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 8 THOMAS A. SEAMAN

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.
 20

Case No. SA CV09-0818 DOC (RNBx)

DECLARATION OF MICHAEL R.
 FARRELL IN SUPPORT OF
 RENEWED APPLICATION FOR
 APPROVAL OF CONFLICTS
 COUNSEL

DATE: June 7, 2010
 TIME: 8:30 a.m.
 CTRM: 9D
 JUDGE: Hon. David O. Carter

21 **DECLARATION OF MICHAEL R. FARRELL**

22 I, Michael R. Farrell, declare as follows:

23 1. I am a partner at the law firm of Allen Matkins Leck Gamble Mallory
 24 & Natsis LLP ("Allen Matkins"), in Los Angeles, California. I am counsel for
 25 Thomas Seaman who was appointed Permanent Receiver ("Receiver") pursuant to
 26 the Order entered on August 17, 2009. I submit this declaration in support of the
 27 Renewed Application for Approval of Receiver's Appointment of Conflicts Counsel,
 28 filed concurrently herewith. I am the attorney primarily responsible for the

1 supervision of this matter, and was personally involved in the interviewing and
2 selection of conflicts counsel for the Receiver. I have personal knowledge of the
3 facts stated in this Declaration, which I could and would testify to if called upon to
4 do so.

5 2. Allen Matkins has an attorney-client relationship with Wells Fargo
6 Bank ("Wells Fargo"), and therefore has not assisted, and cannot assist, the Receiver
7 in investigating or pursuing any claims against Wells Fargo. Allen Matkins does not
8 have an attorney-client relationship with Bank of New York Mellon ("BONYM"),
9 however, the overlap of issues relevant to potential claims against Wells Fargo and
10 BONYM could give rise to a conflict on interest for Allen Matkins.

11 3. Therefore, Allen Matkins believes it most appropriate that the Receiver
12 retain conflicts counsel to represent him in connection with all potential claims
13 against any of the Trustees.

14 4. Allen Matkins has recommended that the Receiver retain Shartsis
15 Friese as conflicts counsel.

16 5. The Receiver encountered substantial difficulty in retaining conflicts
17 counsel. Over a period of several months after his appointment, the Receiver and
18 his team contacted and interviewed a number of firms, attempting to identify a firm
19 that satisfied three critical criteria: (1) attorneys with the competency and experience
20 to advise the Receiver on the complex issues involved here (e.g. securities law,
21 fiduciary duty, etc.), (2) the ability to deliver services at a reasonable cost, and (3)
22 no conflicts with either Wells Fargo or BONYM. Given the amount of legal work
23 generated by these large financial institutions, the number of firms satisfying these
24 criteria and willing to accept the representation was relatively small. The Receiver's
25 team, after assisting several firms in conducting their due diligence and interviewing
26 counsel, determined that Shartsis Friese was the best choice to represent the
27 Receiver.

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