

ROBB EVANS
Receiver of
D.W. Heath & Associates, Inc.;
PCM Fixed Income Fund I, LLC;
Private Capital Management, Inc.;
Private Collateral Management, Inc.
and the Schlarmann Interests

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Securities and Exchange Commission v. D. W. Heath & Associates Inc., et al.
CASE No. CV-04-02949 JFW (Ex)

Order:

- (1) Approving Stipulation with Chapter 7 Trustee Re: Administration of Assets, Withdrawal of Reference and Reservation of Rights over Proceeds; and**
- (2) Authorizing Expansion of Receivership to Include Schlarmann Interests**

Filed March 3, 2005

FRANDZEL ROBINS BLOOM & CSATO, L.C.

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7 **ROBB EVANS**

FILED
CLERK, U.S. DISTRICT COURT
MAR - 3 2005
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

2005 MAR - 2 PM 2:30
CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES
BY

9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

12 SECURITIES AND EXCHANGE
COMMISSION,

13 Plaintiff,

14 v.

15 D.W. HEATH & ASSOCIATES, INC.,
16 etc., et al.,

17 Defendants.

CASE NO. CV 04-02949 JFW (Ex)

**ORDER: (1) APPROVING
STIPULATION WITH CHAPTER 7
TRUSTEE RE ADMINISTRATION
OF ASSETS, WITHDRAWAL OF
REFERENCE AND RESERVATION
OF RIGHTS OVER PROCEEDS;
AND (2) AUTHORIZING
EXPANSION OF RECEIVERSHIP
TO INCLUDE SCHLARMANN
INTERESTS**

DATE: February 28, 2005
TIME: 1:30 p.m.
DEPT.: Courtroom 16

22 The Motion for Order (1) Approving Stipulation With Chapter 7 Trustee
23 Re Administration of Assets, Withdrawal of Reference and Reservation of Rights
24 Over Proceeds, and (2) Authorizing Expansion of Receivership to Include
25 Schlarmann Interests ("Motion") came on regularly for hearing on February 28,
26 2005 in Courtroom 16 of the above-referenced Court, the Honorable John F. Walter,
27 United States District Judge Presiding. Gary Owen Caris of Frandzel Robins
28 Bloom & Csato, L.C. appeared on behalf of the permanent receiver, Robb Evans

1 ("Receiver"), the moving party; Michael A. Piazza, David S. Brown and Molly M.
2 White appeared on behalf of the Plaintiff Securities and Exchange Commission
3 ("SEC"); Audwin Carey Spence appeared on behalf of creditor Clarence Morris;
4 and Debra A. Riley of Allen Matkins Leck Gamble & Mallory, LLP appeared
5 on behalf of Robert L. Goodrich, Chapter 7 Trustee of the bankruptcy estate of
6 Leslee Jane Heath ("Chapter 7 Trustee"). Other appearances, if any, were made
7 as noted in the record. The Court having read and considered all papers filed in
8 support of the Motion, the SEC's statement of non-opposition to the Motion, and
9 the Stipulation Regarding Non-Opposition of Chapter 7 Trustee to the Motion,
10 no opposition to the Motion having been filed despite due and proper notice of the
11 Motion having been given, and the Court having been advised that the United States
12 Bankruptcy Court in the Leslee Jane Heath bankruptcy proceeding entered its order
13 granting motion for order approving the stipulation by and between the Receiver
14 and the Chapter 7 Trustee as more particularly described below and having been
15 further advised that the Riverside County Superior Court filed its order authorizing
16 the administration of the Schlarmann Interests receivership, as more particularly
17 described below, on February 25, 2005, and good cause being shown therefor,

18
19 IT IS ORDERED as follows:

- 20
21 1. The Motion shall be and hereby is granted in its entirety.
22 2. The Stipulation Re Administration of Assets, Withdrawal of Reference
23 and Reservation of Rights Over Proceeds between the Receiver and the Chapter 7
24 Trustee is approved and hereby made the order of this Court.
25 3. The Receiver is hereby authorized to take any and all actions necessary
26 or appropriate pursuant to the Stipulation.

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28 ///

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4. The administration and supervision of the receivership estate by Robb Evans as Receiver for the Schlarmann Interests under Penal Code Section 186.11 pursuant to the Order Appointing Robb Evans as Receiver of the Schlarmann Interests Pursuant to Penal Code Section 186.11 filed July 21, 2004 and the Order Amending the Order Appointing Robb Evans as Receiver of the Schlarmann Interests Pursuant to Penal Code Section 186.11 to Include Real Property in Bonsall, California filed November 19, 2004 shall be administered and supervised by this Court for all purposes in connection with the above-referenced action.

JOHN F. WALTER

DATED: _____
MAR - 3 2005

JOHN F. WALTER, United States
District Judge

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PROOF OF SERVICE

I, the undersigned, declare and certify as follows:

I am over the age of eighteen years, not a party to the within action and employed in the County of Los Angeles, State of California. I am employed in the office of FRANDZEL ROBINS BLOOM & CSATO, L.C., members of the Bar of the above-entitled Court, and I made the service referred to below at their direction. My business address is 6500 Wilshire Boulevard, Seventeenth Floor, Los Angeles, California 90048-4920.

On March 2, 2005, I served true copy(ies) of the **ORDER: (1) APPROVING STIPULATION WITH CHAPTER 7 TRUSTEE RE ADMINISTRATION OF ASSETS, WITHDRAWAL OF REFERENCE AND RESERVATION OF RIGHTS OVER PROCEEDS; AND (2) AUTHORIZING EXPANSION OF RECEIVERSHIP TO INCLUDE SCHLARMANN INTERESTS**, the original(s) of which is(are) affixed hereto, to the party(ies) listed on the attached service list.

BY MAIL: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing with the United States Postal Service. Under that practice, it would be deposited with the United States Postal Service that same day in the ordinary course of business. Such document(s) were placed in envelopes addressed to the person(s) served hereunder for collection and mailing with postage thereon fully prepaid at Los Angeles, California, on that same day following ordinary business practices.

BY FACSIMILE: At approximately _____, I caused said document(s) to be transmitted by facsimile. The telephone number of the sending facsimile machine was (323) 651-2577. The name(s) and facsimile machine telephone number(s) of the person(s) served are set forth in the service list. The document was transmitted by facsimile transmission, and the sending facsimile machine properly issued a transmission report confirming that the transmission was complete and without error.

BY OVERNIGHT DELIVERY: I deposited such document(s) in a box or other facility regularly maintained by the overnight service carrier, or delivered such document(s) to a courier or driver authorized by the overnight service carrier to receive documents, in an envelope or package designated by the overnight service carrier with delivery fees paid or provided for, addressed to the person(s) served hereunder.

I certify under penalty of perjury under the laws of the State of California and the United States of America that the foregoing is true and correct.

Executed on March 2, 2005, at Los Angeles, California.


HELEN SCHWARTZ

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SERVICE LIST

Securities and Exchange Commission v. D.W. Heath & Associates, Inc., et al.
U.S.D.C. Case No. CV 04-02949

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