

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Capital)
Growth Financial, LLC,)
)
Respondent.)

CONSENT ORDER

.....
The North Dakota Securities Commissioner has advised the Respondent, Capital Growth Financial, LLC, (Capital Growth) 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, Capital Growth Financial, LLC (Capital Growth), is a securities dealer headquartered in Boca Raton, Florida. Capital Growth is not currently registered as a dealer in North Dakota, and has not been registered as a dealer since September 2, 2004.
2. Capital Growth Asset Based Bridge Loan Fund II, LLC (Loan Fund) is an issuer dealer headquartered in Boca Raton, Florida. For all times relevant to this matter, the Loan Fund has had its securities properly filed pursuant Section 10-04-08.4(2) N.D.C.C.
3. Capital Growth and Loan Fund are co-located in Capital Growth's Boca Raton, Florida office. The managing member of Loan Fund is the president and an owner of Capital Growth. Upon information and belief, Loan Fund is a subsidiary or an affiliate of Capital Growth.

4. On or around December 21, 2004, Respondent, Capital Growth, sent a letter to ten North Dakota residents soliciting their investments in the Loan Fund. The solicitation included a summary description of the investment opportunity.

5. Pursuant to Section 10-04-10(1) N.D.C.C., no dealer may offer for sale or sell any securities within or from this state unless it is registered as dealer with the securities department or the securities are sold through exempt transactions under Section 10-04-06 N.D.C.C. The facts described above demonstrate that the Respondent engaged in ten violations of this provision.

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. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against the Respondent pursuant to Section 10-04-16(1) N.D.C.C.

7. On February 10, 2005, the North Dakota Securities Commissioner issued an "Order for and Notice of Civil Penalty, and Notice of Right to Request a Hearing" against the respondent, based on the facts set forth above. That Order assessed a \$5,000 civil penalty against Respondent, none of which has been paid.

8. Respondent acknowledges its right to a hearing on this matter and waives this right to a hearing and to present arguments to the Commissioner.

9. Respondent agrees to resolve this matter with the Securities Commissioner by this Consent Order.

10. The following Order is necessary and appropriate in the public interest and for the protection of investors.

NOW, THEREFORE, IT IS ORDERED, THAT:

1. Respondent shall not transact any securities business with any person in North Dakota unless it is registered as a dealer or properly exempted under Chapter 10-04 N.D.C.C.

2. Respondent shall pay a civil penalty of \$3,000, made payable to the North Dakota Securities Department, pursuant to Section 10-04-16(1) N.D.C.C.

3. The "Order for and Notice of Civil Penalty, and Notice of Right to Request a Hearing", issued by the Commissioner on February 10, 2005, as discussed above, is hereby vacated.

4. This Order shall be effective upon signature of the Commissioner.

Signed and Sealed this 4th day of April, 2005.





Karen J. Tyler, Securities Commissioner
North Dakota Securities Department
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**

.....
Based on mutual concessions and a willingness to resolve all matters discussed in the foregoing Consent Order, each of the undersigned person, on behalf of the Respondent, states that:

1. He or she has read the foregoing Consent Order, and knows and fully understand its contents and effects.
2. The Respondent has been advised of its right to a hearing with regard to this matter, and has specifically waived its right to a hearing.
3. The Respondent has been advised that any willful violation of this order is a Class B Felony pursuant to Section 10-04-18(1) N.D.C.C. and is punishable by a \$35,000 fine with respect to an organization, pursuant to Section 12.1-32-01.1(2) N.D.C.C.
4. The foregoing Consent Order constitutes the entire settlement agreement between the Respondent and the Securities Commissioner, there being no other promises or agreements, either expressed or implied.
5. The Respondent admits the accuracy of the factual determinations of the Commissioner, as set forth in the foregoing Consent Order, and it is specifically precluded from denying those determinations in any forum, public or otherwise.
6. The Respondent consents to entry of the foregoing Consent Order by the Securities Commissioner, and does so willingly for the purpose of resolving the issues described in the foregoing Consent Order.

Dated this 16th day of March, 2005.

Capital Growth Address

By: Michael J
Michael Jacobs
Its: President

Subscribed and Sworn before me this _____ day of March, 2005

Andrew Charles Garbarini
Notary Public

(Notary Seal)

State: _____ County: _____
My Commission Expires: _____



Andrew Charles Garbarini
Commission # DD 038448
Expires July 2, 2005
Bonded Thru
Atlantic Bonding Co., Inc.