

**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 Granting Motion for Approval of Settlement Between  
Receiver and Robert L. Goodrich, Chapter 7 Trustee;**

**Filed November 20, 2006**

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ROBB EVANS

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8 UNITED STATES DISTRICT COURT  
9 CENTRAL DISTRICT OF CALIFORNIA

10  
11 SECURITIES AND EXCHANGE  
COMMISSION,

12 Plaintiff,

13 v.

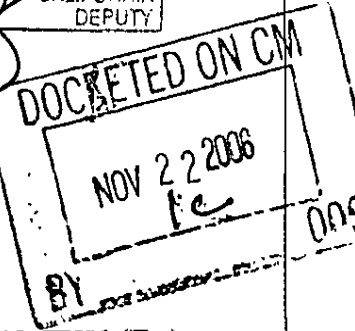
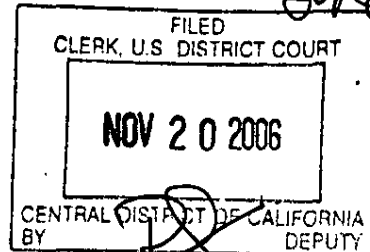
14 D.W. HEATH & ASSOCIATES, INC.,  
15 etc., et al.,  
16 Defendants.

CASE NO. CV 04-02949 JFW (Ex)

**ORDER GRANTING MOTION FOR  
APPROVAL OF SETTLEMENT  
BETWEEN RECEIVER AND  
ROBERT L. GOODRICH,  
CHAPTER 7 TRUSTEE**

DATE: November 20, 2006  
TIME: 1:30 p.m.  
DEPT.: Courtroom 16

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19 The Motion for Approval of Settlement Between Receiver and Robert L.  
20 Goodrich, Chapter 7 Trustee ("Motion") brought by Robb Evans as Permanent  
21 Receiver of D.W. Heath & Associates, Inc., Private Capital Management, Inc.,  
22 Private Collateral Management, Inc. and PCM Fixed Income Fund I, LLC, and their  
23 subsidiaries and affiliates and as Receiver over the Schlarmann Interests  
24 ("Receiver"), came on regularly for hearing on November 20, 2006 at 1:30 p.m. in  
25 Courtroom 16 of the above-referenced Court, the Honorable John F. Walter, United  
26 States District Judge presiding. Gary Owen Caris of McKenna Long & Aldridge  
27 LLP appeared on behalf of the Receiver and other appearances were made as noted  
28 in the record. The Court, having read and considered all papers filed in support of

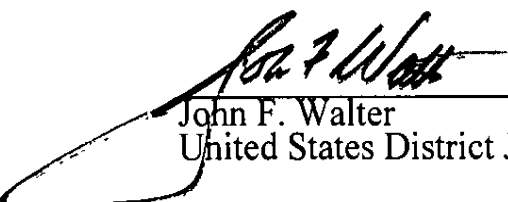


1 the Motion, having read the executed version of the Settlement Agreement entered  
2 into between the Receiver and Robert L. Goodrich ("Trustee") in his capacity as  
3 Chapter 7 Trustee of the Bankruptcy Estate of Leslee Jane Heath, a true and correct  
4 copy of which is attached to the Motion as Exhibit 1 ("Settlement Agreement"),  
5 opposition to the Motion having been filed despite due and proper notice having  
6 been given, having heard and considered the arguments and contentions of counsel,  
7 and good cause appearing therefor, it is

8 ORDERED that:

- 9 1. The Motion shall be and is granted in its entirety; and
- 10 2. The Settlement Agreement is approved and the Receiver is authorized  
11 to sign and enter into the Settlement Agreement, to sign and enter into all other  
12 documents, instruments and papers described in the Settlement Agreement or  
13 necessary or convenient to make and implement the Settlement Agreement, to make  
14 the releases provided for in the Settlement Agreement, and to perform such other  
15 acts necessary or convenient for the Receiver to obtain the benefits and perform all  
16 obligations under the Settlement Agreement.

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18 DATED: NOV 20 2006

  
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19 John F. Walter  
20 United States District Judge  
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