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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 Michael Linsley (the “Settling  
3 Party”).

4 The general terms of the settlement is that the Settling Party will pay  
5 **\$80,000.00** to the Receiver in payments over time secured by a Judgment, and will  
6 release any and all claims he has against the Receivership Estate.

7 In arriving at this settlement, the Receiver took into account a variety of  
8 factors typically considered by equity receivers and bankruptcy trustees, including  
9 but not limited to the additional legal fees and costs that would be incurred to  
10 litigate the matter, the complexity of the litigation involved, the probability of  
11 success on the merits, and the difficulties that would be encountered in collection.  
12 Under the circumstances, the Receiver believes that the proposed settlement is a fair  
13 and reasonable settlement of his claims against the Settling Party.

14 In accordance with the terms of the Court-approved retention agreement of  
15 special litigation counsel Castillo Snyder P.C., the Receiver will pay a portion of the  
16 proceeds from the settlement payment received from the Settling Party to Castillo  
17 Snyder for their work and expenses incurred on this matter, in accordance with the  
18 Court-approved contingent fee agreement between the Receiver and said law firm.

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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