

1 DAVID R. ZARO (BAR NO. 124334)
MICHAEL R. FARRELL (BAR NO. 173831)
2 YALE K. KIM (BAR NO. 188895)
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
ykim@allenmatkins.com

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 Receiver,

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)

ORDER AUTHORIZING THE
EMPLOYMENT OF SPECIAL NEW
YORK COUNSEL (*FORMAN HOLD
ELIADES & RAVIN LLC*)

[Exhibit "A"]

Date: March 14, 2011
Time: 8:30 a.m.
Ctvm: 9D
Judge: Hon. David O. Carter

1 The Court has read and considered the pleadings filed in support of the
2 Motion ("Motion") for Order Authorizing the Employment of Special New York
3 Counsel (*Forman Hold Eliades & Ravin LLC*), filed by Thomas A. Seaman as
4 Court-appointed receiver, and the case file in this action. Good cause appears for
5 the requested relief.

6 **IT IS HEREBY ORDERED that:**

7 1. The Motion is granted in its entirety;

8 2. The employment of the law firm of Forman Holt Eliades & Ravin LLC,
9 as special New York counsel ("Special Counsel") on behalf of the receivership
10 estates of Medical Capital Holdings, Inc., Medical Capital Corporation, Medical
11 Provider Funding Corporation VI, and their subsidiaries and affiliates (collectively,
12 "Receivership Estates") is hereby approved;

13 3. Special Counsel is authorized to (i) evaluate the merits and costs of
14 pursuing actions to collect on (a) certain note obligations made in favor of certain of
15 the entities of the Receivership Estates ("Receivership Entities"), which are in
16 default and have outstanding loan obligations, (the "Note Actions") and (b) certain
17 amounts due to the Receivership Entities under accounts receivable purchase
18 agreements, where the Receivership Entities sold its interests in healthcare accounts
19 receivables to third parties (the "Receivable Actions"), (the Note Actions and
20 Receivable Actions, are collectively referred to herein as the "Collection Actions"),
21 and (ii) pursue the Collection Actions as appropriate.

22 4. The compensation structure for the Collection Actions, as set forth
23 below, is approved (and as more fully detailed in the Retainer Agreement attached
24 hereto as Exhibit "A", which is also approved):

25 a. For the evaluative portion of the Collection Actions, Special
26 Counsel's fees will be capped at \$30,000 ("Evaluation Fee Maximum");

27 b. If the Receivership Estates elect to proceed with any of the
28 Collection Actions, Special Counsel's fees will be entitled up to an additional

1 \$70,000, based on hourly fees, incurred in connection with prosecuting the
2 Collection Actions ("Hourly Fee Maximum");

3 c. If Special Counsel collects in recoveries more than \$100,000 on
4 any of the Collection Actions, Special Counsel will be entitled to a
5 contingency fee of 25% of such recoveries in excess of \$100,000
6 ("Contingency Fee");

7 d. In the event that in any of the Collection Actions, any of the
8 defendants (i) raises any counterclaims in the action, that is not related to the
9 transactions underlying the Collection Actions, or (ii) files a third party
10 complaint, Special Counsel and the Receivership Estates may discuss and
11 negotiate an alternative fee structure (such as increasing the amount of the
12 Hourly Fee Maximum or the Contingency Fee, or both), subject to Court
13 approval;

14 e. For any disbursements (out-of-pocket expenses) ("Special
15 Counsel Expenses"), Special Counsel will be entitled to reimbursement for
16 such Special Counsel Expenses from the Receivership Estates, in addition to
17 the Hourly Fee Maximum and Contingency Fee; and

18 f. All amounts Special Counsel seeks for payment of the
19 Evaluation Fee Maximum, Hourly Fee Maximum, Contingency Fee, and
20 Special Counsel Expenses, shall be subject to Court approval, pursuant to the
21 filing of a fee application filed with the Court.
22

23 Dated: _____

HONORABLE DAVID O. CARTER
U.S. DISTRICT COURT JUDGE

Exhibit "A"



Thomas A. Seaman
The Thomas Seaman Company
3 Park Plaza, Suite 550
Irvine, CA 02614

RETAINER AGREEMENT

Charles M. Forman**
Michael E. Holt**
Daniel M. Eliades*
Stephen B. Ravin**
Erin J. Kennedy***
Joseph M. Cerra**
Kim R. Lynch**
William L. Waldman**
David S. Catuogno***
Harry M. Gutfleish**
Michelle Rosen Silverman**
Kimberly J. Salomon**
Robert H. Johnson**
Dipesh Patel**
Constance N. DeSena**
Matteo Percontino**

OF COUNSEL
Michael J. Connolly***
William A. Calandra*

MEMBER NJ & PA BAR*
MEMBER NJ & NY BAR**
MEMBER NJ BAR***

www.formanlaw.com
firm@formanlaw.com

REPLY TO PARAMUS

Subject to the terms set forth below, Forman Holt Eliades & Ravin LLC has agreed to represent you, in your capacity as the Court-appointed receiver for Medical Capital Holdings, Inc. and affiliated entities in Case No. SACV 09-818 Doc (RNBx) pending in the United States District Court for the Central District of California (the "Court"), to evaluate and pursue collection of the obligations owed by the obligors and guarantors under the following agreements (the "Agreements"):

Note Obligations: (a) Note executed by Boston Post Road Medical Imaging, P.C. ("Boston") with an outstanding balance of approximately \$1.298 million, (b) Note executed by Preferred Medical Imaging, P.C. ("PMI") with an outstanding balance of approximately \$6.130 million, (c) Note executed by Deajess Medical Imaging, P.C. ("Deajess") with an outstanding balance of approximately \$1.704 million, and (d) Note executed by Robert Schepp, PMI, Boston and Deajess with an outstanding balance of approximately \$454,000. Robert Schepp is the guarantor of these obligations.

Accounts Receivable Purchase Agreements: MRI Global Imaging Services, Inc., Forum Medical Management, Inc., Boston, Deajess and PMI are parties to one or more account receivable purchase agreements with total outstanding debts owed of approximately \$29 million. All of these obligations are guaranteed by Robert Schepp and certain are guaranteed by Hillel Scher.

Our firm's responsibility for this representation will commence when we receive a copy of this agreement accepted and signed by you and the Court's entry of an order, in the form and substance satisfactory to our firm, authorizing you to retain our firm on the terms and conditions set forth herein (the "Retention Order").

We have agreed to represent you in these matters in consideration for the hybrid contingency fee arrangement explained below.

We will bill you at the following agreed-to reduced hourly rates up to a maximum of \$100,000.00 (the "Hourly Fee"):

80 Route 4 East, Suite 290 Paramus, NJ 07652 T 201.845.1000 F 201.845.9112	888 7th Ave., Suite 4500 New York, NY 10106 T 212.707.8500 F 212.707.8511	664 Chestnut Ridge Road Spring Valley, NY 10977 T 845.371.3451 F 845.371.7667	1615 Jackson Street Philadelphia, PA 19145 T 215.925.7191 F 215.925.7192
---	--	--	---

FORMAN HOLT ELIADES & RAVIN

Charles M. Forman	\$500.00
Stephen B. Ravin	\$475.00
Erin J. Kennedy	\$400.00
Michael E. Holt	\$375.00
Daniel M. Eliades	\$375.00
Joseph M. Cerra	\$375.00
William L. Waldman	\$375.00
David S. Catuogno	\$375.00
Harry M. Gutfleish	\$375.00
Michael J. Connolly	\$375.00
William A. Calandra	\$375.00
Kim R. Lynch	\$350.00
Michelle Rosen Silverman.....	\$290.00
Kimberly J. Salomon	\$225.00
Robert H. Johnson	\$225.00
Dipesh Patel	\$200.00
Constance DeSena	\$200.00
Matteo Percontino	\$200.00
Paralegals and legal assistants	\$110.00 - \$200.00

We have agreed that within 30 days of the entry of the Retention Order, we will deliver to you a report addressing and discussing the proposed causes of action under the Agreements, which will include discussions of the nature of the potential claims against each defendant, venue and choice of law issues, and applicable statutes of limitation. We have also agreed that we will not bill more than \$30,000.00 to this aspect of our firm's retention, which shall constitute a component of the Hourly Fee.

After we prepare and deliver the report required in the preceding paragraph, our firm and you will then determine whether to commence an action or actions to prosecute any or all of the claims under the Agreements. If the decision is to proceed, then our firm will then be entitled to an additional \$70,000.00 (plus all amounts not billed in the report phase) on account of its fees billed to commence, prosecute and defend the actions(s), which also shall constitute a component of the Hourly fee.

In addition to the Hourly Fee, our firm is entitled to a contingency fee of 25% of all recoveries obtained in excess of \$100,000.00 (the "Contingency Fee").

In the event that our firm commences one or more actions on your behalf under the Agreements and any of the defendants (a) raises any counterclaim against you (or any of the receivership entities) that is not related to the transactions memorialized in the Agreements, or (b) files a third party complaint, you agree that our firm may be entitled

FORMAN HOLT ELIADES & RAVIN

to an alternative fee structure (including increasing the amount of the Hourly Fee, the Contingency Fee or both) and that we will use our best efforts to reach agreement on the modified structure.

Our firm is entitled to reimbursement of all out-of-pocket disbursements and expenses, including photocopies, travel, telephone calls, postage, search services, computer research charges, etc. Deposition charges, if any, will be sent directly to you for payment to the certified stenographer. To the extent that outside experts will be required, such as accountants, experts, investigators, etc., we will discuss such matters with you prior to their retention. All such disbursements will be paid in addition to the Hourly Fee and the Contingency Fee.

In the course of this representation, we may receive funds, on your behalf as your agent. Such funds will be deposited into our trust account earmarked for you. Before disbursing such funds to you, we reserve the right to set off any outstanding fees and disbursements due our firm as of the date of disbursement. This right, however, shall not relieve you of the obligation to pay our invoices in a timely manner as described above.

We understand and acknowledge that your retention of our firm, and the payment of our firm's fees and expenses, are subject to approval of the Court, including any requirements governing interim and final fee applications.

By accepting this agreement, you acknowledge that our firm has given no guarantees regarding the outcome of these matters.

FORMAN HOLT ELIADES & RAVIN LLC

By: _____
Harry M. Gutfleish

Dated: January ____, 2011

THOMAS A. SEAMAN, solely in his capacity as
the Court-appointed Receiver for Medical Capital
Holding, Inc. and affiliated entities

Dated: January ____, 2011