

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

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

NIGHT BOX
FILED

JUL 02 2004

CLARENCE MADDOX
CLERK, USDC / SDFL / MIA

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.

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

(May 11, 2004 - June 18, 2004)

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

3298/101/241283.1

LAW OFFICES KOZYAK TROPIN & THROCKMORTON, P.A.

2800 WACHOVIA FINANCIAL CENTER, 200 SOUTH BISCAYNE BOULEVARD, MIAMI, FLORIDA 33131 • TEL. (305) 372-1800

CASE NO. 04-60573 CIV-MORENO

The Garden City Group, Inc. ("GCG") moves this Court to award interim fees and costs incurred by GCG as claims administrator to the Receiver, Roberto Martínez (the "Receiver"), in support of this application, the undersigned submits the following:

1. Attached as **Exhibit "1"** is a summary of GCG fees and expenses. **Exhibit "2"** is an invoice detailing the claims administration services that GCG has provided to the Receivership and expenses incurred through June 18, 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 has also provided Spanish translations in both of these areas. GCG has set up an automated phone system with live operators to answer investor/customer questions and has linked its web site email system 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 \$50,195.54 and total expenses in the amount of \$750.00 for P.O. Box rental. No prior applications for compensation have been filed and no compensation has been paid to GCG. The services rendered to Receiver fall under the following categories and the fees breakdown as follows:

- a. **Administration Fees** - \$26,526.54 - GCG incurred these fees to set up the administration process for the Receiver. The Receiver anticipated receiving voluminous calls, letters and e-mails from the over 20,000 MBC investors in addition to agents and brokers involved in MBC's viatical business. The administration fees include organizing, receipt and review of correspondence and e-mail from MBC investors, brokers and agents and setting up a telephone hotline to receive and return calls to interested parties.
- b. **Project Management/Consulting Charges** - \$23,669.00 - GCG met with the Receiver and his counsel to fully understand the scope of the project to design a suitable and appropriate administration process. Based on the consultations with the Receiver and his counsel, GCG designed and implemented an administration process for the MBC matter, including, but not limited to, the management, receipt and response to over 2500 e-mails from investors, which in many cases involved translating e-mails from Spanish to English.

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 **\$50,195.54** in fees and reimbursement of **\$750.00** in costs for the Application Period. A proposed form of Order is attached.

Dated: July 2, 2004

Respectfully submitted,

THE GARDEN CITY GROUP, INC.

Claims Administrator

105 Maxess Road

Melville, NY 11747-3836

By: Jeffrey S. Stein
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 2nd day of July, 2004.

By: Detra Shaw-Wilder
Detra Shaw-Wilder

SERVICE LIST

SEC v. Mutual Benefits Corp. et al.
Case No. 04-60573-CIV-MORENO/Garber

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EXHIBIT "1"

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

Case No.: 04-60573-CIV-MORENO/Garber

IN RE:

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

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

Defendants,

and

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.

SUMMARY OF INTERIM APPLICATION FOR COMPENSATION OF FEES AND
COSTS OF THE GARDEN CITY GROUP, INC., A DELAWARE CORPORATION, AS
CLAIMS ADMINISTRATORS

- | | | |
|----|---------------------------------|-----------------------|
| 1. | Name of applicant: | The Garden City Group |
| 2. | Role of Applicant: | Claims Administrators |
| 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
Fees... May 11, 2004 - June 18, 2004
 8. **Total fee requested for this period** \$ 50,195.54
Expenses...
 10. **Total expense reimbursement requested for this period** \$ 750.00
 11. **Total fee and expense award requested** \$ 50,945.54



Revised
INVOICE No. 01840

June 28, 2004

In connection with the Mutual Benefits Corporation
 Administration [04-60473-CIV-MORENO] for the period:
 May 11, 2004 (Inception) through June 18, 2004

Administration Fees

Imaging, Document Management & Storage

Document management, including handling
 correspondence and other administrative mail;
 changes of address and organizing files.

12.6 hrs.

\$ 882.00

Telephone Support

Set-up

1,500.00

Automated response (IVR), 12,456.20 mins. @ \$0.42 per min.

5,231.60

Live Operator response, 362.06 hrs. @ \$49.00 per hr.

17,740.94

Monthly service charge, 1 ½ mos. @ \$100.00 per mo.

150.00

Systems Support

Design & implement all required programs to carry out
 administration process,

Senior Programmers – 5.2 hrs.

1,022.00

Project Management / Consulting Charges

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

Managing Director/Sr. VPs – 19.1 hrs. 5,730.00
Director/Asst. V P – 29.6 hrs. 6,480.00

Managing all aspects of case, including, managing receipt of and response to over 2,500 e-mails inquiries, supervising call center, overseeing systems and document management, training, Spanish language translation, meetings/conference calls, and interfacing with Receiver, Receiver's counsel, GCG staff and other interested parties.

Senior Project Managers – 59.7 hrs. 8,955.00

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

Project Manager – 16.0 hrs. 2,000.00
Project Administrators – 7.2 hrs. 504.00

Total fees \$50,195.54

Project Expenses (see exhibit A) 750.00

Total due **\$50,945.54**

Exhibit A

MUTUAL BENEFITS CORPORATION ADMINISTRATION

Project Expenses

For the Period: May 11, 2004 (Inception) through June 18, 2004

P.O. Box Rental	\$750.00
Total	<u>\$750.00</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

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

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

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

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

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MUTUAL BENEFITS CORP.,
JOEL STEINGER a/k/a JOEL STEINER,
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Defendants,

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TWIN GROVES INVESTMENTS, INC.,
P.J.L. CONSULTING, INC.,
SKS CONSULTING, INC., and
CAMDEN CONSULTING, INC.,

Relief Defendants.

ORDER

THIS CAUSE came before the Court on The Garden City Group's First 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 counsel 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 May 11, 2004 through June 18, 2004. In total, the Petition seeks approval of the payment of \$_____ consisting of \$_____ in fees and \$_____ in costs.

Accordingly, after due consideration, it is

ORDERED and **ADJUDGED** that The Garden City Group’s First Interim Petition for Fees and Costs is hereby **GRANTED** and Receiver, Roberto Martínez is hereby authorized to pay Kozyak Tropin & Throckmorton, P.A. the sum of \$ _____ which represents reasonable fees and costs incurred during the Application Period.

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

HONORABLE FEDERICO MORENO
United States District Court Judge

Copies furnished to:

All parties on the attached service list.

SERVICE LIST

SEC V. MBC, et al.

Case No. 04-60573-CIV-MORENO/Garber

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