

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 DOUGLAS M.
 CONNELL IN SUPPORT OF
 MOTION FOR ORDER APPROVING
 (A) SALE OF SOUTHWEST
 ATLANTA MEDICAL CENTER
 PROPERTY FREE AND CLEAR OF
 LIENS,
 (B) REAL ESTATE BROKER'S
 COMMISSION; AND
 (C) FEES AND COSTS OF
 RECEIVER'S GEORGIA COUNSEL;**

Date: June 21, 2010
 Time: 8:30 a.m.
 Ctrm: 9D
 Judge: Hon. David O. Carter

1 I, Douglas M. Connell, declare as follows:

2 1. I am a Senior Vice President at the Atlanta, Georgia office of Grubb &
3 Ellis Company, the real estate broker hired by Thomas Seaman ("Receiver") to list
4 and market the Southwest Atlanta Medical Center property ("Property") for sale.
5 The following facts are within my knowledge and if called as a witness I would
6 testify to them under oath.

7 2. I am a commercial real estate broker licensed in the states of Georgia,
8 Alabama, Louisiana, South Carolina and North Carolina. I have more than 30 years
9 experience in the commercial real estate industry. My biography is attached hereto
10 as Exhibit A.

11 3. In May 2009, Alan Ursillo of BRE Commercial in San Diego, an
12 affiliate of Grubb & Ellis, contacted me to discuss a possible co-brokerage listing of
13 the Property, which he had recently discussed with Defendant Joseph Lampariello
14 and Medical Capital employee Rick Muckelrath. At that time, Mr. Ursillo brought
15 me in on co-brokerage basis to assist in marketing and advertising the Property.

16 4. BRE Commercial/Grubb & Ellis proceeded to widely broadcast, market
17 and advertise the Property for sale through various channels, including the Loop Net
18 listing database of more than three (3) million members, each of whom received an
19 e-mail with the listing. Likewise, the Property was listed in the Real Capital
20 Markets database of more than 14,000 potential buyers, each of whom also received
21 an email with the listing, and was publicized through Co-Star, which sent the
22 information to the commercial brokerage community as well as its nationwide
23 subscription of commercial real estate buyers and sellers. Finally, a marketing
24 brochure was prepared and e-mailed to all Grubb & Ellis brokers, and to a database
25 of clients, brokers and contacts in the healthcare industry maintained by myself and
26 Mr. Ursillo.

27 5. Mr. Ursillo and I received and promptly responded to approximately
28 300 inquiries regarding the Property. All parties who signed the required

1 confidentiality agreement were given access to due diligence materials for the
2 Property.

3 6. Mr. Ursillo met with Mr. Lampariello and Mr. Muckelrath on two
4 occasions in July 2009. I was told that at both meetings, Mr. Lampariello stated that
5 he was pleased with our marketing efforts.

6 7. I met with Craig Kozma, an employee of the Receiver, shortly after the
7 Receiver's appointment. The Receiver asked for a marketing agreement from Grubb
8 & Ellis to act as broker for the Property, and instructed us (Grubb & Ellis and BRE)
9 to continue our marketing and advertising efforts with BRE Commercial. Grubb &
10 Ellis and the Receiver executed a Marketing Services Agreement. The Receiver
11 also instructed us to notify all interested parties that they had until October 9, 2009
12 to submit their highest and best offer. Grubb & Ellis and BRE Commercial have
13 continued to work on this engagement as co-brokers.

14 8. I have conducted numerous tours at the Property with interested parties.
15 I was also actively involved in efforts to preserve the Certificate of Need for the
16 hospital on the Property prior to its expiration.

17 9. As of October 9, 2009, we had received three (3) offers for the
18 Property, the highest and best of which was a \$9.5 million offer, approval of which
19 was sought in the Receiver's prior sale motion.

20 10. At the Receiver's instruction, we continued to list and market the
21 Property, and respond to all inquiries. Deteriorating financial markets, the economic
22 recession, and across the board declines in real estate values, in addition to the
23 expiration of the Certificate of Need for the Property, made a difficult situation even
24 more challenging, and severely curtailed interest in the Property. Southwest Atlanta
25 Healthcare System, LLC ("Buyer") has been the only legitimately interested party
26 since the prior sale motion was withdrawn.

27 11. In light of our extensive efforts to broadcast the Property for sale and
28 identify all possible buyers, I believe that further publication of notice in

1 newspapers or trade publications would not yield a higher and better price than that
2 proposed in the Receiver's current sale motion.

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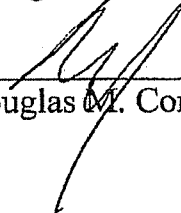
I declare under penalty of perjury that the foregoing is true and correct.

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Executed on May 21, 2010, at Atlanta, Georgia.

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Douglas M. Connell

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EXHIBIT A



Douglas M. Connell
Senior Vice President
Grubb & Ellis Company
3424 Peachtree Road, N.E.
Eighth Floor
Atlanta, Georgia
770-552-2473
doug.connell@grubb-ellis.com

CAREER SUMMARY

Doug has more than 20 years experience in commercial real estate and consistently is one of Grubb & Ellis' most production investment professionals in the Southeast. Doug possesses multi-disciplinary skills across all major product lines and has represented clients in the disposition, acquisition and recapitalization of a wide range of investment properties, including development of new projects, purchase and sale of stabilized and value-add assets, plus targeted acquisitions and tax-deferred exchanges.

EXPERIENCE

- 2000 to Present: Senior Vice President, Institutional Investments, Grubb & Ellis Company
- 1998 to 2000: Senior Director, Holliday Fenoglio Fowler, LP
- 1988 to 1998: Connell Properties Incorporated

EDUCATION AND PROFESSIONAL LICENSES

- Georgia State University, MBA
- Georgia State University, BBA
- Real Estate Broker Licensed in Georgia, Alabama, South Carolina, North Carolina
- FINRA Series 22 and Series 63 Securities Licenses

REPRESENTATIVE TRANSACTIONS (millions)

Atlantic Center Plaza	Atlanta, GA	500,000-sf	\$116.5	Development
Office Portfolio	Boca Raton, FL	631,000-sf	\$93.3	Sale
Apartment Portfolio	NC/SC	2010 units	\$100.0	Sale
Office Portfolio	NC/SC/FL	524,000-sf	\$68.4	Sale
The Legacy	Atlanta	310 units	\$27.0	Development
GM Warehouse	Atlanta	724,000-sf	\$15.5	Sale
Breckinridge Place	Atlanta, GA	250,000-sf	\$25.1	Sale
Butler Point	Jacksonville, FL	162,000-sf	\$11.3	Sale
Park Place	Birmingham, AL	278,000-sf	\$25.2	Sale
Lakeridge Tech Center	Atlanta, GA	187,000-sf	\$9.4	Sale
Commons V Medical	Naples, FL	56,000-sf	\$11.6	Acquisition
SouthCrest Medical	Atlanta, GA	81,000-sf	\$21.2	Acquisition

CH2MHill Office Spartanburg, SC 125,000-sf \$14.7 Sale

Addendum to Bio: Healthcare Real Estate Experience**December 4, 2009**

Douglas M. Connell
Senior Vice President
Grubb & Ellis Company

I have been a licensed broker for more than more than 30 years and have represented hospital boards, medical office developers, plus public and private investors with respect to the purchase and/or sale of medical office buildings and hospitals, including both short term and long term acute care facilities.

The following is a partial list of the healthcare properties that I have/am working on during the past 36 month period:

Facility	U.S. Location	Size	Approx. Value
Acute Care Hosp.	Northwest	122,383-sf	\$50,000,000
Rehab. Hosp.	Southeast	95,455-sf	\$22,000,000
LTAC Hosp.	Southwest	39,600-sf	\$5,000,000
Acute Care Hosp.	Southwest	84,673-sf	\$9,000,000
LTAC Hosp.	Southeast	64,488-sf	\$17,000,000
Medical Mall	Southwest	186,281-sf	\$38,000,000
Medical Office Portfolio	Multi-state	335,437-sf	\$48,000,000
Hospital Portfolio	West	450,000-sf ±	\$100,000,000
Medical Office	Southeast	81,000-sf	\$20,000,000
Medical Office	Southeast	80,000-sf	\$19,000,000
Medical Office	Southeast	40,000-sf	\$8,000,000
Medical Office	Southeast	30,000-sf	\$6,500,000
Medical Office	Southeast	31,000-sf	\$6,600,000
Acute Care Hosp.	Southeast	150,000-sf	\$8,000,000

In my capacity as a senior investment advisor, I also search for, analyze and handle certain new acquisitions for Grubb & Ellis's healthcare investment platform. Over the three years, our firm has completed the acquisition of more than \$1.5 billion in healthcare properties which include both hospitals and medical office buildings.