

1 DAVID R. ZARO (BAR NO. 124334)
MICHAEL R. FARRELL (BAR NO. 173831)
2 TED 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 Thomas A. Seaman
8

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
21
22

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

**DECLARATION OF THOMAS A.
SEAMAN IN SUPPORT OF MOTION
FOR APPROVAL OF (A) SALE OF
HOME STRETCH YACHT FREE
AND CLEAR OF LIENS, AND
(B) YACHT BROKER'S
COMMISSION**

Date: October 25, 2010
Time: 8:30 a.m.
Ctm: 9D
Judge: Hon. David O. Carter

1 I, Thomas A. Seaman, declare as follows:

2 1. I am the Court appointed permanent receiver for Medical Capital
3 Holdings, Inc., Medical Capital Corporation, and Medical Provider Funding
4 Corporation VI, and their subsidiaries and affiliates, including Corporate
5 Impressions, LLC (collectively, "Medical Capital" or the "Receivership Entities").
6 The following facts are within my knowledge and if called as a witness I would
7 testify to them under oath.

8 2. The Home Stretch is a 118-foot Tri-Deck Motor Yacht built by
9 Hatteras Yachts in 1995 ("Yacht"). I had the Yacht surveyed and appraised by
10 Marine Surveyor, Douglas Jones. Mr. Jones' report is attached as Exhibit 1 hereto.
11 The appraised "standard market value" is between \$2.2 million and \$2.5 million.
12 The appraised "short market value" is between \$1.6 million and \$1.9 million.

13 3. On September 5, 2006, Medical Capital purchased the Yacht. It
14 appears that the purchase price was \$3,725,000. A portion of the purchase money
15 for the Yacht came in the form of a \$2,980,000 loan from Edge Capital, LLC. The
16 funds for Edge Capital loan came from Medical Capital (Medical Provider Financial
17 Corporation III, later assigned to Medical Capital Funding Corporation V). Medical
18 Capital formed Corporate Impressions, LLC, a Delaware corporation, to take title to
19 the Yacht. The borrower on the Edge Capital loan was Corporate Impressions.

20 4. The Yacht was kept in a slip in Newport Harbor. Medical Capital
21 employed one full-time captain and two full-time crewmembers for the Yacht.

22 5. Upon my appointment, I took possession and control of the Yacht and
23 retained the captain. I have paid the post-receivership rent for the slip, and arranged
24 for necessary maintenance and repairs to be made.

25 6. In October 2009, I engaged Ardell Yacht & Ship Brokers ("Broker") to
26 broadly market the Yacht for sale. Broker listed the Yacht on well known yacht sale
27 websites, including Yachtworld.com, Yachtcouncil.org and Buc.net. Broker also
28 listed the Yacht on its own website, Ardell.com. In addition, Broker promoted the

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28


opportunity in various prestigious international nautical publications. Broker received thousands of hits to the websites and formal inquiries from ten interested parties. Broker continues to publicize the opportunity with the goal of promoting overbidding.

7. Since my appointment, including the slip rental, the captain's salary, utilities, insurance, maintenance and repair, the receivership estate has incurred approximately \$240,000 in expenses to preserve and protect the value of the Yacht.

8. The highest and best offer for the Yacht was from ("Buyer") in the amount of \$1,800,000. Buyer and I negotiated and executed a Purchase and Sale Agreement ("Agreement"), subject to overbid and Court approval. The Agreement is attached hereto as Exhibit 2. Buyer has deposited \$180,000 with Broker.

9. I interviewed several yacht brokers in connection with listing the Yacht for sale. Based on those conversations and my experience with sales of other boats, I believe that the proposed commission of ten (10%) percent of the purchase price is standard in the yacht broker industry for the sale of a yacht of this size and value.

I declare under penalty of perjury that the foregoing is true and correct
Executed this 17th day of September 2010, at Irvine, California.



Thomas A. Seaman

EXHIBIT 1



DOUGLAS JONES

MARINE SURVEYOR

SPECIALIZING IN PLEASURE CRAFT AND FINE YACHTS

POWER AND SAIL

(949) 646-3038

PO BOX 3348

NEWPORT BEACH, CA 92659

VESSEL NAME: HOME STRETCH	CF OR DOC#: 1035186	HIN#: HATFM314F595
VESSEL MFG. BY: HATTERAS YACHTS	AT: NEW BERN, NC	
VESSEL LENGTH: 118' YEAR: 1995	VESSEL TYPE: TRI DECK MOTORYACHT	
SURVEY REQUESTED BY: CRAIG KOZMA *	DATE/S OF SURVEY: 18-20 JANUARY 2010	
OWNERS NAME: CORPORATE IMPRESSIONS, LLC	MORTGAGED BY:	
REPLACEMENT COST: \$ 10,900,000 00	SHORT MARKET VALUE: \$ 1,600,000 00 TO 1,900,000 00	
* FOR THOMAS SEAMAN COMPANY	STANDARD MARKET VALUE: \$ 2,200,000 00 TO 2,500,000 00	

PRIVILEGED AND CONFIDENTIAL CONDITION DESCRIPTION

HULL:

THIS 118' VESSEL IS A TRI DECK MOTORYACHT WITH COCKPIT WHICH WAS BUILT BY HATTERAS YACHTS IN 1995. THE EXTERIOR APPEARS GOOD COSMETICALLY AND THE INTERIOR APPEARS GOOD TO FAIR AND HAS THE FOLLOWING LAYOUT AND EQUIPMENT ARRANGEMENTS: FLYBRIDGE FORWARD AND MOVING AFT, 3-SEARCHLIGHTS, HORNS, LIGHT MAST, THE HELM CONSOLE WITH ALL NECESSARY ENGINE CONTROLS AND INSTRUMENTS TO INCLUDE, BURLE VIDEO MONITOR, SHIPMATE RS5800 GPS, ROBERTSON RI40 RUDDER ANGLE INDICATOR, AND AP9 MK3 AUTOPILOT, NAIAD BOW THRUSTER CONTROL, DATAMARINE LINK DEPTH/SPEED/WIND GAGES, RAYTHEON RAY430 LOUD HAILER, STANDARD HORIZON QUANTUM GX2360S VHF, HYNAUTIC HYDRAULIC STEERING W/22" DESTROYER WHEEL, SYSTEMS MONITOR, CONTROLS FOR THE SEARCHLIGHTS, BOW AND STERN THRUSTER CONTROLS, COMPASS, POMPANETTE HELM, CHAIR, 8 TYPE III PFDs, FIRE EXTINGUISHER, BARBECUES GALORE LPG BARBECUE W/3 TANKS, U-LINE ICE MAKER AND REFRIGERATOR, SINK, BAR W/2 FIXED STOOLS, L-SHAPED SETTEE, FLOOD LIGHT, FIBERGLASS ARCH W/ALUMINUM SIGNAL MAST, 2-SEA TEL SATELLITE ANTENNAS, ACR GLOBAL FIX EPIRB, 2-AVON 8 PERSON LIFE RAFTS, DOWN STEPS TO THE BOAT DECK.

FORWARD IS THE PILOTHOUSE WITH CENTER HELM CONSOLE AND ALL NECESSARY ENGINE CONTROLS AND INSTRUMENTS TO INCLUDE 3 WINDSHIELD WIPERS WITH ARMS AND BLADES, 4 NAUTICOMP VIDEO MONITORS, 2-STANDARD QUANTUM VHF's, STABILIZER CONTROLS, SEARCHLIGHT CONTROLS, 2-FUNUNO NAV NET KEYBOARDS, ELBEX VIDEO CAMERA CONTROLS, FURUNO UNIVERSAL AIS, 2-MARETRON DSM200 MULTI DISPLAYS, ROBERTSON RI40, RUDDER ANGLE INDICATOR AND AP9 AUTOPILOT WITH JOYSTICK, HELM PUMP W/DESTROYER WHEEL, SYSTEMS MONITOR, FIRE SYSTEM RELEASE, KENWOOD KDC-225MR AM/FM/CD/SIRIUS READY STEREO, FUEL TRANSFER FILTER MONITOR, COMPUTER KEYBOARD AND MOUSE, AT&T TELEPHONE, SEA TEL CONTROLLERS, IDIRECT 5000 SATELLITE ROUTER, BENCH SEAT, ACR GLOBAL FIX EPIRB, ACR PATHFINDER EPIRB, WATER TIGHT SIDE DOORS OUT TO PORT AND STARBOARD DOCKING STATIONS, ACR DITCH BAG W/AMPLE FLARES AND LIGHTS, WILSON JONES LAMINATOR, AND BOW AND STERN THRUSTER CONTROLS.

UNDER THE HELM CONSOLE: COOLING FAN, BLOWER, 2-VEI COMPUTERS W/DVD DRIVE, ROUTERS AND MULTI BUSS PORT, 4-ENGINE INTERFACE MODULES, FURUNO SIRIUS MARINE WEATHER MODULE, AIS TRANSPONDER, 2-NAV NET PROCESSORS, FIRE BOY FIRE SYSTEM, SATELLITE COMPASS, 24 VDC ELECTRONICS BREAKER PANEL, STAT POWER 1500 WATT INVERTER, SCENTRY 24 VOLT BATTERY CHARGER, 2-8D GEL CELL BATTERIES, HAYWARD SPA PUMP, TOILET PARTS, NAPA AND DIE HARD BATTERY CHARGERS, AC SHIP BREAKER PANEL #2, 24 VDC BREAKER PANEL #3, 12 VDC ELECTRONICS BREAKER PANEL, NEWMAR 32-12-50 CONVERTER, 32-12-3 CONVERTER, 2-SMALL TRANSFORMERS, SMOKE DETECTOR



DOUGLAS JONES

MARINE SURVEYOR

SPECIALIZING IN PLEASURE CRAFT AND FINE YACHTS

POWER AND SAIL

(949) 646-3038

PO BOX 3348

NEWPORT BEACH, CA 92659

CAPTAIN'S OFFICE: DESK, SHIP'S BOOKS AND RECORDS, FLAGS, DAVIT HAND CONTROL, SEA 322 HF SSB RADIO, ESL 1500 SERIES FIRE ALARM CONTROL AND MANUAL RELEASE, HIGH BILGE AND SMOKE DETECTION DISPLAY, FIRE PUMP SWITCH, HP C4150 PRINTER/COPIER, SEA TEL CONTROL MONITOR, FIRE EXTINGUISHER, FLASHLIGHT.

CAPTAIN'S CABIN: DOUBLE BERTH WITH STORAGE UNDER, MAGNAVOX 19" LCD TV, FLASHLIGHT, HANGING LOCKER, BUREAU, FIRE EXTINGUISHER, and SMOKE DETECTOR

SKY LOUNGE: 4-LEATHER EASY CHAIRS, 2-OTTOMANS, ENCLOSED HEAD WITH STALL SHOWER, SMOKE DETECTOR, MITSUBISHI 40" PLASMA TV, JVC AUDIO/VIDEO CONTROL RECEIVER, 2-SATELLITE RECEIVERS (ENGLISH AND SPANISH).

BOAT DECK: TO STARBOARD IS A ROD LOCKER WITH 12 RODS AND 5 REELS, FLAGPOLE, AND PENN DOWNRIGGER, 2-FIBERGLASS DUNNAGE BOXES, PATIO FURNITURE, NAUTICAL STRUCTURES HYDRAULIC DAVIT (PORT), STEPS TO FLYBRIDGE (PORT), '07 MODEL 17DLX AB INFLATABLE RIB TENDER HIN# XMO27014J807, 2-'07 YAMAHA 4 STROKE JET SKIS HIN#s YAMA2728J607 & YAMA2733J607, EVINRUDE E115DPXSCR 115 HORSEPOWER OUTBOARD MOTOR SER# 05219964, BELOW DECK HELM STATION WITH NECESSARY ENGINE CONTROLS AND INSTRUMENTS, DATAMARINE LINK SPEED AND DEPTH INDICATORS, ROBERTSON FU91 JOYSTICK (STARBOARD), STAIRS DOWN TO THE MAIN DECK.

MAIN DECK (EXTERIOR) FORWARD AND MOVING AFT, MOORING BITS, STAINLESS STEEL ANCHOR ROLLER, PRIMARY ANCHOR, SHIP'S BELL, CHAIN STOPPER, WINDLASS, MANHOLE TO CHAIN LOCKER, FORWARD CABIN TRUNK SEAT WITH CUSHIONS, PORT AND STARBOARD STORAGE LOCKERS (PORT SIDE WITH JACUZZI PUMPS AND FILTERS), JACUZZI TUB ON CENTERLINE, FIRE STATION. DOWN THE SIDE DECKS AND DOWN STEPS ARE BULWARK DOORS AT THE MAIN CABIN ENTRY DOORS (STARBOARD WITH ACCOMMODATION LADDER). AFT ARE WING DOORS LEADING TO THE CALIFORNIA DECK WITH LARGE U-SHAPED SETTEE, WITH STORAGE BELOW AND INLAYED TABLE, TO PORT IS A COMMERCIAL ICE MACHINE. TO PORT AND STARBOARD ARE STEPS DOWN TO THE COCKPIT, FIRE EXTINGUISHER, FIRE STATION.

COCKPIT: BUILT IN SINK, ENGINE ROOM ACCESS, FISH CLEANING AREA, BELOW DECK BAIT TANK, TACKLE LOCKER, STORAGE, FIGHTING CHAIR (STARBOARD), 2-PARA TECH DROGUES, 4-FLUSH MOUNTED ROD HOLDERS, DOUBLE TRANSOM DOOR, RAW WATER WASH DOWN FAUCET, FWD LAZARETTE HATCH. SWIM PLATFORM; PORT SIDE STORAGE, 2-DECK HATCHES TO AFT LAZARETTE, STARBOARD LOCKER SHORE POWER HOOK-UPS AND CORD STORAGE.

MAIN DECK INTERIOR: FORWARD MOVING AFT, TO STARBOARD STAIRS TO CREW'S QUARTERS. TO PORT IS AN L-SHAPED DINETTE. THE LARGE GALLEY FOLLOWS WITH COOKING ISLAND, COUNTER AND SINK TO STARBOARD, ACROSS AND AFT ARE 2 SUB-ZERO REFRIGERATORS AND ONE FREEZER AND AROUND THE CORNER, IN A PASSAGEWAY, IS A McCALL REFRIGERATOR AND A FREEZER. TO PORT ARE CABINETS AND SERVING COUNTER. IN THE PASSAGEWAY IS A MAIN DECK DOOR AND AFT IS THE FOYER AND DINING ROOM. ON CENTERLINE FORWARD ARE STAIRS UP TO THE PILOTHOUSE AND TO STARBOARD AND STAIRS LEADING DOWN TO THE GUEST CABINS. THE INLAYED DINING TABLE SEATS 10 AND THERE ARE CABINETS AND SERVING COUNTERS TO PORT AND AFT. THE SALON FOLLOWS WITH CABINETS ALOONG TO STARBOARD EDGE ENDING WITH THE ENTERTAINMENT CENTER WITH SHARP 46" PLASMA TV, SAMSUNG BLUE RAY DVD, SATELLITE RECEIVER, MARANTZ SURROUND SOUND RECEIVER,



DOUGLAS JONES

MARINE SURVEYOR

SPECIALIZING IN PLEASURE CRAFT AND FINE YACHTS

POWER AND SAIL

(949) 646-3038

PO BOX 3348

NEWPORT BEACH, CA 92659

SPEAKER CRAFT SELECTOR AND AMPLIFIER. MORE TO PORT IS A LARGE U-SHAPED SECTIONAL SOFA WITH A LARGE COFFEE TABLE AND 2 EASY CHAIRS. IN THE PORT AFT CORNER IS THE BAR WITH 3 STOOLS, 2-SCOTSMAN REFRIGERATORS, SINK, AND FIRE EXTINGUISHER. OUT IS THE CALIFORNIA DECK.

BELOW DECK FORWARD: DOWN STEPS FROM THE GALLEY IS THE CREW QUARTERS WITH ONE CABIN TO STARBOARD WITH UPPER AND LOWER BERTHS, HANGING LOCKERS, FIRE EXTINGUISHER, SMOKE DETECTOR, 2-TYPE I PFDs, ENSUITE HEAD WITH STALL SHOWER, FLASHLIGHT, LINK MULTI, RADAR/ANCHOR ALARMS, STORAGE, NEWMAR 32-12-3 CONVERTER, ICOM M88 HAND HELD VHF, ESCAPE HATCH. TO PORT IS AN IDENTICAL CABIN WITH JENSEN AM/FM/CD STEREO, PHILIPS UNER THE COUNTER TV/DVD PLAYER, DYSON VACUUM, HANGING LOCKER, AND ENSUITE HEAD WITH STALL SHOWER. THERE IS A PASSAGEWAY AFT WITH 2 UTILITY CLOSETS AND A MANUAL FIRE SYSTEM RELEASE.

FORWARD BILGE: 3 HORSEPOWER 150 PSI CRAFTSMAN AIR COMPRESSOR, CRAFTSMAN FRESH WATER JET PUMP, AC SHIP #1 AND #7 CIRCUIT BREAKER PANELS, HAIER ROOM AIR CONDITIONER, WATER TANK SELECTOR VALVES, SMOKE DETECTOR, FIRE BOY FIRE SYSTEM, OBERDORFER WASTE PUMP FOR FORWARD HOLDING TANK, RULE BILGE PUMP, BOW THRUSTER, AND IONIZED WATER TANK (UNCHARGED)

DOWN THE FOYER STAIRS TO THE GUEST CABINS: HALFWAY DOWN IS A LOCKER WITH FIRE EXTINGUISHER, DEFIBRILLATOR, OXYGEN BOTTLE, AC SHIP CIRCUIT BREAKER PANELS #3 AND 4, DC SHIP #1, TRANSFORMER, 3-LUTRON INTERPHASE LIGHTING PANELS, AND GUEST TOILETRIES. BELOW THE STAIRS ARE 2-50 GALLON WATER HEATERS. AT THE BOTTOM OF THE STAIRS, FORWARD, IS THE MASTER CABIN WITH CENTERLINE QUEEN BERTH, PORT AND STARBOARD HEADS FORWARD WITH AN ENCLOSED JACCUZI TUB/SHOWER. IN THE CABIN ARE STARBOARD DRAWERS AND VANITY, HANGING LOCKER, SMOKE DETECTOR, 2-PAINTINGS (NUMBERED PRINTS), PORT BUREAU, SETTEE, AND A DOUBLE CLOSET, 2-TYPE I PFDs, FIRE EXTINGUISHER, FAN, 2-SATELLITE RECEIVERS, AUDIO SOURCE AMPLIFIER, SAMSUNG DVD PLAYER, SENTRY SAFE, AND SHARP 27" LCD TV. A PASSAGEWAY RUNS AFT WITH STARBOARD FORWARD LAUNDRY LOCKER WITH STACKED WHIRLPOOL CLOTHES WASHER AND SFRIGIDAIRE DRYER TO PORT IS A LINEN CLOSET WITH FIRE EXTINGUSIHER.

FURTHER DOWN THE PASSAGEWAY ARE IDENTICAL GUEST CABINS EACH WITH 2 TWIN BERTHS, HANGING LOCKERS, DRAWERS, SHARP 15" LCD TVs, SATELLITE RECEIVERS, JVC AM/FM/CD/SIRIUS READY STEREOS, FIRE EXTINGUISHERS, SMOKE DETECTORS, ENSUITE HEADS WITH STALL SHOWERS, 4 TYPE I PFDs. AFT ARE TWO MORE GUEST CABINS WITH DOUBLE BERTHS, HANGING LOCKERS, DRAWERS, FIRE EXTINGUISHERS, SMOKE DETECTORS, 4 TYPE I PFDs, SHARP 15" LCD TVs, SATELLITE RECEIVERS, JVC AM/FM/CD/SIRIUS READY STEREOS, AND ENSUITE HEADS WITH STALL SHOWERS.

AFT BELOW DECK: VIA THE COCKPIT ACCESS IS FIRST THE CONTROL/WORK ROOM AND THEN THE ENGINE ROOM. THE CONTROL ROOM IS WITH 2 AC SELECTOR SWITCH PANELS, SHORE CORD SWITCHES, WORK BENCH, 3-FIRE EXTINGUISHERS, ICOM M88 HAND HELD VHF, STALEY TOOL CHEST, HUSKY TOOL CABINET, 2-A-SEA AC POWER CONVERTERS, RIGID WET VACUUM, 3 FREQUENCY DRIVE UNITS, AND SMOKE DETECTOR



DOUGLAS JONES

MARINE SURVEYOR

SPECIALIZING IN PLEASURE CRAFT AND FINE YACHTS

POWER AND SAIL

(949) 646-3038

PO BOX 3348

NEWPORT BEACH, CA 92659

ENGINE ROOM: STARBOARD FORWARD MOVING AFT 4 TIMES ACROSS; 24 VDC STARBOARD AND CENTER BATTERY PANELS, AC SHIP CIRCUIT BREAKER PANEL #6, 2-DYTEK 50 AMPERE BATTERY CHARGERS, BILGE SELECTOR BOX, STARBOARD ENGINE TRIPLE RACOR FUEL FILTERS, NAIAD COOLING PUMP, 2-ENGINE INTERFACE MODULES, 2-COOLING FANS, FIRE EXTINGUISHER, STARBOARD GENERATOR RACOR FUEL FILTERS, STARBOARD GENERATOR W/HYDRAULIC PUMP, (UNDER STBD. ENGINE) FUEL LIFT PUMP, AC AND DC FUEL TRANSFER PUMPS, BACK UP, FIRE PUMP CONTROL, NAIAD HYDRAULIC SYSTEM, BLOWER, CONTROL PANEL, FUEL TANK TRANSFER PANEL, AC SHIP CIRCUIT BREAKER PANEL #5, FUEL COUNTER, FUEL MANIFOLD, TOOL CHEST, 24 VDC SHIP CIRCUIT BREAKER PANEL #2, CENTER ENGINE FUEL FILTERS, (UNDER PORT ENGINE) FIRE PUMP, OIL TRANSFER PUMP, AFT WASTE MACERATOR PUMP, FUEL LIFT PUMP, ALTA LAVAL FUEL CENTRIFUGE SYSTEM, PORT BATTERY PANEL, LUBE OIL PUMP STATION, FIRE SYSTEM TANKS, SENTRY 24-60 BATTERY CHARGER, FIRE EXTINGUISHER, HYNAUTIC STEERING RESERVOIR, STEERING COOLING PUMP, WASTE OIL PUMP, DAVIT HYDRAULIC POWER UNIT, PORT GENERATOR, AC SHIP CIRCUIT BREAKER PANEL #3, RIGID 3500 CFM AIR MOVER, AND SHORE CORD SPLITTER. BATTERIES ARE UNDER THE FLOOR PLATES BETWEEN THE CENTER AND OUTBOARD ENGINES

FORWARD LAZARETT, STARBOARD TO PORT: 2-8D BATTERIES, PROFESSIONAL MARINER PROMATIC 21-3 BATTERY CHARGER, BLOWER, 3-TECHNI COLD CHILLED WATER AIR CONDITIONING CONDENSORS, 2-TOOL BOXES, TOOL CHEST, 3-SPARE HYDRAULIC PUMPS, SPARE GENERATOR HEAT EXCHANGER, SPARE STEERING CYLINDER, 20OFFSHORE MARINE LABS, RO WATER MAKERS, CRAFTSMAN 6 HP 150 PSI AIR COMPRESSOR, HEAD HUNTER FRESH WATER PUMP, SHURFLO BAIT PUMP, AND THE OUTBOARD RUDDER PACKING GLANDS.

AFT LAZARETTE: HEAVY DUTY SHORE POWER CORD (TOTAL 4-CORDS), 2-TOWING LINES, 4-TRANSOM UNDERWATER LIGHTS, 2-C-1 SHORE CORD SPLITTERS, AND CENTER RUDDER PACKING GLAND

MACHINERY:

THE VESSEL IS POWERED BY 3 12V-92 DDEC DETROIT DIESEL ENGINES WHICH ARE 12 CYLINDER, FRESH WATER COOLED, TURBOCHARGED, AND PRODUCE 1,110 HORSEPOWER EACH. THE ENGINES ARE BELOW THE CALIFORNIA DECK AND APPEAR GOOD COSMETICALLY. THERE ARE 2 ONAN GENERATORS UNDER SOUND SHIELDS AND EACH PRODUCES 55 KW OF AC ELECTRICAL POWER, THE STARBOARD AT 50 CYCLE 3 PHASE AND THE PORT AT 60 CYCLE 3 PHASE THE EXHAUSTS ARE WET AND THE SURROUNDING AREAS ARE PROTECTED.

ELECTRICAL:

THE 24/12 VDC IS SUPPLIED BY BATTERY SOURCE AND THE 240/120 VAC IS OBTAINED FROM SHORE POWER CONNECTION AND THE TWO 55 KW GENERATORS. THE WIRING, WHERE ACCESSIBLE, APPEARS GOOD TO FAIR AND IS NEATLY LOOMED. THE ELECTRICAL SYSTEMS ARE BRANCH OVERLOAD PROTECTED BY FUSES AND CIRCUIT BREAKERS AND THE PANELS ARE WELL LABELED TO IDENTIFY FUNCTIONS.



DOUGLAS JONES
MARINE SURVEYOR
 SPECIALIZING IN PLEASURE CRAFT AND FINE YACHTS
 POWER AND SAIL
 (949) 646-3038
 PO BOX 3348
 NEWPORT BEACH, CA 92659

CONCLUSION:

THIS VESSEL, AS EQUIPPED AND MAINTAINED AND IN "AS IS" CONDITION, SHOULD BE WORTH THE ABOVE STATED VALUES. THE SHORT VALUE COULD DIMINISH HOLDING COSTS AND POSSIBLY REDUCE BUYER'S DEMANDS FOR REPAIR COMPENSATION. WITH THE STANDARD VALUE, HOLDING COSTS WILL CONTINUE AND CERTAIN FAULTY OPERATIONAL ASPECTS MUST BE CORRECTED SO THE VESSEL WILL BE READY FOR SEA TRIALS AND BUYER'S SURVEY. THE CONDITION AND INVENTORIES LISTED IN THIS REPORT ONLY PERTAIN TO THE DAYS OF OUR ATTENDANCE THE STATED VALUES ARE CONSISTENT WITH JANUARY 2010.

Coast Guard Vessel Documentation			
Data found in current database.			
Vessel Name:	HOME STRETCH	U.S.C.G Doc. No.:	1035186
Vessel Service:	RECREATIONAL	IMO Number:	
Trade Indicator:	Coastwise Unrestricted, Recreational, Registry	Call Sign:	WDD4825
Hull Material:	FRP (FIBERGLASS)	Hull Number:	HATFM314F595
Ship Builder:	HATTERAS YACHTS	Year Built:	1995
		Length (ft.):	100.6
Hailing Port:	GARAPAN CNMI	Hull Depth (ft.):	7.5
Owner:	CORPORATE IMPRESSIONS LLC 15101 RED HILL AVENUE TUSTIN, CA 92780	Hull Breadth (ft.):	21.8
		Gross Tonnage:	188
		Net Tonnage:	56
Documentation Issuance Date:	October 06, 2008	Documentation Expiration Date:	October 31, 2009
Previous Vessel Names:	NIRVANA THE MARY F	Previous Vessel Owners:	SAIPAN CHARTER CORPORATION

HULL NOMENCLATURE:

LOA: 118' BEAM: 23' 10" DRAFT: 6' 6" TONNAGE: GROSS 188
 GENERAL CONSTRUCTION: MOLDED AND CORED FIBERGLASS HULL AND DECK JOINED AT THE SHEAR
 PLANKING: FIBERGLASS CORED HULLSIDES FASTENINGS: FIBERGLASS TAPE & STAINLESS STEEL
 FRAMES: LONGITUDINAL & TRANSVERSE THRU-HULLS/VALVES: BRONZE BALL
 SUPERSTRUCTURE: MOLDED FIBERGLASS
 SHAFT SIZE & MATL.: 4" STAINLESS ALLOY RUDDER MATL.: NOT SIGHTED
 PROPELLER SIZE: NOT SIGHTED STRUT MATL: NOT SIGHTED
 ZINC ANODE CONDITION: NOT SIGHTED LOCATION/S: N/A
 CRUISE SPEED: 17 KNOTS MAX SPEED:
 REMARKS: THE VESSEL WAS SURVEYED IN THE WATER AT THE PAVILION IN BALBOA, CA. THEREFORE, THE CONDITION OF THE HULL BOTTOM AND UNDERWATER HARDWARE WAS NOT DETERMINED.



DOUGLAS JONES

MARINE SURVEYOR

SPECIALIZING IN PLEASURE CRAFT AND FINE YACHTS

POWER AND SAIL

(949) 646-3038

PO BOX 3348

NEWPORT BEACH, CA 92659

MACHINERY & TANKAGE:

# OF ENGINES: 3	MAKE AND MODEL: DETROIT 12V-92 DDEC	FUEL: DIESEL
SERIAL # PORT: 12VF005069	CENTER: 12VF009041	STARBOARD: 12VF009034
H.P. EACH: 1,110	YEAR BUILT: 1995	YEAR REBUILT: REPORTED 2005 @ 2600 HOURS
# OF FUEL TANKS: 8	FUEL CAPACITY: 5,981GALS	TANK MATL: FRP
FUEL TANK LOCATION: BILGES & KEEL	VENTED: TO ATMOSPHERE	
TYPE OF FUEL LINES: USCG TYPE A	FUEL FILTERS/SEPARATORS: RACOR	
FILL PIPE LOCATION: WEATHER DECK	SPILLAGE DIRECTION: OVERBOARD	
FUEL SHUT OFF LOCATION: MANIFOLD	DRIP PANS: FIBERGLASS	
CARBURETION: INJECTED	FLAME ARRESTORS: N/A	
# OF WATER TANKS: 2	WATER CAPACITY: 1,060 GALLONS	
WATER TANK MATL.: FRP	FRESH WATER PUMP: CRAFTSMAN/HEADHUNTER	
BILGE PUMPS AUTO: 8-RULE	LOCATION/S: FWD/MID/AFT	
BILGE PUMPS MANUAL: STBD. ENGINE	LOCATION/S: ALL STATIONS	
ENGINE ROOM VENTING: FORCED/NATURAL		
GENERATOR: 2-ONAN 55MCGGA	SERIAL #: A970627932/E960605633	
FUEL: DIESEL	KW RATING: 55	

REMARKS: THE HOURS METERS SHOW RUNNING TIMES OF 5697 PORT, 2656 CENTER, 5935 STBD, 4669 PORT GENERATOR, AND 5029 STBD. GENERATOR. THE TRANSMISSIONS ARE Z-F WITH REDUCTION RATIOS OF 5.85:1

ELECTRICAL SYSTEM:

NAVIGATION LIGHTS INLAND:	INTERNATIONAL: YES
# OF BATTERIES: 10-8D	BOXED: YES
VOLTAGE: 24/12, 240/120	AMPERES: 250 X 10
D.C. WIRING: STRANDED COPPER	BREAKERS OR FUSES: BOTH
A.C. WIRING: 3 WIRE W/GFCI	BREAKERS OR FUSES: BREAKERS
MAIN PANEL LOCATION: CONTROL ROOM & THROUGHOUT	CAP. OF MAIN A.C. BREAKER: 100 AMPERES
VOLT METER/S: AC	POLARITY INDICATOR: 2-ASEA CONVERTERS
OTHER: FREQUENCY METER, 2-AC AMMETERS	

DECK EQUIPMENT:

# OF ANCHORS & TYPE: 125 KG STOCKLESS & FORTRESS FX-125	
CHAIN SIZE & LENGTH: 1/2" X 320'	
RODE SIZE & LENGTH: 1 1/2" X 200' EST.	
WINDLASS: MAXWELL VERTICAL HYDRAULIC	DINGHY/TENDER: 17DLX AB INFLATABLES
LIFE RAFT: 2-AVON, 8 PERSON	CERT. DATE: PAST DUE FOR SERVICE
SEARCH LIGHT: 3-ACR REMOTE	BELL: 12" CHROME
HORN: TRIPLE, AIR	SWIM STEP: FRP



DOUGLAS JONES

MARINE SURVEYOR

SPECIALIZING IN PLEASURE CRAFT AND FINE YACHTS

POWER AND SAIL

(949) 646-3038

PO BOX 3348

NEWPORT BEACH, CA 92659

SAFETY & NAVIGATION EQUIPMENT:

OF FIRE EXTINGUISHERS: 22 TYPE: ABC; SIZE I AND II
CERT. DATE: APR. 09 FIXED SYSTEM: 2-FIRE BOY FE241/KIDDE HALON
FIXED SYSTEM CERT. DATE: APR. 09
LIFE PRESERVERS WEARABLE: AMPLE TYPE I THROWABLE: 2-TYPE IV RINGS W/STROBES
VHF RADIO: 3-STANDARD HORIZON QUANTUM FATHOMETER: FURUNO/DATAMARINE
SONAR: EPIRB: 3-ACR
GPS/PLOTTER: SHIPMATE & FURUNO NAV NET RADAR: FURUNO NAV NET 64 & 72 MILES
AUTO PILOT: ROBERTSON AP9 MK III COMPASS: 2-RITCHIE & FURUNO SATELLITE
OTHER: FIRST AID KIT IN GALLEY LOCKER

INTERIOR ACCOMMODATIONS:

TOTAL BERTHING: 16 HEAD TYPE/S: MICROPHOR
SHOWER/S: 8-STALLS GALLEY LOCATION: FWD MAIN DECK
TYPE STOVE: BOSCH, 5 BURNER CERAN TYPE OVEN: 2-KITCHEN AID
FUEL: AC ELECTRIC REFRIGERATION: SUB-ZERO & McCALL
MICROWAVE: LG HEAT/AC: CRUISAIR/TECHNI COLD
HOT WATER HEATER: 2-AO SMITH, 50 GALLONS EACH WINDOW COVERINGS: SHADES & CURTAINS
SOLE COVERING: CARPET W/RUNNERS/MARBLE/WOOD

ADDITIONAL EQUIPMENT:

2-FIBERGLASS WASTE HOLDING TANKS TOTAL 320 GALLONS, 3-OIL TANKS, NUMEROUS DOCK LINES & FENDERS, 2-GRAY WATER TANKS W/RULE PUMPS,

RECOMMENDATIONS:

1. REPLACE THE BROKEN BRIDGE BAR TOP.
2. THE ELECTRICAL CABLES TO THE SEA ANTENNA TUNER HAVE BEEN CUT. RECONNECT THE CABLES AND PROVE THE SSB RADIO OPERATIONAL.
3. THE MARETRON INSTRUMENTS ARE ERRATIC IN OPERATION; REPAIR AS NEEDED. A NUMBER OF THE DATAMARINE INSTRUMENTS DO NOT WORK AND THE MARETRON UNITS ACCOMPLISH THE SAME RANGE OF INFORMATION SUGGEST ELIMINATING THE DATAMARINE UNITS AND ADD MARETRON UNITS IN THEIR PLACE. PROVE ALL OF THE FLYBRIDGE AND BOAT DECK ELECTRONICS AND INSTRUMENTS OPERATIONAL.
4. CORRECT FRESH WATER LEAK FROM THE PVC PIPE GOING THE FOREDECK IN THE NUMBER 1 BILGE AREA, PORT SIDE.
5. PLUG THE UNUSED SEA VALVE IN THE NUMBER 1 BILGE.
6. THE CAPTAIN REPORTED CRACKS IN THE TOPS OF THE PORT FORWARD FUEL TANK AND THE AFT WATER TANK; EXPOSE THE DAMAGED AREAS AND PROPERLY REPAIR THE CRACKS.
7. DETERMINE THE SOURCE OF STANDING WATER IN THE BILGE BELOW THE PORT AFT HEAD AND REPAIR AS NEEDED



DOUGLAS JONES

MARINE SURVEYOR

SPECIALIZING IN PLEASURE CRAFT AND FINE YACHTS

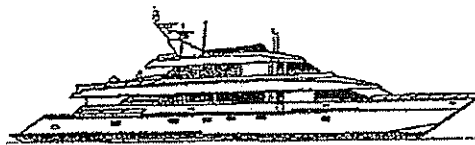
POWER AND SAIL

(949) 646-3038

PO BOX 3348

NEWPORT BEACH, CA 92659

- 8 REMOVE THE WINDLASS, CORRECT OIL LEAKAGE FROM THE GEAR BOX, REPLACE THE HEAVILY RUSTED HYDRAULIC HOSE FITTINGS AND HOSES. SCALE AWAY THE HEAVY RUST FROM THE MOTOR, PROVE THE METAL SOUND, PRIME AND PAINT TO PRESERVE.
- 9 CUT OUT THE ROTTED PLYWOOD UPPER SECTION OF THE CHAIN LOCKER DIVIDER AND REPLACE WITH NEW. WITH THE WINDLASS OUT CHECK THE DECK CORE MATERIAL FOR SOFT WOOD AND REPLACE AS NEEDED.
10. REPLACE THE GAS STRUTS FOR THE BILGE ACCESS HATCH IN THE CREW QUARTERS. INSTALL STRUTS UNDER THE STAIR HATCH TO THE GUEST CABINS.
11. TIGHTEN THE LOOSE BOAT DECK ENGINE CONTROL HOUSINGS.
12. RE-SECURE THE BOTTOM COVER OF THE ENGINE INSTRUMENT BOX UNDER THE BOAT DECK HELM CONSOLE.
- 13 REPLACE THE SLACK V-BELTS ON ALL THREE ENGINES FOR THE HYDRAULIC PUMPS (MATCHED SETS).
14. REPLACE THE DETERIORATED STARBOARD GENERATOR EXHAUST HOSE FROM THE BYPASS TO THE UNDERWATER SEA VALVE.
- 15 DURING THE NEXT HAULING OF THE VESSEL CLEAN AND SERVICE ALL OF THE SEA VALVES.
- 16 REPLACE THE CRACKED STARBOARD GENERATOR RAW WATER HOSE FROM THE SEA VALVE TO THE SEA STRAINER.
17. PROPERLY REPAIR THE CUT OUT SECTIONS OF THE ENGINE ROOM DECK BEAMS JUST AFT OF THE PORT AND STARBOARD ENGINES.
- 18 CORRECT WATER LEAK FROM THE AIR CONDITIONING COOLING PUMP UNDER THE STARBOARD GENERATOR AT THE SECOND PVC FITTING. INSTALL DOUBLE HOSE CLAMPS ON ALL OF THE HOSE CONNECTIONS.
19. PROPERLY INSTALL THE SEA WATER COOLING PUMP FOR THE STABILIZER SYSTEM, CURRENTLY LAYING UNDER THE STARBOARD ENGINE AND DISCARD THE ORIGINAL PUMP MOUNTED TO THE ENGINE BED.
20. PROVE BOTH GENERATORS OPERATIONAL; ONE HAS COOLING PROBLEMS AND THE FUEL PROBLEMS. REPLACE THE RUSTED EXHAUST MIXING CHAMBER ON THE PORT GENERATOR
- 21 REPLACE THE CRACKED FUEL FILL HOSE MARKED "C" FROM THE VALVE TO THE TANK.
- 22 CORRECT WATER LEAKAGE FROM THE AUXILIARY BILGE PUMP ON THE STARBOARD ENGINE.
23. REPLACE THE DETERIORATED CENTER ENGINE RAW WATER HOSE FROM THE PIPE ON THE LEFT HAND SIDE TO THE STARBOARD EXHAUST MIXING CHAMBER.
24. OVERHAUL THE PORT ENGINE SEA STRAINER; GASKETS LEAKING AND STRAINER BASKET IS COCKED.
- 25 INCREASE THE AIR PRESSURE IN THE STEERING RESERVOIR FROM THE CURRENT 10 TO 25-30 PSI.
- 26 REPLACE THE UNATTACHED BONDING WIRE TO THE PORT ENGINE SEA STRAINER.
- 27 PROVE THE AC ENGINE ROOM LIGHTS OPERATIONAL; THE GFCI OUTLET NEXT TO THE LIGHT SWITCH WILL NOT RESET AND WHEN THE BUTTON IS PUSHED IN THE LIGHTS COME ON.
28. REPLACE THE 2 RUSTED FORWARD HOSE CLAMPS ON THE PORT SHAFTLOG HOSE
- 29 OVERHAUL THE PORT GENERATOR SEA STRAINER.
- 30 REPLACE THE ROTTED AFT VERTICAL SECTION OF THE BATTERY PLATFORM IN THE STARBOARD LAZARETTE



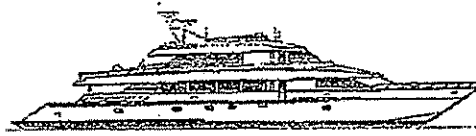
**HOME STRETCH
GARAPAN C.N.M.I.**

OFFICAL NUMBER: 1035186

List Compiled
by Jeff Davey
(Captain)

CURRENT MAINTENANCE

1. Port and Starboard Generator require maintenance currently both generators are out of commission.
2. ASEA POWER Converters have electrical issues and need to be addressed ASAP.
3. AVON LIFE RAFTS are now 12 months out of service.
4. Wave Runners require there Annual Service.
5. Crack in Port Forward Fuel Tank needs to be repaired currently out of commission.
6. Auto Pilot 24 volt Hydraulic Pump is due to be replaced.
7. Air Conditioner Chilled Water Pump is due to be replaced.
8. Air conditioner shut down control on fixed fire smothering system in wheelhouse needs to be replaced.
9. Helm windows need to be resealed.
10. Hull Clean and replace anodes on shafts and rudders.
11. Pick up spare power module and pay for it.(ASEA Power Converters).
12. All Drive Shafts Need to be pulled and miked on test bench.
13. Replace hydraulic hoses for Anchor Windlass.
14. Shaft bearings need to be checked and or replaced.
15. Rudders need to be dropped, checked and replace packing.
16. Stabilizers need to be dropped, seals replaced and new feedback valves fitted.
17. Supply and Fit air handler in Electrical Room.
18. Carpets and rugs need to be cleaned.
19. Floor polish in galley.
20. Maretron electronics are in fault and require to be looked at by qualified technician. .
21. Granite Bar Top on fly bridge.
22. Starboard Stabilizer Hydraulic Lines need replacing
23. Windscreen Wiper shaft bushes.
24. Frequency Drive units for AC are in fault and need to be replaced or repaired.
25. New Anti foul on hull.
26. Main Engines Heat Exchanger Clean.
27. Robertson Auto Pilot Feed Back needs replaced
28. Primary Steering Feed Back needs replacing.
29. Mar-Sat Communication System has gone to out of commission status. There is money owing plus will have to have a technician to re-install new software.
30. Direct Satellite Television is off line and will need to be re-activated and technician needs to re tune the system.
31. Aft Lazzarett seals need to be replaced.
32. Fore Deck Hatch Seals need to be replaced.
33. Cock pit Hatch Seals need to be replaced.
34. There are several structural cracks in the hull that need to be repaired as they are getting bigger.



**HOME STRETCH
GARAPAN C.N.M.I.**

OFFICAL NUMBER: 1035186

35. Waste oil has to be removed.
36. Main Engine batteries are starting to deteriorate due to age.
37. Davit Hydraulic Ram needs to be removed and synthetic guides need to be replace. This work is completed by Nautical Structures Technician due to it being a certified lifting appliance.
38. Fuel Sender Units from 6 tanks need to be replaced.
39. Fuel Tank Valve control unit has faulty micro switches which need to be replaced.
40. Stabilizer secondary heat exchanger and cooling pump need to be replaced.
41. Air compressor particle filters x 2.
42. 6 x Hydraulic Steering Pump V Belts.
43. Air Compressor that supply Micropor Head system is due to be replaced.
44. All Port Light Seals need replacing.
45. Search light and side docking flood lights need to be serviced.
46. All through hull fitting need inspected and replaced where necessary.
47. Sub Zero Refridgeration in galley needs cosmetic maintainance.

This is the maintenance required to be addressed before this vessel is placed back into active work at sea. As you are aware I have not had any budget as such for the yacht for the passed 6 months. I would advise that a new owner or agent who wishes to take this vessel and place it back into full active work should lift this yacht out of the water and certainly service all underwater fittings, shafts and seals to maintain the yacht in a good seaworthy condition.

Also due to the length of time the yacht has been sitting I would advise during a yard period to have the fuel tanks cleaned and checked for Algae Growth (Cladosporium/Pseudomas) or Diesel Sludge (Asphaltene).

If I can be of any further assistance please do not hesitate to contact me with regards to the above matters.

Cell : +1 954 736 8275.

Email : jm_davey@hotmail.co

Kind Regards.

Capt Jeff Davey.

Motor Yacht Home Stretch

EXHIBIT 2

ARDELL YACHT & SHIP BROKERS

2101 WEST COAST HIGHWAY • NEWPORT BEACH, CALIFORNIA 92663 • (949) 642-5735 • FAX (949) 642-9884

PURCHASE AGREEMENT

Agreement made this 30th day of August, 2010 between:

BUYER: OR NOMINEE

SELLER: THOMAS SEAMAN, RECEIVER FOR
MEDICAPITAL HOLDINGS, INC. ET AL

Address:

Address: 3 Park Plaza, Suite 550
Irvine, CA 9261

Citizenship

Hereinafter "BUYER"

Hereinafter "SELLER"

BUYER and SELLER recognize ARDELL YACHT & SHIP BROKERS (hereinafter "Ardell") as the authorized selling broker of record in this transaction

1. This sale is subject to Court approval and overbid. Upon execution of the Agreement, the Receiver will seek approval of the recommended overbid process set forth in the attached Sale Procedures for Auction from the United States District Court ("Court"), Case No. SACV 09-818 DOC (RNBx) including a \$50,000 minimum overbid with additional incremental overbids of \$60,000. Subject to the terms and conditions contained herein, BUYER offers to buy all right, title and interest to the Vessel together with all gear, machinery, equipment, furnishings and other articles, aboard and ashore, set forth on the specifications and/or inventory (hereinafter referred to as the "Vessel") described as:

NAME OF VESSEL: HOME STRETCH

MAKE & TYPE: 118' Hatteras

REGISTRATION NUMBER (Undocumented Vessel):

OFFICIAL NUMBER: (Documented Vessel): 1035186

FLAG: US

HOME PORT (Documented Vessel):

2. The purchase price of Vessel is: One million eight hundred thousand dollars US (\$ 1,800,000US) (gross) cash; BUYER will pay the sum of One hundred eighty thousand dollars US (\$ 180,000US), as a deposit in the form of a cashier's check, official check, certified check or a wire transfer to the Ardell Trust Account within two business days following acceptance by SELLER, subject to terms of this Agreement.

3. This constitutes an offer to purchase the Vessel. Unless acceptance is signed by SELLER and received by Ardell, or unless acceptance is faxed to Ardell by SELLER on or before September 3, 2010, this offer shall be deemed revoked and the deposit shall be returned.

4. The sale of Vessel is subject to a marine survey and a trial run, both to the satisfaction of BUYER, to be conducted within 20 days from bid acceptance by court. Ardell recommends that BUYER, his agents and surveyors examine the Vessel to ensure Vessel meets BUYER'S requirements and to verify that the Vessel's specifications and/or inventory are completely acceptable to BUYER. SELLER agrees that the trial run and delivery of Vessel to marine ways, which he hereby authorizes, is made at his sole risk and expense. SELLER agrees that Ardell shall not be deemed to be in possession or control of the Vessel during the trial run. Surveys shall be made at the expense of BUYER including haul out and all work authorized by him, and all costs related thereto. BUYER hereby authorizes the release of a copy of all survey reports to Ardell.

5. BUYER hereby acknowledges that surveyors are to be selected and employed solely by BUYER. Ardell is not responsible for any errors or omissions of the surveyors, notwithstanding the fact that Ardell may have suggested names of surveyors or may have engaged surveyors on behalf of BUYER at BUYER'S request. It is understood and agreed that if names of surveyors are provided by Ardell, such names are provided solely as an accommodation and do not constitute a recommendation by, or create any liability against, Ardell

BUYER(S) & SELLER(S) ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND EVERY PROVISION ON THIS PAGE.

Buyer (s) Initials

Seller (s) Initials

6. Written or faxed acceptance or rejection of trial run and surveys shall be made by BUYER and received by Ardell within 25 days from bid acceptance by court. In event of rejection of trial run and/or surveys, the deposit shall be returned to BUYER after all expenses incurred by BUYER against Vessel have been deducted and paid by Ardell, at which time this Agreement shall terminate. BUYER'S failure to exercise his right of acceptance or rejection of trial run and/or surveys as specified shall be construed as rejection.

7. The balance of the purchase price shall be paid to Ardell within 5 business days after date of BUYER'S acceptance of trial run, surveys, and satisfaction of the conditions set forth in Paragraph 24 of Purchase Agreement. The date of sale under this Agreement means the date on which the BUYER'S total funds have been deposited and cleared in the Ardell Trust Account, and (a) Ardell is in a position to deliver said funds, less brokerage fees and other applicable fees, taxes and charges, including those described in Paragraphs 11 and 12, to SELLER, and (b) Ardell has received documents of title from SELLER, properly executed, for transfer and delivery.

8. The parties acknowledge that upon breach of this Agreement by BUYER, it would be impractical or extremely difficult to fix SELLER'S actual damages. Accordingly, if, after written acceptance of trial run, surveys, and satisfaction of the conditions set forth in Paragraph 24 of Purchase Agreement, BUYER fails to pay the balance of the purchase price and to execute all documents necessary to be executed by him for completion of his purchase pursuant to the terms of this Agreement, the deposit paid this date shall be retained by the SELLER as liquidated damages for BUYER'S failure to complete the purchase and the parties shall be relieved of all obligations under this Agreement after all expenses incurred by BUYER against Vessel (including, but not by way of limitation, surveys and haul out) have been paid.

9. It is agreed by the parties that the risk of loss, injury or destruction of Vessel shall be borne by SELLER until title to the Vessel passes to BUYER.

10. Possession and title to the Vessel shall remain in the SELLER until the consummation of sale unless otherwise provided for herein. Upon consummation of the sale, title shall pass to BUYER and the Vessel shall be delivered by SELLER to BUYER at outside the territorial waters of the State of California.

11. SELLER shall furnish clear title to the Vessel and the title shall be in accordance with the regulations of the state and/or country of U.S.A., U.S. Customs, U.S. Coast Guard, and federal, state, county and city regulatory and taxing authorities. Seller will not provide a Warranty of Title and Indemnification Agreement. However, the receiver will request that the Federal Court approve the sale free and clear of all liens or encumbrances and the sale will be conditional on the Court approving the sale free and clear of all liens and encumbrances. Any liens, mortgages and bills of any kind shall only be paid using the funds in the Ardell Trust Account (deposited by Buyer) with the express written permission of the Seller. Inherent in a yacht purchase are certain title risks arising from maritime law. An abstract of title from the U.S. Coast Guard for documented vessels is normally obtained prior to closing or an ownership certificate is obtained from the appropriate authority in the jurisdiction in which the yacht is currently registered. These documents, however, may not disclose certain matters that could affect title to the vessel, such as fraud, unauthorized transactions in the title chain, or unrecorded maritime liens that can attach to a vessel. BUYER is hereby put on notice that it is solely BUYER'S decision to purchase title insurance which may be available to provide protection against some of these risks.

12. Should sales or use taxes be imposed on this transaction, BUYER shall pay them in full. SELLER shall pay any and all current, escaped or penalty unsecured personal property tax assessments on the Vessel. Unsecured personal property taxes for the tax year (January 1 to December 31) in which the sale of the vessel takes place to be prorated from January 1, 2010 through date of closing. SELLER acknowledges and agrees that Ardell shall not be liable for, or required to take any action whatsoever with respect to, any unsecured personal property tax assessments on the Vessel and that any such unsecured personal property tax assessments are SELLER'S sole responsibility.

13. It is agreed that if any controversy arises between SELLER and BUYER or either of them and any third person or persons, Ardell shall not be required to determine the controversy or to take any further action with regard to this Agreement, and Ardell may await the settlement of any such controversy by appropriate legal proceedings or otherwise as may be required, and notwithstanding anything in this Agreement, in such event Ardell shall not be liable for any damages of any kind or nature whatever. In the event of such proceedings in which Ardell is involved as a party it is agreed that Ardell shall be entitled to be paid for all court costs and reasonable attorney's fees incurred by Ardell. In the event of legal proceedings between BUYER or SELLER on the one hand, and Ardell on the other, concerning the transactions contemplated by this Agreement, the prevailing party shall be entitled to costs and reasonable attorney fees. Seller does not, by this paragraph 13, waive any rights he may have as to Ardell.

14. In the event of any default on the part of SELLER which results in the failure or the non-performance of this Agreement, the SELLER shall be obligated for expenses including, but not by way of limitation, haul out, surveys and trial run.

15. This document constitutes the entire agreement between the parties and it is agreed and understood that there are no other duties, obligations, liabilities, or warranties, implied or otherwise, except as referred to in an addendum if any, attached.

16. This Agreement is binding on SELLER and BUYER, their heirs, executors, personal representatives and assigns.

BUYER(S) & SELLER(S) ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND EVERY PROVISION ON THIS PAGE.

Buyer (s) Initials

J. J. [Signature]

Seller (s) Initials

ROS

17. INFORMATION CONCERNING THE VESSEL HERETOFORE PROVIDED BY SELLER THROUGH ARDELL IS BELIEVED TO BE CORRECT AND SUCH INFORMATION IS OFFERED IN GOOD FAITH BUT ARDELL CANNOT GUARANTEE THE ACCURACY OF THIS INFORMATION OR WARRANT THE CONDITION OF THE VESSEL. BUYER INDEPENDENTLY, AND THROUGH BUYER'S SURVEYORS, AGREES TO VERIFY SPECIFICATIONS, CONDITION AND OTHER MATTERS PERTAINING TO VESSEL.

NO WARRANTIES

18. THE VESSEL IS SOLD TO THE BUYER AND ACCEPTED BY THE BUYER AS IS AND WHERE IS. NO WARRANTY, EITHER EXPRESS OR IMPLIED AND NO REPRESENTATION AS TO THE CONDITION OF THE VESSEL HAS BEEN MADE BY THE SELLER OR ARDELL, OTHER THAN THOSE SPECIFICALLY SET FORTH IN THIS AGREEMENT.

19. Time is of the essence of this Agreement.

20. This contract may be executed in counterparts, each of which so executed shall, regardless of the date of its execution and delivery, be deemed an original and such counterparts together shall constitute one and the same instrument.

21. Broker Status. Except as otherwise expressly stated in this Agreement, Ardell is the authorized selling broker in this transaction, and the exclusive agent of (check one): () BUYER, (X) both BUYER and SELLER. If Ardell acts as agent for both BUYER and SELLER, Ardell shall not, without the express permission of the respective party, disclose to the other party that SELLER will accept a price less than the price accepted, or that BUYER will pay a price greater than the price offered. BUYER and SELLER acknowledge that Ardell and any cooperating broker in the transaction are the procuring causes of the sale of the Vessel.

22. This contract form is the standard Ardell form contract; any changes to this form contract made by BUYER or SELLER after electronic receipt of the form contract from Ardell, without written notification to the other party and Ardell and agreement thereto, are null and void and without legal force or effect.

23. Ardell does not guarantee any BUYER that a slip or mooring space will be provided in connection with the purchase of a yacht through Ardell unless Ardell has provided a letter of commitment for a slip or mooring space to the BUYER signed by a vice president of Ardell

24. Other conditions.

A Sales process is as described in the attached Sale Procedures for Auction.

IN WITNESS WHEREOF the undersigned BUYER has executed this Purchase Agreement on the date indicated below, and acknowledges receipt of a copy hereof.

Dated: August 30, 2010

BUYER: [Signature]
Nominee

WITNESS: _____

SELLER ACCEPTANCE

The undersigned SELLER accepts and agrees to sell the Vessel on the above terms and conditions. SELLER acknowledges receipt of a copy of this Agreement and authorizes Ardell to deliver a signed copy hereof to BUYER

SELLER: [Signature]
Thomas Seaman, Receiver for Medical Capital Holdings, Inc., et al

Date: 9-20-2010 WITNESS: _____

SALE PROCEDURES FOR AUCTION

1.1 The Auction. The parties acknowledge it is a condition precedent to the Closing that Receiver obtain the Court Approval and the Receiver shall seek such approval from the Court. Receiver shall request a hearing date from the Court for the sale motion between October 18, 2010 and November 1, 2010 (the "**Hearing Date**"). Prior to the Hearing Date, Receiver will propose to the Court that the sale of the Vessel be subject to an auction (the "**Auction**") conducted under the Court's supervision in accordance with the following terms and provisions. The following terms and provisions are subject to the approval of the Court.

a. **Overbids and Bid Increments.** The minimum overbid shall be One Million Eight Hundred and Fifty Thousand and No/100 Dollars (\$1,850,000). Only Qualified Bidders (as defined below) may make bids at the Auction. All bids are subject to overbids in increments of Fifty Thousand and No/100 Dollars (\$50,000.00). The Court may reject any and all bids following conclusion of the Auction.

b. **Due Diligence Information.** All prospective bidders ("**Prospective Bidders**") shall have had the opportunity to inspect the Vessel and any documentation relating thereto prior to the Auction. Prospective Bidders may also request access to information about the Vessel ("**Due Diligence Information**") and obtain a form purchase and sale agreement. Vessel will be made available to Prospective Bidders for tours and inspections by appointment while in its mooring slip in Newport Harbor. A group sea trial will be held (10) ten days prior to the Hearing Date.

c. **No Representations and Warranties for Due Diligence Information.** Any Due Diligence Information provided to Prospective Bidders is for informational purposes only and provided without any warranty, guaranty or representation by Receiver or Broker. All Prospective Bidders shall conduct their own independent investigation and analysis regarding the condition of the Vessel and its suitability for Prospective Bidders' intended use. Neither the Receiver, nor the Broker has made any representations, express or implied, regarding the completeness or accuracy of the Materials. Prospective Bidders should be made aware that in the past the Vessel encountered water intrusion as a result of a sea accident.

d. **Qualified Bidder.** To be determined a qualified bidder (the "**Qualified Bidder**"), one must: (i) provide a fully executed purchase and sale agreement for the Vessel in form substantially similar to the Ardell Purchase Agreement with Buyer, as modified by this addendum ("**Qualified Bid PSA**"), acceptable to the Receiver (provided, that, such Qualified Bid PSA shall be revised to (1) reflect any changes in this Agreement that are personal in nature to Purchaser and (2) proportionately increase the amount of the Purchase Price to reflect the higher purchase price being paid by the Qualified Bidder), (ii) provide evidence, in the form of a cashier's check, a deposit of Immediately Available Funds, an irrevocable letter of credit in favor of the Seller, or other evidence reasonably satisfactory to Seller or some combination of the foregoing, that the Qualified Bidder has the ability to pay at least the minimum overbid amount set forth above, (iii) provide an earnest money deposit (the "**Deposit**") in Immediately Available Funds in the amount equal to ten percent (10%) of the overbid amount payable to the Ardell Trust Account, which amount shall be subject to the terms in paragraph number eight (8) of the

Purchase Agreement. Each Qualified Bidder must provide the Qualified Bid PSA and the Deposit to the Receiver no later than five (5) days prior to the Hearing Date. The Qualified Bidders shall appear at the Auction in person, or through a duly authorized representative. Additional bidding may take place at the auction hearing. The Receiver will present all qualified bids to the Court, along with his recommendation as to which should be approved. The High Bidder's deposit shall be applied to the purchase price, if the sale is approved by the Court.

e. **Consent to Court Jurisdiction and Waiver of Jury Trial.** All Qualified Bidders shall have deemed to have consented to the Court's jurisdiction and waived any right to jury trial in connection with any disputes related to the Auction, or the closing of the sale. The Court shall be the exclusive forum for any such disputes.

f. **No Contingencies for Qualified Bidder.** The sale to any Qualified Bidder of the Vessel shall *not* be contingent upon the validity, effectiveness, and or binding nature of the Qualified Bidder's offer, including without limitation, contingencies for financing, due diligence or inspection with the exception of an out of the water survey to be conducted and performed at the expense of the Buyer per paragraph 5 (five) of the Ardell Purchase Agreement.

g. **No Conditions Precedent for Qualified Bidder.** The sale to any Qualified Bidder of the Vessel shall not be subject to any additional conditions precedent (not reflected in this Agreement) to the Qualified Bidder's obligation to timely consummate the sale transaction, and to pay the remainder of the purchase price, with the exception of the sea trial due diligence performed by the Qualified Bidder.

h. **Conditions to Consummation of Sale Transaction Prior to and Following Auction.** The closing of any sale to a Qualified Bidder shall be subject to the following conditions: (i) Receiver's review and acceptance of the highest bid received from a Qualified Bidder and (ii) entry of an order by the Court approving such sale ("Auction Confirmation Order"). If any of these foregoing conditions are not satisfied, (a) the sale to the Qualified Bidder shall not be consummated, and (b) any obligations of the Receiver shall also be terminated, including any obligations under the Qualified Bid PSA.

i. **Transfer of Title to Vessel Following Auction.** Following the auction, title to the Vessel shall be transferred by an appropriate bill of sale (US Coast Guard or foreign registry), "*AS-IS*", *WITHOUT REPRESENTATIONS AND WARRANTIES*, to the High Bidder; provided, however, that the Auction Confirmation Order provides that the Vessel is being transferred free and clear of all Liens.

j. **Receiver's Right to Determine Conduct of Auction.** The Receiver reserves the right to deny any person (other than Buyer) admittance to the Auction, to postpone or cancel the Auction, to withdraw the Vessel from the Auction, and to change any terms or procedures of the Auction or the particular conditions of sale, as necessary, upon notice to Buyer, and any Qualified Bidders, prior to or at the Auction, without further Court order.