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STATE OF NEW HAMPSHIRE
DEPARTMENT OF STATE
BUREAU OF SECURITIES REGULATION

CONCORD, NEW HAMPSHIRE

IN THE MATTER OF:)

Securities America, Inc.)

Respondent)

INV2010-019

CONSENT ORDER

- I. For purposes of settling the above-referenced matter and in lieu of further administrative proceedings, Securities America, Inc., (hereinafter referred to as "SA"), has submitted an offer of settlement, which the State of New Hampshire, Department of State, Bureau of Securities Regulation (hereinafter referred to as "the Bureau") has determined to accept. Accordingly, Respondent does hereby consent to the following undertaking and sanctions, without admitting or denying the following findings and conclusions:

Statement of Facts

1. Securities America, Inc. (hereinafter "SA"), CRD# 10205 is a broker-dealer located at 12325 Port Grace Blvd., Lavista, Nebraska 68128. The relevant time period of this action is from January 1st, 2004 to December 31st, 2008. Respondent SA is a registered broker-dealer in New Hampshire.
2. SA was one of the placement agents for Medical Capital Notes ("MC Notes"). MC Notes were issued by Special Purpose Corporations ("SPC") named Medical Provider Financial Corporation I, II, III (series 1 and 2), IV (series 1 and 2) and V, all owned by the parent company Medical Capital Holdings, Inc. ("MCH"), and offered in a series of private placements through private placement memorandums ("PPM") during the relevant time period. The SPC business model was to use investor money to buy medical accounts receivable. Then in 2005 the model changed to allow for investor money to be used as venture capital for new businesses, and for lending. All of these SPC's were formed by MCH to issue the MC Notes and engage investors to participate in private placements under Regulation D, Rule 506.

3. These Regulation D, Rule 506 offerings were meant for accredited investors, meaning having a net worth greater than one million dollars among other criteria. The SPCs issued well over a billion dollars worth of MC Notes. Six of the numerous investors resided in New Hampshire and purchased approximately \$500,000.00 worth of the MC Notes. As of August of 2008, the SPCs began defaulting on the MC Notes and MCH is currently in receivership.
4. New Hampshire investors that purchased the MC Notes relied on recommendations of SA when making their buying decision. Many of the New Hampshire investors had long standing relationships with SA. Many of the New Hampshire investors were unsophisticated and did not typically invest in private placements and would not have done so but for the recommendations of SA. During the relevant time period New Hampshire investors purchased eight MC Notes.
5. The eight MC Note sales were not suitable for the New Hampshire investors based upon the facts disclosed by the customer after reasonable inquiry as to his or her other security holdings and as to his or her financial situation and needs.
6. In a separate proceeding before the Federal District Court for the Northern District of Texas, a class action lawsuit was filed on behalf of SA investors in the MC Notes which included the New Hampshire investors. Following the receipt of releases from the SA investors provided to SA, the class action settlement order satisfied SA's restitution obligation to the investors including the New Hampshire SA investors.

Statement of Law

1. SA is a broker-dealer and a person within the meaning of RSA 421-B:2.
2. The SPCs are "issuers" within the meaning of RSA 421-B:2,XIII.
3. The filings received by the Bureau from the SPCs were made on Federal Form D and designate Rule 506 as the basis of the exemption (See 17 CFR sec. 230.506).
4. Pursuant to RSA 421-B:3-a, in recommending to a customer the purchase, sale, or exchange of a security, a broker-dealer must have reasonable grounds for believing that the recommendation is suitable for the customer upon the basis of the facts, if any, disclosed by the customer after reasonable inquiry as to his or her other security holdings and as to his or her financial situation and needs. Respondent is subject to this section.

5. Pursuant to RSA 421-B:23, whenever it appears to the secretary of state that any person has engaged or is about to engage in any act or practice constituting a violation of this chapter or any rule under this chapter, he shall have the power to issue and cause to be served upon such person an order requiring the person to cease and desist from violations of this chapter. Respondent is subject to this section.
6. Pursuant to RSA 421-B:26,III, any person who, either knowingly or negligently, violates any provisions of this chapter may, upon hearing, and in addition to any other penalty provided for by law, be subject to such suspension, revocation or denial of any registration or license, or an administrative fine not to exceed \$2,500, or both. Each of the acts specified shall constitute a separate violation. Respondent is subject to this section.

II. In view of the foregoing, Respondent agrees to the following sanctions:

1. Respondent agrees that that they have voluntarily consented to the entry of this Order and represent and aver that no employee or representative of the Bureau has made any promise, representation or threat to induce their execution.
2. Respondent agrees to waive its right to an administrative hearing and any appeal therein under this chapter.
3. Respondent agrees to permanently cease and desist from future violations of the New Hampshire Securities Act RSA 421-B.
4. Upon execution of this order by Respondent, Respondent agrees to pay an administrative fine in the amount of Twenty-Five Thousand Dollars (\$25,000) to the State of New Hampshire. Payment shall be made by 1) United States postal money order, certified check, bank cashier's check, or bank money order; 2) made payable to the State of New Hampshire; and 3) hand-delivered or mailed to the Bureau of Securities Regulation, Department of State, State House, Room 204, Concord, New Hampshire, 03301.

5. Upon execution of this order by Respondent, Respondent agrees to pay costs to the State of New Hampshire in the amount of Forty Thousand Dollars (\$40,000). Payment shall be made by 1) United States postal money order, certified check, bank cashier's check, or bank money order; 2) made payable to the State of New Hampshire; and 3) hand-delivered or mailed to the Bureau of Securities Regulation, Department of State, State House, Room 204, Concord, New Hampshire, 03301.
6. Upon execution of this Order by Respondent, Respondent agrees to make a payment to the State of New Hampshire to be deposited into the Bureau Investor Education Account in the amount of Twenty-Five thousand dollars (\$25,000). Payment shall be made by 1) United States postal money order, certified check, bank cashier's check, or bank money order; 2) made payable to the State of New Hampshire; and 3) hand-delivered or mailed to the Bureau of Securities Regulation, Department of State, State House, Room 204, Concord, New Hampshire, 03301.
7. Respondent agrees that this Order is entered into for purpose of resolving only the matter as described herein. This Order shall have no collateral estoppel, res judicata, evidentiary, or other legal effect in any other lawsuit, proceeding, or action, not described herein. Likewise, this Order shall not be construed to restrict the Bureau's right to initiate an administrative investigation or proceeding relative to conduct by Respondent of which the Bureau has no knowledge at the time of the date of final entry of this Order. This Order shall terminate and end any and all litigation or disputes regarding SA and its current and former representatives (including Registered Representatives), agents, shareholders, principals, affiliated entities, parent corporations, subsidiaries, officers, directors, employees, predecessors, successors, heirs, executors, and assigns now party or that could be brought in the future regarding MC notes.

8. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation in this Consent Order or create the impression that the Consent Order is without factual basis. Nothing in this provision affects Respondent's testimonial obligations or right to take legal or factual positions in litigation or any forms of alternative dispute resolution in which the State of New Hampshire is not a party.
9. As part of this Consent Order, the Bureau will dismiss with prejudice its case against Barry Armstrong and Lawrence Panzeri as stated in the Bureau's Staff Petition For Relief dated February 13, 2012 and its Amended Petition for Relief served March 12, 2012. The Bureau and Respondent mean and intend by this Consent Order to terminate and end any and all litigation or dispute with respect to these agents now pending or that could be brought in the future against Barry Armstrong and/or Lawrence Panzeri regarding MC Notes.

III. Based on the foregoing, the Bureau deems it appropriate and in the public interest to accept and enter into this Order. **THEREFORE, IT IS HEREBY ORDERED THAT:**

1. Respondent pay an administrative fine to the State of New Hampshire in the amount of Twenty-Five Thousand Dollars (\$25,000).
2. Respondent pay costs to the State of New Hampshire in the amount of Forty Thousand dollars (\$40,000).
3. Respondent make a payment to the State of New Hampshire and deposited into the Bureau Investor Education Account in the amount of Twenty-Five Thousand Dollars (\$25,000).
4. Total payment to the State of New Hampshire is Ninety Thousand Dollars (\$90,000).

5. Respondent permanently cease and desist from future violations of the Securities Act RSA 421-B.
6. Respondent complies with the above-referenced undertakings.

Executed this 24 day of October, 2012.


on behalf of Securities America, Inc.
Please print name and title below:

Kevin J. Miller, SVP, General Counsel

Entered this _____ day of _____, 2012.

Barry Glennon, Director

5. Respondent permanently cease and desist from future violations of the Securities Act RSA 421-B.
6. Respondent complies with the above-referenced undertakings.

Executed this 24 day of October, 2012.



on behalf of Securities America, Inc.

Please print name and title below:

Kevin J. Miller, SVP, General Counsel

Entered this 1st day of November, 2012.


Barry Glennon, Director