

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of American Capital )  
Corporation )  
Respondent )

**CONSENT ORDER**

The North Dakota Securities Commissioner has advised the Respondent, American Capital Corporation (ACC), that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and has determined as follows:

1. Respondent is a securities issuer with offices in Jupiter, Florida. Respondent made a notification of North Dakota sales on Form D filed on October 9, 2002. Respondent filed a Consent to Service of Process on October 9, 2002.
2. From August of 2002 through September of 2002, Respondent, through Ross Owen Haugen (Haugen), a North Dakota resident solicited several North Dakota residents to purchase the securities it issues. Haugen was not registered as an agent of ACC. ACC has made eight sales of securities to residents of North Dakota.
3. On October 3, 2002, the Commissioner issued a Cease and Desist Order against the Respondent, as well as Haugen.
4. Pursuant to section 10-04-04 N.D.C.C., no person may offer for sale or sell any securities in this state unless the security is registered, exempt from registration, or is properly filed as a federal covered security.
5. Pursuant to section 10-04-10 N.D.C.C., no person may act as a dealer in the sale of securities in this state unless the dealer is registered, unless the transaction is an exempt transaction.
6. Pursuant to section 10-04-16 N.D.C.C., when it shall appear to the Commissioner that any person has engaged in, or is engaging in, or is about to engage in any act or practice which is declared illegal in this chapter, the Commissioner may issue any order and collect civil penalties against any person found in an administrative action to have violated any provision of the chapter in an amount not to exceed \$10,000 for each violation.
7. As discussed in Paragraph 6, the violations are sufficient grounds for the Commissioner to assess civil penalties against respondent pursuant to section 10-04-16 N.D.C.C.


8. The Respondent admits to no wrongdoing.
9. The Respondent acknowledges its right to a hearing on this matter and waives this right to a hearing and to present arguments to the Commissioner.
10. Respondent agrees to resolve this matter with the Securities Commissioner by this Consent Order, and this is evidenced by the signature below.
11. The following Order is necessary and appropriate in the public interest.

**NOW, THEREFORE, IT IS ORDERED, THAT:**

1. Respondent shall not transact any securities business with any person in North Dakota unless Respondent's securities are registered, exempt from registration, or properly filed as a federal covered security as required by North Dakota law.
2. Respondent shall make an offer of rescission, properly filed and approved in accordance with section 10-04-06 (9) (a) N.D.C.C., to each North Dakota resident who was sold an interest in the Respondent's securities as described above. The initial filing must be made within thirty (30) days of the entry of this Agreement. If changes to the filing are required by the Commissioner, such changes must be made within fifteen (15) days of such request by the Commissioner. Once the filing is approved, the offer shall be extended to each North Dakota investor within fifteen (15) days of the approval date. Any persons who accept the offer shall be paid by the Respondent within thirty (30) days of the acceptance of the offer.
3. Respondent shall pay \$8,000 to the Office of the Securities Commissioner for administrative costs with respect to this matter.
4. Respondent is hereby released from the Cease and Desist Order issued on October 3, 2002. The Order remains in full force and effect with respect to Haugen.
5. This Order shall be effective upon signature of the Commissioner.

Signed and Sealed this 6<sup>th</sup> day of December, 2002.



  
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Karen J. Tyler, Securities Commissioner  
Office of the Securities Commissioner  
State Capitol-5th Floor  
600 East Boulevard Ave.  
Bismarck, ND 58505-0510  
(701) 328-2910

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)  
)  
Respondent )

**CONSENT TO ENTRY OF  
ORDER**

The undersigned, John E. Boyce, as agent of American Capital Corporation, states that he has read the foregoing Consent Order and that he knows and fully understands its contents and effects. He further states that he is executing this Consent to Entry of Order on behalf of American Capital Corporation, and has waived its rights to a hearing with respect to this matter, and that he consents to entry of the Consent Order by the Securities Commissioner, without admitting or denying the facts set forth therein.

It is further expressly understood that the Consent Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreement either expressed implied.

Dated this 4th day of December, 2002.

American Capital Corporation  
900 South US Highway One  
Suite 303  
Jupiter, FL 33477

John E. Boyce  
By: John E. Boyce  
Its: President

Subscribed and Sworn before me this 4th day of December, 2002.

Chrystal D. Crawford  
Notary Public  
State: Florida County: Palm Beach  
My Commission Expires: April 23, 2003

(Notary Seal)



Chrystal D. Crawford  
Commission # CG 829475  
Expires Apr. 25, 2003  
Bonded Thru  
Atlantic Bonding Co., Inc.