

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 04-60573 CIV-MORENO
Magistrate Judge Simonton

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

MUTUAL BENEFITS CORP.,
JOEL STEINGER a/k/a JOEL STEINER,
LESLIE STEINGER a/k/a LESLIE STEINER,
and PETER LOMBARDI,

Defendants,

VIATICAL BENEFACTORS, LLC,
VIATICAL SERVICES, INC.,
KENSINGTON MANAGEMENT, INC.,
RAINY CONSULTING CORP.
TWIN GROVES INVESTMENTS, INC.,
P.J.L. CONSULTING, INC.,
SKS CONSULTING, INC., and
CAMDEN CONSULTING, INC.,

Relief Defendants.

**SEVENTH INTERIM PETITION FOR FEES AND COSTS
OF THE GARDEN CITY GROUP, INC. AS CLAIMS ADMINISTRATOR
FOR THE RECEIVER AND MEMORANDUM IN SUPPORT**

(January 1, 2007 – May 31, 2007)

**Pursuant to Court Order, all objections to this Application
must be filed and served within ten (10) days of this
Application.**

The Garden City Group, Inc. (GCG) hereby requests this Court to enter an order authorizing the Receiver to pay the reasonable fees and costs incurred by the class administrator, GCG, from January 1, 2007 through May 31, 2007 (the "Application Period"), and in support of this application states:

1. Attached as **Exhibit 1** is a summary of GCG fees and expenses. **Exhibit 2** is GCG's Invoice 04542 dated July 25, 2007, which invoice details the claims administration services that GCG has provided to the Receivership and expenses incurred from January 1, 2007 through May 31, 2007.

2. GCG continues to assist the Receiver in responding to investor/customer inquiries both via email and telephone. GCG, during this time period, maintained an automated phone system to address investor/customer questions, and had a Senior Project Manager address individual telephonic and emailed inquiries. GCG assisted in the printing and dissemination of the Notice to Investors regarding the Redesignation of Beneficial Interest as well as the Stalking Horse Purchase Agreement, and has designed and implemented all required technology to carry out the administration process.

3. For the Application Period, GCG seeks reimbursement for total project fees in the amount of \$166,548.84, representing total fees of \$66,755.11 and total expenses in the amount of \$99,793.73. The services rendered to Receiver fall under the following categories and the fees breakdown as follows:

CASE NO. 04-60573-Civ-Moreno

- a. **Document Management** - \$4,228.50 - Document Management includes handling of correspondence and other administrative mail.
- b. **Telephone and E-Mail Support** - \$2,572.61- These charges pertain to the management and support of the telephone hotline and automated e-mail responses.
- c. **Systems Support** - \$4,400.00 - Systems Support charges pertain to the design and implementation of all required programs to carry out the administration process.
- d. **Project Management/Consulting Charges** - \$11,212.50 - The Project Management and Consulting Charges, include, but are not limited to, management of the case; overseeing the systems and database maintenance; interfacing with Receiver's counsel, his staff and other interested parties; receiving and responding to approximately 729 e-mails from investors and agents; receiving, reviewing and responding to numerous pieces of investor correspondence; handling numerous change of address forms; and supervising the processing of investor Preference Forms.
- e. **Dissemination** - \$44,341.50- The Dissemination Charge is for printing 51,000 copies of the 2-page Notice to Investors Regarding Redesignation of Beneficial Interests, the printing of 7,000 copies of the 6-page Notice to Investors Regarding Stalking Horse Purchase Agreement, and publishing the

Notices in The New York Times, Daily Business Review (Miami), San Diego Business Journal and the InsuranceBroadcasting.com Newsletter.

5. I have carefully reviewed the attached exhibits and I am responsible for supervising all GCG personnel on the case. I certify that the hours expended and the costs incurred were necessary and reasonable to provide services to the Receiver during the Application Period. GCG has charged its normal rates for the services rendered in matters of this kind. GCG rates charged in this matter are described in **Exhibit 3** attached hereto.

MEMORANDUM OF LAW

This Court entered an Order authorizing the Receiver to retain GCG as claims administrator for the MBC matter. *See Order Approving Receiver's Notice of Intention to Retain The Garden City Group as Claims Administrators* dated June 3, 2004. This Court has the power to award the Receiver fees for his services and for expenses incurred by the Receiver in performance of his duties.

See Donovan v. Robbins, 588 F.Supp. 1268, 1272 (N.D. Ill. 1984). The Receiver has incurred GCG's claims administration expenses in furtherance of his duties. GCG has provided services to the Receiver to assist in stabilizing MBC's operations and effectively managing the communications with the large number of MBC's investors and setting up the process to deal with investor claims in the future. GCG respectfully submits that it is entitled to compensation for its services.

WHEREFORE, The Garden City Group, Inc., by and through the undersigned, respectfully requests that this Court enter an Order Authorizing the Payment of **\$66,755.11** in fees and

CASE NO. 04-60573-Civ-Moreno

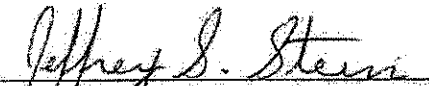
reimbursement of \$99,793.73 in costs, or a total of \$166,548.84 for this Application Period.

Dated: October 2, 2007.

Respectfully submitted,

THE GARDEN CITY GROUP, INC.
Claims Administrator
105 Maxess Road
Melville, NY 11747-3836

By:


Jeffrey S. Stein

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 6 day of November, 2007, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record or pro se parties identified on the attached Service List in the manner specified, either via transmission of Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel of parties who are not authorized to receive electronically Notices of Electronic Filing.

s/CURTIS B. MINER

Fla. Bar No. 0885681

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COLSON HICKS EIDSON

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Counsel for Receiver Roberto Martinez

CASE NO. 04-60573-Civ-Moreno

SERVICE LIST OF RECEIVER

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CASE NO. 04-60573-Civ-Moreno

EXHIBIT 1

SUMMARY OF SEVENTH INTERIM APPLICATION FOR
COMPENSATION OF FEES AND COSTS OF
THE GARDEN CITY GROUP, INC.,
a Delaware corporation,
as Class Administrator

1	Name of Applicant	The Garden City Group
2	Role of applicant	Claims Administrator
3	Name of certifying professional	Jeffrey S. Stein
4	Date receiver appointed	May 4, 2004
5	Date of application for employment	May 26, 2004
6	Date of order approving employment	June 3, 2004
7	Dates of services rendered	January 1, 2007 Through May 31, 2007
8	Total fees requested for this period	\$66,755.11
11	Total expenses requested for this period	\$99,793.73
12	Total fees and expenses requested	\$166,548.84

HISTORY OF FEE APPLICATIONS

(See Attached Chart)

HISTORY OF FEE APPLICATIONS

The Garden City Group, Inc.

App. #	Application Period	Date Submitted	Fees Requested	Costs Requested	Amount Requested	Fees Awarded	Costs Awarded	Date Awarded	Total Amt. Awarded	Date Paid	Amount Paid
1	5/4/04 - 6/18/04	7/2/2004	\$50,195.54	\$750.00	\$50,945.54	\$50,195.00	\$750.00	10/25/2004	\$50,945.00	11/5/2004	\$50,945.00
2	6/19/04 - 9/30/04	12/27/2004	\$48,491.94	\$566.26	\$49,058.20	\$40,000.00	\$0.00	7/12/2005	\$40,000.00	9/7/2005	\$32,000.00
3	10/1/04 - 1/31/05	3/24/2005	\$79,149.35	\$909.14	\$80,058.49	\$79,149.35	\$909.14	8/18/2005	\$80,058.49	10/28/2005	\$64,000.00
4	2/1/05 - 9/30/05	11/4/2005	\$85,759.91	\$2,614.62	\$88,374.53	\$80,000.00	\$2,614.00	12/22/2005	\$82,614.00	1/5/2006	\$82,614.00
5	10/1/05 - 12/31/05	3/10/2006	\$25,833.17	\$1,472.13	\$27,305.30	\$25,000.00	\$1,472.00	5/25/2006	\$26,472.00	5/26/2006	\$26,472.00
6	1/1/06 - 12/31/06	3/21/2007	\$355,084.76	\$137,726.93	\$492,811.69	\$350,000.00	\$137,726.00	7/10/2007	\$487,726.00	7/12/2007	\$487,726.00
7	1/1/07 - 5/31/07		\$66,755.11	\$99,793.73	\$166,548.84						
TOTAL			\$711,269.78	\$243,832.81	\$955,102.59	\$624,344.35	\$143,471.14		\$767,815.49		\$767,815.49

EXHIBIT 2



The Guaranty Group, Inc.

Invoice No. 04542
July 25, 2007

In connection with the Mutual Benefits Corporation Administration [04-60473-CIV-MORENO] for the five-month period: January 1, 2007 through May 31, 2007

Administration Fees

Dissemination

Printing of 51,000 copies of a 2 page Notice to Investors Regarding Redesignation of Beneficial Interests, and Printing of 7,000 copies of a 6 page Notice to Investors Regarding Stalking Horse Purchase Agreement. \$ 23,500.00

Summary Notice Publication

The New York Times
Daily Business Review (Miami)
San Diego Business Journal
InsuranceBroadcasting.com Newsletter 20,841.50

Document Management and Claims Processing

Document management, includes mailroom, sorting and processing of investor correspondence.
67.2 hrs. 4,228.50

Telephone and E-Mail Support

Automated telephone response (IVR), 4,587.64 mins. @ \$0.42 per min. 1,926.81
Automated e-mail response, 729 @ \$0.20 each 145.80
Monthly telephone service charge, 5 mos. @ \$100.00 per mo. 500.00

Systems Support

Design & implement all required programs to carry out administration process.
Senior Programmers - 22.0 hrs. 4,400.00

Project Management / Consulting Charges

Managing all aspects of case, including supervision of the processing of investor Preference Forms; managing receipt and response to numerous e-mail inquiries (including translation of and response to numerous Spanish inquiries); supervising call center; responding to numerous telephone investor inquiries; overseeing systems and database maintenance; coordination

and supervision of reporting; reading, researching and sorting of numerous pieces of investor correspondence; handling numerous changes of address; and interfacing with Receiver's counsel, GCG staff and other interested parties.

Managing Director – 0.4 hr.	120.00
Vice President – 4.1 hrs.	922.50
Assistant VP/Operations – 0.3 hrs.	67.50
Directors – 2.5 hrs.	462.50
Senior Project Managers – 54.7 hrs.	8,205.00
Project Managers – 7.8 hrs.	975.00
Quality Assurance – 4.0 hrs.	460.00
Total fees	\$ 66,755.11
<u>Project Expenses (see exhibit A)</u>	<u>99,793.73</u>
Total due	<u>\$166,548.84</u>

Exhibit A

MUTUAL BENEFITS CORPORATION ADMINISTRATION

Project Expenses

For the five-month period: January 1, 2007 through May 31, 2007

Federal Express	\$ 1,096.76
OCASA Courier Messenger Service	70,439.37
P.O. box renewal	425.00
Miscellaneous copy charges	9.20
Postage	27,807.83
Boxes	15.00
Long distance telephone charges	<u>0.57</u>
Total	<u>\$99,793.73</u>

PLEASE REMIT TO: The Garden City Group, Inc.
105 Maxess Road
Melville, NY 11747-3836

CASE NO. 04-60573-Civ-Moreno

EXHIBIT 3

THE GARDEN CITY GROUP, INC.
Hourly Project Management Billing Rates
Estimated Average Blended Rate of \$125

<u>Timekeeper</u>	<u>Amount</u>
Senior Management	\$300 - \$395
Assistant Vice President and Directors	\$175 - \$275
Department Managers	\$150
System and Technology Staff	\$100 - \$225
Quality Assurance Staff	\$80 - \$225
Project Managers	\$125
Project Supervisors	\$95
Project Administrators	\$70
Data Entry Processors	\$55
Customer Service Representatives	\$80
Graphic Support	\$125
Mailroom and Claims Control	\$40 - \$55
Administrative	\$45 - \$100