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

17 SECURITIES AND EXCHANGE
COMMISSION,

18 Plaintiff,

19 v.

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

24 Defendants.
25

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

EX PARTE APPLICATION FOR
ORDER AMENDING OVERBID
PROCEDURES FOR SALE OF LOANS
MADE TO INTEGRATED
HEALTHCARE HOLDINGS, INC.

Ctrlm: 9D
Judge: Hon. David O. Carter

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1 Thomas A. Seaman ("Receiver"), Court-appointed permanent receiver for
2 Medical Capital Holdings, Inc. ("MCH"), Medical Capital Corporation ("MCC"),
3 Medical Provider Funding Corporation VI ("MP VI"), and their subsidiaries and
4 affiliates, including Medical Provider Funding Corporations I through V
5 (collectively, the "Receivership Entities"), applies for an order amending the overbid
6 procedures for the proposed sale of loans made to Integrated Healthcare Holdings,
7 Inc. The overbid procedures were approved by the Court on February 11, 2010
8 (Docket #165).

9 On February 4, 2010, the Receiver filed his motion for approval of the sale of
10 loans made by the Receivership Entities to IHHI and related relief ("Sale Motion")
11 and ex parte application for approval of proposed overbid procedures and notice of
12 sale ("Ex Parte Application"). The Sale Motion was originally set for hearing on
13 March 22, 2010. The overbid procedures include a requirement that overbids be
14 received by the Receiver no later than March 17, 2010, three business days before
15 the original hearing date. Overbids must be accompanied by a \$2 million cash
16 deposit and proof of the ability to close at the minimum overbid amount
17 (\$57 million) in the form of a cashier's check, cash deposit or irrevocable letter of
18 credit.

19 On March 16, 2010, the Court entered a minute order rescheduling the
20 hearing on the Sale Motion from March 22 to April 2, 2010 (Docket #184). The
21 Receiver, therefore, requests that the deadline to submit overbids be extended to
22 March 30, 2010, three business days before the new sale hearing. This extension
23 will preserve the fairness of the overbid procedures to potential overbidders (i.e.
24 require the commitment of funds for the same period before the hearing as
25 previously approved), as agreed to by the Receiver and purchaser, KPC Resolution
26 Company, LLC ("Purchaser"), as well as allow potential overbidders to utilize the
27 additional time before the hearing to conduct any further due diligence and/or raise
28 the necessary funds to submit a qualified bid. Purchaser has agreed to the extension.

1 Furthermore, the Sale Motion states that the sale will close on the earlier of
2 (a) a date agreed upon by the Purchaser or the high bidder approved by the Court,
3 and (b) March 31, 2010. The Receiver hereby gives notice that, by agreement with
4 Purchaser, the deadline to close the sale has been extended to the fifth business day
5 after entry of an order approving the sale, and requests that the Court approve the
6 sale agreement as amended.

7 Pursuant to Local Rule 7-19.1, the Receiver circulated this application to
8 counsel for the Securities and Exchange Commission ("Commission") and
9 Defendants Field and Lampariello before filing. The Receiver was informed by
10 counsel that the Commission has no opposition. Counsel for defendants Field and
11 Lampariello stated that he had not yet had time to confer with his clients at the time
12 of filing. The Receiver did not delay the filing due to the immediate deadline to
13 submit overbids (March 17) and the importance of letting potential overbidders
14 know as soon as possible when overbids are due.

15 This application has been provided to all known potential overbidders and
16 posted on the Receiver's website.

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Dated: March 17, 2010

ALLEN MATKINS LECK GAMBLE
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By: /s/ Ted Fates

TED FATES
Attorneys for Receiver
Thomas A. Seaman