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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)

**DECLARATION OF THOMAS A.
SEAMAN IN SUPPORT OF MOTION
FOR APPROVAL OF STIPULATION
BETWEEN THE RECEIVER AND
LONE OAK FUND, LLC**

Date: December 28, 2009
Time: 8:30 a.m.
Ctrm: 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 (collectively, the "Receivership
5 Entities"). I make this declaration in support of the concurrently filed Motion for
6 Approval of Stipulation Between Receiver and Lone Oak Fund, LLC ("Motion").
7 The following facts are within my knowledge and if called as a witness I would
8 testify to them under oath.

9 2. The Receivership Entities purchased the office building and land
10 located at 15101 Red Hill Avenue, Tustin, California ("Property") in May 2008 and
11 moved their headquarters (previously located in Anaheim) to the Property. The
12 purchase price was \$15.5 million, which was financed in part by a \$7.75 million
13 loan from Lone Oak Fund, LLC ("Lone Oak"), which holds a first priority deed of
14 trust on the Property. The Receivership Entities created 15101 Red Hill Holdings,
15 Inc. ("15101 Red Hill") to hold title to the Property, and had MCC lease the
16 Property from 15101 Red Hill.

17 3. The Receivership Entities defaulted on the loan from Lone Oak prior to
18 my appointment. Lone Oak filed an action in Orange County Superior Court and
19 obtained an order appointing a receiver on the same day I was appointed in this
20 action (August 3, 2009). The state court action is enjoined and restrained by the
21 Temporary Restraining Order and Preliminary Injunction issued by the Court.

22 4. I obtained an appraisal, which estimates the market value of the
23 Property at \$9.65 million. A true and correct copy of the appraisal is attached hereto
24 as Exhibit A. I also received several broker's opinions of value which estimate the
25 Property's value at between \$7 and \$8.5 million. I have had the Property listed for
26 sale for the last approximately 45 days. The highest offer received to date is for
27 \$7.35 million.

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