



NEWS RELEASE

For Immediate Release - April 12, 2010

Contact: Fred Joseph, Colorado Securities Commissioner, or Gerald Rome, Deputy Securities Commissioner - 303-894-2320

GREELEY STOCKBROKER SANCTIONED IN MEDICAL CAPITAL SECURITIES OFFERING

Denver, Colorado --- Colorado Securities Commissioner Fred J. Joseph announced today that he has entered an order that has resulted in the revocation of **John B. Guyette's** securities license to sell securities in Colorado for allegedly violating the securities registration provisions of the Colorado Securities Act ("Act") in connection with the offer and sale of securities of Medical Capital Holdings.

Mr. Guyette entered a stipulation with DORA's Division of Securities (the "Division") agreeing to the entry of the order. In the stipulation, the staff of the Division alleged that Mr. Guyette offered and sold securities in the form of notes offered by Medical Provider Funding Corporation, a wholly owned subsidiary of Medical Capital Holdings, Inc., a medical receivables financing company. The Staff alleged that Mr. Guyette sold these securities to a number of investors, who did not have a substantial pre-existing relationship with Mr. Guyette. By doing so, the exemption from registration relied upon by Mr. Guyette was not available. Without an exemption, the securities were offered and sold without proper registration in violation of the Act. In agreeing to the stipulation, Mr. Guyette neither admitted nor denied the allegations.

"Our investigation into the offer and sale of Medical Capital securities by licensed stockbrokers is on-going," said Commissioner Joseph. "This was a 'private offering' under federal law, so-called 'Regulation D', meaning the Division was pre-empted from oversight of the offering under federal law. But licensed stockbrokers in Colorado were still under a duty to properly research this offering and ensure that the investments were suitable for each investor. If we discover individuals or firms that failed in this regard, we will take the appropriate action."

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.

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