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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.

Case No. 8:09-cv-0818-DOC (RNBx)

**DECLARATION OF WILLIAM
WINOKUR 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**

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

1 I, William Winokur, on my own behalf and on behalf of Laurel Street
2 Holdings, LLC ("LSH"), and Lone Runner Productions, LLC ("LRP"), each of
3 which I own and control, declare as follows:

4 1. I am the author of the screenplay and, through LSH and LRP
5 (collectively, with me, the "LSH Parties"), own the screenplay and life story rights
6 for film *The Perfect Game*. (The life story rights give the rights needed to use the
7 personal stories, names and other personal information of certain of the real life
8 players and other persons on whom the Film is based). The Film tells the
9 inspirational true story of a Mexican team of little leaguers who won the Little
10 League World Series in 1957. The following facts are within my knowledge and if
11 called as a witness I would testify to them under oath.

12 2. Prior agreements between the LSH Parties and The Perfect Game, LLC
13 ("TPG") to acquire screenplay and the story rights to the Film were never
14 consummated because TPG failed to make the required payments to the LSH
15 Parties. As a result, in August 2009, TPG executed a supplementary agreement with
16 the LSH Parties and MIP Film Partners, LLC ("MFP") to acquire the screenplay and
17 story rights. Under this agreement, the LSH Parties were to receive two payments
18 totaling \$657,000. The first payment of \$217,000 was paid from prints and ad
19 money for the Film provided by MFP. The agreement provided that LSH was to be
20 paid the remaining \$440,000 (the "LSH Second Payment") from the first revenues
21 received from the worldwide distribution of the Film. Specifically, LSH was to be
22 paid a share of each dollar of revenue received from the worldwide commercial
23 exploitation of the Film equal to \$440,000 divided by the total prints and ads monies
24 expended by MFP on the Film as of its initial release date until such time as LSH
25 received the LSH Second Payment. Such agreement further provided that the entire
26 LSH Second Payment was to be paid in full not later than August 20, 2010, and that
27 if such aggregate sum was not paid by such date, the screenplay and life story rights
28 purchased by TPG reverted to the LSH Parties.

1 3. As of August 20, 2010, no portion of the LSH Second Payment had
2 been paid by MFP (or any of its sub-distributors, sub-licensees, affiliates or any
3 other party) to LSH from revenues from the Film even though, on information and
4 belief, over \$1,000,000 had been received by Shadow Entertainment, SA ("SES") (a
5 sub-distributor engaged to distribute the Film in Mexico) from net revenues received
6 in Mexico; and approximately \$400,000 had been received by Slow Hand
7 Releasing, Inc ("SHR") from net revenues received in the United States. As a
8 consequence of this breach and the failure to pay the full \$440,000 by August 20,
9 2010, on August 23, 2010, counsel to the LSH Parties notified TPG and MFP that
10 we were rescinding the transfer of the rights previously purchased by TPG and
11 demanded that TPG and MFP cease and desist from any further exploitation of the
12 rights previously transferred and the Film.

13 4. The LSH Parties commenced an arbitration against MFP seeking
14 amounts owed under the August 20, 2009 agreement discussed above. MFP has
15 agreed to a settlement in which MFP: (i) acknowledges the loss of the rights to the
16 screenplay and life story rights to the LSH Parties; (ii) would explicitly not
17 reacquire or receive any of the screenplay or life story rights; and (iii) would remise,
18 quitclaim, transfer and assign all of its past, present and future rights to the Film's
19 net revenues to LSH up to an amount of \$218,500.00 (not inclusive of the first
20 payment of \$217,000 described in section 2 above). The material terms of the
21 release have been reduced to a Short Form Assignment and states in pertinent part
22 "For good and valuable consideration, the receipt and sufficiency of which are
23 hereby acknowledged, MFP hereby irrevocably remises, releases, quitclaims,
24 assigns, sells, grants, transfers and conveys to LSH all of MFP's right, title and
25 interest of every kind and nature in and to the Net Revenue up to and until LSH has
26 been paid, collected, and/or received, without encumbrance, the sum of TWO
27 HUNDRED EIGHTEEN THOUSAND FIVE HUNDRED DOLLARS (218,500.00
28 USD) from the Net Revenue (due, owing or paid to MFP now or in the future from

1 any party or any source in control of or possession of or claiming right to or title to
2 or who may obtain control, possession, right or title to any or all of the Net
3 Revenue) (the "LSH Priority Payments"). Such LSH Priority Payments do not
4 include any monies received by LSH prior to the Effective Date. As of the Effective
5 Date, LSH has received no part of the LSH Priority Payments. A true and correct
6 copy of the Short Form Assignment is attached to this declaration as Exhibit "A".

7 5. The LSH Parties have entered into an agreement with TPG in which
8 TPG would reacquire the screenplay and life story rights in significant part because
9 of TPG's ability to identify, negotiate and enter into a new distribution agreement
10 with an experienced, home entertainment distribution company who is able to
11 deliver a Spring 2011 release. The LSH Parties would not have entered into any
12 agreement with any of the parties in the absence of such a bonafide distribution
13 plan.

14 6. I have personal awareness of the unique difficulties faced by TPG in
15 trying to commercially exploit the Film, specifically the number of major
16 distributors who have already passed on the Film. Each day that a distribution plan
17 is delayed, the ability to successfully distribute the Film decreases to the point of
18 near impossibility. The fact that TPG has found any bonafide company still willing
19 to commit its capital and other resources to the Film's release is a remarkable
20 achievement, and clearly in the best interests of all parties involved. In addition, it is
21 my personal and professional belief that the potential home entertainment
22 distribution deal(s) negotiated by TPG is/are the best deal(s) available.
23 Furthermore, it is my belief that even if MFP had not been terminated by TPG, that
24 MFP would have been obliged to engage such third party distributor(s) and it is
25 unlikely that MFP would have, under the current circumstances, been able to
26 negotiate more favorable terms. Finally, it is my belief that should the distribution
27 of the Film be delayed until after a final resolution is achieved in the dispute
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1 between TPG and MFP, the ability to commercially exploit the Film will be
2 irrevocably depreciated thus causing irreparable harm to all parties.


3 I declare under penalty of perjury that the foregoing is true and correct.

4 Executed on January 10th, 2011, at New York City, New York.

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William Winokur

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EXHIBIT A

SHORT FORM ASSIGNMENT
By MIP Film Partners, LLC
page 1 of 2

This Short Form Assignment ("Instrument") is made and entered into as of December 23 2010 (the "Effective Date") and is subject to all the terms and conditions of that certain Settlement Agreement by and between Laurel Street Holdings, LLC ("LSH"), Lone Runner Productions, LLC ("LRP") and William Winokur on the one hand and MIP Film Partners, LLC ("MFP") on the other hand (collectively referred to herein as the "Parties", and individually as the "Party"), dated as of the same date hereof (the "Agreement"). In the event of a conflict between this Short Form Assignment and the Agreement, the terms of the Agreement shall control.

"Net Revenue" means the monies generated from all sources, in any and all media, anywhere in the world, from the distribution, sale, and/or commercial exploitation of any kind of the film known as "The Perfect Game" (the "Film")

Each of the Parties acknowledges and agrees that in consideration of the terms and provisions of the Agreement, and upon the mutual execution by the Parties thereof, each Party does hereby forever release and discharge the other Party and all its affiliates, subsidiaries, officers, directors, partners, employees, agents, attorneys, shareholders, insurers, successors, assigns, and other representatives from any liability for any and all claims, controversies, actions, causes of action, demands, debts, damages, costs, attorneys' fees, monies due on account, obligations, judgments and liabilities of any nature whatsoever at law or in equity, past, present or future, in contract, in tort or otherwise, arising out of the allegations in the Parties' pending arbitration and from any other claims or counterclaims which either Party had or might have had against the other Party, which existed up to the date of execution of the Agreement.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MFP hereby irrevocably remises, releases, quitclaims, assigns, sells, grants, transfers and conveys to LSH all of MFP's right, title and interest of every kind and nature in and to the Net Revenue up to and until LSH has been paid, collected, and/or received, without encumbrance, the sum of TWO HUNDRED EIGHTEEN THOUSAND FIVE HUNDRED DOLLARS (218,500.00 USD) from the Net Revenue (due, owing or paid to MFP now or in the future from any party or any source in control of or possession of or claiming right to or title to or who may obtain control, possession, right or title to any or all of the Net Revenue) (the "LSH Priority Payments"). Such LSH Priority Payments do not include any monies received by LSH prior to the Effective Date. As of the Effective Date, LSH has received no part of the LSH Priority Payments.

TO INDUCE ANY THIRD PARTY TO ACT HEREUNDER, MFP HEREBY AGREES THAT ANY THIRD PARTY RECEIVING A DULY EXECUTED COPY OR FACSIMILE OF THIS INSTRUMENT MAY ACT HEREUNDER.

IN WITNESS WHEREOF, a duly authorized officer of MFP has executed this Short Form Assignment as of the Effective Date.

For MIP Film Partners, LLC



By:

Its:

Managing Member

EXHIBIT A

SHORT FORM ASSIGNMENT
by MIP Film Partners, LLC
page 2 of 2

Notary Public Declaration:

STATE/PROVINCE OF New York, COUNTY/JURISDICTION OF Broome

On this day, personally appeared before me

David J. Machlica

to me known to be the person(s) described in and who executed the within and foregoing instrument, and acknowledged that he/she signed the same as his/her voluntary act and deed, for the uses and purposes therein mentioned, and as may be so stipulated and warranted therein.

Witness my hand and official seal hereto affixed

this 23rd day of December, 2010.

Patricia J. Gardner

Notary Public in and for the State/Province/District of New York.

Patricia J. Gardner
Notary Public - State of New York
My Commission Expires 01-20-2012
016A6104364

My commission expires on 01-20-2012