fees and costs that would be incurred to litigate the matter, the complexity of the litigation involved, the probability of success on the merits, and the difficulties that would be encountered in collection. In that regard, although the Receiver is confident that judgment ultimately would be entered against Mr. Bickford, the Receiver considered, on a confidential basis and for settlement purposes only, financial information and documents provided by Mr. Bickford pursuant to which the Receiver could evaluate difficulties that would be encountered in collection. Under the circumstances, in his business judgment, the Receiver believes that the proposed settlement is a fair and reasonable settlement of his claims against the Settling Parties.

The Receiver has been represented in this matter by special litigation counsel Castillo Snyder P.C. In accordance with the terms of Castillo Snyder's retention agreement approved by the Court in August 2012, Castillo Snyder is entitled to payment of 35% of the net proceeds to be received by the Receiver from the Settling Parties. The "net proceeds" is the amount equal to the gross amounts received by the Receiver, less out-of-pocket expenses incurred and advanced by the firm for the prosecution of the case that resulted in the recovery.

PLEASE TAKE FURTHER NOTICE that pursuant to the Court's *Order Granting Receiver's Motion for Order Limiting 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"), the*

Receiver will post a copy of this Notice available for download on the Receiver's website: www.westmoorereceivership.com. Service of the notice is deemed complete upon the posting of the notice on the website.

PLEASE TAKE FURTHER NOTICE that pursuant to the Court's Procedural Order, objections to the Receiver's proposed compromise with the Settling Parties 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: November 12, 2014 CASTILLO SNYDER, PC

By: <u>/s/ Edward C. Snyder</u> Edward C. Snyder Counsel for Plaintiff

Dated: November 12, 2014 THE COOPER LAW FIRM, P.C.

By: <u>/s/ Scott Cooper</u>
Scott Cooper
Counsel for Plaintiff

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PROOF OF SERVICE

I, the undersigned, an employee of Castillo Snyder, P.C., located at 300 Convent Street, Suite 1020, San Antonio, Texas 78205 declare under penalty of perjury that I am over the age of eighteen (18) and not a party to this matter, action or proceeding.

On November12, 2014 I served the foregoing document, described as "Receiver's Amended Notice of Intent to Compromise Litigation" on all interested parties in this action as follows:

[X] (<u>BY MAIL</u>) I caused such envelope(s) fully prepaid to be placed in the United States Mail at San Antonio, Texas. I enclosed the document(s) in a sealed envelope or package addressed to the persons at the addresses listed in the Service List and placed the envelope for collection and mailing, following our ordinary business practices. I am "readily familiar" with the firm's practice of collection and processing correspondence or mailing. On the same day that the correspondence is place for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

Parties requesting service by notices by mail:

Eleanor M. Egan Living Trust ATTN: Eleanor Egan, Trustee 1893 Parkview Circle Costa Mesa, CA 92627

Phyllis Fredericks 3718 Oakview Court Fallbrook, CA 92028

- [X] (BY ELECTRONIC SERVICE) By causing the foregoing document(s) to be electronically filed using the Courts Electronic Filing System. Participants in the case who are registered CM/ECF users will be served by the CM/ECF system. Participants in this case who are not registered CM/ECF users will be served by mail or by others means permitted by the court rules.
- [X] (FEDERAL) I declare that I am employed in the office of a member of the Bar of this court at whose direction the service was made.
 - [X] (STATE) I declare under penalty of perjury that the foregoing is true and correct.

Executed on **November 12, 2014,** at San Antonio, Texas.

/s/ Sandy Rivas
Sandy Rivas