

1 DAVID R. ZARO (BAR NO. 124334)  
 MICHAEL R. FARRELL (BAR NO. 173831)  
 2 EDWARD G. FATES (BAR NO. 227809)  
 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  
 tfates@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 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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