EXHIBIT D
REVIEW

Representative: SECURITIES AMERICA, INC. (99001)

OSJ: SECURITIES AMERICA, INC.

RE: Description: Medical Capital booklet, "an investment in excellence"

Type: Sales Literature
State: NE
Date Received: 7/27/2005
Date Finished: 7/27/2005

APPROVED

Reviews marked APPROVED do not require any changes at this time and are NOT required to be refiled with the Compliance Department. Please print a copy of this message and file it in your Advertising File - This will be your only notification. Should regulatory or other considerations warrant, this approval may be rescinded. This material must be resubmitted for review within 3 years of the approval date. Use of advertising materials that have not been approved may result in disciplinary action. If you should have any questions, please contact us via the secure message center at Communications/Advertising Review.

Reviewer:

Comments:


SEC Subpoena - Med Cap
1083

SECURITIES AMERICA-MAMEDAP-0000747
CONFIDENTIAL TREATMENT REQUESTED BY SECURITIES AMERICA, INC
An Investment in Excellence

This is not an offer to buy or sell investments of Medical Capital. Offers will only be made by means of a private placement memorandum.

Medical Capital
Financing The Future Of Healthcare
The Medical Capital Story

In 1993 Medical Capital's founders saw an opportunity to help healthcare providers solve their most pressing cash-flow and growth challenges by showing them how to leverage their receivables.

In order to further its mission of financing the future of healthcare, Medical Capital has created a proprietary valuation system, built an innovative business system, purchased a healthcare liquidation and collections company in 1996 and started a unique collateral tracking business, Medical Tracking Services, Inc. in 1998.

Neither Medical Capital, nor any of its affiliates have ever experienced a net loss resulting in a loss of principal in any of its lending subsidiaries. Medical Capital has never defaulted on an interest payment in its entire history.

This is a significant accomplishment and can be directly attributed to its core competence -- the valuation and collection of healthcare accounts receivable. It has been said that Medical Capital is a company of healthcare billers and collectors in the financing business, not a financing company in the healthcare business.
Healthcare Providers

Here is a sampling of the types of healthcare providers that Medical Capital has assisted. As you can see, Medical Capital's client portfolio is very diversified throughout the healthcare industry.

- Individual physician practices
- Multiple physician medical groups
- Small rural and specialty hospitals
- Psychiatric and rehabilitation clinics
- Durable medical equipment suppliers
- Home infusion therapy
- Home medical & staffing companies
- Radiology and diagnostic practices
- Ambulance companies

Provider Class Concentration

Medical Capital has created a comprehensive and innovative system for the purchase, management and oversight of healthcare providers and their receivables. The system includes strict purchasing guidelines, detailed oversight and monitoring functions, and an innovative business model.

Let's take a closer look at each of these important elements.
Client Selection

First, let's examine how Medical Capital chooses which receivables and which providers to work with.

Not all healthcare receivables are profitable to purchase and not all providers meet our qualifications. So, when a healthcare provider desires to work with Medical Capital, both they and their receivables must successfully go through a rigorous acceptance process.

Medical Capital underwrites each provider carefully. This process includes ensuring clear title to the accounts receivable - first-priority and security interest in the assets is a must.

Once the provider meets these standards, we put their receivables through a valuation process. Valuation of the accounts receivable is what Medical Capital does best. This valuation process includes a complete examination of the billings and collections for a two-year period as well as a detailed two month daily cycle of all billings and the collection track record of the healthcare provider.

Medical Capital does not purchase any claims that do not fit its eligibility criteria.

How we Determine the Value & Purchase Price of the Receivables

First, Medical Capital uses its proprietary underwriting process to determine the Expected Net Receivable (ENR). This is the true value of the medical claim. Medical Capital then advances 80% of the ENR to the healthcare provider.
When the batch of claims is fully collected in the contract period (usually 120 days after purchase) the healthcare provider receives the balance of the purchase price (the deferred purchase amount) less Medical Capital's discount fee. The process continues for every batch of receivables purchased from the healthcare provider.

In order to mitigate any risk issues and ensure collection compliance, the healthcare provider must pledge all accounts receivable, whether purchased or not, as collateral for the purchase agreement. The healthcare provider is also required to maintain a reserve accounting of 25% of the aggregate outstanding receivables (in ENR).

**Monitoring & Collections of the Receivables**

As an additional step to reduce risk, Medical Capital monitors and actually verifies a 5% sample of all claims purchased from each healthcare provider.

Medical Capital also verifies that the lockbox address remains as the healthcare providers' "payment address". This is a labor-intensive process, however it ensures that all payments are directed to the assigned lockbox.

This ongoing monitoring and verification processes helps to ensure that every dollar is collected for the purchased accounts receivable.
Medical Capital's Business Model

The success of Medical Capital is in large part due to Medical Capital Corporation's business model. This model was designed with the protection of the investor in mind.

Medical Capital Corporation serves as the primary operating company and administrator to the securitized subsidiaries (we call them Special Purpose Corporations) of the parent company, Medical Capital Holdings, Inc.

In this capacity Medical Capital Corporation oversees marketing, valuation and the processes governing the relationship with the healthcare provider for the Special Purpose Corporations.

This allows the Special Purpose Corporations to maintain the simple business of purchasing and managing assets.

For the further protection of the investor, each Special Purpose Corporation raises its own funds to be used to purchase assets. These assets are isolated from other entities and held in trust by a trustee or custodian. Throughout the years, Medical Capital has maintained relationships with the most reputable corporate trust companies. These trust companies include Comerica Bank, U.S. Bancorp, and Zion First National Bank.

Let's take a closer look at some of the critical components of our business model.
The Master Servicer

Medical Tracking Services, Inc. oversees and monitors the collateral for our lenders and investors - we refer to them as MediTrak. In this oversight function, MediTrak fulfills the important role of monitoring the collections of all healthcare accounts receivable purchased by the Special Purpose Corporations as well as posting payments against the assets owned by the Special Purpose Corporations. In fact, MediTrak is so good at this function that they have been engaged by national banks and lenders to perform these same services. Although wholly owned by Medical Capital Holdings, Inc., MediTrak maintains its own office, management and staff in Las Vegas, Nevada.

Trustee Functions

As mentioned earlier, the assets purchased by the Special Purpose Corporations are pledged to a Trustee. The Trustee maintains all funds in a central account on behalf of the Special Purpose Corporation. The Trustee also maintains the principal and pays for the purchase of the assets, interest and principal, administrator and servicer fees, and its own fees when due.

In Summary

As you can see, Medical Capital goes to great lengths to carefully underwrite and value the assets it purchases. In addition, Medical Capital goes through an extensive effort to secure, monitor and maintain those assets.

Medical Capital's utilization of asset securitization has helped bring Medical Capital to the forefront of financing the future of healthcare.
This is not an offer to buy or sell investments of Medical Capital.
Offers will only be made by means of a private placement memorandum.

Medical Capital
2100 South State College Blvd, Anaheim, California 92806
toll-free 800-524-3700, phone 714-935-3100, fax 714-935-3114
www.medicalcapital.com
Highlights Program

Secured Notes Series II
Finaical Corporation I
Medical Provider
MEDICAL TRACKING SERVICES

- Maintains & Tracks Payor Ranks
- Dynamic Reporting Capabilities
- Posts Lock Box Receipts Against All Purchases
- Claim by Claim, Line Item Tracking
- Maintains Database of All Purchases

the Servicer

- Performs all Origination, Underwriting
- Purchasing Medical Accounts Receivable
- Administrator to 10 Special Purpose Corporations
- Administer over $1.9 Billion
- In Accounts Receivable Purchased to Date
- In Business Since 1993

MEDICAL CAPITAL CORPORATION

the Administrator
Discount, then Reserve is applied to shortfall.

NOTE: If payment is less than advance +
(in Trust)

 Reserve account $12,000
 Discount to MCC $8,000
 Discount to MCC discount

 Covers advance $80,000

 For the claim from Insurer $100,000

---

Purchase

---

$1,200 Reserve
$8,000 Discount to MCC (Paid at Collection)
$80,000 Advance to Provider (80% ENR)
$100,000 Collectible Value (ENR)
$20,000 Allowances (Patient pay, etc.)
$120,000 Billable amount (face value)
Ideal for Qualified Accounts

Interest Paid Monthly, Quarterly, Annually

Principal Paid in Full at Maturity

$25,000 Minimum

Spread is over current WSJ Prime Rate
Trustee requires asset title clearance
UCC filings against MFC
Assets all held by Trustee
All purchases go through Trust
All collections go to Trust
All proceeds go to Trust
Funds held by Trustee

Note Agreement Highlights:

School districts, special districts and corporate clients, services to Western United States quasi-governmental bond-issuing authorities, municipalities,

The Trust Division has earned a reputation for recognizing and responding to client needs and building specialized lines of business in institutional investments and corporate trust. They are a leader in providing banking services to more than 400 full-service banking offices in 8 Western States. The Trust Division is a subsidiary of Zions Bancorporation, was formed in 1873 and

Zions Bank
1 and 2 Year Notes Have Option to Renew for 1 Year
90 Day Notice for Liquidation at Maturity
Interest Paid Monthly, Quarterly or Annually
Notes sold at Par Value
$1,000 Increments
Minimum Investment is $25,000

Non-redeemable During Term
Non-redeemable to Accredited Investors Only
Available to Accredited Broker Dealers
NASD Registered Broker Dealers
Notes Offered Exclusively Through
Secured Notes
<table>
<thead>
<tr>
<th>Insurance Company</th>
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<tbody>
<tr>
<td>Nationwide Insurance</td>
</tr>
<tr>
<td>Cigna Healthcare</td>
</tr>
<tr>
<td>Deepbrook Insurance</td>
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<td>Eagle Insurance</td>
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<td>State Farm</td>
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<td>GEICO</td>
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<tr>
<td>Progressive</td>
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<tr>
<td>BC/BS of Georgia</td>
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<tr>
<td>Allstate</td>
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</tbody>
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*Does not reflect Medicare and/or Medicaid percentages.*

Top 10 Insurance Payors as of December 31, 2004
Incomes Arsenal

The Missing Piece That Should Be Included In Your Fixed

Highly Diversified Provider Portfolio

Outside Servicer Tracks the Accounts

1.4 Billion in Receivables as of September 2003

Administrator Has Purchased over

Administrator Founded in 1994

Trustee Holds All Funds

Notes are Fully Secured

Principal Paid in Full at Maturity

Interest Paid Monthly, Quarterly or Annually

Notes Pay High Yield

Key Points:

EXHIBIT E
PLACEMENT AGENT CERTIFICATION

BASED ON THE INFORMATION OBTAINED FROM THE SUBSCRIBER CONCERNING HIS INVESTMENT OBJECTIVES, HIS OTHER INVESTMENTS AND HIS FINANCIAL SITUATION AND NEEDS, THE UNDERSIGNED PLACEMENT AGENT HAS REASONABLE GROUNDS TO BELIEVE THAT AN INVESTMENT IN THE NOTES OF THE COMPANY IS SUITABLE FOR THE SUBSCRIBER. PRIOR TO THE SUBSCRIBER’S EXECUTING THIS SUBSCRIPTION AGREEMENT, THE UNDERSIGNED PLACEMENT AGENT HAS INFORMED THE SUBSCRIBER OF ANY COMPENSATION THE UNDERSIGNED PLACEMENT AGENT SHALL RECEIVE ON ACCOUNT OF THE SALE OF THE NOTES HEREIN AND ALL PERTINENT FACTS RELATING TO AN INVESTMENT IN THE NOTES, INCLUDING THE RISK FACTORS DISCLOSED IN THE MEMORANDUM. THE UNDERSIGNED BELIEVES THAT THE REPRESENTATIONS AND WARRANTIES EXPRESSED ABOVE ARE TRUE AND CORRECT.

___________________________
Placement Agent

By _________________________
Agent’s Authorized Signature

Name of Broker-Dealer: __________

Subscription accepted by the Company.

Dated: __________

MEDICAL PROVIDER FUNDING CORPORATION V

By _________________________
Authorized Signature
EXHIBIT F
The general practice is to have the B/D make the payment to the DD Firm so it can not be seen as the DD Firm working for the organization that is being reviewed. I know this involves a flow through of the money from NHF to SAI and then to Todd but in that way it is better defined who Todd is working for. I am sure it makes no difference to NHF and I can check to see if it makes a difference to Todd.
EXHIBIT G
under any Note, principal or interest payment, the Trustee would step into the shoes of the MCH administrator and proceed to collect receivables.

Section 5. Conclusion & Recommendations

In summary, my interviews with Company principals, interviews with third parties, review of relevant information provided to me and an analysis of the Company's market leads me to the conclusion that MCH is very experienced in the medical receivables factoring business, and has and will continue to contractually perform under its various securitized financing vehicles. However, I would strongly recommend that prior to offering this placement to your retail clientele, (none of whom should concentrate a significant amount of their income-oriented portfolio to this investment), you should require MCH to amend the Company’s PPM in the following respects:

1. Attach all year-end income statements and balance sheets for the Company as exhibits to the PPM;

2. Amend the PPM to limit the offering only to accredited investors and remove the confusing sophisticated purchaser language; and

3. Provide a description of all material litigation affecting MCH, MCC or the Company; and

Also, I would require that MCH provide sufficient evidence that MCH is properly qualified to do business in the State of California. I would also suggest that prior to entering into a selling agreement with the sponsor that you obtain a written commitment of MCH and the Company to provide you, your registered representatives and investors, with the monthly distribution checks or other regular communication, copies of the monthly administrator's reports so that you can track the collateral coverage ratios.

If you should have any questions or comments concerning the contents of this letter or the documents referred to herein please do not hesitate to give me a call.

Very truly yours,

cc:
Securities of Spokane, Washington, which was the underwriting broker-dealer for MCH's first offering. Currently as Metropolitan became less comfortable in doing additional offerings for MCH, Mr. Fry and a number of registered representatives moved to First Montauk Securities in June 2001, and continue to market MCH's notes. Mr. Fry has been marketing MCH notes for approximately three and a half years and states that, although he does not regularly scrutinize the company's financials, Mr. Field and Mr. Lampariello have for him "passed the smell test." In the past year, MCH has made significant inroads with many broker-dealers, and now has selling agreements in place with approximately thirty (30) broker-dealers. As of March 31, 2004, MPFCI has issued in excess of $35,000,000.00 in principal amount of Notes. I have received no adverse information from any of these broker-dealers regarding investor relations, Note payment, broker-dealer support or other material areas.

Section 7. Conclusion & Recommendations

In summary, my interviews with Company principals, interviews with third parties, review of relevant information provided to me and an analysis of the Company's market leads me to the conclusion that MCH is very experienced in the medical receivables factoring business, and has and will continue to contractually perform under its various securitized financing vehicles. However, I would recommend that prior to offering this placement to your retail clientele (none of whom should concentrate a significant amount of their income-oriented portfolio to this investment), you should require MCH to provide you, your registered representatives and investors, with the monthly distribution checks or other regular communication, copies of the monthly administrator's reports so that you can track the collateral coverage ratios.

While I am concerned with the lack of control for Noteholders under the various provisions discussed in Section 2 above, it is my belief that the final form of the Note Agreement results from a collective money-center and regional bank approach to move away from traditional trust company functions, rather than an approach by MCH to limit control and protection for investors. While structural risk remains in the Offering, it is my opinion that the performance history of MCH and its affiliates, both with respect to the sustainability of its business model and payments to investors, outweighs the documentation issues and should lead to your approval of the offering.

If you should have any questions or comments concerning the contents of this letter or the documents referred to herein please do not hesitate to give me a call.

Sincerely,

[Redacted]
EXHIBIT I
We have only reviewed financial statements for Holdings for fiscal year ending December 31, 2002 and 2003. Per these reviewed statements, at 12/31/03, the Parent had $8.3 million in shareholders' equity on $185.3 million in assets. Holdings is a highly leveraged entity, but the majority of its liabilities (95%) are notes payable which are almost entirely covered by the related accounts receivable. This type of leverage is normal for this industry. The two-year operating history provided in Holdings' financials shows a growing and profitable entity. However, because they are not audited financial statements, we cannot fully rely on them. Moreover, Holdings' $8.3 million in equity is probably a bit on the low side for the level of business it conducts. We were not provided with the amount that the all specialty purpose entities raised during 2003, but we know that, since their inception, MPFC I & II have raised $230 million and that the two offerings intend to raise at least $500.0 million.

Although we specifically asked for information on the performance of MCC's prior offerings, none was provided. Therefore, we are unable to determine what kind of returns they have achieved for their investors.

Investing in these offerings involves a high degree of risk. A critical one is the potential for delinquencies or complete loss of the receivables due to the payor's insolvency, loss of funding, or bankruptcy. Another risk is the potential for purchasing fraudulent receivables and/or third-party claims with respect to the ownership of the assets. Furthermore, the Company has no limitation on the amount or percentage of debt it can incur. Finally, the concentration on healthcare receivables makes these investments vulnerable to adverse events in the healthcare industry.

The Company has entered into a highly competitive business, where there are major players (commercial banks, diversified finance companies, secured lenders, specialty healthcare finance companies, etc.) with significant experience, significant financial strength, cash reserves, and greater access to resources. This allows the competitors to operate at lower costs and attract a greater and higher quality market share. Those competitors are in a position to offer better pricing for the receivables, respond on a more timely basis, provide better customer service, and utilize more efficient methods of collecting receivables.

While we feel that the offerings warrant further review, we have serious concerns:

- The most critical is the fact that the Company may use some of the offering proceeds to pay interest, repay principal, and/or pay commissions.
- The lack of a sinking fund to make principal payments on the Notes increases the risk that there won't be sufficient cash to make the principal payments when they mature. If the collateral securing the Notes is insufficient and there is a default, any current or additional senior debt would have priority.
- The Notes are redeemable by the Company at any time.
- Holdings does not have audited financial statements and has limited financial history and no prior performance information was provided. This information will be critical if a full research report is to be done.
EXHIBIT J
From: Jim Nagengast  
Sent: Monday, July 26, 2004 11:07 AM  
To: David Spinar  
Cc: Tom Cross  
Subject: RE: NASD/Medical Capital  

Jay Ict & I attended their due diligence conference. I checked my file and I don't have audited financials.

The prospectus on the Preferred Stock offering does include a "Review Report" that was completed by Ernst & Young.

A "review" does still give you some level of assurance, but of course much less than that of audited financials.

Cost may be the main reason for not having audited financials completed. Since we are a big enough distributor it would not be unreasonable for us to demand that they complete a full audit in the coming year if they haven't yet done so.

-----Original Message-----  
From: David Spinar  
Sent: Monday, July 26, 2004 10:54 AM  
To: Jim Nagengast  
Subject: FW: NASD/Medical Capital  

Did you visit Carlmont/MedCap? Do recall if they had audited financials?

David O. Spinar  
Vice President and Chief Compliance Officer  
Securities America, Inc.

Securities offered through Securities America, Inc. Member NASD/SIPC. Advisory services offered through Securities America Advisors, an SEC registered investment advisor.

-----Original Message-----  
From: Tom Cross  
Sent: Monday, July 26, 2004 10:48 AM  
To: David Spinar  
Cc: Due Diligence Committee  
Subject: RE: NASD/Medical Capital  

The documents in the folder are the unaudited financials. You may want to contact Brian Mick to see what he has. I do not have his contact information as he had done a review and we spoke with him.

-----Original Message-----  
From: David Spinar  
Sent: Monday, July 26, 2004 10:30 AM  
To: Tom Cross  
Cc: Due Diligence Committee  
Subject: NASD/Medical Capital  

Our NASD district received word from another NASD district that we are among the larger distributors of Med. Cap. Furthermore, the other NASD district expressed concern that Med Cap didn't have audited financial statements, and that instead there had only been a "review" of the statements. Our district office has asked me to confirm whether we reviewed the financial statements and whether they were or weren't audited. In additional I think it would be a good idea to review the due diligence package on Med Cap generally. - I thought Bryan Mick or
RTA did some work on this. Anyway - can you look in the Carimont/MedCap file for this info.
Thanks.

David O Spinar
Vice President and Chief Compliance Officer
Securities America, Inc.

Securities offered through Securities America, Inc. Member NASD/SIPC. Advisory services offered through Securities America Advisors, an SEC registered investment advisor.
My big concern is the audited financials. At this point, there is no excuse for not having audited financials...it is a cost they simply have to bear to offer product through our channel.

We may simply have to tell them that if they don't have financials by XXXX date we will stop distributing the product on that date. Then they can decide if that is worth spending $50,000 to have it done. If they won't spend the money, that should give us concerns.

-----Original Message-----

From: Tom Cross
Sent: Tuesday, February 15, 2005 1:39 PM
To: Due Diligence Committee
Subject: Medical Capital Screening Report

Here is the report completed at our request. Please particular attention to the final bullets on page three. As Medical Capital is in town today to visit Jay and I will make sure to answer the follow up questions for clarification.

W. Thomas Cross, CLU, ChFC
Senior Vice President << File: Medical Capital Management 2005 Screening.pdf >>
Product Distribution Group
Securities America, Inc.
800-747-6111 ext 2255
tcross@salonline.com

Securities America, Inc. is a Registered Broker/Dealer and Member NASD/SIPC. Advisory services offered through Securities America Advisors, Inc., an SEC Registered Investment Advisory Firm.
EXHIBIT L
DRAFT REPORT

Section 10. Conclusion & Recommendations

In summary, my interviews with Company principals, interviews with third parties, review of relevant information provided to me and an analysis of the Company’s market leads me to the conclusion that MCH is very experienced in the medical receivables factoring business, and has and contractually performed under its various securitized financing vehicles. However, I would recommend that prior to offering this placement to your retail clientele (none of whom should concentrate a material amount of an income-oriented portfolio to this investment), you should require MCH to provide you, your registered representatives and investors, with the monthly distribution checks or other regular communication, copies of the monthly administrator’s reports so that you can track the collateral coverage ratios. Furthermore, you should strongly consider that prospective investors review and acknowledge receipt of this report to understand the material risks associated with MPFC III as compared to prior MCC offerings, including:

1. The Note Agreement does not require a sinking fund for payment of the Notes or require the maintenance of any particular financial ratios to better ensure future repayment of the Notes;

2. The ability to invest up to $50,000,000 in equity securities of all types of businesses and make mortgage loans to receivables sellers or other parties in the health care industry, outside of MCC core expertise, and inadequate PPM disclosures regarding mortgage financing, conflicts of interest as dual lender and commercial real estate risks;

3. No independent directors, especially given the myriad of related and conflicted transactions and contractual relationships by and among the Company, MCC, MCH and MediTrack;

4. The executives of MCC, Mr. Field and Mr. Lampaniello, have not agreed to personally certify monthly net collateral coverage and with individual indemnity directly to Noteholders;

5. A diluted Note Agreement with Wells, including lack of a disbursing agent function, a higher 50% threshold for Noteholders to enforce remedies, and the general lack of responsibility and oversight that was incorporated in prior offerings;

6. Given the burgeoning size and presence of MCC and the special purpose entities and the dollars involved, use of a local CPA firm rather than one of the nationals; and

7. The ability of MPFC III to purchase receivables that are aged greater than 180 days, which is inconsistent with MCC’s prior strategic approach of buying quality insurance company and government receivables, which “turn” every 90 days.
DRAFT REPORT

If you should have any questions or comments concerning the contents of this letter or the documents referred to herein please do not hesitate to give me a call.

Sincerely,

[Redacted]

00269010 DOC
EXHIBIT M
In the District Court of Clark County, Nevada, there were four civil cases listed involving Carlmont Capital Special Purpose Corp. and MCC, all listing the Medical Capital entities as plaintiffs. Two cases are listed as closed and two others are still active.

In the Superior Court in Orange County, California, there were no new cases involving MCC (two cases were cited in my previous report) and there were no cases listed involving the Company.

A search of PACER also did not find any suits involving Joey Lampaniello or Sid Field.

In summary, no significant litigation risk now exists with respect to MPFC IV or its affiliates.

**Section 8. Site Visits**

In mid-2005, I had the opportunity to meet with all of the principals, administrative staff, investor relations and sales personnel for each of MCC and MediTrack. I toured the offices in Las Vegas, Nevada and Anaheim, California. Personal interviews covered redrafting the PPM and transaction documents, the prior Wells relationship, investor reporting, auditing of financials, and strategic business initiatives. It was apparent to me that MCC has the facilities, personnel and experience to continue to identify, purchase and service medical receivables and provide the necessary information to investors.

**Section 10. Conclusion & Recommendations**

In summary, my interviews with Company principals, interviews with third parties, review of relevant information provided to me and an analysis of the Company's market leads me to the conclusion that MCH is very experienced in the medical receivables factoring business, and has and contractually performed under its various securitized financing vehicles. However, I would recommend that prior to offering this placement to your retail clientele (none of whom should concentrate a material amount of an income-oriented portfolio to this investment), you should require MCH to provide you, your registered representatives and investors, with the monthly distribution checks or other regular communication, copies of the monthly administrator's reports so that you can track the collateral coverage ratios. Furthermore, you should strongly consider that prospective investors review and acknowledge receipt of this report to understand the material risks associated with MPFC IV as compared to prior MCC offerings, including:

1. The Note Agreement does not require a sinking fund for payment of the Notes or require the maintenance of any particular financial ratios to better ensure future repayment of the Notes;

2. The ability to invest up to $50,000,000 in equity securities of all types of businesses and make mortgage loans to receivables sellers or other parties in the health care
industry, outside of MCC core expertise, and inadequate PPM disclosures regarding mortgage financing, conflicts of interest as dual lender and commercial real estate risks;

3. No independent directors, especially given the myriad of related and conflicted transactions and contractual relationships by and among the Company, MCC, MCH and MediTrack;

4. The executives of MCC, Mr. Field and Mr. Lampariello, have not agreed to personally certify monthly net collateral coverage and with individual indemnity directly to Noteholders;

5. A diluted Note Agreement with BNY, including lack of a disbursing agent function, a higher 50% threshold for Noteholders to enforce remedies, and the general lack of responsibility and oversight that was incorporated in prior offerings;

6. Given the burgeoning size and presence of MCC and the special purpose entities and the dollars involved, use of a local CPA firm rather than one of the nationals; and

7. The ability of MPFC IV to purchase receivables that are aged greater than 180 days, which is inconsistent with MCC’s prior strategic approach of buying quality insurance company and government receivables, which “turn” every 90 days.

If you should have any questions or comments concerning the contents of this letter or the documents referred to herein please do not hesitate to give me a call.

Sincerely,
EXHIBIT N
Khalife, Richard (SEC)

From: Brian Crockett  
Sent: Tuesday, October 17, 2006 12:24 PM  
To: Jay Ildt  
Cc: Tom Cross  
Subject: FW: Med Cap  
Attachments: Client Disclosure Form - MPFC III (00000054).DOC

Brian Crocket  
Product Database Administrator  
Securities America, Inc.  
(800) 747-9111 ext. 2385  
bicrockett@saionline.com

Securities America, Inc., a Registered Broker/Dealer, Member NASD/SIPC. Advisory services offered through Securities America Advisors, Inc., an SEC Registered Investment Advisory firm

The text of this communication is confidential, and use by any person who is not the intended recipient is prohibited. Any person who receives this communication in error is requested to immediately destroy the text of this communication without copying or further dissemination. Your cooperation is appreciated.

From: [Redacted]  
Sent: Tuesday, October 17, 2006 11:24 AM  
To: Brian Crockett  
Cc: Brad A. Updike  
Subject: Med Cap

The PPM and trust indenture are not yet ready to print. Joey Lampariello is waiting on a final version from his lawyers. Our review will be done in a couple of weeks and unless they fix some structural issues lingering from MPFC IV our review will not be favorable. See attached the client disclosure form we did for certain other BD clients last time. Thanks.
CLIENT DISCLOSURE FORM  
MEDICAL PROVIDER FINANCIAL CORP. III

, your broker-dealer, has approved for sale, with restrictions, the offering (the “Offering”) of Medical Provider Financial Corporation III (the “Company”) Series 1 Secured Notes in the maximum aggregate amount of $250,000,000.00 (the “Notes”). This restricted approval requires that you, the client, acknowledge receipt and thorough review of the Confidential Private Placement Memorandum dated June 20, 2005 (the “PPM”), and certain risks identified with regard to the due diligence review of the Offering, including but not limited to:

1. The Note and Security Agreement with Wells Fargo Bank, N.A. (“Wells”) dated June 27, 2005 (the “Note Agreement”) does not require a sinking fund for payment of the Notes or require the maintenance of any particular financial ratios to better ensure future repayment of the Notes;

2. The ability to invest up to $50,000,000 in equity securities of all types of businesses and make mortgage loans to receivables sellers or other parties in the healthcare industry, outside of Medical Capital Corp. (“MCC”) core expertise, and inadequate PPM disclosures regarding mortgage financing, conflicts of interest as dual lender and commercial real estate risks;

3. The Company has no independent directors, notwithstanding the myriad of related and conflicted transactions and contractual relationships by and among the Company, MCC, Medical Capital Holdings and MediTrack;

4. The executives of MCC, Mr. Field and Mr. Llampariello, have not agreed to personally certify monthly not collateral coverage with individual indemnity directly to Noteholders;

5. A dilated Note Agreement with Wells, including lack of a disbursing agent function, a higher 50% threshold for Noteholders to enforce remedies, and the general lack of trustee oversight that was incorporated in prior offerings;

6. The ability of the Company to purchase receivables that are aged greater than 180 days, which is inconsistent with MCC’s prior strategic approach of buying quality insurance company and government receivables, which “turn” every 90 days.

You also confirm by your signature below that you have thoroughly reviewed the PPM, have had the opportunity to request all other material information, such as Offering transaction documents, financial statements, and sample loan documents.

Date: ___________________  Client Signature: _____________________
Printed Name: ___________________
EXHIBIT O
Khalife, Richard (SEC)

From: Jay Idt
Sent: Wednesday, November 15, 2006 2:26 PM
To: Tom Cross
Cc: Brian Crockett
Subject: FW: Medical Provider Funding Corporation
Attachments: QA3ClientDisclosureForm-MPFCIII(00269204)RESPONSES.doc

I talked with [redacted] today and he may have the review done by this Friday......He provided me with this information as to the holdup. [redacted] wanted them to make some changes regarding the questions on the disclosure form and Med Cap will not.

So to make a long story short, this offering is the same as the last without any changes [redacted] suggested. He stressed to us to use this form with clients (although I don't know of anyone using it besides QA3)

Brian, this is confidential to [redacted] review and not to be shared.

Jay Anthony Idt

Product Director

Registered Principal

Securities America Inc.

800.747.6111 x2260

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From: [redacted]
Sent: Wednesday, November 15, 2006 1:17 PM
To: Jay Idt
Subject: FW: Medical Provider Funding Corporation

Sorry about that. In sophisticated and erudite legalese, his responses are BS and he knows it.
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Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code, or (ii) promoting, marketing or recommending to another party any matters addressed herein.

From: FredMCapital@aol.com [mailto:FredMCapital@aol.com]
Sent: Friday, November 03, 2006 12:56 PM
To:  
Cc: Joey@medicalcapital.com; Tracey@medicalcapital.com
Subject: Medical Provider Funding Corporation

Dear [name],

Joey Lampariello recently shared with me a form that was given to QA3 brokers for signature by their clients who purchased the Medical Provider Financial Corporation III collateralized notes. Attached is a Word file containing the form and my responses to each of the points on the form.

Fred Morris  
Office: (612) 607-4546  
Mobile: (612) 384-6075
QA3 Financial Corp., your broker-dealer, has approved for sale, with restrictions, the offering (the “Offering”) of Medical Provider Financial Corporation III (the “Company”) Series I Secured Notes in the maximum aggregate amount of $250,000,000.00 (the “Notes”). This restricted approval requires that you, the client, acknowledge receipt and thorough review of the Confidential Private Placement Memorandum dated June 20, 2005 (the “PPM”), and certain risks identified with regard to the due diligence review of the Offering, including but not limited to:

1. The Note and Security Agreement with Wells Fargo Bank, N.A. ("Wells") dated June 27, 2005 (the “Note Agreement”) does not require a sinking fund for payment of the Notes or require the maintenance of any particular financial ratios to better ensure future repayment of the Notes;

   Revolving pool asset backed securities do not have sinking funds. They are highly inefficient for this kind of a structure. The lack of financial ratios is also tied to the asset backed security structure. The transaction is asset pool specific. It is not dependent upon or guaranteed by an operating entity. MPFC III and MFPFC IV are not operating companies so there are no relevant financial ratios to better ensure future repayment of the notes. There is a collateral coverage requirement, which is relevant.

2. The ability to invest up to $50,000,000 in equity securities of all types of businesses and make mortgage loans to receivables sellers or other parties in the health care industry, outside of Medical Capital Corp. ("MCC") core expertise, and inadequate PPM disclosures regarding mortgage financing, conflicts of interest as dual lender and commercial real estate risks;

   Not more than half of the Non-receivable Assets can be equity securities. Medical Capital’s policies require that mortgage loans are made to receivable sellers and the term on the mortgage loan is not longer than the receivable sales contract. The mortgages are tied to the core receivables business.

3. The Company has no independent directors, notwithstanding the myriad of related and conflicted transactions and contractual relationships by and among the Company, MCC, Medical Capital Holdings and MediTrack;

   Medical Capital Holdings, Inc. and its subsidiaries are privately held corporations; however, Medical Capital Holdings, Inc. does have an independent outside director who is a CPA.

4. The executives of MCC, Mr. Field and Mr. Lampaniello, have not agreed to personally certify monthly net collateral coverage with individual indemnity directly to Noteholders;

   Individual indemnity seems an odd concept for an asset backed security. It may even invalidate a true sale of assets into the trust. That could open the investors of one issue to any unlikely but possible problems that could occur in another issue. Managerial oversight is important. Accuracy and accountability are also important. The
Administrator, Medical Capital Corporation, through its officers and employees is responsible for the accuracy of the reports. It does not seem appropriate to overlay individual indemnity on top of corporate responsibility.

5. A diluted Note Agreement with Wells, including lack of a disbursing agent function, a higher 50% threshold for Noteholders to enforce remedies, and the general lack of trustee oversight that was incorporated in prior offerings;

The trustee for MPFC IV is The Bank of New York. The trust agreement and responsibility are those that are available in the general marketplace for large institutions offering trust services to asset backed securities. Like MPFC I, MPFC II and MPFC III, the disbursing agent for MPFC IV is Wells Fargo Bank.

6. The ability of the Company to purchase receivables that are aged greater than 180 days, which is inconsistent with MCC’s prior strategic approach of buying quality insurance company and government receivables, which “turn” every 90 days.

Each of the transactions allowed for an average receivable aging targeted to not exceed 180 days. By definition that means some are longer than 180 days and some are shorter. This is not a policy shift.

You also confirm by your signature below that you have thoroughly reviewed the PPM, have had the opportunity to request all other material information, such as Offering transaction documents, financial statements, and sample loan documents.

Date: _______________ ___________ Client Signature: __________________________
Printed Name: _______________ _______________
EXHIBIT P
Khalife, Richard (SEC)

From: [Redacted]
Sent: Wednesday, November 15, 2006 2:02 PM
To: Jay Idt
Subject: FW: Medical Provider Funding Corporation

See below. Thanks.

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From: [Redacted]
Sent: Friday, November 03, 2006 1:10 PM
To: 'FredMCapital@aol.com'
Cc: Joey@medicalcapital.com; Tracey@medicalcapital.com
Subject: RE: Medical Provider Funding Corporation

Fred, I disagree with every point and nothing in MPFC IV has changed structurally. It is very unfortunate that you have the ability to enhance this offering but see fit to peel off the cash every month. For $250 Million if BNY wants to do nothing in its capacity that doesn't prevent you from appointing an independent audit person or firm to actually accomplish oversight for investors. Nothing similarly prohibits you from leaving some of the cash in a sinking fund to provide an extra measure of security. Joey told me last time either he or Sid would personally certify the CCR at 1:1 or better every month. I even drafted a certification to use which never was implemented. I could go on and on, but if you guys figure "the money keeps rolling in, why do anything?", then that's certainly your business decision. Thanks.
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From: FredMCapital@aol.com [mailto:FredMCapital@aol.com]
Sent: Friday, November 03, 2006 12:56 PM
To: [Redacted]
Cc: Joey@medicalcapital.com; Tracey@medicalcapital.com
Subject: Medical Provider Funding Corporation

Dear [Redacted],

Joey Lampariello recently shared with me a form that was given to QA3 brokers for signature by their clients who purchased the Medical Provider Financial Corporation III collateralized notes. Attached is a Word file containing the form and my responses to each of the points on the form.

Fred Morris
Office: (612) 607-4546
Mobile: (612) 384-6075

1/25/2010
EXHIBIT Q
From: [Redacted]
Sent: Thursday, November 30, 2006 11:29 PM
To: Burns, Jim; Jay Idt
Subject: MPFC IV

Attachments: Medical Provider Financial Corporation IV DDR - DRAFT (00008979).DOC

Gentlemen, I have to get the final PPM and Note Issuance Agreement with effective dates, as well as update the litigation search and section, tomorrow AM but this opinion is 95% complete. As I stated to both of you, none of the recommended changes from MPFC III were implemented, including simple definitional problems in the Administrative Services Agreement. It also appears that the consolidated financials have degraded a bit. IF you decide to approve, please do so with restrictions on percentage of net worth, liquid and non-liquid, no reinvestment of interest, capping future note principal reinvestment to note proceeds from redemption or even a reduced percentage. Frankly I am upset that an organization bringing in these dollars cannot agree to a partial sinking fund and appointment of an independent overseer as BNY doesn’t commit to doing anything. I will forward the draft to Joey Lampariello and forward to you any response. Thanks.

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EXHIBIT R
Khalife, Richard (SEC)

From: Brian Crockett
Sent: Friday, December 01, 2006 9:49 AM
To: Due Diligence Committee
Subject: FW: MPFC IV
Importance: High
Attachments: Medical Provider Financial Corporation IV DDR - DRAFT (00008979).DOC

Please review the attached Med Cap offering report as we will discuss in today’s DD meeting. We have a list of about 250 reps waiting on approval of this product. Legal has already reviewed and approved the selling agreement so if we can get the DD Committee to approve the offering based off this report, we can get the agreement signed and out the door today.

Let me know if you have any questions.

Thanks.

Brian Crockett
Product Database Administrator
Securities America, Inc.
(600) 747-9111 ext. 2385
bcrockett@salonline.com

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EXHIBIT S
MFC is the plaintiff in three separate contract disputes currently pending in the U.S. District Court, District of Nevada (Case Nos. 2:06cv1649, 2:07cv345, and 2:07cv27).

MCC and MFC are named defendants in a civil case titled, Blue Topaz, LLC v. Employers International, Inc. et al., filed on August 10, 2007, in the Los Angeles County Superior Court (Case No. BS110436).

MCC was the named defendant in three civil cases filed within the past five years in the Orange County, California Superior Court: Case No. 03CC01256, filed 1/3/03; Case No. 04CC11522, filed 11/22/04; and Case No. 05CC06726, filed 5/31/05. The Superior's Courts website reports Case Nos. 04CC11522 and 05CC06726 are closed/dismissed, but the website reports no records for Case No. 03CC01256.

MCC and MHC were named defendants in civil Case No. 0154712006, filed on September 1, 2006, in the Westchester County, New York Supreme Court; Lexis reports that this case is stayed.

No adverse material information was found or discovered for Joseph J. Lampariello.

Need to verify the SSN of Sidney M. Field for possible bankruptcy.

No adverse material information was found or discovered for Alan J. Meister.

Section 10, Site Visits

In mid-2005, I had the opportunity to meet with all of the principals, administrative staff, investor relations, and sales personnel for each of MCH, MCC, and MediTrack. I toured the offices in Las Vegas, Nevada and Anaheim, California. Personal interviews covered redrafting the PPM and transaction documents, the prior Wells relationship, investor reporting, auditing of financials, and strategic business initiatives. It was apparent to me that MCC has the facilities, personnel, and experience to continue to identify, purchase and service medical receivables and provide the necessary information to investors.

Section 11, Conclusion & Recommendations

In summary, my interviews with Company principals, interviews with third parties, review of relevant information provided to me and an analysis of the Company's market leads me to the conclusion that MCC is very experienced in the medical receivables factoring business, and has contractually performed under its various securitized financing vehicles. However, I would recommend that prior to offering this placement to your retail clientele (none of whom should concentrate a material amount of an income-oriented portfolio to this investment), you should require MCC to provide you, your registered representatives and investors, with the monthly distribution checks or other regular communication, copies of the monthly
administrator's reports so that you can track the collateral coverage ratios. Furthermore, you should strongly consider that prospective investors review and acknowledge receipt of this report to understand the material risks associated with MPFC V as compared to prior MCC offerings, including:

1. The Note Agreement does not require a sinking fund for payment of the Notes or require the maintenance of any particular financial ratios to better ensure future repayment of the Notes;

2. The ability to invest up to $80,000,000 in equity securities of all types of businesses and make mortgage loans to receivables sellers or other parties in the health care industry, outside of MCC core expertise, and inadequate PPM disclosures regarding mortgage financing, conflicts of interest as dual lender and commercial real estate risks;

3. No independent directors, especially given the myriad of related and conflicted transactions and contractual relationships by and among the Company, MCC, MCH and MediTrack;

4. The executives of MCC, Mr. Field and Mr. Lampariello, have not agreed to personally certify monthly net collateral coverage and with individual indemnity directly to Noteholders;

5. A diluted Note Agreement with Wells, including lack of a disbursing agent function, a higher 50% threshold for Noteholders to enforce remedies, and the general lack of responsibility and oversight that was incorporated in prior offerings;

6. Given the burgeoning size and presence of MCC and the special purpose entities and the dollars involved, use of a local CPA firm rather than one of the nationals; and

7. The ability of MPFC V to purchase receivables that are aged greater than 180 days, which is inconsistent with MCC's prior strategic approach of buying quality insurance company and government receivables, which "turn" every 90 days.

If you should have any questions or comments concerning the contents of this letter or the documents referred to herein please do not hesitate to give me a call.

Sincerely,

[Redacted]

[Redacted]
CLIENT DISCLOSURE FORM
MEDICAL PROVIDER FINANCIAL CORP. III

your broker-dealer, has approved for sale, with restrictions, the offering (the “Offering”) of Medical Provider Financial Corporation III (the “Company”) Series 1 Secured Notes in the maximum aggregate amount of $250,000,000.00 (the “Notes”). This restricted approval requires that you, the client, acknowledge receipt and thorough review of the Confidential Private Placement Memorandum dated June 20, 2005 (the “PPM”), and certain risks identified with regard to the due diligence review of the Offering, including but not limited to:

1. The Note and Security Agreement with Wells Fargo Bank, N.A. ("Wells") dated June 27, 2005 (the “Note Agreement”) does not require a sinking fund for payment of the Notes or require the maintenance of any particular financial ratios to better ensure future repayment of the Notes;

2. The ability to invest up to $50,000,000 in equity securities of all types of businesses and make mortgage loans to receivables sellers or other parties in the health care industry, outside of Medical Capital Corp. (“MCC”) core expertise, and inadequate PPM disclosures regarding mortgage financing, conflicts of interest as dual lender and commercial real estate risks;

3. The Company has no independent directors, notwithstanding the myriad of related and conflicted transactions and contractual relationships by and among the Company, MCC, Medical Capital Holdings and MediTrack;

4. The executives of MCC, Mr. Field and Mr. Lampariello, have not agreed to personally certify monthly net receivable coverage with individual indemnity directly to Noteholders;

5. A diluted Note Agreement with Wells, including lack of a disbursing agent function, a higher 50% threshold for Noteholders to enforce remedies, and the general lack of trustee oversight that was incorporated in prior offerings;

6. The ability of the Company to purchase receivables that are aged greater than 180 days, which is inconsistent with MCC’s prior strategic approach of buying quality insurance company and government receivables, which “turn” every 90 days.

You also confirm by your signature below that you have thoroughly reviewed the PPM, have had the opportunity to request all other material information, such as Offering transaction documents, financial statements, and sample loan documents.

Date: ____________________  Client Signature: ____________________
Printed Name: ____________________