

# Chapter 11 Cases.com

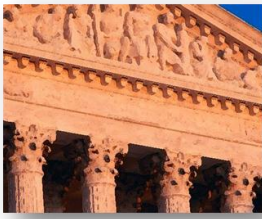
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## *West End Financial Advisors, LLC and Affiliates File for Chapter 11 After Former Executives Charged With Fraud by SEC*

West End Financial Advisors, LLC and fifteen affiliated companies filed for chapter 11 bankruptcy protection on Tuesday in Manhattan, less than two months after three of the entities and four former executives were charged with fraud, misuse of client assets and other violations of securities laws by the U.S. Securities and Exchange Commission. The companies listed consolidated assets of approximately \$55 million against liabilities of nearly \$200 million. The two largest secured creditors, DZ Bank and WestLB, are owed approximately \$118 million and \$41 million, respectively. The sixteen debtor entities are:

- Amagansett Realty SPV 1, LLC
- Benedek Development Group, LLC
- L/C Family Limited Partnership
- Sentinel Investment Management Corp.
- SIMCO SPV 1 LP
- West End Absolute Return Fund I, LP
- West End Capital Management, LLC
- West End Financial Advisors LLC
- West End Fixed Income Partners, LP
- West End Income Strategies Fund, LP
- West End Mercury Short Term Mortgage Fund LP
- West End Mortgage Finance Fund I LP
- West End Private Client Income Fund LP
- West End Real Estate Fund I LP
- West End Special Opportunity Fund II LP
- West End Special Opportunity Fund, LP

According to bankruptcy court filings, West End Financial Advisors was created in 2000 by William Landberg and subsequently acquired a boutique investment advisory company, Sentinel Investment Management Corp. The companies then formed approximately 42 funds which targeted private clients, but two funds predominated the investments - the West End Mortgage Finance Fund (also known as the "Franchise Fund") and the West End Mercury Short Term Fund (also known as the "Hard Money Fund"). The Franchise Fund focused on "making franchise loans to commercial food service franchises," while the Hard Money Fund focused on "making short term real estate mortgage loans."



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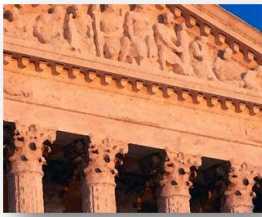
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However, as noted above, in late January the Securities and Exchange Commission charged three of the legal entities - West End Financial Advisors LLC (WEFA), West End Capital Management LLC (WECM), and Sentinel Investment Management Corporation - and four former executives - William Landberg, president Kevin Kramer, chief financial officer Steven Gould and controller Janis Barsuk - with, among other things, fraud related to the operation of the funds. Specifically, the [SEC press release](#) announcing the charges states that the defendants "misled investors into believing that their money was in stable, safe investments designed to provide steady streams of income. However, in reality West End faced deepening financial problems stemming from Landberg's failed investment strategies. When starved for cash to meet obligations of the West End funds or for his personal needs, Landberg misused investor assets, fraudulently obtained more than \$8.5 million from a bank, and used millions of dollars from an interest reserve account for unauthorized purposes." The malfeasance occurred from "at least" January 2008 to May 2009 according to the SEC. More details regarding the specific allegations are contained in an affidavit attached to the chapter 11 petitions (links below).

Court filings state that the companies determined that filing for chapter 11 protection would "maximize the return for both creditors and LPs of the Funds as the protections afforded the Funds in bankruptcy court will offer relief, allow for the consolidation of the Funds to account for the commingling that occurred under Landberg and ensure an equitable result for all creditors and parties of interest including LPs." The debtors are represented in the bankruptcy cases by the law firm of Robinson Brog Leinwand Greene Genovese & Gluck, P.C. As of this post, a judge has not yet been assigned to the cases.

Key court filings to date include the following (click on the links to access the court filings):

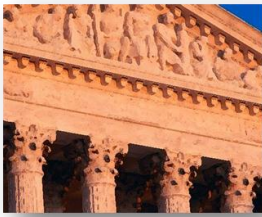
- [West End Financial Advisors LLC: Voluntary Petition \(Chapter 11\). Order for Relief Entered. Schedule of Affiliated Debtors, Certification of Resolution, Corporate Ownership Statement, Rule 1007 Declaration of Raymond J.Heslin, Exhibits to 1007 Declaration, Verification of Creditor Matrix and Matrix](#)
- [Amagansett Realty SPV 1, LLC: Voluntary Petition \(Chapter 11\). Order for Relief Entered. Schedule of Affiliated Debtors, Certification of Resolution, Corporate Ownership Statement, Rule 1007 Declaration of Raymond J.Heslin, Exhibits to 1007 Declaration, Verification of Creditor Matrix and Matrix](#)
- [Benedek Development Group, LLC: Voluntary Petition \(Chapter 11\). Order for Relief Entered. Schedule of Affiliated Debtors, Certification of Resolution, Corporate Ownership Statement, Rule 1007 Declaration of Raymond J.Heslin, Exhibits to 1007 Declaration, Verification of Creditor Matrix and Matrix](#)
- [L/C Family Limited Partnership: Voluntary Petition \(Chapter 11\). Order for Relief Entered. Schedule of Affiliated Debtors, Certification of Resolution, Corporate Ownership Statement, Rule 1007 Declaration of Raymond J.Heslin, Exhibits to 1007 Declaration, Verification of Creditor Matrix and Matrix](#)
- [Sentinel Investment Management Corp.: Voluntary Petition \(Chapter 11\). Order for Relief Entered. Schedule of Affiliated Debtors, Certification of Resolution, Corporate Ownership Statement, Rule 1007 Declaration of Raymond J.Heslin, Exhibits to 1007 Declaration, Verification of Creditor Matrix and Matrix](#)



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- [SIMCO SPV 1 LP: Voluntary Petition \(Chapter 11\). Order for Relief Entered. Schedule of Affiliated Debtors, Certification of Resolution, Corporate Ownership Statement, Rule 1007 Declaration of Raymond J.Heslin, Exhibits to 1007 Declaration, Verification of Creditor Matrix and Matrix](#)
- [West End Absolute Return Fund I, LP: Voluntary Petition \(Chapter 11\). Order for Relief Entered. Schedule of Affiliated Debtors, Certification of Resolution, Corporate Ownership Statement, Rule 1007 Declaration of Raymond J.Heslin, Exhibits to 1007 Declaration, Verification of Creditor Matrix and Matrix](#)
- [West End Capital Management, LLC: Voluntary Petition \(Chapter 11\). Order for Relief Entered. Schedule of Affiliated Debtors, Certification of Resolution, Corporate Ownership Statement, Rule 1007 Declaration of Raymond J.Heslin, Exhibits to 1007 Declaration, Verification of Creditor Matrix and Matrix](#)
- [West End Fixed Income Partners, LP: Voluntary Petition \(Chapter 11\). Order for Relief Entered. Schedule of Affiliated Debtors, Certification of Resolution, Corporate Ownership Statement, Rule 1007 Declaration of Raymond J.Heslin, Exhibits to 1007 Declaration, Verification of Creditor Matrix and Matrix](#)
- [West End Income Strategies Fund, LP: Voluntary Petition \(Chapter 11\). Order for Relief Entered. Schedule of Affiliated Debtors, Certification of Resolution, Corporate Ownership Statement, Rule 1007 Declaration of Raymond J.Heslin, Exhibits to 1007 Declaration, Verification of Creditor Matrix and Matrix](#)
- [West End Mercury Short Term Mortgage Fund LP: Voluntary Petition \(Chapter 11\). Order for Relief Entered. Schedule of Affiliated Debtors, Certification of Resolution, Corporate Ownership Statement, Rule 1007 Declaration of Raymond J.Heslin, Exhibits to 1007 Declaration, Verification of Creditor Matrix and Matrix](#)
- [West End Mortgage Finance Fund I LP: Voluntary Petition \(Chapter 11\). Order for Relief Entered. Schedule of Affiliated Debtors, Certification of Resolution, Corporate Ownership Statement, Rule 1007 Declaration of Raymond J.Heslin, Exhibits to 1007 Declaration, Verification of Creditor Matrix and Matrix](#)
- [West End Private Client Income Fund LP: Voluntary Petition \(Chapter 11\). Order for Relief Entered. Schedule of Affiliated Debtors, Certification of Resolution, Corporate Ownership Statement, Rule 1007 Declaration of Raymond J.Heslin, Exhibits to 1007 Declaration, Verification of Creditor Matrix and Matrix](#)
- [West End Real Estate Fund I LP: Voluntary Petition \(Chapter 11\). Order for Relief Entered. Schedule of Affiliated Debtors, Certification of Resolution, Corporate Ownership Statement, Rule 1007 Declaration of Raymond J.Heslin, Exhibits to 1007 Declaration, Verification of Creditor Matrix and Matrix](#)
- [West End Special Opportunity Fund II LP: Voluntary Petition \(Chapter 11\). Order for Relief Entered. Schedule of Affiliated Debtors, Certification of Resolution, Corporate Ownership Statement, Rule 1007 Declaration of Raymond J.Heslin, Exhibits to 1007 Declaration, Verification of Creditor Matrix and Matrix](#)



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- [West End Special Opportunity Fund, LP: Voluntary Petition \(Chapter 11\), Order for Relief Entered, Schedule of Affiliated Debtors, Certification of Resolution, Corporate Ownership Statement, Rule 1007 Declaration of Raymond J.Heslin, Exhibits to 1007 Declaration, Verification of Creditor Matrix and Matrix.](#)

*To access copies of all major court filings from this case, please visit:*

[http://www.chapter11cases.com/West-End-Financial-Advisors-LLC\\_c\\_23709.html#axzz1GkRw4b6O](http://www.chapter11cases.com/West-End-Financial-Advisors-LLC_c_23709.html#axzz1GkRw4b6O)