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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

MEDICAL CAPITAL HOLDINGS,
INC.; MEDICAL CAPITAL
CORPORATION; MEDICAL
PROVIDER FUNDING
CORPORATION VI; SIDNEY M.
FIELD; and JOSEPH J.
LAMPARIELLO,

Defendants.

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

**~~PROPOSED~~ ORDER ON
RECEIVER'S REPORT ON THE
STATUS OF CLAIMS AND
REQUEST TO DETERMINE
OUTSTANDING UNRESOLVED
CLAIMS AND APPROVE MIMO
CLAIM APPROACH**

Date: May 11, 2012
Time: 3:00 p.m.
Ctvm: 9D
Judge: Hon. David O. Carter

1 The Court, having considered the Receiver's Report on the Status of Claims
2 and Request to Determine Outstanding Unresolved Claims and Approve MIMO
3 Claim Approach, Docket No. 700, ("Request for Determination") of Thomas A.
4 Seaman ("Receiver"), the Court-appointed permanent receiver for Medical Capital
5 Holdings, Inc., Medical Capital Corporation, Medical Provider Funding
6 Corporation VI, and their subsidiaries and affiliates (collectively, the "Receivership
7 Entities"), together with all papers filed in support of and in opposition to the
8 Receiver's previously filed Omnibus Objections, and good cause appearing therefor,
9 hereby orders as follows:

10 **EMPLOYEE CLAIMS**

11 1. All claims of Christian Tureaud and David Salzberg are withdrawn.
12 The claim of Jason French is allowed in the amount of \$6,400.

13 **TRADE CREDITOR CLAIMS**

14 2. All claims of trade creditors Anthony Macaluso and TEEM, LLC are
15 withdrawn.

16 3. The claims arising out of the production of The Perfect Game are
17 allowed as follows:

Claimant	Allowed Amount
Director's Guild of America	\$13,998.16
SAG-AFTRA	\$16,002.09
Motion Picture Industry Pension and Health Plans	\$44,116.00
Film Musicians Secondary Markets Fund	\$5,363.00
Studio Utility Employee Ruben Arce	\$1,964.75
Studio Utility Employee Aunfrance Crosby II	\$1,454.43
Studio Utility Employee Lance Woodruff	\$606.90

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27 4. The claims of Andre Guimond and IATSE are still being reviewed by
28 the Receiver. If after completing his review, the Receiver reaches an agreement as

1 to allowed claim amounts for these claimants, he shall submit a stipulation to that
2 effect before June 11, 2012. If no agreement is reached, the Receiver shall submit
3 an objection on or before June 4, 2012, claimants shall submit opposition papers on
4 or before June 7, 2012, and the claims will be determined by the Court at a hearing
5 on June 11, 2012 at ____m.

6 5. The Receiver is also authorized to pay from funds reserved for future
7 administrative expenses additional amounts that become due and owing to Director's
8 Guild of America, SAG-AFTRA, Film Musicians Secondary Markets Fund, and
9 Motion Picture Industry Pension and Health Plans, based on such claimants residual
10 rights in future revenues from the film, The Perfect Game, without further order of
11 the Court, provided that the aggregate amount of such additional funds paid by the
12 Receiver is less than \$10,000.

13 **NOTEHOLDER CLAIMS**

14 **Noteholder Claim Calculation Disputes**

15 6. The Receiver solicited Noteholder Claim Information Forms from all
16 Noteholders. After reviewing the forms received, the Receiver determined that
17 approximately 7,345 Noteholders did not dispute the Receiver's MIMO calculation.¹
18 At the time of the March 12th hearing, an additional 351 Noteholders, as listed in
19 Exhibit A to the Reply to Oppositions/Responses to Receiver's Omnibus Objection
20 to Noteholder Claims, Docket No. 657, ("Reply"), were also undisputed.

21 7. The remaining Noteholders consisted of 302 Noteholders, as listed in
22 Exhibit B to the Reply ("Exhibit B Noteholders"), who had been provided additional
23 information supporting the Receiver's calculation and who either had not responded
24 (262 Noteholders) or who had responded but had not provided sufficient evidence to
25 refute the Receiver's calculations (40 Noteholders).

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27 ¹ The Court recognizes that many Noteholders may have continuing objections to
28 the MIMO approach. The Court will issue a separate ruling on the
appropriateness of the MIMO approach. The balance of this order addresses the
calculation of the MIMO claim amounts.

1 8. In addition, at the time of the March 12th hearing, there were
2 approximately 102 Noteholders, as listed in Exhibit C to the Reply ("Exhibit C
3 Noteholders"), with whom the Receiver was still working or to whom he was
4 providing additional information. Exhibit C Noteholders included seven
5 Noteholders who were also brokers and had received commissions from Medical
6 Capital for the sale of notes. These Noteholders objected both to the concept of
7 treating commissions as money-out and contended that the commissions applied in
8 the Receiver's calculations were overstated.

9 9. All 102 Exhibit C Noteholders have either affirmatively agreed with
10 the Receiver's calculations or have failed to respond to the additional information
11 provided by the Receiver. Of the seven broker/Noteholders, two provided
12 additional information, and the Receiver adjusted the claim calculation in response
13 to the information provided. The remaining objecting broker/Noteholders did not
14 respond to the Receiver's request to provide documentation with respect to the
15 amount of commission received.

16 10. Thus, all Noteholders have either agreed to the Receiver's MIMO
17 calculation, have failed to respond to the Receiver's requests for documentation with
18 respect to amounts disputed, or have responded but have failed to provide sufficient
19 evidence to refute the Receiver's calculation. As a result, it hereby is ordered that
20 the Noteholder Claims are allowed in the amounts listed in Exhibit 1 to the
21 Declaration of Thomas A. Seaman in Support of Report on the Status of Claims and
22 Request to Determine Outstanding Unresolved Claims and Approve MIMO Claim
23 Approach (Docket No. 708).

24 FirstWorldsec Securities Limited and SinoPac Securities

25 11. The Court has considered the positions of FirstWorldsec Securities
26 Limited ("First World") and SinoPac Securities ("SinoPac"), two Hong Kong
27 brokerage firms that held Medical Capital Notes in their own names, but assert that
28 various investors, presumably clients of the FirstWorld and SinoPac, were the true

1 owners of the notes. FirstWorld and SinoPac further contend that the Receiver must
2 calculate the MIMO claim amount for each investor individually. The Court rejects
3 the position of FirstWorld and SinoPac and approves the claims of FirstWorld in the
4 amount of \$3,088,125.78 and SinoPac in the amount of \$84,472.43, as calculated by
5 the Receiver and reflected in Exhibit 1.

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IT IS SO ORDERED.

Dated: June 4, 2012

David O. Carter

Hon. David O. Carter
Judge, United States Bankruptcy Court
District