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

18 Defendants.
19

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

**NOTICE OF HEARING ON
REQUEST TO APPROVE OFFSETS
TO NOTEHOLDER CLAIMS ON
ACCOUNT OF THIRD PARTY
RECOVERIES**

Date: August 12, 2013
Time: 8:30 a.m.
Ctrm: 9D
Judge: Hon. David O. Carter

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1 **TO ALL INTERESTED PARTIES:**

2 **PLEASE TAKE NOTICE** that on August 12, 2013, at 8:30 a.m., in
3 Department 9D of the above-captioned Court, located at 411 West Fourth Street,
4 Santa Ana, California 92701, a hearing will be held on the request of Thomas A.
5 Seaman ("Receiver"), Court-appointed permanent receiver for Medical Capital
6 Holdings, Inc., Medical Capital Corporation, and Medical Provider Funding
7 Corporation VI, and their subsidiaries and affiliates, (collectively, "Medical Capital"
8 or "Receivership Entities"), for approval of offsets to certain allowed Noteholder
9 claim amounts due to amounts recovered by such Noteholders from third parties.

10 Pursuant to the Court-approved Amended Plan of Distribution (Docket
11 No. 844), amounts Noteholders recover from third parties on account of losses
12 resulting from their investments in the Receivership Entities net of attorney fees
13 ("Third Party Recoveries") offset their allowed claims against the receivership estate
14 dollar-for-dollar. The Receiver sent letters and Third Party Recovery Forms to all
15 Noteholders in October 2012 instructing them to report their Third Party Recoveries.

16 At the hearing held on June 24, 2013, the Court approved the following
17 schedule for consideration and determination of the offsets to unresolved Noteholder
18 claims on account of Third Party Recoveries:

19 1) No later than June 28, 2013, the Receiver would send letters to those
20 Noteholders (a) who have not responded to the October 2012 letter, (b) whose
21 reported Third Party Recoveries conflict with information the Receiver has gathered
22 from FINRA and other sources, and (c) who had pending Third Party Recovery
23 actions when they responded to the October 2012 letter.

24 2) The letters sent on June 28, 2013, would instruct the applicable
25 Noteholders to respond no later than July 19, 2013.

26 3) No later than August 1, 2013, the Receiver would file his proposed offsets
27 to Noteholder claims.

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1 4) A hearing would be held on August 12, 2013, to consider and resolve
2 disputes regarding offsets to applicable Noteholder claims.

3 Pursuant to the above schedule, the letters described above were mailed on
4 June 28, 2013. Based on the forms returned by Noteholders and information about
5 Third Party Recoveries obtained from other sources, the Receiver will file his
6 recommended offsets to applicable Noteholder claims on August 1, 2013.

7 As noted above, a hearing will be held on August 12, 2013, at 8:30 a.m. to
8 consider any disputes with regard to the Receiver's recommended offsets. Any
9 written responses to the Receiver's recommended offsets should be filed with the
10 Court prior to the hearing.

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12 Dated: July 15, 2013

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

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By: /s/ Ted Fates

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TED FATES
Attorneys for Receiver
Thomas A. Seaman

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PROOF OF SERVICE

On July 15, 2013, I served the document(s) described as:

➤ **NOTICE OF HEARING ON REQUEST TO APPROVE OFFSETS TO NOTEHOLDER CLAIMS ON ACCOUNT OF THIRD PARTY RECOVERIES**

on the interested parties in this action by:

BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF"): the foregoing document(s) will be served by the court via NEF and hyperlink to the document. On July 15, 2013, I checked the CM/ECF docket for this case and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email addressed indicated below:

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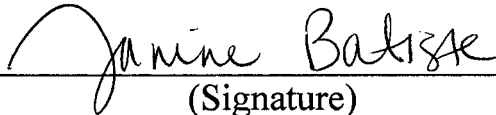
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19 **BY MAIL:** I placed a true copy of the document in a sealed envelope or
 20 package addressed as indicated on the attached Service List on the above-
 21 mentioned date in San Diego, California for collection and mailing pursuant
 22 to the firm's ordinary business practice. I am familiar with the firm's practice
 23 of collection and processing correspondence for mailing. Under that practice
 24 it would be deposited with the U.S. Postal Service on that same day in the
 25 ordinary course of business. I am aware that on motion of party served,
 26 service is presumed invalid if postal cancellation date or postage meter date is
 27 more than one day after date of deposit for mailing in affidavit.

28 I declare under penalty of perjury under the laws of the United States of
 America that the foregoing is true and correct.

Executed on July 15, 2013, at San Diego, California.

Janine L. Batiste
 (Type or print name)


 (Signature)