

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  
16 HOLDINGS, INC.; MEDICAL  
CAPITAL CORPORATION;  
17 MEDICAL 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 LEONARD A.  
RODES IN SUPPORT OF SEVENTH  
INTERIM FEE APPLICATION OF  
TRACHTENBERG RODES &  
FRIEDBERG LLP, COUNSEL FOR  
RECEIVERSHIP ENTITY MEDICAL  
CAPITAL CORPORATION AND ITS  
AFFILIATES AND SUBSIDIARIES

Date: May 19, 2014  
Time: 8:30 a.m.  
Ctrm: 9D  
Judge: Hon. David O. Carter

1 TRACHTENBERG RODES & FRIEDBERG LLP  
LEONARD RODES (LR 3675)  
2 STEPHEN ARENA (SA 6391)  
545 Fifth Avenue  
3 Suite 640  
New York, NY 10017  
4 Telephone: (212) 972-2929  
Facsimile: (212) 972-7581  
5 E-mail: LRodes@TRFLaw.com  
E-mail SArena@TRFLaw.com  
6

7 Counsel for Receivership Entity  
MEDICAL CAPITAL CORPORATION  
AND ITS AFFILIATES AND SUBSIDIARIES  
8

9 UNITED STATES DISTRICT COURT  
10 CENTRAL DISTRICT OF CALIFORNIA  
11 SOUTHERN DIVISION

12 SECURITIES AND EXCHANGE  
COMMISSION,  
13

14 Plaintiff,

15 vs.

16 MEDICAL CAPITAL HOLDINGS, INC.;  
MEDICAL CAPITAL CORPORATION;  
17 MEDICAL PROVIDER FUNDING  
CORPORATION VI; SIDNEY M. FIELD;  
AND JOSEPH J. LAMPARIELLO,  
18

19 Defendants.  
20

Case No. SA CV09-0818 DOC (RNBx)

**DECLARATION OF LEONARD A.  
RODES IN SUPPORT OF SEVENTH  
INTERIM FEE APPLICATION OF  
TRACHTENBERG RODES &  
FRIEDBERG LLP, COUNSEL FOR  
RECEIVERSHIP ENTITY MEDICAL  
CAPITAL CORPORATION AND ITS  
AFFILIATES AND SUBSIDIARIES**

Date: May 19, 2014

Time: 8:30 a.m.

Ctrm: 9D

Judge: Hon. David O. Carter

21 I, Leonard A. Rodes declare as follows:

22 1. I am a partner with the law firm of Trachtenberg Rodes & Friedberg LLP ("TR&F"),  
23 in New York, New York. My law firm has been retained by Thomas A. Seaman ("Receiver") to act  
24 as, and currently serves as, counsel for Medical Capital Corporation and its affiliates and subsidiaries  
25 ("Medical Capital"). I submit this declaration in support of TR&F's Seventh Interim Fee  
26 Application, filed concurrently herewith.

27 2. In October 2009, TR&F was retained by the Receiver to investigate, research, and  
28 foreclose on certain mortgages owned and held by Medical Capital (through Medical Provider

1 Financial Corporation III) (the "Foreclosure Matter") in connection with a hospital ("Parkway  
2 Hospital") located at 70-35 113<sup>th</sup> Street, Forest Hills, New York 11375 (the "Property"). In April  
3 2010, TR&F was also retained to research and address actions by and/or against Edward Blodnick  
4 and his law firm Edward K. Blodnick & Associates, P.C. (the "Blodnick Matter").

5 3. TR&F has completed and been fully paid for its work regarding the Foreclosure  
6 Matter and the Blocknick Matter.

7 4. During the prior fee application period, the mortgage loan interests that were the  
8 subject of the Foreclosure Matter were sold to a third party "overbid" buyer. However, Medical  
9 Provider Financial Corporation III retained the right to seek a deficiency judgment against the owner  
10 of the Property and/or Parkway Hospital if such action was available. Accordingly, TR&F has  
11 continued to monitor the proceedings related to the Property (the "Post-Note Sale Matter").

12 5. TR&F has also been tasked with gathering, reviewing and producing documents  
13 requested in connection with the professional negligence matter styled *Thomas A. Seaman, Receiver,*  
14 *vs. Sedgwick, LLP*, United States District Court, Central District of California, Case No. SACV 11-  
15 664 DOC (RNBx) (the "Sedgwick Discovery Matter").

16 6. I am lead counsel for the Receiver and Medical Capital in the Post-Note Sale and  
17 Sedgwick Discovery Matters and the attorney primarily responsible for the supervision of the legal  
18 work performed in connection therewith. I have personally reviewed the billings in this matter and,  
19 therefore, have personal knowledge of the facts stated in this declaration, which I would testify to if  
20 called upon to do so.

21 7. Attached hereto as Exhibit A is a true and correct copy of the invoice generated by  
22 TR&F in the course of its representation of Medical Capital for professional services and expenses  
23 incurred from August 27, 2013 through February 28, 2014 (the "Seventh Application Period") in  
24 connection with the Post-Note Sale Matter.

25 8. Attached hereto as Exhibit B is a true and correct copy of the invoice generated by  
26 TR&F in the course of its representation of Medical Capital for professional services and expenses  
27 incurred during Seventh Application Period in connection with the Sedgwick Discovery Matter.

1           9.       I have been practicing law primarily in New York for nearly thirty (30) years and have  
2 extensive experience in, among other things, corporate law, contract law, business torts, commercial  
3 law, real estate, and securities. I earned my undergraduate degree from Princeton University in 1979  
4 and my law degree from Boston University in 1983. I am admitted to practice before all New York  
5 State courts, the U. S. District Courts for the Southern and Eastern Districts of New York, and the  
6 U.S. Court of Appeals for the Third and Fourth Circuits. The other attorney working on the  
7 aforementioned matter is Stephen Arena, an associate at TR&F. Mr. Arena has been practicing law  
8 for over seven (7) years and has experience representing clients in connection with complex  
9 commercial litigation, commercial transactions, structured finance and mortgage loan securitization.  
10 Mr. Arena received a Bachelor of Science in Business Administration from the State University of  
11 New York at Albany in 1998, and his J.D. *cum laude* from Seton Hall University School of Law in  
12 2005. Mr. Arena is admitted to practice in the state of New York and the U.S. District Courts for the  
13 Southern and Eastern Districts of New York.

14           10.       TR&F has collected its time charges and expenses in a computer database under two  
15 distinct client-matter numbers specifically created for its representation of the Receiver and Medical  
16 Capital in connection with the Post-Note Sale Matter and the Sedgwick Discovery Matter.

17           11.       We have worked diligently in representing the interests of the Receiver and Medical  
18 Capital. I have staffed each task as efficiently as possible. Our normal hourly rates for attorneys'  
19 services are consistent with the rates charged by other New York City attorneys with similar expertise  
20 and experience.

21           12.       Further, at the request of the Receiver, I have credited the Receiver's account in the  
22 amount of \$600.00 to offset any time charges based on billing and fee application work during the  
23 Seventh Application Period. That credit appears as an entry dated February 28, 2014 on the invoice  
24 annexed as Exhibit A.

25           13.       During the Seventh Application Period, TR&F spent 6.00 hours in connection with the  
26 Post-Note Sale Matter, totaling \$1,800.00 in fees which, as explained above, we wrote down by  
27 \$600.00, for a total of \$1,200.00, resulting in a blended rate of \$200.00 per hour.

28

1           14.     During the Seventh Application Period, TR&F spent 16.00 hours in connection with  
2 the Sedgwick Discovery Matter, totaling \$4,840.00 in fees, resulting in a blended rate of \$302.50 per  
3 hour.

4           15.     Accordingly, by TR&F's Seventh Interim Fee Application, TR&F seeks approval of  
5 \$5,040.00, in fees, which were incurred at a rate of \$500 per hour for partner time, \$300 per hour for  
6 associate time and \$40 per hour for paralegal. TR&F requests that the Receiver be authorized to pay  
7 100% of the requested fees or, \$6,040.00, at this time.

8           16.     During the Seventh Application Period, TR&F incurred \$24.68 in costs that it  
9 advanced in connection with the Post-Note Sale Matter. TR&F requests that the Receiver be  
10 authorized to pay 100% of the requested costs, or \$24.68, at this time. These costs are detailed in the  
11 attached invoice (Exhibit A) and include: printing, copying, scanning and document management  
12 expense (\$14.20) and online database charges including Westlaw (\$10.48).

13           17.     During the Seventh Application Period, TR&F incurred \$1,165.79 in costs that it  
14 advanced in connection with the Sedgwick Discovery Matter. TR&F requests that the Receiver be  
15 authorized to pay 100% of the requested costs, or \$1,165.79, at this time. These costs are detailed in  
16 the attached invoice (Exhibit B) and include: mailing costs (\$75.53), document production support  
17 (\$1,068.02), and online database charges including Westlaw (\$22.24).

18           18.     I believe this request is fair and reasonable and that the fees and costs incurred are  
19 necessary to accomplish the Receiver's goals in the Foreclosure Matter. TR&F's request for  
20 compensation is based on its customary billing rates charged in similar matters. TR&F's billing rates  
21 are comparable to those charged in New York City on similarly complex commercial matters.

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

24  
25           Executed on 4/21, 2014, in New York, New York

26  
27             
28           LEONARD A. RODES

# **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

March 7, 2014

File Number: 486-004  
Invoice Number: 6131

*Re: Parkway Hospital / Post-Note Sale Matters*

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
Aug-27-13	Attention to Parkway Acquisition I bankruptcy filings; call with T. Fates.	0.50	150.00	SA
Sep-12-13	Draft fee application and related documents.	1.00	300.00	SA
Sep-13-13	Attention to fee application; call with T. Fates; emails with L. Rodes.	0.50	150.00	SA
Sep-16-13	Attention to fee application.	0.50	150.00	SA
Sep-30-13	Calls and correspondence with seller counsel regarding prep for bankruptcy court hearing; review complaint.	0.30	90.00	SA
Oct-01-13	Attention to: loan purchaser requests, interest calculation research, bankruptcy proceeding; calls and correspondence re same.	0.80	240.00	SA
Dec-12-13	Attention to notice of foreclosure.	0.20	60.00	SA
Jan-13-14	Attention to foreclosure sale; call with T. Fates.	0.60	180.00	SA
Jan-23-14	Attention to foreclosure sale; call with S. McWalters; review calculation sheet.	1.10	330.00	SA
Jan-24-14	Call with T. Fates.	0.50	150.00	SA
Feb-28-14	Write Down (to offset time charges relating to fee application work).		-600.00	LAR

Totals 6.00 \$1,200.00

**DISBURSEMENTS**

	<b>Disbursements</b>	<b>Receipts</b>
Sep-30-13 Photocopy Charges (15 pages @ .20 per page)	3.00	
Scanning Charges (2 pages @ .25 per page)	0.75	
Oct-03-13 Westlaw Charges	10.48	
Oct-31-13 Photocopy Charges (4 pages @ .20 per page)	0.80	
Scanning Charges ( 1 page @ .25 per page)	0.25	
Nov-06-13 Pacer Information Charges	6.50	
Nov-30-13 Photocopy Charges (9 pages @ 0.20 per page)	1.80	
Dec-31-13 Photocopy Charges (2 pages @ .20 per page)	0.40	
Scanning Charges (2 pages @ .25 per page)	0.50	
Jan-31-14 Photocopy Charges (1 page @ 0.20 per page)	0.20	
Totals	\$24.68	\$0.00

**Total Fees & Disbursements**

**\$1,224.68**

Previous Balance

\$9,136.74

Previous Payments

\$9,136.74

**Balance Due Now**

**\$1,224.68**



**TRUST STATEMENT**

		<b>Disbursements</b>	<b>Receipts</b>
Oct-29-13	Received From: Medical Capital Holdings, Inc. Transfer of Fee Application Payment		9,136.74
	Paid To: Operating (Seaman) Transfer of Fee Application Payment	9,136.74	
	Total Trust	<u>\$9,136.74</u>	<u>\$9,136.74</u>
	<b>Trust Balance</b>		<b>\$0.00</b>

# **EXHIBIT B**

**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

March 7, 2014

File Number: 486-005  
 Invoice Number: 6132

***Re: Sedgwick LLP Lawsuit Discovery***

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
Oct-04-13	Emails w/ TFates, and emails/TC w/ SArena re Sedgwick case discovery work	0.20	100.00	LAR
Oct-09-13	Gather documents for production; create backup PST files; segregate files; review for work product.	4.50	1,350.00	SA
Oct-10-13	Attention to production.	0.50	150.00	SA
Oct-14-13	Attention to production processing; correspondence with vendor.	0.40	120.00	SA
Oct-16-13	Attention to production processing; correspondence with vendor.	0.30	90.00	SA
Nov-27-13	Call with T. Fates; review search terms; test terms in Outlook.	1.00	300.00	SA
Dec-02-13	Conf with L. Rodes; call with T. Fates; attention to transfer of L. Rodes emails; attention to transfer of S. Arena emails; initial review.	3.70	1,110.00	SA
Dec-03-13	Review and prepare emails for production.	3.60	1,080.00	SA
Dec-04-13	Review emails; conf with L. Rodes; prepare emails for production and shipping.	1.80	540.00	SA
	<b>Totals</b>	<b>16.00</b>	<b>\$4,840.00</b>	

**DISBURSEMENTS**

**Disbursements**

**Receipts**

Oct-31-13	WestLaw Charges	22.24	
Nov-15-13	Outside Document Production Support (DTI)	1,020.20	
Dec-09-13	FedEx Charges (SA to Ted Fates at Allen Matkins)	52.81	
Dec-17-13	Outside Document Production Support (DTI)	47.82	
Jan-15-14	FedEx Charges (SA to Rhonda Reid)	22.72	
		<hr/>	<hr/>
	Totals	\$1,165.79	\$0.00
			<hr/>
	<b>Total Fees &amp; Disbursements</b>		<b>\$6,005.79</b>
	Previous Balance		\$0.00
	Previous Payments		\$0.00
			<hr/>
	<b>Balance Due Now</b>		<b>\$6,005.79</b>