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8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**

10
11 SECURITIES AND EXCHANGE
COMMISSION,

12 Plaintiff,

13 vs.

14 WESTMOORE MANAGEMENT,
15 LLC; WESTMOORE INVESTMENT,
LP.; WESTMOORE CAPITAL
16 MANAGEMENT, INC.;
WESTMOORE CAPITAL, LLC; and
17 MATTHEW R. JENNINGS,

18 Defendants.
19

Case No. 8:10-cv-00849-AG (MLGx)

**NOTICE OF FILING OF THE
RECEIVER'S FINAL REPORT
AND ACCOUNT AND MOTION
FOR (1) APPROVAL OF FINAL
REPORT AND ACCOUNT,
(2) APPROVAL OF FINAL
COMPENSATION OF THE
RECEIVER AND HIS ATTORNEYS
AND ACCOUNTANTS,
(3) AUTHORITY TO DISBURSE
REMAINING FUNDS ON A PRO
RATA BASIS, (4) DISCHARGE OF
THE RECEIVER, AND
(5) EXONERATION OF THE
RECEIVER'S BOND**

Date: August 5, 2019
Time: 10:00 a.m.
Place: Courtroom 10D
411 West Fourth Street
Santa Ana, California

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24 **PLEASE TAKE NOTICE** that David A. Gill, the permanent receiver (the
25 "Receiver") for Westmoore Management, LLC, Westmoore Investment, L.P.,
26 Westmoore Capital Management, Inc., Westmoore Capital, LLC, and subsidiaries
27 and entities otherwise majority-owned, managed or controlled, directly or indirectly,
28 by any of them (collectively "Westmoore" or the "Westmoore Entities"), has filed

1 his *Final Report and Account and Motion for (1) Approval of Final Report and*
2 *Account, (2) Approval of Final Compensation of the Receiver and His Attorneys and*
3 *Accountants, (3) Authority to Disburse Remaining Funds on a Pro Rata Basis,*
4 *(4) Discharge of the Receiver, and (5) Exoneration of the Receiver’s Bond* (the
5 “Final Report”).

6 A copy of the Final Report and declarations filed in support of the Final
7 Report may be downloaded without charge at www.westmoorereceivership.com.

8 As explained more fully in the Final Report, there currently is \$51,007.95 of
9 cash on hand in the receivership estate. The Receiver and his professionals are owed
10 allowed fees of \$155,953.39 for services rendered through October 31, 2018. Since
11 then, they have incurred an additional \$123,838.45 of fees and costs. As a result, the
12 receivership estate is “administratively insolvent” (*i.e.*, funds on hand are insufficient
13 to pay the receivership estate’s administrative expenses).

14 The Receiver therefore projects that no distribution will be made to creditors
15 who may hold claims against the receivership estate, including (a) priority claims of
16 governmental authorities that are owed incomes taxes for the tax years prior to the
17 Receiver’s appointment, (b) non-priority claims of investors who purchased or made
18 loans to Westmoore, (c) potential non-priority claims of investors who made equity
19 investments after Westmoore became a Ponzi scheme,¹ and (d) subordinated claims
20 of investors who acquired equity interests before it became a Ponzi scheme.

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22 **PLEASE TAKE FURTHER NOTICE** that , by way of the Final Report, the
23 Receiver is seeking approval of the Final Report and seeking other relief that will
24 bring the receivership case to a close. The Receiver is requesting entry of an order:

- 25 1. Approving the Final Report.

26 _____
27 ¹ According to the Receiver’s forensic analyst, Westmoore started operating as a
28 Ponzi scheme no later than 2006.

1 2. Terminating the receivership and discharging the Receiver from all
2 further duties, liabilities and responsibilities.

3 3. Approving, on a final basis, \$211,296.00 of fees and \$4,074.25 of costs
4 incurred by the Receiver in his capacity as receiver, including \$9,957.00 of fees and
5 \$84.41 of costs incurred from November 1, 2018, through the close of the case.

6 4. Approving, on a final basis, \$1,354,408.50 of fees and \$30,055.79 of
7 costs incurred by the Receiver's general counsel, Danning, Gill, Diamond & Kollitz,
8 LLP ("DGDK"), including \$90,450.00 of fees and \$2,038.27 of costs incurred from
9 November 1, 2018, through the close of the case.

10 5. Approving, on a final basis, \$752,109.44 of fees and \$62,818.16 of costs
11 incurred by the Receiver's special litigation counsel, Castillo Snyder, PC.

12 6. Approving, on a final basis, \$565,349.50 of fees and \$932.28 of costs
13 incurred by the Receiver's forensic and tax accountants, Crowe Horwath LLP
14 ("Crowe"), including \$21,283.50 of fees and \$25.27 of costs incurred from
15 November 1, 2018, through the close of the case.

16 7. Approving, on a final basis, \$482,588.95 of fees and \$356.00 of costs
17 incurred by the Receiver's forensic analyst, investigator and expert witness, PCG
18 Consulting, PC ("PCG").

19 8. Authorizing the Receiver to distribute remaining funds in the
20 receivership estate to the Receiver, DGDK and Crowe, on a pro rata basis.

21 9. Finding that all the Receiver's acts and transactions during his
22 administration of the receivership estate, including the actions of his employees and
23 agents, were right and proper and in the best interests of the receivership estate and
24 the parties to this action, and are ratified, confirmed and approved.

25 10. Releasing the Receiver and the receivership estate from any and all
26 liability for any and all claims, demands or causes of action that may have directly or
27 indirectly arisen from the receivership estate prior to, during, or after the receivership
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1 period, and not brought before the Court before the time of hearing on the Final
2 Report.

3 11. Determining that the Receiver has no further duty or obligation to
4 prepare or file further tax returns, or pay further taxes, on behalf of the receivership
5 estate.

6 12. Authorizing the Receiver to abandon remaining assets of the
7 receivership estate.

8 13. Releasing from liability any bond filed by the Receiver and exonerating
9 the sureties thereon.

10 14. Reserving exclusive jurisdiction over any and all claims that may be
11 asserted against the Receiver and his professionals and employees for their services,
12 and all issues that were part of the subject matter of the receivership estate.

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14 **PLEASE TAKE FURTHER NOTICE** that a hearing on the Receiver's
15 motion for approval of the Final Report and related relief will be held on August 5,
16 2019, at 10:00 a.m., in Courtroom 10D of the United States District Court for the
17 Central District of California, 411 West Fourth Street, Santa Ana, California.

18 **PLEASE TAKE FURTHER NOTICE** that any objection to the Final Report
19 must be in writing and filed with the Clerk of the Court and served upon the Receiver
20 and his counsel not less than 21 days before the hearing. Failure to comply with this
21 procedure may be deemed consent to the granting of the relief requested. If you do
22 not object to the Final Report, you do not need to take any further action.

23
24 DATED: June 21, 2019

DANNING, GILL, DIAMOND & KOLLITZ, LLP

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26 By: /s/ John N. Tedford, IV

JOHN N. TEDFORD IV

Attorneys for David A. Gill, Receiver

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PROOF OF SERVICE

At the time of service, I was over 18 years of age and not a party to this action. I am employed in the County of Los Angeles, State of California. My business address is 1900 Avenue of the Stars, 11th Floor, Los Angeles, CA 90067-4402.

On June 21, 2019, I served true copies of the following document(s) described as **NOTICE OF FILING OF THE RECEIVER’S FINAL REPORT AND ACCOUNT AND MOTION FOR (1) APPROVAL OF FINAL REPORT AND ACCOUNT, (2) APPROVAL OF FINAL COMPENSATION OF THE RECEIVER AND HIS ATTORNEYS AND ACCOUNTANTS, (3) AUTHORITY TO DISBURSE REMAINING FUNDS ON A PRO RATA BASIS, (4) DISCHARGE OF THE RECEIVER, AND (5) EXONERATION OF THE RECEIVER’S BOND** on the interested parties in this action as follows:

BY MAIL: 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 Danning, Gill, Diamond & Kollitz, LLP's practice for collecting and processing correspondence for mailing. On the same day that the correspondence is placed 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.

All Parties of Interest at their last known addresses. The service list consists of 689 names and/or addresses. The list is not attached to the document filed with the court to help preserve the privacy of the recipients, and can be provided to the court upon request.

BY CM/ECF NOTICE OF ELECTRONIC FILING: I electronically filed the document(s) with the Clerk of the Court by using the CM/ECF system. Participants in the case who are registered CM/ECF users will be served by the CM/ECF system. Participants in the case who are not registered CM/ECF users will be served by mail or by other means permitted by the court rules.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on June 21, 2019, at Los Angeles, California.

/s/ Patricia Morris
PATRICIA MORRIS