

1 DAVID R. ZARO (BAR NO. 124334)
MICHAEL R. FARRELL (BAR NO. 173831)
2 TED FATES (BAR NO. 227809)
ALLEN MATKINS LECK GAMBLE
3 MALLORY & NATSIS LLP
515 South Figueroa Street, Ninth Floor
4 Los Angeles, California 90071-3309
Phone: (213) 622-5555
5 Fax: (213) 620-8816
E-Mail: dzaro@allenmatkins.com
6 mfarrell@allenmatkins.com
tfates@allenmatkins.com

7 Attorneys for Receiver Thomas A. Seaman
8

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. 8:09-cv-0818-DOC (RNBx)

**DECLARATION OF CHRISTIAN
TUREAUD IN SUPPORT OF
EX PARTE APPLICATION FOR
APPROVAL OF:
(A) DISTRIBUTION AGREEMENT
WITH IMAGE ENTERTAINMENT,
INC.;
(B) DISTRIBUTION AGREEMENT
WITH CAMELOT DISTRIBUTION
GROUP, INC.; AND
(C) REACQUISITION OF RIGHTS
AGREEMENT WITH WILLIAM
WINOKUR**

21
22 Ctrm: 9D
Judge: Hon. David O. Carter



1 I, Christian Tureaud, declare as follows:

2 1. I am a principal in High Road Entertainment Group, Inc ("HRE"). In
3 December 2007, my partner, David Salzberg, and I were retained by Medical
4 Capital Holdings, Inc. ("MCHI") for the purpose of promoting and distributing the
5 film entitled *The Perfect Game* (the "Film"). I am informed and believe that MCHI
6 holds 75% of the voting rights of The Perfect Game, LLC ("TPG"), which owns the
7 Film. I have personal knowledge of the facts set forth herein, and if called as a
8 witness, could and would testify competently to such facts under oath.

9 2. For over fifteen years, I have created, capitalized and managed
10 businesses within the Entertainment, Marketing, Sports, Event Management and
11 Media/Technology Industries. In 2008, I co-founded HRE. HRE is a boutique
12 multi-media studio with a focus on developing, financing, producing, marketing and
13 distributing media of all form to a global audience. I currently serve as a managing
14 principal of HRE. Prior to HRE, I served as Executive Vice President at Mandalay
15 Integrated Media Entertainment (MIME) from 2003 to 2008 and was instrumental in
16 forging MIME's entrance into the inspirational film marketplace. Significant past
17 experiences also include serving as the CEO and Founder of 4th Quarter
18 Entertainment, LLC, a Sports and Entertainment Marketing Management and
19 Business Development Company in Los Angeles, and as President and Founder of
20 CyberAction, Inc., a Multi-Media Sports & Entertainment company based in New
21 York City from 1997-2001. I focus on developing, financing, producing, marketing
22 and distributing media of all form that delivers a positive message.

23 3. By the time the Film was completed in June 2008, Mr. Salzberg and I
24 had secured a worldwide distribution agreement, including domestic theatrical
25 release, from Lionsgate Entertainment ("Lionsgate") for a release date in August
26 2008. The agreement with Lionsgate required that TPG provide its own Prints &
27 Advertising ("P&A") capital in the amount of \$15 million, which was to be supplied

28



1 by one of the Receivership Entities. An essential element of distributing a film
2 theatrically is raising P&A Funds.

3 4. Although TPG was able to fund \$5.5 million, it failed to fulfill its
4 contractual obligation with Lionsgate of providing \$15 million in P&A capital. Due
5 to TPG's breach, Lionsgate pulled the release of the Film in mid-July 2008.

6 5. Because Lionsgate still controlled the worldwide distribution rights to
7 the Film, Mr. Salzberg and I worked extensively to negotiate the return of the Film
8 to TPG, and finally secured the return of the Film to TPG in December 2008.

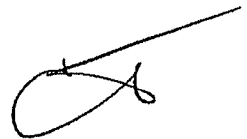
9 6. Although Mr. Salzberg and I continued diligent efforts in the following
10 months to secure domestic and foreign distribution agreements for the Film, we
11 were unable to do so until August 2009.

12 7. On or about August 19, 2009, TPG entered into the Assignment of
13 Distribution Rights Agreement ("ARA") with MIP Film Partners, LLC ("MFP") for
14 the purpose of securing domestic distribution rights for the Film.

15 8. Under the ARA, MIP received the foreign distribution rights to the
16 Film in consideration of providing \$250,000 needed to pay certain Mexican
17 creditors of the Film who were threatening to distribute prints of the Film in their
18 possession in Mexico prior to its release in the United States in order to satisfy their
19 claims. Such release would have had a very negative effect on the ability to
20 subsequently release the Film in the United States. MIP also obtained the right to
21 acquire the sole and exclusive domestic rights for sale and distribution of the Film
22 for a period of 30 days. To retain the domestic rights beyond this 30-day period,
23 MIP was required to secure P&A capital of at least \$3.5 million.

24 9. When the 30-day period expired on September 18, 2009, MIP had not
25 secured the \$3.5 million minimum P&A capital and its domestic distribution rights
26 to the Film terminated. My efforts to locate another company to distribute the Film
27 domestically were unsuccessful.

28



1 10. After the Court approved the amendment to the ARA, Mr. Salzberg and
2 I continued to confer with potential new sources of prints and advertising funds and
3 domestic distribution, and addressed various issues for finalizing and marketing the
4 Film.

5 11. A few parties also expressed a preliminary interest in purchasing the
6 Receivership Entities' rights in the Film, but the purchase prices discussed by such
7 parties were very low (\$1-2 million) because, among other reasons, the Film had
8 many debts that would have to be satisfied before the Film could be released.

9 12. Ultimately, MFP was the only party which was willing to enter into a
10 distribution agreement for the Film and provide the P&A Funds needed to enable
11 theatrical distribution of the Film. On January 25, 2010, the Court approved the
12 MFP Agreement.

13 13. An April 2010 theatrical release date was carefully selected to provide
14 the Film with the best chance for success. The release date was chosen to coincide
15 with the typical "spring break" holiday prior to Easter, and with the start of the Little
16 League and Major League Baseball seasons in the United States. Unfortunately, the
17 revenues generated from the theatrical release were substantially lower than
18 anticipated. Despite releasing the Film in over 400 theatres in the United States, the
19 Receiver believes that there was very little advertising and promotion of the Film
20 leading up to the theatrical release.

21 14. Since the MFP Agreement was terminated by TPG, Mr. Salzberg and I
22 have carefully monitored the market for distribution deals to exploit the Film in
23 domestic and foreign markets not yet exploited.¹ Several of the potential partners
24 for such deals (for example, Sony Entertainment) had already unsuccessfully sought
25 distribution rights from MFP, and were no longer interested. Others are not
26 interested as a result of the Film's poor performance in domestic theatres.

27 _____
28 ¹ To date, the Film has been released in theatres only in the United States and
Mexico, and a few theatres in Canada.


1 15. I believe that the proposed distribution agreements with Image
2 Entertainment and Camelot Distribution Group constitute the best opportunities for
3 TPG to realize a significant return on its investment in the Film. We know of no
4 other distributors who are interested in distributing the Film.

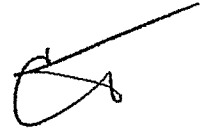
5 16. The proposed agreement with Image Entertainment includes a carve out
6 under which TPG reserves the right to distribute the Film for exhibition by churches
7 and other faith-based organizations, and can sell DVDs directly to Boys & Girls
8 Clubs, Latino Coalition, Amway and Little League. I believe these rights to be
9 worth between \$250,000 and \$500,000 to TPG.

10 17. Image, although not considered a "major" distributor, is a well-
11 established film distributor which utilizes Sony for its so-called "back room"
12 distribution in the home entertainment market.

13 18. Camelot is also a well-established film distributor. Camelot has
14 particular expertise in the distribution and exploitation of films in foreign markets.

15
16 I declare under penalty of perjury that the foregoing is true and correct.
17 Executed on December 23, 2010, at Los Angeles, California.

18 
19 Christian Tureaud

20
21
22 
23
24
25
26
27
28