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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

SMALL BUSINESS CAPITAL CORP.;
MARK FEATHERS; INVESTORS
PRIME FUND, LLC; AND SBC
PORTFOLIO FUND, LLC,

Defendants.

Case No. 5:12-CV-03237-EJD

~~[PROPOSED]~~ ORDER CONCLUDING
RECEIVERSHIP; APPROVING POST
CLOSING ACCOUNTING AND
REPORT; RELEASING FEATHERS
RESERVE FUNDS; AUTHORIZING
PAYMENT OF PROFESSIONAL FEES;
AND DISCHARGING RECEIVER
AS MODIFIED

Hon. Edward J. Davila
Courtroom 4

1 The Motion to Conclude Receivership and for an Order: Approving the
2 Receiver's Post-Closing Accounting and Report; Releasing the Defense Counsel
3 Reserve Funds; Authorizing Payment of Professional Fees; and Discharging the
4 Receiver ("Motion") of Thomas A. Seaman ("Receiver"), Court-appointed
5 permanent receiver for Small Business Capital Corp., Investors Prime Fund, LLC,
6 SBC Portfolio Fund, LLC, and their subsidiaries and affiliates, came before the
7 Court.

8 Defendant Mark Feathers filed an opposition on August 8, 2019 in which he
9 represents that on July 15, 2019, he reserved a hearing date of December 12, 2019
10 for his anticipated motion for approval of his own legal fees and motion to challenge
11 the Receiver's accounting and financial analysis. Dkt. No. 1276). Pursuant to the
12 undersigned's Standing Order For Civil Cases, motions must be filed and noticed
13 within 14 calendar days of reserving a hearing date. Accordingly, Feathers'
14 motion(s) were due July 29, 2019. To date, Feathers has not filed any motion.

15 The Court having considered the Receiver's Motion and opposition thereto, IT
16 IS HEREBY ORDERED as follows:

- 17 1. The Motion is granted.
- 18 2. The Receiver's post-closing and report is approved.
- 19 3. The Receiver is authorized to cease holding the Defense Counsel
20 Account¹ containing \$200,000 and distribute those funds to investors and creditors
21 as provided herein.
- 22 4. The Receiver is authorized to make a final distribution to investors and
23 creditors in accordance with the Motion and approved Distribution Plan. [Dkt.
24 Nos. 711, 628]

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28 ¹ The capitalized terms used herein shall have the meanings as defined in the Motion.

1 5. The Receiver is authorized to pay his counsel, Allen Matkins Leck
2 Gamble Mallory & Natsis LLP, attorneys' fees and costs in the amount of
3 \$60,157.70.

4 6. The Receiver is authorized to establish a post-closing reserve of
5 \$65,107 to pay for the final administrative expenses associated with the Closing
6 Tasks as set forth in Section IV of the Motion.

7 7. The Receiver is authorized to turn over to the Securities and Exchange
8 Commission to be paid to the United States Treasury, any remaining funds in his
9 possession following completion of the Closing Tasks, including funds reflecting
10 uncashed distribution checks and remaining post-closing reserve funds after
11 payment of the expenses described in Section IV of the Motion.

12 8. The Receiver is discharged of all duties under the Temporary
13 Restraining Order and Orders: (1) Freezing Assets; (2) Prohibiting the Destruction
14 of Documents; (3) Granting Expedited Discovery; (4) Requiring Accountings; and
15 (5) Appointing a Temporary Receiver; and Order to Show Cause re Preliminary
16 Injunction and Appointment of a Permanent Receiver entered by this Court on
17 June 26, 2012 ("TRO") (Dkt. No. 16), the Preliminary Injunction and Orders:
18 (1) Freezing Assets; (2) Prohibiting the Destruction of Documents; (3) Requiring
19 Accountings; and (4) Appointing a Permanent Receiver entered by this Court on
20 July 10, 2012 ("Preliminary Injunction Order") (Dkt. No. 34), and subsequent orders
21 of the Court.

22 (a) The receivership is closed.

23 (b) The Receiver presently stores loan files, records for the Receivership
24 Entities' operations, personnel files, investor files, and miscellaneous
25 documents and electronic records. The Receiver shall turn such books and
26 records over to the United States Attorney's Office

27 Dated: August 9, 2019 _____



Hon. Edward J. Davila
Judge, United States District Court

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