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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)

SIXTH INTERIM FEE APPLICATION
OF TRACHTENBERG RODES &
FRIEDBERG LLP, COUNSEL FOR
RECEIVERSHIP ENTITY MEDICAL
CAPITAL CORPORATION AND ITS
AFFILIATES AND SUBSIDIARIES

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

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6 New York, NY 10017
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11 Counsel for Receivership Entity
12 MEDICAL CAPITAL CORPORATION
13 AND ITS AFFILIATES AND SUBSIDIARIES

14 UNITED STATES DISTRICT COURT
15 CENTRAL DISTRICT OF CALIFORNIA
16 SOUTHERN DIVISION

17 SECURITIES AND EXCHANGE
18 COMMISSION,

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25 CORPORATION VI; SIDNEY M.
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Trachtenberg Rodes & Friedberg ("TR&F"), counsel retained by Thomas A. Seaman ("Receiver"), the Court-appointed permanent receiver for defendants Medical Capital Holdings, Inc., Medical Capital Corporation, Medical Provider Funding Corporation VI and their subsidiaries and affiliates, submits this sixth interim application for approval and payment of fees and reimbursement of expenses on behalf of TR&F. This application covers fees and expenses incurred during the fifteen-month period May 1, 2012 through July 31, 2013 (the "Sixth Application Period"), for legal work performed on behalf of the Receiver and receivership entity Medical Capital Corporation and its affiliates and subsidiaries ("Medical Capital").

1 By this Sixth Interim Fee Application, TR&F seeks an order allowing TR&F compensation
2 for services rendered and expenses incurred during the Sixth Application Period in the amount of
3 \$7,670.00 in fees, representing 32.30 hours of attorney and paralegal time at a blended rate of
4 \$237.46 per hour, and \$1,466.74 in costs; and authorizing the Receiver to pay 100% of the
5 requested fees or \$7,670.00 and 100% of claimed costs, or \$1,466.74. As detailed below, TR&F
6 requests that the Court allow these fees and costs on an interim basis. For the Court's review and
7 consideration, a proposed Order is submitted contemporaneously herewith.

8 I. OVERVIEW

9 A. TR&F's Employment

10 In October 2009, the Receiver retained TR&F to investigate, research, and foreclose on
11 any liens Medical Capital may possess on property owned by Parkway Hospital Associates,
12 including mortgages held by Medical Provider Financial Corporation III in connection with real
13 property located at 70-35 113th Street, Forest Hills, New York 11375 (the "Foreclosure Matter").

14 TR&F represents sophisticated clients in business disputes and complex commercial
15 litigation matters. Lead counsel Leonard Rodes is a partner at TR&F. Mr. Rodes has been
16 practicing law primarily in New York for nearly thirty (30) years and has extensive experience in,
17 among other things, corporate law, contract law, business torts, commercial law, real estate, and
18 securities. Mr. Rodes earned his undergraduate degree from Princeton University in 1979 and his
19 law degree from Boston University in 1983. Mr. Rodes is admitted to practice before all New
20 York State courts, the U. S. District Courts for the Southern and Eastern Districts of New York,
21 and the U. S. Court of Appeals for the Third and Fourth Circuits. Associate counsel Stephen
22 Arena is an associate at TR&F. Mr. Arena has been practicing law for over six (6) years and has
23 experience representing clients in connection with complex commercial litigation, commercial
24 transactions, structured finance and mortgage loan securitization. Mr. Arena received a Bachelor
25 of Science in Business Administration from the State University of New York at Albany in 1998,
26 and his J.D. *cum laude* from Seton Hall University School of Law in 2005. Mr. Arena is admitted
27 to practice in the state of New York and the U.S. District Courts for the Southern and Eastern
28 Districts of New York.

1 **B. Representation of Receivership Entity Medical Capital in the Foreclosure**
2 **Matter**

3 TR&F was engaged by the Receiver to investigate, research, and foreclose on certain
4 mortgages owned and held by Medical Capital (through Medical Provider Financial Corporation
5 III) in connection with a hospital located at 70-35 113th Street, Forest Hills, New York 11375 (the
6 "Property"). TR&F's representation required its attorneys to review various lending agreements,
7 sale agreements, mortgage loan documentation and analytical records provided by Medical Capital
8 and to make a motion for summary judgment seeking foreclosure of the related mortgages.

9 In late 2011, TR&F moved for summary judgment of foreclosure, and on or about March
10 22, 2012, during the prior fee application period, Medical Capital's summary judgment motion
11 seeking foreclosure of the mortgages was granted. As a result of summary judgment motion,
12 Medical Capital received several offers for the purchase of the mortgage loan interests.

13 The transition of the foreclosure action to the third party buyer was simplified by Medical
14 Capital successfully obtaining summary judgment prior to the sale of the mortgage loan interests.

15 **C. Representation of Receivership Entity Medical Capital During the Sixth**
16 **Application Period**

17 On or about May 8, 2012 (soon after the start of the Sixth Application Period), the
18 mortgage loan interests were sold to a third party "overbid" buyer.

19 TR&F participated in various conferences with the Receiver's lead counsel, Allen Matkins
20 Leck Gamble Mallory & Natsis, LLP ("Allen Matkins"), as well as with the Receiver and his staff
21 in connection with the sale of the mortgage loan interests. TR&F negotiated, reviewed and
22 commented on various drafts of the loan sale documents. In connection with the closing of the
23 sale of the mortgage loan interests, TR&F participated in various conferences with the "overbid"
24 buyer in order to explain the terms of the purchase agreement and to facilitate the delivery of
25 closing and post closing documentation.

26 Additionally, at Allen Matkins' request, TR&F performed research and analysis in
27 connection with various legal questions and issues relating to the mortgage loan interests and
28 potential claims against third parties.

1 In all of these efforts, TR&F has coordinated and corresponded closely with the Receiver's
2 lead counsel, Allen Matkins, as well as with the Receiver and his staff.

3 For further detail regarding TR&F's activities during the Sixth Application Period, see the
4 itemized descriptions set forth in the invoices attached as Exhibit A to the Declaration of Leonard
5 A. Rodes in Support of Sixth Interim Fee Application of Trachtenberg Rodes and Friedberg,
6 Counsel for Receivership Entity Medical Capital Corporation ("Rodes Declaration").

7 **II. FEE APPLICATION**

8 TRF collected its time during the Sixth Application Period in a computer database, under a
9 distinct client-matter number specifically created for its representation of the Receiver and
10 Medical Capital in connection with the Foreclosure Matter, as follows:
11

Name	Title	Rate	Hours	Fees
S. Arena	Associate	\$300	30.30	\$9,090.00
M. Kwasi	Paralegal	\$40	2	\$80.00
Credit for work performed on fee application preparation and billing work				(\$1,500.00)
Total				\$7,670.00

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18 TR&F also requests that the Court approve \$1,466.74 in costs in connection with the
19 Foreclosure Matter. These costs are detailed in the invoices attached as Exhibit A to the Rodes
20 Declaration.
21

22 **III. THE REQUESTED FEES ARE REASONABLE AND SHOULD BE ALLOWED**

23 **A. Efficient Staffing – Customary Rates**

24 TR&F has worked diligently in representing the interests of the Receiver and Medical
25 Capital. TR&F has staffed each task as efficiently as possible.

26 TR&F believes its request is fair and reasonable and that the fees and costs incurred are
27 necessary to accomplish the Receiver's goals in the Foreclosure Matter. TR&F's request for
28 compensation reflects a 10% discount to its current customary billing rates charged in similar

1 matters. TR&F's customary billing rates are comparable to those charged in the New York
2 metropolitan area by similarly experienced and credentialed counsel on similarly complex
3 commercial matters.

4 Finally, the invoice that is the subject of this fee application also reflects that TR&F has, at
5 the request of the Receiver, credited (i.e., written off) time spent on preparing fee applications.

6 **B. Costs**

7 The costs sought hereby are reasonable. All such costs were necessarily incurred by
8 TR&F in the performance of its work on the Foreclosure Matter. All such costs were disbursed to
9 the Receiver's account in the Foreclosure Matter in the manner that is customary for all of
10 TR&F's clients.

11 **C. Receiver's Approval**

12 All of the TR&F invoices that constitute Exhibit A to the Rodes Declaration have been
13 submitted to, and reviewed and approved by, the Receiver.

14 **IV. CONCLUSION**

15 TR&F has worked diligently to represent the Receiver and Medical Capital and has
16 provided a valuable service to the Receivership Estate in that regard. Therefore, TR&F
17 respectfully requests an order:

- 18 1. Approving and allowing fees totaling \$7,670.00 for the Sixth Application Period;
- 19 2. Approving and allowing reimbursement of costs totaling \$1,466.74 for the Sixth
20 Application Period;
- 21 3. Authorizing the Receiver to pay 100% of the allowed amount of TR&F's fees,
22 which amount is \$7,670.00 out of assets of the Receivership Estate;
- 23 4. Authorizing the Receiver to pay 100% of the allowed amount of TR&F's costs,
24 which amount is \$1,466.74, out of assets of the Receivership Estate; and

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EXHIBIT A

Trachtenberg Rodes & Friedberg LLP

545 Fifth Avenue
New York, New York 10017

Thomas Seaman
Thomas Seaman Company
3 Park Plaza, Suite 550
Irvine, California 92614 United States

August 8, 2013

File Number: 486-004
Invoice Number: 5820

Re: Parkway Hospital / Post-Note Sale Matters

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
May-01-12	Attention to loan sale transaction; attention to settling order on notice.	2.80	840.00	SA
May-02-12	Attention to LSA; attention to filing of settlement of order.	1.60	480.00	SA
	Hand delivery of documents to Queens County courthouse.	2.00	80.00	P/L
May-03-12	Attention to loan sale.	0.30	90.00	SA
May-07-12	Call with T. Fates and I. Gazes; research re status of other collateral after real property foreclosure.	1.20	360.00	SA
May-08-12	Research re interest in personal property collateral after real property foreclosure.	2.60	780.00	SA
May-09-12	Attention to foreclosure matter; correspondence with T. Fates and buyer's counsel.	0.50	150.00	SA
May-14-12	Call with T-mobile counsel.	0.30	90.00	SA
May-15-12	Attention to LSA buyer bankruptcy question; prepare fifth fee application.	1.50	450.00	SA
May-16-12	Prepare fee application; call with T. Fates.	2.20	660.00	SA
May-17-12	Revise fee application.	0.30	90.00	SA

May-21-12	Call with T. Fates; call with H. Stein; attention to loan sale transition.	0.60	180.00	SA
May-22-12	Attention to timing of settlement of order on notice.	0.40	120.00	SA
Jun-12-12	Attention to clerk's misplacement of Settlement of Order papers.	0.75	225.00	SA
Jul-26-12	Attention to status of foreclosure case; call to S. Vavak; call to S. McWalters.	0.25	75.00	SA
Jul-27-12	Review OSC and correspondence with S. Vavak, T. Fates and S. McWalters; attention to status of foreclosure case.	1.25	375.00	SA
Aug-09-12	Attention to R. Aquino bankruptcy, pleadings.	0.50	150.00	SA
Aug-22-12	Attention to status of foreclosure action.	0.30	90.00	SA
Sep-05-12	Review questions re attorneys fees; research re same.	0.50	150.00	SA
Sep-06-12	Call with S. Vavack; attention to foreclosure report questions; attention to correspondence re same.	0.50	150.00	SA
Sep-18-12	Attention to scheduling in foreclosure case.	0.25	75.00	SA
Oct-18-12	Call with S. McQuarters and review of motion to dismiss papers.	0.30	90.00	SA
Nov-14-12	review Parkway appeal and motion for reargument; correspondence with client	1.20	360.00	SA
Nov-15-12	call and conf re Parkway motions	0.70	210.00	SA
Nov-16-12	call and correspondence with S. McQuarters; email to receiver	0.60	180.00	SA
Nov-30-12	research re attorney insurance requirements	1.20	360.00	SA
Dec-06-12	Review decision online notification; call to court; emails re same.	0.30	90.00	SA
Dec-17-12	Call with T. Fates; research re claims against Fazio.	0.40	120.00	SA
Dec-18-12	Research re claims against Fazio.	3.10	930.00	SA

Dec-19-12	Call with T. Fates re Fazio claim research; draft summary email.	0.80	240.00	SA
Jun-17-13	Attention to S. McWalters' correspondence; review note sale agreement and deficiency calculations; research re same; calls with S. McWalters and S. Vavak	1.30	390.00	SA
Jul-03-13	Review billing and payment applications.	1.50	450.00	SA
Jul-08-13	Review billing; calls with T. Fates.	0.30	90.00	SA
Jul-31-13	Write Down (to offset time charges relating to fee application and billing work)	0.00	-1,500.00	LAR
	Totals	32.30	\$7,670.00	

DISBURSEMENTS**Disbursements****Receipts**

May-02-12	Postage Expense (3 @ 1.50)	4.50	
May-31-12	Photocopy Charges (55 pages @ .20 per page)	11.00	
	Scanning Charges (12 pages @ .25 per page)	3.00	
	Westlaw Charges	171.73	
Jun-04-12	FedEx Charges	101.74	
Jun-30-12	Photocopy Charges (73 pages @ .20 per page)	14.60	
	Scanning Charges (37 pages @ .25 per page)	9.25	
Jul-31-12	Photocopy Charges (24 pages @ .20 per page)	4.80	
Sep-30-12	Westlaw Charges	8.03	
	Photocopy Charges (4 @ .20 per page)	0.80	
Nov-30-12	Westlaw Charges	242.44	
	Scanning Charges (78 pages @ .25 per page)	19.50	
Dec-31-12	Westlaw Charges	779.40	
	Photocopy Charges (2 pages @ .20 per page)	0.40	
Jan-22-13	Public Access to Court Electronic Records (PACER) Services	20.30	
May-31-13	Westlaw Charges	70.43	
Jun-30-13	Westlaw Charges	2.22	
Jul-31-13	Photocopy Charges (13 pages @ .20 per page)	2.60	
	Totals	\$1,466.74	\$0.00

Total Fees & Disbursements	\$9,136.74
Previous Balance	\$0.00
Previous Payments	\$0.00
Balance Due Now	\$9,136.74