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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)

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

Date: December 22, 2014
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 Nineteenth Interim Application for
6 approval and payment of fees and reimbursement of expenses. This application
7 covers the period May 1, 2014 through July 31, 2014 ("Nineteenth Interim Period").

8 Allen Matkins seeks interim approval of \$427,023.50 in fees and \$16,438.15
9 in expenses incurred during the Nineteenth Interim Period. Allen Matkins asks that
10 the Receiver be authorized to pay 80% of the requested fees, or \$341,618.80, and
11 100% of the requested expenses. In light of the Court's prior comments, Allen
12 Matkins has carefully reviewed its invoices with an eye toward providing the best
13 possible value to the receivership estate and has made significant adjustments to
14 such invoices.

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

19 **I. INTRODUCTION.**

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

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

5 The Receiver and his team have utilized numerous strategies to reduce the
6 amount of attorneys' fees incurred as the case proceeds, including the use of
7 additional junior attorneys and paralegals as appropriate. While the fees and costs
8 incurred by Allen Matkins during this Nineteenth Interim Period were significant,
9 the time and effort of Allen Matkins attorneys were necessary to preserve the
10 receivership estate (e.g. address a lawsuit against the Receiver relating to the Trace
11 nuclear facility in Texas) and maximize the recovery from receivership assets.

12 Note, over eighty-five percent (85%) of the fees incurred during this period
13 related to the action filed against the Receiver by Interstate Restoration, LLC, which
14 was set to start trial before the Court on August 13, 2014. The action settled at the
15 end of this application period. Other than de minimis fees incurred in August 2014
16 to finalize the settlement, no further fees have been incurred on this matter. Future
17 applications by Allen Matkins will be for a fraction of the current amount.

18 By this Fee Application, Allen Matkins respectfully requests to be
19 compensated for the services provided during the Nineteenth Interim Period.

20 **II. EXECUTIVE SUMMARY OF TASKS PERFORMED BY ALLEN**
21 **MATKINS DURING THE NINETEENTH INTERIM PERIOD.**

22 This case requires significant, complex legal work across a broad spectrum of
23 activities, including preserving assets, collecting debts, analyzing and pursuing
24 claims against third parties, negotiating and documenting complex transactions,
25 addressing environmental issues, and obtaining Court approval of various actions by
26 the Receiver. The following is an overview of Allen Matkins' work in significant
27 matters affecting the Receivership Estate during the Nineteenth Interim Period.
28 Further detail is contained within this Fee Application, as well as in the Receiver's

1 monthly reports to the Court. Allen Matkins provided crucial and continuous hands-
2 on assistance to the Receiver on numerous legal matters, including:

- 3 • **Interstate Restoration Litigation:** On May 2, 2013, Interstate
4 Restoration LLC filed an action against the Receiver in the Central
5 District, asserting various causes of action and seeking damages of over
6 \$1,200,000. The action involved the Receiver's sale of a loan made to
7 Trace Life Sciences, Inc. ("Trace") secured by Texas property,
8 including a radiochemical manufacturing facility, and restoration work
9 performed by the plaintiff at the property. During the Nineteenth
10 Interim Period, Allen Matkins provided extensive assistance to the
11 Receiver in defending the action. Allen Matkins prepared for and
12 conducted two depositions of Interstate and its counsel. Allen Matkins
13 also brought a summary judgment motion relating to Interstate's
14 amended complaint, including preparation of all motion and reply
15 briefing and numerous supporting papers, review of Interstate's
16 opposition papers, and preparation for/appearance at the hearing on the
17 motion. The motion was successful in significantly narrowing
18 Interstate's claims and capping its compensatory damages. Allen
19 Matkins also performed numerous tasks in preparing for trial, including
20 meetings with opposing counsel, preparation of pre-trial documents
21 such as an exhibit list, a witness list. proposed stipulated facts, etc.,
22 development of a trial outline to organize evidence, work with
23 witnesses in preparation for testimony, identify deposition testimony
24 excerpts, review and respond to disclosures from opposing counsel,
25 review documents for use/objection at trial, , address jury selection
26 issues and strategy, address demonstrative exhibits, draft and oppose
27 motions in limine, and generally perform all tasks necessary for trial.
28 Allen Matkins also prepared for and participated in a settlement

1 conference which led to the settlement ultimately approved by the
2 Court.

- 3 • **Third Party Claims:** Allen Matkins provided extensive advice and
4 assistance to the Receiver on three different actions during the
5 Nineteenth Interim Period. In the adversary proceeding relating to the
6 Mavusi's and Pyramid Technology, Allen Matkins attended a pre-trial
7 conference and handled the opposition to the Mavusis' summary
8 judgment motion, including review of the motion papers, research into
9 relevant issues, preparation of reply papers, and participation in the
10 hearing on the summary judgment motion. In the Receiver's action
11 against Valley Health Care, Allen Matkins revised and finalized the
12 Rule 26 report, prepared an amended complaint, prepared all papers in
13 opposition to defendants' motion to dismiss the amended complaint,
14 and coordinated with opposing counsel on ADR matters. As to the
15 Receiver's action against Anthony Macaluso, Allen Matkins provided
16 analysis and advice to the Receiver concerning judgment collection
17 efforts and strategy.
- 18 • **Lavipharm:** Allen Matkins assisted the Receiver in analyzing the
19 complex intellectual property collateral securing this substantial
20 defaulted loan to Lavipharm Laboratories, Inc. and Lavipharm
21 Corporation (collectively, "Lavipharm"), which has a current principal
22 balance owed of over \$24 million. The loan is secured by various
23 assets, including rights in certain patents for medical delivery systems.
24 During the Nineteenth Interim Period, Allen Matkins participated in
25 extensive discussions with a new potential third party purchaser for the
26 interest in Lavipharm, including the negotiation and documentation of a
27 non-disclosure agreement. Allen Matkins also engaged with other
28 interested parties to various degrees. Allen Matkins also conducted

1 research and analysis into potential alternative actions, including UCC
 2 foreclosure, and advised the Receiver re: same.

3 **III. FEE APPLICATION.**

4 With respect to its work performed during the Nineteenth Interim Period,
 5 Allen Matkins requests approval of \$427,023.50 in fees and \$16,438.15 in expenses.
 6 For ease of review, Allen Matkins has categorized the time billed by its
 7 professionals as follows:

8 **A. Fees Requested (\$427,023.50)**

9 Allen Matkins seeks approval of \$427,023.50 in fees, which are categorized in
 10 the table below.¹ Detailed descriptions of each category of fees and a break-down
 11 of hours by professional are also included below.

| CATEGORY | ALLEN MATKINS BILLING CODE | HOURS | FEES |
|---|------------------------------|---------------|------------------------|
| Investigation / Reporting | 298591-00004 | 7.5 | \$4,012.50 |
| Third Party Claims | 298591-00008 | 68.0 | \$32,369.50 |
| Claims | 298591-00009 | 21.4 | \$10,925.50 |
| Medical Provider Funding Corporation III.1 - Assets / Disposition | 298591-00013 | 27.6 | \$10,613.50 |
| The Perfect Game | 298591-00021 | 1.3 | \$661.50 |
| Parkway/Dr. Aquino | 298591-00022 | 0.3 | \$109.50 |
| Plan & Distribution | 298591-00024 | 0.2 | \$73.00 |
| Fazio, Rinsky & Associates | 298591-00028 | 0.5 | \$267.50 |
| Interstate Restoration | 298591-00029 | 883.4 | \$364,714.50 |
| Miscellaneous (General Receivership/Investor Issues) | 298591-00002 298591-00005 | 6.8 0.2 | \$3,169.50 \$107.00 |
| TOTAL HOURS / FEES | | 1017.2 | \$427,023.50 |

23 **1. Investigation / Reporting [298591-00004] (7.5 hours)**

24 This category contains time spent investigating, analyzing and providing legal
 25 advice as to the operations, transactions and assets of the Receivership Entities and
 26

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

1 recovering documents, records and other information regarding the business and
 2 assets of the Receivership Entities. During the Nineteenth Interim Period, Allen
 3 Matkins assisted the Receiver with respect to gathering information for and
 4 preparing three monthly reports to the Court.

| NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|---|-----------------------|-------|-------------|-------------------|
| Michael R. Farrell | Partner Litigation | \$535 | 7.5 | \$4,012.50 |
| TOTAL HOURS & FEES² | | | 7.5 | \$4,012.50 |
| TOTAL EXPENSES | | | | \$132.60 |

10 **2. Third Party Claims [298591-00008] (68.0 hours)**

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

15 The Receiver filed a case against Pyramid Technologies in which summary
 16 judgment in favor of the Receiver was granted, and the parties stipulated to dismiss
 17 the remaining claims in the complaint. The defendants filed a Notice of Appeal on
 18 January 6, 2012. One of the owners of Pyramid filed for bankruptcy and Allen
 19 Matkins provided advice to the Receiver concerning bankruptcy issues, including
 20 preparation of a complaint contesting the dischargeability of the debt. During the
 21 Nineteenth Interim Period, Allen Matkins attended a pre-trial conference and
 22 handled the opposition to the Mavusis' summary judgment motion, including review
 23 of the motion papers, research into relevant issues, preparation of reply papers, and
 24 participation in the hearing on the summary judgment motion.

25 As to the Receiver's claims against VHC, Allen Matkins revised and finalized
 26 the Rule 26 report, prepared an amended complaint, prepared all papers in
 27

28 ² See Farrell Decl., Exh. A, pp. 8-10.

1 opposition to defendants' motion to dismiss the amended complaint, and coordinated
 2 with opposing counsel on ADR matters.

3 In the Receiver's case against TEEM, Allen Matkins provided analysis and
 4 advice to the Receiver concerning judgment collection efforts and strategy.

| 5 | NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|----|---|--|-------|-------------|--------------------|
| 6 | David R. Zaro | Partner Bankruptcy/Creditors' Rights | \$560 | 2.1 | \$1,176.00 |
| 7 | Michael R. Farrell | Partner Litigation | \$535 | 0.6 | \$321.00 |
| 8 | Francis N. Scollan | Partner Litigation | \$485 | 56.5 | 27,402.50 |
| 9 | Edward G. Fates | Associate Bankruptcy/Creditors' Rights | \$365 | 0.2 | 73.00 |
| 10 | Andrea M. Schoor | Associate Bankruptcy/Creditors' Rights | \$395 | 5.7 | 2,251.50 |
| 11 | Joshua R. Mandell | Senior Counsel Bankruptcy/Creditors' Rights | \$395 | 2.9 | 1,145.50 |
| 12 | TOTAL HOURS & FEES³ | | | 68.0 | \$32,369.50 |
| 13 | TOTAL EXPENSES | | | | \$3,080.30 |

17 **3. Claims [298591-00009] (21.4 hours)**

18 During the Nineteenth Interim Period, Allen Matkins assisted the Receiver
 19 working with claimants and/or their counsel to address issues relating to claims,
 20 including a musicians' union with claims relating to The Perfect Game film. The
 21 Court also issued a ruling during this period relating to lien priority issues on the
 22 Southwest Hospital property. Allen Matkins analyzed the Court's ruling and
 23 advised the Receiver as to the effect of the ruling on other Southwest Hospital
 24 claims. Allen Matkins also addressed new correspondence from counsel for
 25 claimant Dr. Gerstenfeld, including review of supporting materials, analysis of
 26 procedural and substantive issues with letter, preparation of responsive
 27

28 ³ See Farrell Decl., Exh. A, pp. 12-17.

1 correspondence, preparation for and participation in a conference call with Dr.
 2 Gerstenfeld and his counsel, and review of additional correspondence.

| 3 | NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|----|---|------------------------------|-------|-------------|--------------------|
| 4 | David R. Zaro | Partner | \$560 | 1.6 | \$896.00 |
| 5 | | Bankruptcy/Creditors' Rights | | | |
| 6 | Michael R. Farrell | Partner | \$535 | 13.6 | \$7,276.00 |
| 7 | | Litigation | | | |
| 8 | Loraine L. Pedowitz | Senior Counsel | \$480 | 3.5 | \$1,785.00 |
| 9 | | Bankruptcy/Creditors' Rights | | | |
| 10 | Edward G. Fates | Senior Counsel | \$365 | 2.6 | \$949.00 |
| 11 | | Bankruptcy/Creditors' Rights | | | |
| 12 | John T. Kaup | Paralegal | \$195 | 0.1 | 19.50 |
| 13 | | Litigation | | | |
| 14 | TOTAL HOURS & FEES⁴ | | | 21.4 | \$10,925.50 |
| 15 | TOTAL EXPENSES | | | | \$6.40 |

14 **4. Medical Provider Funding Corporation III.1 – Assets /**
 15 **Disposition [298591-00013] (27.6 hours)**

16 This category contains time spent analyzing, investigating and preserving the
 17 assets of MPIII, Series 1. Allen Matkins assisted the Receiver in analyzing the
 18 complex intellectual property collateral securing this substantial defaulted loan to
 19 Lavipharm Laboratories, Inc. and Lavipharm Corporation (collectively,
 20 "Lavipharm"), which has a current principal balance owed of over \$24 million. The
 21 loan is secured by various assets, including rights in certain patents for medical
 22 delivery systems. During the Nineteenth Interim Period, Allen Matkins participated
 23 in extensive discussions with a new potential third party purchaser for the interest in
 24 Lavipharm, including the negotiation and documentation of a non-disclosure
 25 agreement. Allen Matkins also engaged with other interested parties to various
 26 degrees. Allen Matkins also conducted research and analysis into potential
 27 alternative actions, including UCC foreclosure, and advised the Receiver re: same.

28 ⁴ See Farrell Decl., Exh. A, pp. 18-22.

| NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|---|--|-------|-------------|--------------------|
| David R. Zaro | Partner Bankruptcy/Creditors' Rights | \$560 | 2.7 | \$1,512.00 |
| Michael R. Farrell | Partner Litigation | \$535 | 0.9 | \$481.50 |
| Joshua Del Castillo | Senior Counsel Bankruptcy/Creditors' Rights/Litigation | \$355 | 19.0 | \$6,745.00 |
| Tim Hsu | Associate Litigation | \$295 | 5.0 | \$1,875.00 |
| TOTAL HOURS & FEES⁵ | | | 27.6 | \$10,613.50 |
| TOTAL EXPENSES | | | | \$0.00 |

5. The Perfect Game [298591-00021] (1.3 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 Nineteenth Interim Period, Allen Matkins reviewed correspondence from union counsel, reviewed pertinent materials and responded to counsel.

| NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|---|--|-------|-------------|-----------------|
| Michael R. Farrell | Partner Litigation | \$535 | 1.1 | \$588.50 |
| Edward G. Fates | Senior Counsel Bankruptcy/Creditors' Rights | \$365 | 0.2 | \$73.00 |
| TOTAL HOURS & FEES⁶ | | | 1.3 | \$661.50 |
| TOTAL EXPENSES | | | | \$0.40 |

⁵ See Farrell Decl., Exh. A, pp. 23-29.
⁶ See Farrell Decl., Exh. A, pp. 30-31.

1 **6. Parkway/Dr. Aquino [298591-00022] (0.3 hours)**

2 During the Nineteenth Interim Period, Allen Matkins reviewed the Parkway
 3 bankruptcy trustee's distribution motion and information from local counsel on
 4 Parkway foreclosure issues.

| 5 NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|---|--|-------|-------------|-----------------|
| 6 Edward G. Fates | Senior Counsel Bankruptcy/Creditors' Rights | \$365 | 0.3 | \$109.50 |
| 8 TOTAL HOURS & FEES⁷ | | | 0.3 | \$109.50 |
| 9 TOTAL EXPENSES | | | | \$0.00 |

10 **7. Plan & Distribution [298591-00024] (0.2 hours)**

11 During the Nineteenth Interim Period, Allen Matkins corresponded with an
 12 investor concerning distribution issues.

| 13 NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|--|--|-------|-------------|----------------|
| 14 Edward G. Fates | Senior Counsel Bankruptcy/Creditors' Rights | \$365 | 0.2 | \$73.00 |
| 16 TOTAL HOURS & FEES⁸ | | | 0.2 | \$73.00 |
| 17 TOTAL EXPENSES | | | | \$0.0 |

18 **8. Interstate Restoration [298591-00029] (883.4 hours)**

19 On May 2, 2013, Interstate Restoration LLC filed an action against the
 20 Receiver in the Central District, asserting various causes of action and seeking
 21 damages of over \$900,000. The action involves the Receiver's sale of a loan made
 22 to Trace Life Sciences, Inc. ("Trace") secured by Texas property, including a
 23 radiochemical manufacturing facility, and restoration work performed by the
 24 plaintiff at the property.
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28 ⁷ See Farrell Decl., Exh. A, pp. 32-33.
⁸ See Farrell Decl., Exh. A, pp. 34.

1 During the Nineteenth Interim Period, Allen Matkins provided extensive
 2 assistance to the Receiver in defending the action. Allen Matkins prepared for and
 3 conducted two depositions of Interstate and its counsel. Allen Matkins also brought
 4 a summary judgment motion relating to Interstate's amended complaint, including
 5 preparation of all motion and reply briefing and numerous supporting papers, review
 6 of Interstate's opposition papers, and preparation for/appearance at the hearing on
 7 the motion. The motion was successful in significantly narrowing Interstate's claims
 8 and capping its compensatory damages. Allen Matkins also performed numerous
 9 tasks in preparing for trial, including meetings with opposing counsel, preparation of
 10 pre-trial documents such as an exhibit list, a witness list. proposed stipulated facts,
 11 etc., development of a trial outline to organize evidence, work with witnesses in
 12 preparation for testimony, identify deposition testimony excerpts, review and
 13 respond to disclosures from opposing counsel, review documents for use/objection
 14 at trial, , address jury selection issues and strategy, address demonstrative exhibits,
 15 draft and oppose motions in limine, and generally perform all tasks necessary for
 16 trial. Allen Matkins also prepared for and participated in a settlement conference
 17 which led to the settlement ultimately approved by the Court.

| NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|--------------------|--|---------|-------------|--------------|
| David R. Zaro | Partner Bankruptcy/Creditors' Rights | \$560 | 7.0 | \$3,920.00 |
| Michael R. Farrell | Partner Litigation | \$535 | 401.3 | \$214,695.50 |
| Edward G. Fates | Senior Counsel Bankruptcy/Creditors' Rights | \$365 | 63.3 | \$23,104.50 |
| John T. Kaup | Paralegal Litigation | \$195 | 25.8 | \$5,031.00 |
| Cindy Sandoval | Secretary Litigation | \$70.00 | 3.5 | \$245.00 |
| Peter Griffin | Summer Associate | \$195 | 7.5 | \$1,462.50 |

| | | | | | |
|---|---|-------------------------|-------|--------------|---------------------|
| 1 | Nancy Fong | Associate Litigation | \$420 | 81.8 | \$34,356.00 |
| 2 | Alana Thorbourne | Associate Litigation | \$350 | 34.2 | \$11,970.00 |
| 3 | Josi Swonetz | Associate Litigation | \$270 | 259.0 | \$69,930.00 |
| 4 | TOTAL HOURS & FEES⁹ | | | 883.4 | \$364,714.50 |
| 5 | TOTAL EXPENSES | | | | \$8,406.61 |

8 **9. Miscellaneous [298591-00002 and 298591-00005] 7.0 hours)**

9 This category includes fees and costs for General Receivership Issues.
 10 Specifically, time relating to the administration of the Receivership are included in
 11 this category, including but not limited to advising the Receiver as to potential wind-
 12 up of the Receivership, assisting the Receiver with request for stipulation to allow
 13 foreclosure of Illinois property, including correspondence with counsel, and
 14 communicating with Colorado regulators and Receiver's office to provide additional
 15 information concerning victim recoveries.

| 16 | NAME | TITLE | RATE | TOTAL HOURS | TOTAL FEES |
|----|--|--|-------|-------------|-------------------|
| 17 | David R. Zaro | Partner Bankruptcy/Creditors' Rights | \$560 | 0.3 | \$168.00 |
| 18 | Michael R. Farrell | Partner Litigation | \$535 | 3.9 | \$2,086.50 |
| 19 | Edward G. Fates | Senior Counsel Bankruptcy/Creditors' Rights | \$365 | 2.8 | \$1,022.00 |
| 20 | TOTAL HOURS & FEES¹⁰ | | | 7.0 | \$3,276.50 |
| 21 | TOTAL EXPENSES | | | | \$1,012.30 |

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27 ⁹ 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
 28 upon the Court's request.
¹⁰ See Farrell Decl., Exh. A, pp. 4-7; 11.

1 **B. Expenses Requested (\$16,438.15)**

2 Allen Matkins also requests that the Court approve \$16,438.15 in expenses. A
 3 summary of the expenses by matter is contained in the charts above, and are
 4 consolidated for the Court's convenience below. Allen Matkins charges \$0.15 per
 5 page for copies and \$2.00 per page on outgoing faxes only. No charge for incoming
 6 faxes is included. Messenger fees include hand delivery charges and federal express
 7 or other overnight services. The urgency of many matters and the volume of
 8 interested parties to whom service of pleadings and other notices were required
 9 made overnight services the only practical alternative in many instances. In
 10 addition, certain of the pleadings were voluminous.

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

16 During the Nineteenth Interim Period, substantial expenses were incurred
 17 with respect to discovery and/or trial preparation in the Sedgwick, Pyramid and
 18 Interstate matters. In particular, Allen Matkins handled numerous depositions
 19 during this period, all of which involved transcript costs and many of which
 20 involved travel expenses.

| CATEGORY | EXPENSES |
|--|--------------------|
| Miscellaneous (General Receivership/Investor Issues) | \$1,012.30 |
| Investigation / Reporting | \$132.60 |
| Third Party Claims | \$3,080.30 |
| Claims | \$6.40 |
| The Perfect Game | \$0.40 |
| Sedgwick Detert Moran & Arnold | \$3,799.54 |
| Interstate Restoration | \$8,406.61 |
| TOTAL EXPENSES: | \$16,438.15 |

1 **IV. CONCLUSION.**

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

- 7 1. Approving and allowing fees totaling \$427,023.50 for the Nineteenth
- 8 Interim Period;
- 9 2. Approving and allowing reimbursement of costs totaling \$16,438.15 for
- 10 the Nineteenth Interim Period;
- 11 3. Authorizing the Receiver to pay 80% of the allowed amount of
- 12 Allen Matkins' fees, which amount is \$341,618.80.
- 13 4. Authorizing the Receiver to pay 100% of the allowed amount of Allen
- 14 Matkins' costs, which amount is \$16,438.15 and
- 15 5. For other and further relief as is appropriate.

16
17 Dated: November 20, 2014

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

18
19 By: /s/ Michael R. Farrell

20 MICHAEL R. FARRELL
21 Attorneys for Receiver
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