

Mar 24 2005

CLARENCE MADDOX
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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.

**THIRD INTERIM PETITION FOR FEES AND COSTS
OF THE GARDEN CITY GROUP, INC. AS CLAIMS ADMINISTRATOR
FOR THE RECEIVER AND MEMORANDUM IN SUPPORT
(October 1, 2004 – January 31, 2005)**

**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 October 1, 2004 through January 31, 2005, and in support of this application states:

1. Attached as Exhibit 1 is a summary of GCG fees and expenses. Exhibit 2 is the February 23, 2005 invoice detailing the claims administration services that GCG has provided to the Receivership and expenses incurred from October 1, 2004 through January 31, 2005 (the "Application Period").

2. To date, GCG has assisted the Receiver with responding to voluminous investor/customer inquiries both via email and telephone. GCG maintains 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 change of address requests sent by investors as well as other investor correspondence. GCG expects to handle the investor/ creditor database and future mailings, along with any required legal notice programs.

3. For the Application Period, GCG seeks reimbursement for total project fees in the amount of \$80,058.49 representing total fees of \$79,149.35 and total expenses in the amount of \$909.14. The services rendered to Receiver fall under the following categories and the fees breakdown as follows:

- a. **Document Management** - \$2,308.60 The Imaging, Document Management & Storage charges, includes handling of approximately 1, 977 pieces of correspondence and other administrative mail.

- b. Telephone Support - \$48,668.50 – Telephone support charges pertain to the management and support of the telephone hotline.
- c. Systems Support - \$187.50 – This charge is for the programmer's time for designing and implementing all required programs.
- d. Project Management/Consulting Charges - \$27,984.75 - The Project Management Consulting Charges, include, but are not limited to, management of the case, conference calls with the Receiver's counsel and staff, receive and respond to approximately 3,402 e-mails from investors and agents, overseeing the systems and document management, handling change of address forms, and sorting of e-mail inquiries.

4. 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 \$79,149.35 in fees and reimbursement of \$909.14 in costs for the Application Period. A proposed form of Order is attached.

Dated March 24, 2005.

Respectfully submitted,

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

By.


Jeffrey S. Stein

CERTIFICATE OF SERVICE

WE HEREBY CERTIFY that on March 24, 2005, the foregoing was electronically filed with the Clerk of the Court, and a notice of electronic filing was sent to:

Laurel M. Isicoff, Esquire
Kozyak Tropin & Throckmorton
lmi@kttlaw.com

Faith E. Gay, Esquire
White & Case LLP
fgay@whitecase.com


Linda Schmidt, Esquire
Alise Meredith Johnson, Esquire
Securities & Exchange Commission
schmidtls@sec.gov; johnsona@sec.gov
George Mahfood, Esquire
Ferrell Schultz
gmanhfood@ferrellschultz.com

and by U.S. Mail to:

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100 S.E.3rd Avenue, Suite 2612
Ft. Lauderdale, FL 33394
Attorneys for Leslie Steinger

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Def. Kensington*

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*Attorneys for Peter Lombardi & Relief Def.
PJJ Consulting*

By: 
CURTIS B. MINER
Fla. Bar No. 0885681
Attorney for Receiver

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255 Aragon Avenue, Second Floor
Coral Gables, Florida 33134
Telephone: (305) 476-7400
Facsimile: (305) 476-7444
E-Mail: curt@colson.com

PROPOSED ORDER

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.

**ORDER GRANTING
THE GARDEN CITY GROUP'S
THIRD INTERIM PETITION FOR FEES AND COSTS**

THIS CAUSE came before the Court on The Garden City Group's Third 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 October 1, 2004 through January 31, 2005. In total, the Petition seeks approval of the payment of **\$80,058.49** consisting of \$79,149.35 in fees and \$904.14 in costs.

Accordingly, after due consideration, it is

ORDERED and **ADJUDGED** that The Garden City Group’s Third 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 _____, 2005, in Miami, Florida.

FEDERICO A. MORENO
United States District Judge

Copies furnished to all counsel
on the attached Service List.

SERVICE LIST OF RECEIVER

March 17, 2005

Case No.: 04-60573 CIV-Moreno

<p>Roberto Martínez, Receiver Colson Hicks Eidson 255 Aragon Avenue Second Floor Coral Gables, FL 33134 Tel: (305) 476-7400 Fax: (305) 476-7444</p> <p>Curtis B. Miner, Esquire Colson Hicks Eidson 255 Aragon Avenue Second Floor Coral Gables, FL 33134 <u>curt@colson.com</u> <i>Attorney for Receiver</i></p> <p>Laurel M. Isicoff, Esq. KOZYAK TROPIN & THROCKMORTON 2525 Ponce de Leon Blvd. 9th Floor Coral Gables, Florida Tel: (305) 372-1800 Fax: (305) 372-3508 'lmi@kttl.com' <i>Attorneys for Receiver</i></p> <p>Faith E. Gay, Esq. White & Case LLP 4900 Wachovia Financial Center 200 So. Biscayne Blvd. Miami, FL 33131-2352 Tel: (305) 371-2700 Fax: (305) 358-5744 'fgay@whitecase.com' <i>Attorneys for Camden Consulting, Inc.</i></p> <p>Jon A. Sale, Esq. Ben Kuehne, Esq. Sale & Kuehne, P.A. BankAmerica Tower, Suite 3550 100 S.E. 2nd Street Miami, FL 33131-2154 Tel: (305) 789-5989 Fax: (305) 789-5987 <i>Attorneys for Peter Lombardi & Relief Def. PJJ Consulting</i></p>	<p>Linda Schmidt, Esq. Alise Meredith Johnson, Esq. SECURITIES & EXCHANGE COMMISSION 801 Brickell Avenue Suite 1800 Miami, FL 33131 Tel: (305) 982-6322 Fax: (305) 536-4154 'schmidtls@sec.gov' 'johnsona@sec.gov' <i>Attorneys for Securities & Exchange Commission</i></p> <p>Richard Ben-Veniste, Esq. Lee Rubin, Esq. Mayer Brown Rowe & Maw 1909 K. Street, N.W. Washington, DC 20006 Tel: (202) 263-3000 Fax: (202) 263-5333 <i>Attorneys for Joel Steinger & Relief Def. Kensington</i></p> <p>George Mahfood, Esquire Ferrell Schultz 201 South Biscayne Boulevard Miami, Florida 33131 Tel: (305) 371-8585 Fax: (305) 371-5732 'gmahfood@ferrellschultz.com' <i>Attorneys for Joel Steinger, Leslie Steinger, Peter Lombardi and PJJ Consulting</i></p> <p>Bruce A. Zimet Esq. BRUCE A. ZIMET, PA 100 S.E.3rd Avenue, Suite 2612 Ft. Lauderdale, FL 33394 <i>Attorneys for Leslie Steinger</i> Tel: (954) 764-7081 Fax: (954) 760-4421</p>
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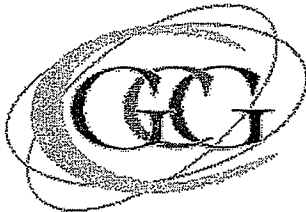
EXHIBIT 1

**SUMMARY OF THIRD INTERIM APPLICATION
FOR COMPENSATION OF FEES AND COSTS OF
THE GARDEN CITY GROUP, INC., a Delaware corporation**

1	Name of Applicant	The Garden City Group, Inc.
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	October 1, 2004 through January 31, 2005
8	Total fees requested for this period	\$79,149.35
9	Total expenses requested for this period	\$ 909.14
10	Total fees and expenses requested to be awarded	\$80,058.49

HISTORY OF FEE APPLICATIONS

Application Number	Application Period	Date Submitted	Amount Requested	Amount Awarded	Date Awarded
1	5/4/04 – 6/18/04	7/2/04	\$50,945.54	\$50,945	10/25/04
2	6/19/04 – 9/30/04	12/27/04	\$49,058.20		
3	10/1/04 – 1/31/05	3/24/05	\$80,058.49		
TOTAL			\$180,062.23	\$50,945	



The Garden City Group, Inc.

Invoice No. 02308
Revised

March 3, 2005

In connection with the Mutual Benefits Corporation Administration [04-60473-CIV-MORENO] for the period: October 1, 2004 through January 31, 2005

Administration Fees

Document Management

Document management, includes handling 1,977 pieces of correspondence and other administrative mail.

33.3 hrs. \$ 2,308.60

Telephone Support

Automated response (IVR), 23,748.83 mins. @ \$0.42 per min. 9,974.51

Live Operator response, 781.51 hrs. @ \$49.00 per hr. 38,293.99

Monthly service charge, 4 months @ \$100.00 per mo. 400.00

Systems Support

Design & implement all required programs.

Programmer -1.5 hrs. 187.50

Project Management / Consulting Charges

Overseeing management of entire case, interfacing with Receiver's counsel, GCG staff and other interested parties, conference calls.

Managing Director - 5.5 hrs. 1,650.00

VP - 0.6 hrs. 135.00

Director - 6.8 hrs. 1,398.00

Managing all aspects of case, including managing receipt of and response to approximately 3,402 e-mails inquiries, supervising call center, overseeing systems and document management, handling changes of address, e-mails and conference calls, and interfacing with Receiver's counsel, GCG staff and other interested parties.

Senior Project Managers - 138.5 hrs. 20,775.00

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

Project Managers – 15.0 hrs. 1,875.00

Supervisor – 22.7 hrs. 2,151.75

Total fees \$ 79,149.35

Project Expenses (see exhibit A) 909.14

Sub total 80,058.49

Outstanding balances on Invoice #'s:

1934/02076 49,058.20

Total due \$129,116.69

Exhibit A

MUTUAL BENEFITS CORPORATION ADMINISTRATION

Project Expenses

For the period: October 1, 2004 through January 31, 2005

FedEx		<u>\$909.14</u>
Total		<u>\$909.14</u>

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

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

EXHIBIT 3