

1 Edward C. Snyder (Pro Hac Vice)
2 **CASTILLO SNYDER, PC.**
3 300 Convent Street, Suite 1020
4 San Antonio, TX 78205
5 Telephone: 210-630-4200
6 Facsimile: 210-630-4210
7 Email: esnyder@casnlaw.com

8 Scott B. Cooper (State Bar No. 174520)
9 **THE COOPER LAW FIRM, P.C.**
10 2030 Main Street, Suite 1300
11 Irvine, CA 92614
12 Telephone: 949-724-9200
13 Facsimile: 949-724-9255
14 Email: scott@cooper-firm.com

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, on the one hand, and Celia Crawford
3 and Shawn Crawford (the “Settling Parties”), on the other hand.

4 Based upon the investigation by the Receiver and his attorneys and agents, the
5 Receiver filed a complaint against Shawn Crawford to recover approximately
6 \$266,000 he received from various Westmoore entities from January 2007 through
7 January 2009 (*Gill v. Jennings, et al.*, case number SACV 12-02235 AG). Mr.
8 Crawford asserts that he should be given credit for funds that he invested in
9 Westmoore. He also asserts that he is unable to pay any judgment entered against
10 him.

11 Also based upon the investigation by the Receiver and his attorneys and
12 agents, the Receiver filed a complaint against Mr. Crawford’s mother, Celia
13 Crawford, to recover approximately \$900,000 of “net winnings” she received from
14 January 2007 through December 2008 (*Gill v. Blessing, et al.*, case number SACV
15 13-132 AG). Ms. Crawford asserts that the Receiver failed to give her credit for
16 investments she made prior to 2007, including a \$600,000 investment that may have
17 been utilized by Westmoore in connection with the acquisition of certain real
18 property in Yorba Linda, California (the property was foreclosed prior to the
19 Receiver’s appointment). Ms. Crawford also asserts that she is unable to pay any
20 judgment entered against her.

21 Subject to Court approval to be obtained in accordance with the procedures
22 established by this Court, the Receiver has entered into a settlement agreement with
23 the Settling Parties. The general terms of the settlement are that the Settling Parties
24 will agree to provide full cooperation to the Receiver in connection with all of the
25 Receiver’s liquidation and litigation activities if and as requested. The Receiver and
26 the Settling Parties also will exchange mutual releases of any and all claims.
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2 In arriving at this settlement, the Receiver took into account a variety of
3 factors typically considered by equity receivers and bankruptcy trustees, including
4 but not limited to the additional legal fees and costs that would be incurred to
5 litigate the matter, the complexity of the litigation involved, the probability of
6 success on the merits, and the difficulties that would be encountered in collection.
7 In that regard, the Receiver considered, on a confidential basis and for settlement
8 purposes only, financial information and documents provided by the Settling
9 Defendants pursuant to which the Receiver could evaluate difficulties that would be
10 encountered in collection. The Receiver also considered the fact that Mr. Crawford
11 has knowledge of certain facts that could be helpful to the Receiver in connection
12 with his litigation against defendants against whom claims still are pending. Under
13 the circumstances, in his business judgment, the Receiver believes that the proposed
14 settlement is a fair and reasonable settlement of his claims against the Settling
15 Parties.

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

23 **PLEASE TAKE FURTHER NOTICE** that pursuant to the Court's
24 Procedural Order, objections to the Receiver's proposed compromise with the
25 Settling Parties must be (a) in writing and (b) filed with the Court and served in
26 accordance with the Court's Local Rules not later than fourteen (14) days from the
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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 13, 2014

CASTILLO SNYDER, PC

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

Dated: November 13, 2014

THE COOPER LAW FIRM, P.C.

By: /s/ Scott Cooper
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 November 13, 2014 I served the foregoing document, described as **“Receiver’s Notice of Intent to Compromise Litigation”** on all interested parties in this action as follows:

[X] (BY MAIL) 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 13, 2014**, at San Antonio, Texas.

/s/ Sandy Rivas
Sandy Rivas