

ROBB EVANS OF ROBB EVANS & ASSOCIATES LLC
Receiver of
Homestead Properties, L.P., Homestead Limited, LLC, et al.

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Securities and Exchange Commission v. Homestead Properties, L.P., et al.
CASE No. SACV 09-01331 CJC (MLGx)

Report of Receiver's Activities for the Period
December 10, 2009 Through December 31, 2009

Filed January 4, 2010

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8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **SOUTHERN DIVISION**

12 SECURITIES AND EXCHANGE
COMMISSION

13 Plaintiff,

14 v.

15 HOMESTEAD PROPERTIES, L.P.;
16 HOMESTEAD LIMITED, L.L.C.;
CALIFORNIA WEALTH
17 MANAGEMENT GROUP, d.b.a. IFC
ADVISORY; HEATH M.
18 BIDDLECOME; and WILLIAM C.
TAK,
19

20 Defendants,

21 HOMESTEAD NORTHLAND MHC,
22 LLC and JACKSON MHC, L.L.C.,

23 Relief Defendants.

CASE NO. SACV09-01331 CJC (MLGx)

**REPORT OF RECEIVER'S
ACTIVITIES FOR THE PERIOD
DECEMBER 10, 2009 THROUGH
DECEMBER 31, 2009**

1 Receiver Robb Evans & Associates LLC hereby files its Report of Receiver's
2 Activities for the Period December 10, 2009 through December 31, 2009.

3
4 Dated: January 4, 2010

MCKENNA LONG & ALDRIDGE LLP
Gary Owen Caris
Lesley Anne Hawes

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7 By: /s/Gary Owen Caris

Gary Owen Caris
Attorneys for Temporary Receiver
ROBB EVANS & ASSOCIATES LLC

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ROBB EVANS & ASSOCIATES LLC
Receiver of
Homestead Properties, L.P., Homestead Limited, L.L.C., et al.

REPORT OF RECEIVER'S ACTIVITIES
DECEMBER 10, 2009 THROUGH DECEMBER 31, 2009

Pursuant to the Order of Preliminary Injunction and Other Provisional Relief dated December 18, 2009, the Court ordered the Receiver¹ to file an interim report on or before January 4, 2010. There were no significant developments since the last report dated December 9, 2009.

Overview

In its first report to the Court, the Receiver described the business operations, financial information and investor activities of Homestead Limited, L.L.C. and Homestead Properties, L.P. (collectively, the "Receivership Defendants"). It demonstrated that the investment in daily trading activities was speculative and a departure from its original partnership agreement and private placement memorandum, which appeared to be inappropriate considering the age of the investors of Homestead Properties, L.P. (the "Partnership").

This report will update the Court as to the appraised values of the mobile home parks recently obtained by the Receiver. This report will also detail the current position of the funds controlled by the Receiver.

Updates on Mobile Home Parks & Mortgage Note

Mobile Home Parks

As discussed in the Receiver's first report, the Partnership owns and operates two mobile home parks, which are Northland Home Park and Jackson Mobile Home Park, respectively. The Receiver ordered appraisals on these two properties. According to the accounting

¹ Reference to the Receiver in this report means the Receiver, the Receiver's deputies, its staff, and its counsel.

records of the Partnership as of September 30, 2009, the book balances of these properties were higher than the original purchase prices as described in the first report because the additional payments were made and incurred for the property improvements and purchases of the mobile homes.

According to the appraisal reports recently obtained by the Receiver, the estimated values of these mobile home parks have declined as compared to the book balances of these properties. The table below summarizes the details.

<u>Mobile Home Park</u>	<u>Balance Per Books</u>	<u>Promissory Note</u>	<u>Adjusted Book Balance</u>	<u>Appraised Value</u>	<u>Increase/Decrease</u>
Northland	\$ 1,347,383	\$ -	\$ 1,347,383	\$ 920,000	-31.7%
Jackson	291,231	575,250	866,481	775,000	-10.6%
Total	<u>\$ 1,638,614</u>	<u>\$ 575,250</u>	<u>\$ 2,213,864</u>	<u>\$ 1,695,000</u>	-23.4%

Mortgage Note Purchased

As described in the first report, the second mortgage of \$2.75 million is unrecorded subject to the first priority mortgage of \$30 million to an institutional lender. The note is currently in the extension period and is due in full on August 31, 2010.

The Receiver is still in the process of obtaining an appraisal and a preliminary title report on this property.

Bank Accounts & Cash Frozen

After service on the financial institutions, the Receiver has confirmed that funds of the Receivership Defendants totaling \$76,146 were frozen, of which \$41,290 was later unfrozen for use by the outside property management firm for ongoing operations in the mobile home parks. As previously reported, the Receiver liquidated the entire investment portfolio in the brokerage account and the proceeds of the liquidation were \$5,935,000.

Recommendations

In the near future, the Receiver intends to seek the Court's approval to:

1. Market and sell the mobile home properties.
2. Implement a preliminary claim and distribution plan.

Respectfully submitted,

/s/

Robb Evans & Associates LLC
Receiver