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9 **UNITED STATES DISTRICT COURT**
 10 **NORTHERN DISTRICT OF CALIFORNIA**

12 SECURITIES AND EXCHANGE
 COMMISSION,

13 Plaintiff,

14 vs.

15 SMALL BUSINESS CAPITAL CORP.;
 16 MARK FEATHERS; INVESTORS PRIME
 FUND, LLC; and SBC PORTFOLIO
 17 FUND, LLC,

18 Defendants.

Case No. CV12-03237

**REPLY TO DEFENDANT MARK
 FEATHERS' OPPOSITION TO SECOND
 INTERIM FEE APPLICATION OF ALLEN
 MATKINS LECK GAMBLE MALLORY &
 NATSIS LLP, GENERAL COUNSEL TO
 THE RECEIVER**

Date: July 5, 2013
 Time: 2:00 p.m.
 Dept: 4 - 5th Floor
 Judge: Hon. Edward J. Davila

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1 Thomas A. Seaman ("Receiver"), the Court-appointed permanent receiver for Small
2 Business Capital Corp. ("SB Capital"), Investors Prime Fund, LLC ("IPF"), SBC Portfolio
3 Fund, LLC ("SPF") and their subsidiaries and affiliates (collectively, "Receivership Entities"),
4 hereby responds to Defendant Mark Feathers' Opposition ("Opposition") to the Second Interim
5 Fee Application of Allen Matkins ("Fee Application").

6 The Opposition presents no reason to deny any portion of the fees requested by Allen
7 Matkins. Once again, Mr. Feathers repeats arguments the Court has rejected regarding the
8 Receiver not being neutral and not being a CPA. Mr. Feathers also repeats arguments the Court
9 has rejected concerning the Bay Road construction loan. Mr. Feathers makes several references to
10 descriptions of legal services in the fee application and the accompanying billing statements.
11 These references are vague and unsupported and are nothing more than confused and feeble
12 attempts to "nit pick" the Fee Application.

13 For example, Mr. Feathers argues that a time description on page 42 of Exhibit A requires
14 the Receiver to "validate Feathers equity injections into SB Capital . . ." Opposition, p. 4. As is
15 clear from the category of services this time description is in (Third Party Claims) and the
16 surrounding time descriptions, this has nothing to do with Mr. Feathers' personal transactions with
17 SB Capital, but instead relates to purchases of California Business Bank stock.

18 The Court should not be distracted by Mr. Feathers' continuous attempts to attack the
19 Receiver and his counsel. The fees and costs requested by Allen Matkins are fair and reasonable,
20 considering the services the firm provided. Accordingly, the fee application should be approved.

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22 Dated: April 25, 2013

ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP

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24 By: /s/ Ted Fates

TED FATES
Attorneys for Receiver Thomas A. Seaman

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