

1 DAVID R. ZARO (BAR NO. 124334)
2 MICHAEL R. FARRELL (BAR NO. 173831)
3 TED FATES (BAR NO. 227809)
4 ALLEN MATKINS LECK GAMBLE
5 MALLORY & NATSIS LLP
6 515 South Figueroa Street, Ninth Floor
7 Los Angeles, California 90071-3309
8 Phone: (213) 622-5555
9 Fax: (213) 620-8816
10 E-Mail: dzaro@allenmatkins.com
11 mfarrell@allenmatkins.com
12 tfates@allenmatkins.com

13 Attorneys for Receiver Thomas A. Seaman

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

17 SECURITIES AND EXCHANGE
18 COMMISSION,

19 Plaintiff,

20 v.

21 MEDICAL CAPITAL HOLDINGS,
22 INC.; MEDICAL CAPITAL
23 CORPORATION; MEDICAL
24 PROVIDER FUNDING
25 CORPORATION VI; SIDNEY M.
26 FIELD; and JOSEPH J.
27 LAMPARIELLO,

28 Defendants.

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

**DECLARATION OF THOMAS A.
SEAMAN IN SUPPORT OF
MOTION FOR APPROVAL OF
FIFTH AMENDMENT TO LOAN
AND SECURITY AGREEMENT
WITH TRANSFAC, LLC AND
AMENDMENT TO CALVERT
LETTER AGREEMENT**

Date: August 8, 2011
Time: 8:30 a.m.
Ctrm: 9D
Judge: Hon. David O. Carter

1 I, Thomas A. Seaman, declare as follows:

2 1. I am the Court-appointed permanent receiver for Medical Capital
3 Holdings, Inc., Medical Capital Corporation, and Medical Provider Funding
4 Corporation VI, and their subsidiaries and affiliates (collectively, "Medical Capital"
5 or the "Receivership Entities"). The following facts are within my knowledge and if
6 called as a witness I would testify to them under oath.

7 2. Transfac, LLC ("Borrower") is a Nevada limited liability company
8 formed in April 2005. The Borrower operates an accounts receivable factoring
9 business. The Borrower's offices are in Salt Lake City, Utah.

10 3. On October 25, 2005, Medical Capital and the Borrower entered into a
11 Loan and Security Agreement, which was amended by that certain Amendment to
12 Loan and Security Agreement dated November 15, 2005, that certain Second
13 Amendment to Loan and Security Agreement dated August 22, 2006, that certain
14 Third Amendment to Loan and Security Agreement dated as of February 20, 2008,
15 and that certain Fourth Amendment to Loan and Security Agreement dated June 30,
16 2008 ("Credit Agreement"). Medical Capital also acquired a fifty-one (51%)
17 percent ownership interest in Transfac Capital, LLC, an affiliate of the Borrower.

18 4. The Credit Agreement, as amended, provides for a \$5 million revolving
19 line of credit with a current fixed interest rate of 18% per annum. The Loan is
20 secured by a lien on all of the Borrower's assets which is junior in priority to a lien
21 securing the Borrower's obligations under a credit facility issued by Proficio Bank
22 ("Proficio Loan"). On or about June 30, 2008, the Borrower used the Proficio Loan
23 to make a payment of \$11,561,672.98 to Medical Capital, reducing the principal
24 balance of the Loan to \$2,625,000. Since the Receiver's appointment, the Borrower
25 has made all payments due under the Loan, which payments were interest only. The
26 Loan matured on June 30, 2011.

27 5. The Proficio Loan is evidenced by a Financing Agreement dated
28 June 30, 2008, as amended by a First Amendment dated December 31, 2009, and by

1 a Second Amendment dated April 29, 2011. The Second Amendment, among other
2 things, increased the credit limit from \$11,000,000 to \$20,250,000. The outstanding
3 principal balance of the Proficio Loan, as represented by the Borrower, is currently
4 \$9,804,067. As noted above, the Proficio Loan is senior in priority to the Loan.
5 The Proficio Loan, including increases and amendments thereto, was also
6 guaranteed by Medical Capital.

7 6. On June 17, 2009, Medical Capital and The Calvert Company
8 ("Calvert") entered into a letter agreement ("Calvert Agreement") in connection with
9 the sale of Medical Capital's fifty-one (51%) percent interest in Transfac Capital to
10 Calvert. A true and correct copy of the Calvert Agreement is attached as Exhibit A
11 to the Calvert Amendment, which is attached hereto as Exhibit 2. The Calvert
12 Agreement was consented to by the then members of Transfac Capital. Among
13 other things, pursuant to the Calvert Agreement, Medical Capital agreed (a) to
14 guaranty the Proficio Loan in exchange for which Medical Capital received the right
15 to purchase the Stock Warrants; (b) to keep the Loan in place on its then current
16 terms and at its then current level; and (c) not to call the Loan without giving at least
17 120 prior written notice.

18 7. The Borrower has stated that it is unable to pay the full balance due to
19 Medical Capital at this time, but that it can make a substantial payment now and will
20 pay the balance over the next year, and in no event later than a year from now. The
21 Borrower, therefore, approached me about an extension of the maturity date. I
22 reviewed and analyzed financial statements provided by the Borrower. The
23 Borrower and I then negotiated terms and conditions of an amendment to the Credit
24 Agreement. The proposed amendment ("Fifth Amendment"), a true and correct
25 copy of which is attached hereto as Exhibit 1, contains the following key terms:

- 26 • The Borrower must make a principal payment in the amount of
- 27 \$875,000.00, resulting in a reduced principal balance of \$1,750,000.
- 28 • The maturity date of the Loan is extended for one year to June 30, 2012.

- 1 • The interest rate is reduced from 18% per annum to 12% per annum.
- 2 • To induce the Borrower to make additional principal payments during the
- 3 one year extension period, the interest rate is reduced further by one
- 4 percentage point for each principal payment of \$250,000 made by the
- 5 Borrower on the Loan (not including the \$875,000 principal payment).
- 6 • The Loan is converted from a revolving credit facility to a term loan,
- 7 eliminating any obligation to make further advances.
- 8 • The Guaranty will be released.
- 9 • The proposed Calvert Amendment will be executed and delivered. The
- 10 Calvert Amendment, a true and correct copy of which is attached hereto as
- 11 Exhibit 2, terminates (a) Medical Capital's covenant with Calvert to keep
- 12 the Guaranty in place until the Loan is repaid, (b) the Stock Warrants,
- 13 (c) Medical Capital's obligation to keep the Loan in place on its then
- 14 current terms and at its then current level; and (d) Medical Capital's
- 15 obligation not to call the Loan due on less than 120 days written notice.
- 16 The Calvert Amendment, therefore, allows me to enter into the Fifth
- 17 Amendment without breaching the Calvert Agreement.

18 8. I believe that, if the Borrower's assets were sold, there is considerable
19 risk that the net proceeds would be insufficient to pay off the Proficio Loan and the
20 Loan. Moreover, if the sale did not generate enough to pay off the Proficio Loan,
21 Proficio would have a claim against the receivership estate based on the Guaranty.

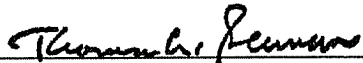
22 9. I believe that the Stock Warrants, which will be terminated, have little
23 value, if any, given the financial condition of Transfac Capital.

24 10. I also believe that the Fifth Amendment and Calvert Amendment will
25 result in a higher and better recovery on the Loan than enforcing the Loan through
26 litigation and foreclosure.

27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I declare under penalty of perjury that the foregoing is true and correct.
Executed this 8th day of July, 2011, at Irvine, California.



THOMAS A. SEAMAN

EXHIBIT 1

**FIFTH AMENDMENT
TO
LOAN AND SECURITY AGREEMENT**

This FIFTH AMENDMENT TO LOAN AND SECURITY AGREEMENT (this "**Amendment**") is dated as of June __, 2011, by and between TRANSFAC, LLC, a Nevada limited liability company ("**Borrower**"), and THOMAS A. SEAMAN, solely in his capacity as court appointed receiver for the receivership estate of MEDICAL PROVIDER FINANCIAL CORPORATION III a Nevada corporation, and its successors and assigns ("**Lender**").

RECITALS

A. Borrower and Lender are currently parties to that certain to Loan and Security Agreement dated October 25, 2005, as amended by that certain Amendment to Loan and Security Agreement dated November 15, 2005, as amended by that certain Second Amendment to Loan and Security Agreement dated August 22, 2006, as amended by that certain Third Amendment to Loan and Security Agreement dated as of February 20, 2008, and as amended by that certain Fourth Amendment to Loan and Security Agreement dated June 30, 2008 (collectively, and as amended by this Amendment and any subsequent amendments, the "**Agreement**").

B. Borrower has entered into a certain Financing Agreement dated June 30, 2008 with Proficio Bank (together with the documents related thereto and executed concurrently therewith and as amended by a First Amendment to Financing Agreement dated December 31, 2009 and by a Second Amendment to Financing Agreement dated April 29, 2011, the "**Financing Agreement**") with regard to a revolving credit facility ("**Proficio Bank Senior Credit Facility**") in the maximum principal amount of \$20,250,000 ("**Proficio Maximum Commitment Amount**").

C. The current principal amount due from Borrower to Lender under the Agreement is \$2,625,000.00.

D. Borrower has agreed to make a principal payment to Lender in the amount of Eight Hundred Seventy-Five Thousand Dollars (\$875,000.00) (the "**Mandatory Principal Payment**").

E. Upon receipt of the Mandatory Principal Payment, the principal amount due from Borrower to Lender under the Agreement shall be One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000) (the "**Loan**").

F. Borrower has requested Lender to make certain modifications to the Agreement to, among other things, extend the Maturity Date to June 30, 2012, in consideration for which Borrower has agreed to make the Mandatory Principal Payment.

G. Borrower and Lender have agreed to amend the Agreement upon the terms and conditions contained herein.

H. Pursuant to that certain Preliminary Injunction and Order Appointing a Permanent Receiver (the "**Order**") entered on August 18, 2009 by the United States District Court for the Central District of California, Southern Division (the "**Court**") in Case No. SACV 09-818 DOC (RNBx) (the "**Case**"), Thomas A. Seaman ("**Receiver**") was appointed receiver for the receivership estate of Medical Capital Holdings, Inc., Lender and their subsidiaries and affiliates (collectively, the "**Receivership Entities**").

NOW THEREFORE, Subject to Borrower's compliance with each and every of the conditions precedent set forth in Section 4 below, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Borrower and Lender hereby mutually agree that the Agreement is hereby amended as follows:

1. Recitals; Defined Terms. Borrower and Lender acknowledge and agree that the foregoing Recitals are true and correct as of the date hereof and the Closing (defined below). The foregoing Recitals are incorporated by reference as if fully set forth herein. Capitalized terms not otherwise defined in this Amendment shall have the same meaning as set forth in the Agreement.

2. Modifications.

(a) Maturity Date. Section 1.29 of the Agreement is hereby amended and restated in its entirety as follows:

"1.29. 'Maturity Date' shall mean June 30, 2012."

(b) Term Loan; No Right to Further Advances. Notwithstanding anything contained in the Agreement or the other Loan Documents, Borrower shall have no right to borrow any additional funds under this Agreement, and Lender shall have no obligation to make any Revolving Loans or otherwise advance or loan any additional funds to Borrower or issue any letters of credit pursuant to Section 2.1 or any other provision of the Agreement or the other Loan Documents. Borrower shall have no right to re-borrow any amounts repaid on the Loan, including without limitation, the Mandatory Principal Payment or any Principal Reduction Payment (defined below). As a result, the Agreement is amended as follows:

(i) The term "Credit Limit" set forth in Section 1.10 of the Agreement is deleted in its entirety.

(ii) Section 2.1 of the Agreement is deleted in its entirety.

(c) Base Rate. Section 1.4 of the Agreement is amended and restated in its entirety as follows:

"1.4. 'Base Rate' shall mean a fixed rate of twelve percent (12%) per annum; provided, however, that the Base Rate shall be reduced by one (1) percentage point (each an "**Interest Rate Reduction**") for each reduction of the outstanding principal balance of the Loan by Two Hundred and Fifty Thousand Dollars (\$250,000) made by Borrower (each a "**Principal Reduction Payment**")

from and after the Closing (excluding the Mandatory Principal Payment), provided further, there are no Events of Defaults then outstanding. Each such Interest Rate Reduction to the Base Rate shall be effective as of the next business day following Lender's receipt of the Principal Reduction Payment.”

(d) Priority of Lien. The Agreement currently requires that Lender hold a second priority lien, subordinate only to Proficio Bank’s lien securing the Proficio Bank Credit Facility, on the Accounts of Borrower. Notwithstanding anything contained in the Agreement, Borrower shall have the right to enter into one or more future amendments to or re-financings or replacements of the Proficio Bank Senior Credit Facility with one or more senior lenders, subject to the prior written consent of Lender, which consent shall not be unreasonably withheld and subject to approval of the Court, to the extent Court approval is needed, in the sole judgment of Lender. In connection with any such amendment or re-financing of the Proficio Senior Credit Facility consented to by Lender, Lender shall execute a subordination agreement with respect to Lender's liens and security interests as such senior lenders may reasonably require from time to time, subject in each case to Lender's reasonable approval thereof and approval of the Court, to the extent Court approval is needed, in the sole judgment of Lender.

(e) Indebtedness to Proficio Bank. By this Agreement, the parties agree that there shall be no limitation on the amount of indebtedness that Borrower may incur to Proficio Bank under the Financing Agreement with respect to any one Client so long as the aggregate indebtedness under the Financing Agreement does not exceed the Maximum Proficio Commitment Amount. Accordingly, Section 3(a) of the Fourth Amendment to Loan and Security Agreement dated June 30, 2008 is hereby deleted.

(f) Termination. Section 3.2 and Section 3.3 of the Agreement are deleted in their entirety. Section 3.1 of the Agreement is amended and restated in its entirety as follows:

“3.1. Subject to Section 9 below, this Agreement shall remain in full force and effect until the entire Indebtedness is repaid in full.”

(g) Collateral.

(i) Section 4.1 of the Agreement is hereby amended and supplemented as follows:

"Borrower hereby grants and assigns to Lender a security interest to secure payment and performance of all of the indebtedness and obligations of Borrower under the Agreement and the other Loan Documents in and to the following:

All assets and personal property of Borrower of every kind and nature, wherever located, whether now owned or hereafter acquired, including without limitation, the following categories of property as defined in Revised Article 9 of the Uniform Commercial Code: goods (including inventory, equipment, fixtures, farm products and any accessions thereto),

instruments (including promissory notes), documents, accounts (including health-care-insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, general intangibles (including payment intangibles and software), supporting obligation and any and all proceeds of any of the foregoing, together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property, and all books, records and files relating to any of the foregoing. Any term used herein which is defined in either (i) Article 9 of the Uniform Commercial Code as in effect in the jurisdiction in which this financing statement was authorized by the Borrower at the time it was so authorized or (ii) Article 9 of the Uniform Commercial Code as in effect at any relevant time in the jurisdiction in which this financing statement is filed, has the meaning to be ascribed thereto with respect to any particular item of property under the more encompassing of the two definitions. This financing statement covers, and is intended to cover, all assets and personal property of the Borrower."

(ii) The definition of "Collateral" in Section 1.8 of the Agreement is hereby amended and supplemented to include the assets and personal property described above in Section 1(g)(i) of this Amendment.

3. Effectiveness of the Agreement. In all other respects, the terms of the Agreement shall remain in full force and effect.

4. Condition Precedent. This Agreement (other than Borrower's obligation to pay Lender's Expenses) shall not be effective, and no agreement made by Lender under this Amendment shall take force or effect until each of the following conditions precedent have been satisfied or provided for in a manner satisfactory to Lender, in its sole discretion, or waived in writing by Lender:

(a) Lender's receipt of the Mandatory Principal Payment plus an amount equal to Lender's Expenses (defined below), payable in readily available funds by confirmed wire transfer pursuant to wiring instruction to be provided to Borrower by Lender.

(b) Borrower shall have delivered to Lender a certified copy of the operating agreement for Borrower, and any amendments thereto, a copy of the articles of formation for Borrower, certified by the Secretary of State of Nevada and a current good standing certificate for Borrower, issued by the Nevada Secretary of State.

(c) Borrower shall have delivered to Lender borrowing resolutions, authorizing the execution and delivery of this Amendment by Borrower and the transactions contemplated herein, in form and content acceptable to Lender in its reasonable discretion.

(d) The Court shall have entered an order ("**Court Order**") approving the terms and conditions of this Agreement and authorizing the Receiver, solely in his capacity as receiver for the receivership estate of Lender, to enter into this Amendment. Lender will file a motion with the Court, seeking the foregoing Court Order as soon as reasonably practicable following the execution and delivery of this Amendment; it being understood and agreed that Lender makes no warranty or representation to Borrower that the Court Order will be obtained by Lender, or if obtained, what terms and conditions may be imposed by the Court in connection therewith.

(e) Borrower shall have delivered to Lender: (i) fully executed copies of the Financing Agreement between Proficio Bank and Borrower; (ii) a written release and termination of the Proficio Guaranty (defined below) executed by Proficio Bank, releasing Lender from any and all liability and obligations thereunder and providing that the Proficio Guaranty is terminated and of no further force or effect; and (iii) the original executed Proficio Guaranty, marked "cancelled".

(f) Lender shall have received, at Borrower's expense, a UCC financing search, evidencing only the financing statement filed by Proficio in connection with the Financing Agreement and the existing financing statement filed by Lender.

(g) A written amendment to the Calvert Letter Agreement (defined below) executed by Borrower, Calvert, Thomas A. Seaman, as receiver for MCH, and WLP Corporation, as the sole member of Transfac Capital LLC, terminating Sections 2, 4 and 5 thereof, which amendment shall be in the form attached hereto as Exhibit A.

5. Expenses. In consideration of Lender's agreements herein, Borrower has agreed to pay to Lender all legal fees and expenses incurred by Lender in connection herewith and all other costs and expenses incurred by Lender in connection with this Amendment (collectively, "**Lender's Expenses**") whether or not the Closing occurs for any reason whatsoever.

6. Closing. For purposes of this Agreement, the "**Closing**" means the date that each of the conditions set forth in Section 4 hereof have been satisfied (or waived by Lender in writing prior to the Closing) and Lender has received a confirmed wire transfer of immediately available funds equal to the Mandatory Principal Payment plus Lender's Expenses. The Closing shall occur within three (3) business days following the date the Court Order is entered by the Court and a copy thereof is provided to Borrower by Lender by personal delivery or by facsimile or email with confirmation of receipt by Borrower ("**Outside Closing Date**"). In the event the Closing does not occur on or before the Outside Closing Date, then this Agreement shall automatically terminate and be of no further force or effect, subject to Borrower's obligation to pay Lender's Expenses to Lender pursuant to Section 5 hereof within five (5) business days following the Outside Closing Date.

7. Representations And Warranties. To induce Lender to execute this Amendment, Borrower makes the following representations and warranties to Lender as of the date hereof and as of the Closing, each and all of which shall survive the execution and delivery of this Agreement and the Closing:

(a) Borrower (a) is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Nevada; (b) is duly qualified to conduct business and is in good standing in each jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification; and (c) has the requisite power and authority and the legal right to own, pledge, mortgage, or otherwise encumber and operate its properties, to lease the property it operates under lease and to conduct its business as now conducted or presently proposed to be conducted.

(b) The execution, delivery and performance by Borrower of this Amendment: (a) is within Borrower's power; (b) has been duly authorized by all necessary membership action; (c) does not contravene any provision of Borrower's operating agreement; (d) does not violate any applicable law or regulation, or any order or decree of any court or governmental authority; (e) does not conflict with or result in the breach or termination of, constitute a default under or accelerate or permit the acceleration of any performance required by, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which Borrower is a party or by which Borrower or any of its property is bound; and (f) does not require the consent or approval of any governmental authority or any other person or entity which has not been obtained. This Amendment shall be duly executed and delivered by Borrower that is a party thereto and this Agreement shall constitute a legal, valid and binding obligation of Borrower and Credit Party enforceable against it in accordance with its terms.

(c) To the best knowledge of Borrower, there are no Events of Default existing and there are no events which with the passage of time or the giving of notice, or both, would constitute an Event of Default, under the Agreement or the other Loan Documents.

(d) There are no offsets, credits, claims, defenses or setoffs against any amount due or owing under the Agreement.

(e) To the best knowledge of Borrower, there are no defaults or events of default under the Proficio Financing Agreement. The Guarantee, dated June 30, 2008 executed by Medical Capital Holdings, Inc., a Nevada corporation, in favor of Proficio ("**Proficio Guaranty**") has been terminated and released and is of no further force or effective.

(f) A true, correct and complete copy of the letter agreement dated June 17, 2009, between Borrower, Medical Capital Holdings, Inc. ("**MCH**") and The Calvert Company ("**Calvert**") ("**Calvert Letter Agreement**") is attached hereto as **Exhibit A**. The Calvert Letter Agreement remains in full force and effect and has not been amended or supplemented in any respect and there are no other agreements concerning or relating to the subject matter of the Calvert Letter Agreement.

(g) Lender's security interest in the Collateral is junior only to the security interest granted to Proficio Bank in connection with the Financing Agreement, and except for the lien and security interest in favor of Proficio and Lender, there are no other liens or security interests granted or filed against the Collateral.

(h) There are no outstanding Letter of Credit Obligations or any other agreements, obligations or liabilities of any of the Receivership Entities to any third parties arising out or in any way related to the Agreement or the other Loan Documents.

(j) There are no other Loan Documents other than the Agreement, this Amendment and the UCC-1 financing statement and amendments thereto filed with the Secretary of State of Nevada, with Lender, as secured creditor, and Borrower, as debtor.

8. Conflict. In the event of a conflict between the terms of the Agreement and this Amendment, the terms of this Amendment shall control.

9. No Liability to Receiver. Without limitation of any provision contained herein, as a material inducement to Thomas A. Seaman, ("Receiver") to enter into this Amendment, and as part of the consideration given hereunder, Borrower acknowledges, understands and agrees that Receiver is entering into this Amendment solely in connection with his duties as a court appointed receiver pursuant to the Order. In no event shall Receiver be individually or personally liable for any error of judgment or act done by Receiver, or be otherwise responsible or accountable under any circumstance whatsoever as a result of the performance of his duties as receiver pursuant to the Order.

10. Reinstatement. If any payment received by Lender is deemed by a court of competent jurisdiction to be a voidable preference or fraudulent conveyance under any bankruptcy, insolvency or other debtor relief law, and is required to be returned by Lender, then the obligation to make such payment shall be reinstated, notwithstanding that the Agreement may have been terminated or any promissory note executed in connection herewith may have been marked satisfied and returned to Borrower or otherwise canceled, and such payment shall be immediately due and payable upon demand.

11. Captions. All section and subsection titles or captions contained in this Amendment are for convenience only and shall not be deemed a part of this Amendment and shall not affect the meaning or interpretation of this Amendment.

12. Governing Law. This Amendment shall be governed and construed in accordance with Section 16 of the Agreement.

13. Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement.

14. Cumulative Remedies; No Waiver, Other Security. Lender's remedies under the Agreement, as amended hereby, are cumulative with those in the other Loan Documents and otherwise permitted by law or in equity and may be exercised independently, concurrently or successively in Lender's sole discretion and as often as occasion therefor shall arise. Lender's delay or failure to accelerate the Indebtedness or exercise any other remedy upon the occurrence of an Event of Default shall not be deemed a waiver of such right as remedy. No partial exercise by Lender of any right or remedy will preclude further exercise thereof. Notice or demand given to Borrower in any instance will not entitle Borrower to notice or demand in similar or other circumstances (except where notice is expressly required by the Agreement, as amended hereby,

to be given) nor constitute Lender's waiver of its right to take any future action in any circumstance without notice or demand. Lender may release security for the Indebtedness, may release any party liable therefor, may grant extensions, renewals or forbearances with respect thereto, may accept a partial or past due payment or grant other indulgences, or may apply any other security held by it to payment of the Indebtedness, in each case without prejudice to its rights under the Loan Documents and without such action being deemed an accord and satisfaction or a reinstatement of the Loan. Lender will not be deemed as a consequence of its delay or failure to act, or any forbearance granted, to have waived or be estopped from exercising any of its rights or remedies.

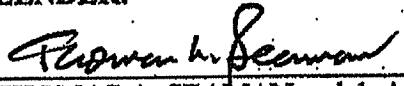
15. Further Assurances. Borrower agrees to take such further actions and execute such further documents as Lender reasonably may request to carry out the intent of the Agreement, as amended hereby, or to establish and protect the rights and remedies created or intended to be created in favor of Lender under the Loan Documents or to protect the value of the Collateral and Lender's security interest or liens therein.

16. No Third Party Beneficiaries. Nothing in this Amendment is intended, nor will be deemed, to confer rights or remedies upon any person or legal entity not a party to this Amendment. Nothing contained herein shall be deemed to amend, reinstate or re-affirm any pre-receivership agreements or obligations that any of the Receivership Entities may have entered into or incurred with any third parties prior to the date of the Order.

[Remainder of Page Intentionally Left Blank]

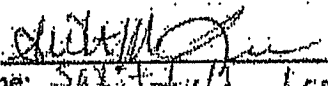
IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

LENDER:


THOMAS A. SEAMAN, solely in his capacity
as the court appointed receiver for the
receivership estate of MEDICAL PROVIDER
FINANCIAL CORPORATION III, INC.,
a Nevada corporation

BORROWER:

TRANSFAC, LLC
a Nevada limited liability company

By: 
Name: S. Whitfield Lee
Title: Managing Member

Address for Notices:

THOMAS SEAMAN COMPANY
3 Park Plaza, Suite 550
Irvine, California 92614
Facsimile: (949) 222-0661
Attention: Thomas A. Seaman CFA (Tom)
Fax Number: (949) 222-0661

Address for Notices:

275 East 200 South, Suite 300
Salt Lake City, Utah 84111
Attention: S. Whitfield Lee, John Thompson
Fax Number: (801) 575-6507

EXHIBIT 2

Amendment to Letter Agreement


Reference is made to that certain letter agreement dated June 17, 2009 (the "**Letter Agreement**") between The Calvert Company ("**Calvert**"), Transfac Capital, LLC ("**Transfac Capital**") and Medical Capital Holdings, Inc. ("**Med Cap**"), as consented to by the then current members of Transfac Capital, LLC. A copy of the Letter Agreement is attached hereto as Exhibit A.

For good and valuable consideration, the receipt of which is hereby acknowledged, Calvert, Transfac Capital and Med Cap hereby agree to delete, in their entirety, the following sections from the Letter Agreement: (i) Section 2, (ii) Section 4, and (iii) Section 5. Accordingly, Calvert and Transfac Capital hereby acknowledge and agree that all obligations of Med Cap and all of Calvert's and Transfac Capital's rights and benefits under Sections 2, 4, and 5 of the Letter Agreement are hereby terminated

As a material inducement to Thomas A. Seaman, ("**Receiver**") to enter into this Amendment in his capacity as court appointed receiver for the receivership estate of Med Cap,, and as part of the consideration given hereunder, Calvert, Transfac Capital and the undersigned existing members of Transfac Capital hereby acknowledge and agree that (i) neither the execution of this Amendment by Receiver nor anything contained in this Amendment shall be deemed to reinstate or re-affirm any pre-receivership agreements or obligations of Med Cap arising under or in connection with the Letter Agreement or any other agreement Med Cap may have entered into or incurred with Calvert, Transfac Capital or any other third party prior to the date of Receiver's appointment as receiver for Med Cap on August 17, 2009 by order ("**Order**") entered by the United States District Court for the Central District of California, Southern Division in Case No. SACV 09-818 DOC (RNBx) and (ii) Receiver is entering into this Amendment solely in connection with his duties as a court appointed receiver pursuant to the Order.

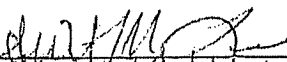
Dated: June __, 2011

The Calvert Company

By: 
Name: Sh Whitfield Lee
Title: President

Thomas A. Seaman, acting solely in his capacity as receiver for the receivership estate of Medical Capital Holdings, Inc.

Transfac Capital, LLC

By: 
Name: Sh Whitfield Lee
Title: Managing Member

The undersigned, being the sole current member of Transfac Capital, LLC, hereby agrees to the above amendment.

W.L.P. Corporation

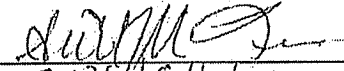
By: 
Name: S. Whitefield
Title: President

Exhibit A

Letter Agreement



June 17, 2009

The Calvert Company
Possum Creek Place
6301 North Western #110
Oklahoma City, OK 73118
Attn: S. Whitfield Lee

Dear Mr. Lee:

This will confirm our agreement, as follows:

1. The Calvert Company, will purchase Medical Capital Holdings, Inc.'s Fifty One Percent (51%) ownership interest in Transfac Capital, LLC, for the total sum of Seven Hundred Fifty Thousand Dollars (\$750,000.00), payable in immediately available funds no later than June 19, 2009.
2. Transfac, LLC's current debt to Medical Capital Holdings, Inc. (or its subsidiary or affiliate) will remain in place at its current level and on its current terms.
3. Transfac, LLC will use its best efforts to find a new lender to replace Medical Capital Holdings, Inc. as to that current debt, paying off Medical Capital Holdings, Inc.
4. Medical Capital Holdings, Inc. agrees not to call that debt due on less than one hundred twenty (120) days notice.
5. Medical Capital Holdings, Inc. will continue to guarantee Transfac, LLC's debt to Proficio Bank until such time as the debt to Medical Capital Holdings, Inc. is paid in full.
 - a. As consideration therefore, Transfac Capital, LLC hereby grants to Medical Capital Holdings, Inc., warrants to purchase ten per cent equity in Transfac Capital, LLC for the total sum of One Hundred Fifty Thousand Dollars (\$150,000.00).
 - i. These warrants are exercisable only after 48 months from the date hereof and no later than 60 months from the date hereof but are exercisable at any time during that period.
 - ii. Transfac Capital, LLC, or its designee, may repurchase the warrants from Medical Capital Holdings, Inc. at any time before the exercise

thereof for the total price of Three Hundred Thousand Dollars (\$300,000.00).

6. ~~The provisions of paragraphs 2 through 8 hereof shall survive the closing of the sale of Medical Capital Holdings, Inc.'s interest in Transfac Capital, LLC as referred to in paragraph 1 hereof.~~
7. Any disputes arising out of this agreement will be submitted for resolution to the American Arbitration Association, under their normal commercial rules, to a single arbitrator. The arbitration will take place in Las Vegas, Nevada.
8. Transfac, LLC, the Calvert Company and S. Whitfield Lee hereby agree to indemnify and hold harmless Medical Capital Holdings, Inc. from any and all claims relating to those operations of Transfac, LLC and Transfac Capital, LLC occurring on or after the purchase by The Calvert Company of Medical Capital Holdings, Inc.'s 51% ownership interest in Transfac Capital, LLC, and from any and all claims relating to Medical Capital Holdings, Inc.'s guarantee of the indebtedness of Transfac LLC to the extent such indebtedness exceeds the maximum amount allowed under the Proficio Bank financing agreement existing as of the date of this Agreement, including reasonable and actual attorneys fees, cost and expenses of investigation and defense of claims, etc; provided, in no event shall any such obligation to indemnify or hold harmless pursuant to this paragraph 8 extend to a claim arising out of the intentional act or gross negligence of Medical Capital Holdings, Inc.

----- NO FURTHER TEXT ON THIS PAGE -----
----- SIGNATURE PAGE FOLLOWS -----

Please indicate your agreement to the terms hereof by signing the enclosed copy of this letter and returning it to me as soon as possible

Very truly yours,

Medical Capital Holdings, Inc.

By: [Signature]

Agreed and accepted:

The Calvert Company

By: _____

The undersigned, being all the members of Transfac Capital, LLC, hereby acknowledge the transfer of membership interest contemplated by the above agreement to constitute a Permitted Transfer as that term is defined in the Operating Agreement of Transfac Capital, LLC and hereby waive any and all restrictions on transfers, rights of first refusal and/or any other restrictions on transfer at law, in equity or contained in the Operating Agreement of Transfac Capital, LLC including, without limitation, Article X thereof

Medical Capital Holdings, Inc.

Fairfield St. Clair, Incorporated

By: [Signature]

By: [Signature]

Date: 6/17/09

Date: June 17, 2009

W.L.P. Corporation

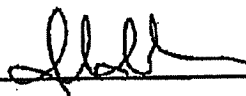
By: _____

Date: _____

Please indicate your agreement to the terms hereof by signing the enclosed copy of this letter and returning it to me as soon as possible

Very truly yours,

Medical Capital Holdings, Inc.

By: 

Agreed and accepted:

The Calvert Company

By: _____

The undersigned, being all the members of Transfac Capital, LLC, hereby acknowledge the transfer of membership interest contemplated by the above agreement to constitute a Permitted Transfer" as that term is defined in the Operating Agreement of Transfac Capital, LLC and hereby waive any and all restrictions on transfers, rights of first refusal and/or any other restrictions on transfer at law, in equity or contained in the Operating Agreement of Transfac Capital, LLC including, without limitation, Article X thereof.

Medical Capital Holdings, Inc.

Fairfield St. Clair, Incorporated

By: 

By: _____

Date: 6/17/09

Date: _____

W.L.P. Corporation

By: _____

Date: _____

Please indicate your agreement to the terms hereof by signing the enclosed copy of this letter and returning it to me as soon as possible

Very truly yours,

Medical Capital Holdings, Inc.

By: _____

Agreed and accepted:

The Calvert Company

By: _____

The undersigned, being all the members of Transfac Capital, LLC, hereby acknowledge the transfer of membership interest contemplated by the above agreement to constitute a Permitted Transfer" as that term is defined in the Operating Agreement of Transfac Capital, LLC and hereby waive any and all restrictions on transfers, rights of first refusal and/or any other restrictions on transfer at law, in equity or contained in the Operating Agreement of Transfac Capital, LLC including, without limitation, Article X thereof.

Medical Capital Holdings, Inc.

Fairfield St. Clair, Incorporated

By: _____

By: 

Date: _____

Date: 6-17-09

W.L.P. Corporation

By: _____

Date: _____