

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

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

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.

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

(June 19, 2004 – September 30, 2004)

**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 June 19, 2004 through September 30, 2004, and in support of this application states:

1. Attached as Exhibit "1" is a summary of GCG fees and expenses. Exhibit "2" is the December 7, 2004 invoice detailing the claims administration services that GCG has provided to the Receivership and expenses incurred from June 19, 2004 through September 30, 2004 (the "Application Period").

2. GCG is one of the country's leading class action and chapter 11 administrators with expertise in noticing, claims processing, balloting and distribution. In addition, GCG provides call center capabilities and has extensive expertise in designing and maintaining web sites.

3. To date, GCG has assisted the Receiver with responding to voluminous investor/customer inquiries both via email and telephone. GCG is maintaining an automated phone system with live operators to answer investor/customer questions and its web site email system is linked with MBC's system. GCG is also handling the changes of address requests sent by investors as well as other investor correspondence. Going forward, GCG expects to handle the investor/creditor database and future mailings, along with any required legal notice programs.

4. For the Application Period, GCG seeks reimbursement for total project fees in the amount of \$49,058.20 representing total fees of \$48,491.94 and total expenses in the amount of \$566.26. The services rendered to Receiver fall under the following categories and the fees breakdown as follows:

- a. **Administration Fees** - \$881.30 - The administration fees include document management, receipt and review of correspondence and e-mails from MBC investors, brokers and agents; receipt and review of change of address forms and organizing the files.
- b. **Project Management/Consulting Charges** - \$19,765.00- The Project Management Consulting Charges, include, but are not limited to, conference calls with the Receiver's counsel and staff , receive and respond to over 1,500 e-mails from investors and agents which in many cases involved translating e-mails from Spanish to English.
- c. **Telephone Support** - \$27,845.64 – Telephone support charges pertain to the management and support of the telephone hotline.

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. In that Order, this Court found that the GCG rates described in Exhibit "B" are fair and reasonable. *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 a process the 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 ~~\$48,491,294~~ fees and reimbursement of \$566.26 in costs for the Application Period. A proposed form of Order is attached.

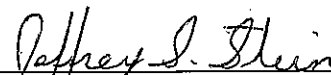
Dated: December 15, 2004

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 a true and correct copy of this Application, with all exhibits, was forwarded by undersigned counsel for the Receiver, via facsimile and U.S. Mail to all parties on the attached Service List this 17th day of December, 2004.

COLSON HICKS EIDSON
Attorneys for Receiver
255 Aragon Avenue, 2nd Floor
Coral Gables, FL 33134
Ph. No. 305-476-7400

By: _____



Curtis Miner
Florida Bar No. 885681

SERVICE LIST OF RECEIVER

December 10, 2004

Case No.: 04-60573 CIV-Moreno

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EXHIBIT 1

SUMMARY OF SECOND 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	June 19, 2004 - September 30, 2004
8	Total fees requested for this period	\$48,491.94
11	Total expenses requested for this period	\$566.26
12	Total fees and expenses requested	\$49,058.20

EXHIBIT 2



December 7, 2004

Invoices 01934/02076
(combined 12/07/04)

In connection with the Mutual Benefits Corporation
Administration [04-60473-CIV-MORENO] for the period:
June 19, 2004 through September 30, 2004

Administration Fees

Imaging, Document Management and Storage

Document management, including handling correspondence and
other administrative mail; changes of address and organizing files.
12.6 hrs. \$ 881.30

Telephone Support

Automated response (IVR), 22,243.20 mins. @ \$0.42 per min. 9,342.14
Live Operator response, 371.5 hrs. @ \$49.00 per hr. 18,203.50
Monthly service charge, 3 mos. @ \$100.00 per mo. 300.00

Project Management / Consulting Charges

Overseeing management of entire case, interfacing with
Receiver, Receiver's counsel, GCG staff and other
interested parties, conference calls.
Managing Director/Sr. VPs – 2.8 hrs. 825.00
Vice President – 0.5 hrs. 112.50
Director/Asst. V P – 8.3 hrs. 1,666.25

Managing all aspects of case, including, managing receipt of and response to approximately 1,549 e-mail inquiries, supervising call center, overseeing systems and document management, Spanish language translations, handling changes of address, e-mails and conference calls, and interfacing with Receiver, Receiver's counsel, GCG staff and other interested parties.

Senior Project Managers – 108.6 hrs. 16,290.00

Assist and support Senior Project Managers, with particular focus on sorting e-mail inquiries.

Project Manager – 4.5 hrs. 562.50

Supervisor – 3.3 hrs. 308.75

Total fees \$48,491.94

Project Expenses (see exhibit A) 566.26

Total due \$49,058.20

Exhibit A

MUTUAL BENEFITS CORPORATION ADMINISTRATION

Project Expenses

For the Period: June 19, 2004 through September 30, 2004

Translation	\$520.00
FedEx	<u>46.26</u>
Total	<u>\$566.26</u>

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

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

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SECURITIES AND EXCHANGE COMMISSION,

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v.

PROPOSED

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

Defendants,

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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.

**ORDER GRANTING
THE GARDEN CITY GROUP'S
REQUEST FOR COMPENSATION**

THIS CAUSE came before the Court on The Garden City Group's Second Interim Petition for Fees and Costs. The Court has heard comments by interested parties, carefully reviewed the Petition and case file and is otherwise fully advised in the premises.

THE COURT notes that by prior Order this Court authorized the Receiver to "appoint one or more special agents, employ legal counsel, actuaries, accountants, claims administrators, clerks, consultants and assistants as the Receiver deems necessary and to fix and pay their reasonable compensation and expenses" subject to the approval by this Court at the time the Receiver accounts to the Court for such expenditures and compensation.

Pursuant to that provision, by prior Order the Court approved Receiver's application to employ The Garden City Group ("GCG") as Receiver's claims administrator in this action.

In the instant Petition, GCG seeks to have the Court authorize the Receiver to compensate GCG for services rendered for the period from June 19, 2004 through September 30, 2004. In total, the Petition seeks approval of the payment of **\$49,058.20** consisting of \$48,491.94 in fees and \$566.26 in costs.

Accordingly, after due consideration, it is

ORDERED and **ADJUDGED** that The Garden City Group's Second Interim Petition for Fees and Costs is hereby **GRANTED** and Receiver, Roberto Martínez is hereby authorized to pay to The Garden City Group the sum of \$ _____ which represents reasonable fees and costs incurred during this Application Period.

DONE and **ORDERED** in Chambers in the Southern District this ____ day of _____, 2004, in Miami, Florida.

FEDERICO A. MORENO
United States District Judge

Copies furnished to all counsel
on the attached Service List.

SERVICE LIST OF RECEIVER

December 10, 2004

Case No.: 04-60573 CIV-Moreno

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