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**STATE OF CALIFORNIA**  
**BUSINESS, TRANSPORTATION AND HOUSING AGENCY**  
**DEPARTMENT OF CORPORATIONS**

TO: Richard Fabulich  
Paul Winter  
American Secured Capital Corporation  
American Secured Capital Fund, L.L.C.  
PrimeCap Funding, Inc.  
PrimeCap Mortgage Fund, L.L.C.  
PrimeCap Mortgage Fund  
300 W. Grand Avenue, Suite 300  
Escondido, CA 92025  
and  
www.americansecured.com

**DESIST AND REFRAIN ORDER**  
**(For violations of section 25110 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. At all relevant times, PrimeCap Mortgage Fund, L.L.C., is and was an entity of unknown form, with a principal place of business at 300 W. Grand Avenue, Suite 300, Escondido, CA 92025.
2. At all relevant times, American Secured Capital Corporation, formerly named PrimeCap Funding, Inc., is and was a California corporation, created on January 21, 2004, with a principal place of business at 300 W. Grand Avenue, Suite 300, Escondido, CA 92025. According to the companies' offering circular, which is downloadable from the companies' Web site, www.americansecured.com, PrimeCap Funding, Inc., operates as the "Manager" of PrimeCap Mortgage Fund, L.L.C.

1 3. At all relevant times, American Secured Capital Fund, L.L.C., is and was a California limited  
2 liability company, created on March 9, 2004, with a principal place of business at 300 W. Grand  
3 Avenue, Suite 300, Escondido, CA 92025.

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5 4. At all relevant times, PrimeCap Mortgage Fund is and was a San Diego County fictitious  
6 business name, filed on January 4, 2007, with the owner listed as Richard Fabulich.

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8 5. At all relevant times, Richard Fabulich (“Fabulich”) was a control person of American Secured  
9 Capital Corporation, American Secured Capital Fund, L.L.C., PrimeCap Funding, Inc., PrimeCap  
10 Mortgage Fund, L.L.C., and PrimeCap Mortgage Fund.

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12 6. At all relevant times, Paul Winter (“Winter”) was a control person of American Secured  
13 Capital Corporation, American Secured Capital Fund, L.L.C., Prime Cap Funding, Inc., PrimeCap  
14 Mortgage Fund, L.L.C., and PrimeCap Mortgage Fund.

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16 7. Beginning in or about January 2007, Fabulich, Winter, American Secured Capital Corporation,  
17 American Secured Capital Fund, L.L.C., PrimeCap Funding, Inc., PrimeCap Mortgage Fund, L.L.C.,  
18 and PrimeCap Mortgage Fund offered or sold securities in the form of Series “A” and Series “B”  
19 shares in PrimeCap Mortgage Fund, L.L.C.

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21 8. Through general solicitations in the form of advertisements at the companies’ Web site,  
22 www.americansecured.com, Fabulich, Winter, American Secured Capital Corporation, American  
23 Secured Capital Fund, L.L.C., PrimeCap Funding, Inc., PrimeCap Mortgage Fund, L.L.C., and  
24 PrimeCap Mortgage Fund offered or sold Series “A” and Series “B” shares to California residents.

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26 9. According to the companies’ Web site, “Astute Investors are invited to take advantage of the  
27 mortgage market profitability by participating in either one or both of PrimeCap Mortgage Fund  
28 limited liability PrimeShares programs . . . The PrimeCap Mortgage Fund provides an expedient and

1 cost-effective means for our company to offer its investors a conservative, yet higher than average  
2 return on their investment without the normal market risks usually associated with higher returns . . .  
3 Our Series ‘A’ PrimeShares offer better than market returns for secured and guaranteed investments  
4 within a safe environment . . . Our Series ‘B’ PrimeShares offer an even higher secured rate of return  
5 with only marginal market risks, protected by considerable real estate equity . . . An investment in  
6 PrimeCap Mortgage Fund, LLC can provide a more comfortable lifestyle through higher investment  
7 return with a greater safety of principal than similar yielding opportunities in the market today.”

8  
9 10. The companies’ Web site also states, “The firm provides innovative mortgage banking  
10 services to corporations and individuals and safe, solid, secured investment opportunities to investors.  
11 The firm's mission is to provide investors conservative investment opportunities that offer  
12 predictability consistent, high quality, secured return on investments.”

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14 11. These securities were offered or sold in this state in issuer transactions. The Department of  
15 Corporations has not issued a permit or other form of qualification currently authorizing any person to  
16 offer or sell these securities in this state.

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18 Based upon the foregoing findings, the California Corporations Commissioner is of the opinion  
19 that the investments that are being or have been offered or sold by Richard Fabulich, Paul Winter,  
20 American Secured Capital Corporation, American Secured Capital Fund, L.L.C., PrimeCap Funding,  
21 Inc., PrimeCap Mortgage Fund, L.L.C., and PrimeCap Mortgage Fund are securities subject to  
22 qualification under the California Corporate Securities Law of 1968 (California Corporations Code,  
23 section 25000 et seq.) and are being or have been offered or sold without being qualified in violation  
24 of Corporations Code section 25110. Pursuant to section 25532 of the Corporate Securities Law of  
25 1968, Richard Fabulich, Paul Winter, American Secured Capital Corporation, American Secured  
26 Capital Fund, L.L.C., PrimeCap Funding, Inc., PrimeCap Mortgage Fund, L.L.C., and PrimeCap  
27 Mortgage Fund are hereby ordered to desist and refrain from the further offer or sale in the State of  
28 California of securities, including but not limited to Series “A” and Series “B” Shares in PrimeCap

1 Mortgage Fund, L.L.C., unless and until qualification has been made under the law or unless exempt.

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3 This Order is necessary, in the public interest, for the protection of investors and consistent  
4 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

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6 Dated: July 11, 2007  
7 Los Angeles, California

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PRESTON DuFAUCHARD  
California Corporations Commissioner

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By \_\_\_\_\_  
ALAN S. WEINGER  
Lead Corporations Counsel  
Enforcement Division

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