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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, on the one hand, and Wayne Leffler
3 (collectively the “Settling Party”), on the other hand.

4 Based upon the investigation by the Receiver and his attorneys and agents, the
5 Receiver filed a complaint against the Wayne Leffler, among others, to recover “net
6 winnings” that they received from Westmoore entities (*Gill v. Jennings, et al.*, case
7 number SACV 12-02235 JPRx). Mr. Leffler asserts that he should be given credit
8 for funds that he invested in Westmoore. He also asserts that he is unable to pay any
9 judgment entered against him.

10 Subject to Court approval to be obtained in accordance with the procedures
11 established by this Court, the Receiver has entered into a settlement agreement with
12 the Settling Party. The general terms of the settlement are that the Parties will
13 exchange mutual releases of any and all claims against each other or the Westmoore
14 entities.

15 In arriving at this settlement, the Receiver took into account a variety of
16 factors typically considered by equity receivers and bankruptcy trustees, including
17 but not limited to the additional legal fees and costs that would be incurred to
18 litigate the matter, the complexity of the litigation involved, the probability of
19 success on the merits, and the difficulties that would be encountered in collection.
20 In that regard, the Receiver considered, on a confidential basis and for settlement
21 purposes only, financial information and documents provided by the Settling
22 Defendant pursuant to which the Receiver could evaluate difficulties that would be
23 encountered in collection. Under the circumstances, in his business judgment, the
24 Receiver believes that the proposed settlement is a fair and reasonable settlement of
25 his claims against the Settling Party.

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

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

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

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

19 Dated: December 12, 2014

CASTILLO SNYDER, PC

21 By: /s/ Edward C. Snyder
22 Edward C. Snyder
23 Counsel for Plaintiff

24 Dated: December 12, 2014

THE COOPER LAW FIRM, P.C.

25 By: /s/ Scott Cooper
26 Scott Cooper
27 Counsel for Plaintiff
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2 **PROOF OF SERVICE**

3 I, the undersigned, an employee of Castillo Snyder, P.C., located at 300 Convent Street, Suite
4 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.

5 On December 12, 2014 I served the foregoing document, described as “**Receiver’s Notice of
6 Intent to Compromise Litigation**” on all interested parties in this action as follows:

7 **[X] (BY MAIL)** I caused such envelope(s) fully prepaid to be placed in the United
8 States Mail at San Antonio, Texas. I enclosed the document(s) in a sealed envelope or package
9 addressed to the persons at the addresses listed in the Service List and placed the envelope for
10 collection and mailing, following our ordinary business practices. I am “readily familiar” with the
11 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.

12 Parties requesting service by notices by mail:

13 Eleanor M. Egan Living Trust
ATTN: Eleanor Egan, Trustee
14 1893 Parkview Circle
15 Costa Mesa, CA 92627

16 Phyllis Fredericks
3718 Oakview Court
17 Fallbrook, CA 92028

18 **[X] (BY ELECTRONIC SERVICE)** By causing the foregoing document(s) to be
19 electronically filed using the Courts Electronic Filing System. Participants in the case who are
20 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.

21 **[X] (FEDERAL)** I declare that I am employed in the office of a member of the Bar of
22 this court at whose direction the service was made.

23 **[X] (STATE)** I declare under penalty of perjury that the foregoing is true and correct.

24 Executed on **December 12, 2014**, at San Antonio, Texas.

25 /s/ Sandy Rivas
26 Sandy Rivas
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