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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 and John Leffler, Mark Molenaar, Ostes
3 Hernandez and Empire Family Limited Partnership (the “Settling Parties”).

4 The general terms of the settlements are that (1) Mark Molenaar will pay
5 **\$2,000.00** and (2) Ostes Hernandez will pay **\$27,500.00** to the Receiver, and the
6 Settling Parties will release any and all claims they have against the Receivership
7 Estate and will provide full cooperation to the Receiver in all his activities. Of the
8 settlement payment amount, the Receivership Estate will receive a net amount of
9 **\$18,357.31**.

10 In accordance with the terms of the Court-approved retention agreement of
11 special litigation counsel Castillo Snyder P.C., from the payment received at closing
12 of the settlement, the Receiver will pay **\$6,119.10** in fees and reimburse **\$5,023.59**
13 in expenses to Castillo Snyder for their work on this matter, in accordance with the
14 Court-approved contingent fee agreement between the Receiver and said law firm.

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

22 **PLEASE TAKE FURTHER NOTICE** that pursuant to the Court’s
23 Procedural Order, objections to the Receiver’s proposed compromise with the
24 Settling Parties must be (a) in writing and (b) filed with the Court and served in
25 accordance with the Court’s Local Rules not later than fourteen (14) days from the
26 date on which this notice was filed with the Court or, if later, posted on the
27 Receiver’s website.
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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: April 16, 2014

CASTILLO SNYDER, PC

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

Dated: April 16, 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 April 16, 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 **April 16, 2014**, at San Antonio, Texas.

/s/ Sandy Rivas
Sandy Rivas