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7 Attorneys for Receiver
8 THOMAS A. SEAMAN

9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA
11 SOUTHERN DIVISION

12 SECURITIES AND EXCHANGE
COMMISSION,

13 Plaintiff,

14 v.

15 MEDICAL CAPITAL HOLDINGS,
16 INC.; MEDICAL CAPITAL
CORPORATION; MEDICAL
17 PROVIDER FUNDING
CORPORATION VI; SIDNEY M.
18 FIELD; and JOSEPH J.
LAMPARIELLO,

19 Defendants.
20

Case No. SA CV09-0818 DOC (RNBx)

FOURTEENTH INTERIM FEE
APPLICATION OF ALLEN MATKINS
LECK GAMBLE MALLORY &
NATSIS LLP, COUNSEL TO THE
RECEIVER

Date: October 28, 2013
Time: 8:30 a.m.
Ctrm: 9D
Judge: Hon. David O. Carter

1 Allen Matkins Leck Gamble Mallory & Natsis LLP ("Allen Matkins"),
2 general counsel for Thomas A. Seaman ("Receiver"), the court-appointed Permanent
3 Receiver for Medical Capital Holdings, Inc., Medical Capital Corporation, Medical
4 Provider Funding Corporation VI, and their subsidiaries and affiliates (collectively,
5 the "Receivership Entities"), submits this Fourteenth Interim Application for
6 approval and payment of fees and reimbursement of expenses. This application
7 covers the period February 1, 2013 through April 30, 2013 ("Fourteenth Interim
8 Period").

9 Allen Matkins seeks interim approval of \$274,845.55 in fees and \$3,832.97 in
10 expenses incurred during the Fourteenth Interim Period. Allen Matkins asks that the
11 Receiver be authorized to pay 80% of the requested fees, or \$219,876.44 , and 100%
12 of the requested expenses. In light of the Court's prior comments, Allen Matkins
13 has carefully reviewed its invoices with an eye toward providing the best possible
14 value to the receivership estate and has made significant adjustments to such
15 invoices.

16 The Securities and Exchange Commission ("SEC") has reviewed this
17 Fourteenth Interim Fee Application, along with the Fee Application set for hearing
18 concurrently herewith filed by the Receiver. The SEC does not oppose this
19 Fourteenth Interim Fee Application.

20 **I. INTRODUCTION.**

21 On August 18, 2009, the Court entered the Preliminary Injunction and Order
22 Appointing a Permanent Receiver ("Appointment Order"), making the Receiver's
23 appointment permanent. Section VI of the Appointment Order empowers and
24 directs the Receiver to engage and employ attorneys to (1) assist in investigation and
25 discovery as may be necessary to locate and account for assets of or managed by the
26 Receivership Entities, and (2) investigate and, where appropriate, to institute,
27 pursue, and prosecute all claims and causes of action of whatever kind and nature as
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1 a result of the activities of the employees or agents of the Receivership Entities. The
2 Receiver immediately engaged Allen Matkins to serve as his general counsel.

3 With the assistance of Allen Matkins, the Receiver has worked diligently and
4 effectively during the Fourteenth Interim Period to preserve and protect the
5 receivership estate, and maximize the value and recovery from the various
6 receivership assets.

7 The Receiver and his team have utilized numerous strategies to reduce the
8 amount of attorneys' fees incurred as the case proceeds, including the use of
9 additional junior attorneys and paralegals as appropriate, as well as requiring third
10 parties to help defray such fees. While the fees and costs incurred by Allen Matkins
11 during this Fourteenth Interim Period were significant, the time and effort of Allen
12 Matkins attorneys were absolutely critical to preserve the receivership estate and
13 maximize the recovery from receivership assets. By this Fee Application, Allen
14 Matkins respectfully requests to be compensated for the services provided during
15 the Fourteenth Interim Period.

16 **II. EXECUTIVE SUMMARY OF TASKS PERFORMED BY ALLEN**
17 **MATKINS DURING THE FOURTEENTH INTERIM PERIOD.**

18 This case requires significant, complex legal work across a broad spectrum of
19 activities, including preserving assets, collecting debts, analyzing and pursuing
20 claims against third parties (including against attorneys and other professionals),
21 negotiating and documenting complex transactions, addressing environmental
22 issues, and obtaining Court approval of various actions by the Receiver. The
23 following is an overview of Allen Matkins' work in significant matters affecting the
24 Receivership Estate during the Fourteenth Interim Period. Further detail is
25 contained within this Fee Application, as well as in the Receiver's monthly reports
26 to the Court. Allen Matkins provided crucial and continuous hands-on assistance to
27 the Receiver on numerous legal matters, including:

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- 1 • **Sedgwick Litigation:** During the Fourteenth Interim Period, Allen
2 Matkins spent substantial time reviewing documents produced by and
3 demanded by Sedgwick. Attorneys performed numerous searches of
4 the applicable databases to identify relevant material and compiled
5 relevant information. Allen Matkins prepared an opposition to
6 Sedgwick's Rule 11 motion and attended a status conference held on
7 February 14, 2013. Allen Matkins also prepared a Second Amended
8 Complaint and an opposition to Sedgwick's motion to dismiss the
9 Second Amended Complaint.
- 10 • **Sale of Southwest Atlanta Hospital:** During the Fourteenth Interim
11 Period, Allen Matkins continued to assist the Receiver in addressing
12 numerous issues related to finalizing the terms of the sale of Southwest
13 Atlanta Hospital. Allen Matkins drafted an amendment to Court-
14 approved Purchase and Sale Agreement to extend the closing date in
15 order for the buyer to obtain financing. The firm also prepared an
16 application to the Court for approval of the amendment, which was
17 granted. Allen Matkins assisted the Receiver in addressing various lien
18 and title issues for the sale. Finally, Allen Matkins assisted in
19 preparing various required closing documents. The sale closed in
20 April 2013 for a purchase price of \$5 million.
- 21 • **Third Party Recoveries:** During the Fourteenth Interim Period, Allen
22 Matkins assisted the Receiver in efforts to recover amounts loaned to
23 various borrowers through litigation and settlement of claims, including
24 TEEM/Macaluso, Valley Health Care, and Mavusi/Pyramid
25 Technologies.
- 26 • **Lavipharm:** Allen Matkins assisted the Receiver in analyzing the
27 complex intellectual property collateral securing this substantial
28 defaulted loan, engaging an expert to provide a valuation of the

borrower's IP assets, evaluating strategies to maximize the recovery on the loan, and negotiating a potential debt repurchase with the borrower.

- **Reporting:** Allen Matkins assisted the Receiver in compiling the information necessary to prepare and draft his 43rd, 44th and 45th Interim Reports to the Court.

III. FEE APPLICATION.

With respect to its work performed during the Fourteenth Interim Period, Allen Matkins requests approval of \$274,845.55 in fees and \$3,832.97 in expenses. For ease of review, Allen Matkins has categorized the time billed by its professionals as follows:

A. Fees Requested (\$274,845.55)

Allen Matkins seeks approval of \$274,845.55 in fees, which are categorized in the table below.¹ Detailed descriptions of each category of fees and a break-down of hours by professional are also included below.

| CATEGORY | ALLEN MATKINS BILLING CODE | HOURS | FEES |
|---|----------------------------|-------|--------------|
| Investigation / Reporting | 298591-00004 | 13.8 | \$7,009.00 |
| Outstanding Litigation | 298591-00007 | 11.6 | \$4,763.00 |
| Third Party Claims | 298591-00008 | 66.6 | \$33,526.00 |
| Claims | 298591-00009 | 19.6 | \$9,567.50 |
| Medical Provider Funding Corporation III.1 - Assets / Disposition | 298591-00013 | 69.9 | \$34,209.00 |
| The Perfect Game | 298591-00021 | 10.7 | \$5,997.00 |
| Parkway / Dr. Aquino | 298591-00022 | 4.2 | \$1,584.00 |
| Plan & Distribution | 298591-00024 | 19.8 | \$10,072.00 |
| Manatt Phelps & Phillips Litigation | 298591-00025 | 7.0 | \$3,009.20 |
| Sedgwick, LLP Litigation | 298591-00026 | 270.2 | \$139,550.85 |
| Southwest Atlanta Medical Center | 298591-00027 | 43.0 | \$18,856.00 |
| Fazio, Rinsky & Associates | 298591-00028 | 9.2 | \$4,287.00 |
| Miscellaneous (General Receivership, Investor Issues) | 298591-00002 | 3.2 | \$1,661.00 |
| | 298591-00005 | 1.4 | \$754.00 |

¹ In compliance with agreements reached with the Trustees, a separate billing number was established for each of the MP entities. Typically, far fewer billing categories would be used in such a receivership.

| CATEGORY | ALLEN MATKINS BILLING CODE | HOURS | FEES |
|---------------------------|----------------------------|--------------|---------------------|
| TOTAL HOURS / FEES | | 550.2 | \$274,845.55 |

1. Investigation / Reporting [298591-00004] (13.8 hours)

This category contains time spent investigating, analyzing and providing legal advice as to the operations, transactions and assets of the Receivership Entities and recovering documents, records and other information regarding the business and assets of the Receivership Entities. During the Fourteenth Interim Period, Allen Matkins assisted the Receiver with respect to the handling of certain tax issues and spent time gathering information for and preparing three monthly reports to the Court.

| NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|---|--|-------|-------------|-------------------|
| Michael R. Farrell | Partner Litigation | \$535 | 11.6 | \$6,206.00 |
| Edward G. Fates | Senior Counsel Bankruptcy/Creditors' Rights | \$365 | 2.2 | \$803.00 |
| TOTAL HOURS & FEES² | | | 13.8 | \$7,009.00 |
| TOTAL EXPENSES | | | | \$586.91 |

2. Outstanding Litigation [298591-00007] (11.6 hours)

This category contains time spent analyzing and defending the receivership estate's interest in outstanding litigation to which the Receivership Entities or their borrowers are parties. In each instance, Allen Matkins' focus was on preserving assets that were at risk in the litigation.

- *Crown Plaza Development, LLC v. Edge Capital, Medical Capital Corporation, et al.*: This adversary proceeding, pending in bankruptcy court in the Central District of California (Hon. Robert Kwan presiding), relates to the bankruptcy case of Crown Plaza Development, LLC ("Crown

² See Farrell Decl., Exh. A, pp. 8-11.

1 Plaza"). Crown Plaza borrowed money from Edge Capital, an entity that
2 borrowed money from Medical Capital. Edge Capital was unable to repay
3 its loans from Medical Capital, and assigned the notes and deeds of trust
4 for the Crown Plaza loans to Medical Capital. Crown Plaza filed
5 bankruptcy and sued Edge Capital, Edge Capital's principals, and Medical
6 Capital. Pursuant to the Preliminary Injunction Order, the proceeding is
7 enjoined as it pertains to Medical Capital. In December 2010, the basic
8 terms of a settlement between the Receiver and Crown Plaza were
9 negotiated, subject to agreeable documentation. The settlement involved
10 the allocation of four commercial properties owned by Crown Plaza. A
11 Mexican restaurant owned by two of the principals of Crown Plaza is
12 located on one of the properties. In December 2012, the Court approved
13 the settlement and in February 2013, the bankruptcy court approved the
14 settlement and authorized Crown Plaza to sell three of the four collateral
15 properties and pay the net sale proceeds to the Receiver. During the
16 Fourteenth Interim Period, Allen Matkins assisted the Receiver with steps
17 necessary to complete the sale transactions and with preparing
18 documentation necessary to reconvey Medical Capital's deed of trust on
19 the one property retained by Crown Plaza. Allen Matkins also prepared an
20 ex parte application to amend the settlement agreement and extend Crown
21 Plaza's deadline to complete the sales, which the Court granted. The full
22 settlement sum (the net sale proceeds from the sale of the three Crown
23 Plaza properties) in the amount of \$2,509,915.75 was received in
24 March 2013.

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| NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|---|--|-------|-------------|-------------------|
| Michael R. Farrell | Partner Litigation | \$535 | 2.7 | \$1,444.50 |
| Susan E. Graham | Partner Real Estate | \$540 | 0.4 | \$216.00 |
| Edward G. Fates | Senior Counsel Bankruptcy/Creditors' Rights | \$365 | 8.5 | \$3,102.50 |
| TOTAL HOURS & FEES³ | | | 11.6 | \$4,763.00 |
| TOTAL EXPENSES | | | | \$334.16 |

3. Third Party Claims [298591-00008] (66.6 hours)

This category contains time spent analyzing and prosecuting claims on behalf of the receivership estate. Pending actions Allen Matkins assisted the Receiver with include the Receiver's claims against Pyramid Technologies, Inc. ("Pyramid"), Anthony Macaluso/ TEEM, LLC ("TEEM"), and Valley Health Care ("VHC").

In the Receiver's pending case against Pyramid Technologies, Allen Matkins previously prepared and filed a motion for summary judgment and a reply brief in connection therewith. Summary judgment in favor of the Receiver was granted, and the parties stipulated to dismiss the remaining claims in the complaint. The defendants filed a Notice of Appeal on January 6, 2012. One of the owners of Pyramid filed for bankruptcy and Allen Matkins provided advice to the Receiver concerning bankruptcy issues, including participation in a debtor's examination, and preparation of a complaint contesting the dischargeability of the debt.

As to the Receiver's claims against VHC, Allen Matkins advised the Receiver regarding enforcement of the loan agreement and settlement agreement due to VHC's default under the settlement agreement.

In the Receiver's case against TEEM, which case is pending before Judge Carney, Allen Matkins assisted the Receiver in negotiating and drafting a settlement

³ See Farrell Decl., Exh. A, pp. 16-23.

1 agreement, and prepared various documents relating thereto, including settlement
 2 approval documents and a stipulated judgment. The Receiver's settlement with
 3 TEEM was approved on May 6, 2013.

4 As to the Receiver's settlements with the trustees, Allen Matkins provided
 5 extensive advise to the Receiver and conflicts counsel concerning procedural and
 6 receivership-specific issues relating to Court approval of the settlement. Allen
 7 Matkins prepared for and attended multiple hearings on trustee settlement issues and
 8 provided advice to the Receiver as to distribution and other issues potentially
 9 affected by same.

| 10 | NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|----|---|------------------------------|-------|-------------|--------------------|
| 11 | David R. Zaro | Partner | \$560 | 5.0 | \$2,800.00 |
| 12 | | Bankruptcy/Creditors' Rights | | | |
| 13 | Michael R. Farrell | Partner | \$535 | 19.4 | \$10,379.00 |
| 14 | | Litigation | | | |
| 15 | Francis N. Scollan | Partner | \$485 | 41.2 | \$19,982.00 |
| 16 | | Litigation | | | |
| 17 | Edward G. Fates | Senior Counsel | \$365 | 1.0 | \$365.00 |
| 18 | | Bankruptcy/Creditors' Rights | | | |
| 19 | TOTAL HOURS & FEES⁴ | | | 66.6 | \$33,526.00 |
| 20 | TOTAL EXPENSES | | | | \$39.15 |

21 **4. Claims [298591-00009] (19.4 hours)**

22 Allen Matkins provided extensive assistance to the Receiver in addressing
 23 claims issues during the Fourteenth Interim Period. Allen Matkins had discussions
 24 with numerous claim holders concerning various claims issues. Allen Matkins also
 25 assisted the Receiver in addressing various claims that required correction due to
 26 imprecise aggregating of claims among related parties, including the drafting of a
 27 claims correction motion and the various supporting documents thereto. The firm

28 ⁴ See Farrell Decl., Exh. A, pp. 24-35.

1 assisted the Receiver in addressing claims asserted by the Internal Revenue Service
 2 and the New York Department of Labor.

| 3 | NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|---|---|--|-------|-------------|-------------------|
| 4 | David R. Zaro | Partner Bankruptcy/Creditors' Rights | \$560 | 0.9 | \$504.00 |
| 5 | Michael R. Farrell | Partner Litigation | \$535 | 7.1 | \$3,798.50 |
| 6 | Loraine L. Pedowitz | Senior Counsel Bankruptcy/Creditors' Rights | \$480 | 9.6 | \$4,608.00 |
| 7 | Edward G. Fates | Senior Counsel Bankruptcy/Creditors' Rights | \$365 | 1.8 | \$657.00 |
| 8 | TOTAL HOURS & FEES⁵ | | | 19.4 | \$9,567.50 |
| 9 | TOTAL EXPENSES | | | | \$46.50 |

12 **5. Medical Provider Funding Corporation III.1 – Assets /**
 13 **Disposition [298591-00013] (69.9 hours)**

14 This category contains time spent analyzing, investigating and preserving the
 15 assets of MPIII, Series 1. During the Fourteenth Interim Period, Allen Matkins
 16 provided substantial assistance to the Receiver in analyzing and negotiating a
 17 potential debt repurchase transaction with borrower Lavipharm, including review
 18 and analysis of numerous loan and collateral documents, analysis of proposed
 19 settlement terms and preparation of a potential settlement approval motion. Allen
 20 Matkins also assisted the Receiver in engaging an expert to review and evaluate the
 21 intellectual property collateral for the loan. Ultimately, the settlement with the
 22 borrower was not executed. The Receiver continues to work to maximize the
 23 recovery from this loan.

28 ⁵ See Farrell Decl., Exh. A, pp. 36-42.

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| NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|---|--|-------|-------------|--------------------|
| David R. Zaro | Partner Bankruptcy/Creditors' Rights | \$560 | 8.3 | \$4,648.00 |
| Michael R. Farrell | Partner Litigation | \$535 | 11.8 | \$6,313.00 |
| Debra D. Hall | Partner Corporate & Securities | \$545 | 28.5 | \$15,532.50 |
| Joshua Del Castillo | Senior Counsel Bankruptcy/Creditors' Rights/Litigation | \$355 | 6.7 | \$2,378.50 |
| Manfred Perera | Associate, Banking and Financial Institutions | \$375 | 0.8 | \$300.00 |
| Edward G. Fates | Senior Counsel Bankruptcy/Creditors' Rights | \$365 | 13.8 | \$5,037.00 |
| TOTAL HOURS & FEES⁶ | | | 69.9 | \$34,209.00 |
| TOTAL EXPENSES | | | | \$170.04 |

6. The Perfect Game [298591-00021] (10.7 hours)

The Perfect Game, LLC ("TPG") is a Nevada limited liability corporation whose primary asset is the rights to a film entitled *The Perfect Game*. The Receivership Entities own a percentage of TPG and control a majority of the voting shares of the entity.

During the Fourteenth Interim Period, Allen Matkins assisted the Receiver with issues relating to the distribution agreements with Image Entertainment ("Image") and Camelot Distribution Group ("Camelot"), and payments owed under such agreements, including analyzing TPG's enforcement rights under the distribution agreements and issuing demands for past due payments and quarterly reports from Image and Camelot.

⁶ See Farrell Decl., Exh. A, pp. 43-47.

| NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|---|--|-------|-------------|-------------------|
| Michael R. Farrell | Partner Litigation | \$535 | 0.4 | \$214.00 |
| Edward G. Fates | Senior Counsel Bankruptcy/Creditors' Rights | \$365 | 3.2 | \$1,168.00 |
| Daniel G. McIntosh | Partner Corporate/Entertainment | \$650 | 7.1 | \$4,615.00 |
| TOTAL HOURS & FEES⁷ | | | 10.7 | \$5,997.00 |
| TOTAL EXPENSES | | | | \$40.85 |

7. Parkway Hospital / Dr. Aquino [298591-00022] (4.2 hours)

This category contains time spent analyzing and investigating the portfolio of loans the Receivership Entities made to Parkway Hospital, Dr. Robert Aquino, and Capitol Health Management, Inc., on which, including principal and accrued interest, more than \$97 million is owed. During the Fourteenth Interim Period, Allen Matkins assisted the Receiver with various matters concerning the Parkway Hospital and Capitol Health bankruptcies and advised the Receiver with respect to collection issues.

| NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|---|--|-------|-------------|---------------------|
| Michael R. Farrell | Partner Litigation | \$535 | 0.3 | \$160.50 |
| Edward G. Fates | Senior Counsel Bankruptcy/Creditors' Rights | \$365 | 3.9 | \$1,423.50 |
| TOTAL HOURS & FEES⁸ | | | 4.2 | \$\$1,584.00 |
| TOTAL EXPENSES | | | | \$5.90 |

8. Plan & Distribution [298591-00024] (19.8 hours)

During the Fourteenth Interim Period, Allen Matkins had numerous communications with investors concerning the terms of the proposed plan and the

⁷ See Farrell Decl., Exh. A, pp. 57-58.
⁸ See Farrell Decl., Exh. A, pp. 59-62.

1 timing of any distributions. Allen Matkins continued to perform various tasks
 2 related to the investigation of third party recoveries by note holders. Allen Matkins
 3 also advised the Receiver with respect to developments in the trustee settlements
 4 and the potential effect of same on distribution plan issues.

| 5 | NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|----|---|--|-------|-------------|--------------------|
| 6 | David R. Zaro | Partner Bankruptcy/Creditors' Rights | \$560 | 4.6 | \$2,576.00 |
| 7 | | | | | |
| 8 | Michael R. Farrell | Partner Litigation | \$535 | 5.1 | \$2,728.00 |
| 9 | | | | | |
| 10 | Edward G. Fates | Senior Counsel Bankruptcy/Creditors' Rights | \$365 | 0.7 | \$255.00 |
| 11 | Loraine L. Pedowitz | Senior Counsel Bankruptcy/Creditors' Rights | \$480 | 9.4 | \$4,512.00 |
| 12 | TOTAL HOURS & FEES⁹ | | | 19.8 | \$10,071.00 |
| 13 | TOTAL EXPENSES | | | | 0.0 |

14 **9. Manatt Phelps & Phillips Claim [298591-00025] (7 hours)**

15 This category includes time spent by Allen Matkins in meeting with,
 16 transitioning, and providing documents to the Receiver's Court-approved special
 17 counsel (Geragos & Geragos, PC) to continue the Receiver's pursuit of claims
 18 against former counsel for the Receivership Entities, the law firm of Manatt
 19 Phelps & Phillips.
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28 ⁹ See Farrell Decl., Exh. A, pp. 63-67.

| 1 | NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|----|--|------------------------------|----------|-------------|-------------------|
| 2 | Michael R. Farrell | Partner | \$550 | 1.4 | \$770.00 |
| 3 | | Litigation | | | |
| 4 | Stephen S. Walters | Partner | \$550 | 1.3 | \$786.50 |
| 5 | | Litigation | | | |
| 6 | Edward G. Fates | Senior Counsel | \$365 | 1.1 | \$401.50 |
| 7 | | Bankruptcy/Creditors' Rights | | | |
| 8 | Cathy A. Hongola | Associate | \$328.50 | 3.2 | \$1,051.20 |
| 9 | | Litigation | | | |
| 10 | TOTAL HOURS & FEES¹⁰ | | | 7.0 | \$3,009.20 |
| 11 | TOTAL EXPENSES | | | | 0.0 |

10. Sedgwick, LLP Claim [298591-00026](270.2 hours)

This category includes time spent by Allen Matkins to pursue litigation against former counsel for the Receivership Entities, the law firm of Sedgwick, LLP. The Receiver filed a complaint against Sedgwick on May 2, 2011. During the Fourteenth Interim Period, Allen Matkins spent substantial time reviewing approximately 42,000 documents produced by Sedgwick. Allen Matkins also spent substantial time review documents and gathering information demanded by Sedgwick in various discovery requests. Attorneys performed numerous searches of the applicable databases to identify relevant material and compiled relevant information.

Allen Matkins prepared an opposition to Sedgwick's Rule 11 motion, which was denied, and attended a status conference held on February 14, 2013. Allen Matkins also prepared a Second Amended Complaint, which was filed on March 4, 2013. The firm prepared a Joint Rule 26(f) Report together with counsel for Sedgwick. After Sedgwick moved to dismiss the Second Amended Complaint,

¹⁰ Due to confidentiality obligations and the sensitive nature of the matters relating to this matter, billing invoices have not been included in this public document. Copies of such invoices will be provided to the Court, in camera, immediately upon the Court's request.

1 Allen Matkins assisted the Receiver in preparing an opposition to the motion, which
 2 was filed on April 22, 2013.

| 3 | NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|----|--|--|----------|-------------|---------------------|
| 4 | Michael R. Farrell | Partner Litigation | \$550 | 3.8 | \$2,090.00 |
| 5 | | | | | |
| 6 | Patrick E. Breen | Partner Litigation | \$550 | 36.0 | \$19,800.00 |
| 7 | | | | | |
| 8 | Stephen S. Walters | Partner Litigation | \$605 | 30.8 | \$18,634.00 |
| 9 | | | | | |
| 10 | Francis N. Scollan | Partner Litigation | \$550 | 151.4 | \$83,270.00 |
| 11 | | | | | |
| 12 | Edward G. Fates | Senior Counsel Bankruptcy/Creditors' Rights | \$365 | 20.9 | \$7,628.50 |
| 13 | | | | | |
| 14 | Cathy A. Hongola | Associate Litigation | \$328.50 | 16.4 | \$5,387.40 |
| 15 | | | | | |
| 16 | Kim A. Bui | Associate/ Litigation | \$265.50 | 2.4 | \$637.20 |
| 17 | | | | | |
| 18 | Rhonda Reid | Paralegal/ Litigation | \$247.50 | 1.9 | \$470.25 |
| 19 | | | | | |
| 20 | Alana U. Thorbourne | Associate Litigation | \$247.50 | 6.6 | \$1,633.50 |
| 21 | | | | | |
| 22 | TOTAL HOURS & FEES¹¹ | | | 270.2 | \$139,550.85 |
| 23 | TOTAL EXPENSES | | | | \$2,380.65 |

24 ***11. Southwest Atlanta Medical Center [298591-00027]***
 25 ***(43 hours)***

26 This category contains time spent by Allen Matkins on issues relating to the
 27 Southwest Atlanta Medical Center property located in Atlanta, Georgia.
 28 Receivership Entity Georgia Medical Provider Financial Corporation holds title to
 the property, which is currently vacant. During the Fourteenth Application Period,

¹¹ Due to confidentiality obligations and the sensitive nature of the matters relating to this matter, billing invoices have not been included in this public document. Copies of such invoices will be provided to the Court, in camera, immediately upon the Court's request.

1 Allen Matkins continued to assist the Receiver in addressing numerous issues
 2 related to finalizing the terms of the sale of Southwest Atlanta Hospital. Allen
 3 Matkins drafted an amendment to Court-approved Purchase and Sale Agreement to
 4 extend the closing date in order for the buyer to obtain financing. The firm also
 5 prepared an application to the Court for approval of the amendment, which was
 6 granted. Allen Matkins assisted the Receiver in addressing various lien and title
 7 issues for the sale. Finally, Allen Matkins assisted in preparing various required
 8 closing documents. The sale closed in April 2013 for a purchase price of \$5 million.

| 9 | NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|----|--|--|-------|-------------|--------------------|
| 10 | Michael R. Farrell | Partner Litigation | \$535 | 5.3 | \$2,835.50 |
| 11 | Susan E. Graham | Partner Real Estate | \$540 | 14.0 | \$7,560.00 |
| 12 | Edward G. Fates | Senior Counsel Bankruptcy/Creditors' Rights | \$365 | 19.9 | \$7,263.50 |
| 13 | Brett Weiss | Associate Real Estate | \$315 | 3.8 | \$1,197.00 |
| 14 | TOTAL HOURS & FEES¹² | | | 43.0 | \$18,856.00 |
| 15 | TOTAL EXPENSES | | | | \$13.91 |

18 **12. Fazio, Rinsky & Associates, LLP [298591-00028]**
 19 **(9.2 hours)**

20
 21 This category includes time spent by Allen Matkins in meeting with,
 22 transitioning, and providing documents to the Receiver's Court-approved special
 23 counsel (Geragos & Geragos, PC) to pursue claims against former General Counsel
 24 of Medical Capital, Thomas Fazio, and the law firm of Fazio, Rinsky & Associates.

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 28 ¹² See Farrell Decl., Exh. A, pp. 68-78.

| NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|--|--|-------|-------------|-------------------|
| David R. Zaro | Partner Bankruptcy/Creditors' Rights | \$560 | 0.4 | \$224.00 |
| Michael R. Farrell | Partner Litigation | \$535 | 4.6 | \$2,530.00 |
| Edward G. Fates | Senior Counsel Bankruptcy/Creditors' Rights | \$365 | 4.2 | \$1,533.00 |
| TOTAL HOURS & FEES¹³ | | | 9.2 | \$4,287.00 |
| TOTAL EXPENSES | | | | 0.0 |

13. Miscellaneous [298591-00002 and 00005] (4.6 hours)

This category includes fees and costs for two billing categories: General Receivership and Investor Issues. Specifically, time relating to the administration of the Receivership and communicating with investors are included in this category, including but not limited to:

- General Receivership: Allen Matkins assisted the Receiver with inquiries from a third party relating to a former receivership asset, and the handling of information requests relating to investors' third party recoveries and protective order issues involved with such information.
- Investor Issues: Allen Matkins continued to correspond with investors and their representatives relating to questions regarding the Receivership.

¹³ Due to confidentiality obligations and the sensitive nature of the matters relating to this matter, billing invoices have not been included in this public document. Copies of such invoices will be provided to the Court, in camera, immediately upon the Court's request.

| NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|--|--|-------|-------------|-------------------|
| David R. Zaro | Partner Bankruptcy/Creditors' Rights | \$560 | 0.2 | \$112.00 |
| Michael R. Farrell | Partner Litigation | \$535 | 4.1 | \$2,193.50 |
| Edward G. Fates | Senior Counsel Bankruptcy/Creditors' Rights | \$365 | 0.3 | \$109.50 |
| TOTAL HOURS & FEES¹⁴ | | | 4.6 | \$2,415.00 |
| TOTAL EXPENSES | | | | \$214.90 |

B. Expenses Requested (\$3,832.97)

Allen Matkins also requests that the Court approve \$10,802.31 in expenses. A summary of the expenses by matter is contained in the charts above, and are consolidated for the Court's convenience below. Allen Matkins charges \$0.19 per page for copies and \$2.00 per page on outgoing faxes only. No charge for incoming faxes is included. Messenger fees include hand delivery charges and federal express or other overnight services. The urgency of many matters and the volume of interested parties to whom service of pleadings and other notices were required made overnight services the only practical alternative in many instances. In addition, certain of the pleadings were voluminous.

Copying charges and mail expenses likewise reflect the large volume of parties involved in certain matters, and the Receiver's goal to provide as much information as possible to interested parties. Travel expenses were incurred by Allen Matkins attorneys when their attendance was required at Court hearings and other litigation proceedings.

¹⁴ See Farrell Decl., Exh. A, pp. 4-7 and 12-13.

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| CATEGORY | EXPENSES |
|---|-------------------|
| Investigation / Reporting | \$586.91 |
| Outstanding Litigation | \$334.16 |
| Third Party Claims | \$39.15 |
| Claims | \$46.50 |
| Medical Provider Funding Corporation III.1 - Assets / Disposition | \$170.04 |
| The Perfect Game | \$40.85 |
| Parkway / Dr. Aquino | \$5.90 |
| Plan & Distribution | \$0.0 |
| Manatt Phelps & Phillips Litigation | \$0.0 |
| Sedgwick, LLP Litigation | \$2,380.65 |
| Southwest Atlanta Medical Center | \$13.91 |
| Fazio, Rinsky & Associates | \$0.0 |
| Miscellaneous (General Receivership, Investor Issues) | \$214.90 |
| TOTAL EXPENSES: | \$3,832.97 |

IV. CONCLUSION.

Allen Matkins has worked diligently to assist the Receiver in fulfilling his assigned duties, and has provided valuable service to the Receivership estate during this Fourteenth Interim Period. Therefore, pursuant to the legal authorities cited in Allen Matkins' First Interim Fee Application, and this Court's power to approve the requested interim fees and expenses, Allen Matkins respectfully requests an order:

1. Approving and allowing fees totaling \$274,845.55 for the Fourteenth Interim Period;
2. Approving and allowing reimbursement of costs totaling \$3,832.97 for the Fourteenth Interim Period;
3. Authorizing the Receiver to pay 80% of the allowed amount of Allen Matkins' fees, which amount is \$219,876.44.

1 4. Authorizing the Receiver to pay 100% of the allowed amount of Allen
2 Matkins' costs, which amount is \$3,832.97, and

3 5. For other and further relief as is appropriate.

4 Dated: September 24, 2013

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

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By: /s/ Michael R. Farrell
MICHAEL R. FARRELL
Attorneys for Receiver
THOMAS A. SEAMAN