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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.  
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Case No. SA CV09-0818 DOC (RNBx)

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: 9:30 a.m.  
Ctrm: 9D  
Judge: Hon. David O. Carter

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7 MEDICAL CAPITAL CORPORATION  
AND ITS AFFILIATES AND SUBSIDIARIES

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

11 SECURITIES AND EXCHANGE  
12 COMMISSION,

13 Plaintiff,

14 vs.

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

18 Defendants.

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**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

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20 Trachtenberg Rodes & Friedberg ("TR&F"), counsel retained by Thomas A. Seaman  
21 ("Receiver"), the Court-appointed permanent receiver for defendants Medical Capital Holdings, Inc.,  
22 Medical Capital Corporation, Medical Provider Funding Corporation VI and their subsidiaries and  
23 affiliates, submits this seventh interim application for approval and payment of fees and  
24 reimbursement of expenses on behalf of TR&F. This application covers fees and expenses incurred  
25 during the six-month period August 27, 2013 through February 28, 2014 (the "Seventh Application  
26 Period"), for legal work performed on behalf of the Receiver and receivership entity Medical Capital  
27 Corporation and its affiliates and subsidiaries ("Medical Capital").  
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1 By this Seventh Interim Fee Application, TR&F seeks an order allowing TR&F compensation  
2 for services rendered and expenses incurred during the Seventh Application Period in the amount of  
3 \$6,040.00 in fees, representing 22.00 hours of attorney and paralegal time at a blended rate of  
4 \$274.55 per hour, and \$1,190.47 in costs; and authorizing the Receiver to pay 100% of the requested  
5 fees or \$6,040.00 and 100% of claimed costs, or \$1,190.47. As detailed below, TR&F requests that  
6 the Court allow these fees and costs on an interim basis. For the Court's review and consideration, a  
7 proposed Order is submitted contemporaneously herewith.

## 8 I. OVERVIEW

### 9 A. TR&F's Employment

10 In October 2009, TR&F was retained by the Receiver to investigate, research, and foreclose  
11 on certain mortgages owned and held by Medical Capital (through Medical Provider Financial  
12 Corporation III) (the "Foreclosure Matter") in connection with a hospital ("Parkway Hospital")  
13 located at 70-35 113<sup>th</sup> Street, Forest Hills, New York 11375 (the "Property"). In April 2010, TR&F  
14 was also retained to research and address actions by and/or against Edward Blodnick and his law firm  
15 Edward K. Blodnick & Associates, P.C. (the "Blodnick Matter").

16 TR&F has completed and has been fully paid for its work regarding the Foreclosure Matter  
17 and the Blocknick Matter. This Seventh Interim Fee Application is being submitted in connection  
18 with legal work that has arisen subsequent to the completion of the Foreclosure Matter and the  
19 Blocknick Matter.

20 TR&F represents sophisticated clients in business disputes and complex commercial litigation  
21 matters. Lead counsel Leonard Rodes is a partner at TR&F. Mr. Rodes has been practicing law  
22 primarily in New York for nearly thirty (30) years and has extensive experience in, among other  
23 things, corporate law, contract law, business torts, commercial law, real estate, and securities. Mr.  
24 Rodes earned his undergraduate degree from Princeton University in 1979 and his law degree from  
25 Boston University in 1983. Mr. Rodes is admitted to practice before all New York State courts, the  
26 U. S. District Courts for the Southern and Eastern Districts of New York, and the U. S. Court of  
27 Appeals for the Third and Fourth Circuits. Associate counsel Stephen Arena is an associate at  
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1 TR&F. Mr. Arena has been practicing law for over seven (7) years and has experience representing  
2 clients in connection with complex commercial litigation, commercial transactions, structured finance  
3 and mortgage loan securitization. Mr. Arena received a Bachelor of Science in Business  
4 Administration from the State University of New York at Albany in 1998, and his J.D. *cum laude*  
5 from Seton Hall University School of Law in 2005. Mr. Arena is admitted to practice in the state of  
6 New York and the U.S. District Courts for the Southern and Eastern Districts of New York.

7 C. **Representation of Receivership Entity Medical Capital During the Seventh**  
8 **Application Period**

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

14 Specifically, during the Seventh Application Period, TR&F has monitored the progress of the  
15 Property foreclosure action and the bankruptcy proceedings relating to the Property owner (Parkway  
16 Acquisition I LLC) and the entity that operated Parkway Hospital (Parkway Hospital Inc.).

17 TR&F participated in conferences with the Receiver’s lead counsel, Allen Matkins Leck  
18 Gamble Mallory & Natsis, LLP (“Allen Matkins”), as well as with the Receiver and his staff in  
19 connection with the foreclosure of the Property and the related bankruptcy proceedings. TR&F also  
20 participated in various conferences with counsel for the third party “overbid” buyer.

21 Additionally, at Allen Matkins’ request, TR&F gathered, reviewed and produced to Allen  
22 Matkins documents requested in connection with the professional negligence matter styled *Thomas A.*  
23 *Seaman, Receiver, vs. Sedgwick, LLP*, United States District Court, Central District of California,  
24 Case No. SACV 11-664 DOC (RNBx) (the “Sedgwick Discovery Matter”).

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

1 For further detail regarding TR&F's work on the Post-Note Sale Matter and the Sedgwick  
2 Discovery Matter during the Seventh Application Period, see the itemized descriptions set forth in the  
3 invoices attached as Exhibits A and B, respectively, to the Declaration of Leonard A. Rodes in  
4 Support of Seventh Interim Fee Application of Trachtenberg Rodes and Friedberg, Counsel for  
5 Receivership Entity Medical Capital Corporation ("Rodes Declaration").

6 **II. FEE APPLICATION**

7 TR&F has collected its time during the Seventh Application Period in a computer database,  
8 under two distinct client-matter numbers specifically created for its representation of the Receiver  
9 and Medical Capital in connection with the Post-Note Sale Matter and the Sedgwick Discovery  
10 Matter, as follows:

11 **Post-Note Sale Matter**

Name	Title	Rate	Hours	Fees
S. Arena	Associate	\$300	6.00	\$1,800.00
Credit for work performed on fee application preparation and billing work				(\$600.00)
Total				\$1,200.00

16 **Sedgwick Discovery Matter**

Name	Title	Rate	Hours	Fees
S. Arena	Associate	\$300	15.80	\$4,740.00
L. Rodes	Partner	\$500	.20	\$100.00
Total				\$4,840.00

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22 TR&F also requests that the Court approve \$24.68 in costs incurred in connection with the  
23 Post-Note Sale Matter and \$1,165.79 in costs incurred in connection with the Sedgwick Discovery  
24 Matter. These costs are detailed in the invoices attached as Exhibits A and B to the Rodes  
25 Declaration.  
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1       **III. THE REQUESTED FEES ARE REASONABLE AND SHOULD BE ALLOWED**

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

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

5           TR&F believes its request is fair and reasonable and that the fees and costs incurred are  
6 necessary to accomplish the Receiver's goals in the Post-Note Sale Matter and the Sedgwick  
7 Discovery Matter. TR&F's customary billing rates are comparable to those charged in the New York  
8 metropolitan area by similarly experienced and credentialed counsel on similarly complex  
9 commercial matters.

10           Finally, the invoices that are the subject of this fee application also reflect that TR&F has, at  
11 the request of the Receiver, credited (i.e., written off) time spent on preparing fee applications.

12           **B. Costs**

13           The costs sought hereby are reasonable. All such costs were necessarily incurred by TR&F in  
14 the performance of its work on the Post-Note Sale Matter and the Sedgwick Discovery Matter. All  
15 such costs were disbursed to the Receiver's account in the Post-Note Sale Matter and the Sedgwick  
16 Discovery Matter in the manner that is customary for all of TR&F's clients.

17           **C. Receiver's Approval**

18           The TR&F invoices that constitute Exhibits A and B to the Rodes Declaration have been  
19 submitted to, and reviewed and approved by, the Receiver.

20           **IV. CONCLUSION**

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


- 24           1. Approving and allowing fees totaling \$6,040.00 for the Seventh Application Period;  
25           2. Approving and allowing reimbursement of costs totaling \$1,190.47 for the Seventh  
26           Application Period;  
27           3. Authorizing the Receiver to pay 100% of the allowed amount of TR&F's fees, which  
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amount is \$6,040.00 out of assets of the Receivership Estate;

- 4. Authorizing the Receiver to pay 100% of the allowed amount of TR&F's costs, which amount is \$1,190.47, out of assets of the Receivership Estate; and
- 5. Granting such other and further relief as is appropriate.

Dated: April 21, 2014

By:   
 LEONARD A. RODES  
 Trachtenberg Rodes & Friedberg LLP  
 Counsel for Receivership Entity  
 Medical Capital Corporation and its  
 Affiliates and Subsidiaries