

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2010022306401**

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Henry H. Godbee IV, Respondent
Investment Company and Variable Contracts
General Securities Representative
Uniform Securities Agent
Uniform Registered Investment Adviser
CRD No. 4536422

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Henry Godbee IV, submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Henry Godbee IV first entered the securities industry in May 2002, and has been associated with five firms registered with FINRA. He currently holds Series 6, 7 63 and 65 licenses. From October 2004 to December 4, 2009, he was associated with Cambridge Legacy Securities, L.L.C. Godbee is not currently associated with a firm registered with FINRA.

RELEVANT DISCIPLINARY HISTORY

Henry Godbee IV has no relevant disciplinary history.

OVERVIEW

On January 11, 2011, Godbee failed to provide testimony requested pursuant to FINRA Rule 8210. In this case, Godbee had actual notice of the staff's 8210 request and stated that he would not appear for testimony on the date scheduled or at any time in the future.

FACTS AND VIOLATIVE CONDUCT

Private Placement Offerings by Medical Capital Holdings, Inc.

Medical Capital Holdings, Inc. (MedCap) was a medical receivables financing company based in Anaheim, California. MedCap's core business was to provide financing to healthcare providers by purchasing their accounts receivable and making secured loans to the providers.

In 2001, MedCap began raising funds for its operations by selling promissory notes through FINRA-registered firms. These notes were securities that were not registered with the SEC but were sold under the registration exemption provided by Rule 506 of Regulation D of the Securities Act of 1933. Pursuant to that exemption, the notes could be sold only to accredited investors.

From 2001 through 2009, MedCap raised approximately \$2.2 billion from over 20,000 investors through nine Regulation D offerings offered through FINRA broker-dealers and other sales avenues. Each investor purchased a minimum of \$25,000 in promissory notes with maturities ranging from one to seven years. The notes promised payments at annual interest rates ranging from 8.25% to 10.50%. During this entire period of time, however, MedCap never obtained any audited financial statements with respect to any of these offerings.

MedCap made all interest and principal payments on these Regulation D offerings until July 2008. At that time, MedCap began experiencing liquidity problems and stopped making payments on two of its earlier offerings. Nevertheless, MedCap proceeded with its last Regulation D offering, called MPFC VI, which it offered through an August 5, 2008 private placement memorandum. In this offering, MedCap sought to sell up to \$400,000,000 of promissory notes with two, three and six-year terms, at annual interest rates ranging from 9% to 9.5%. MPFC VI differed from some of MedCap's earlier offerings in several respects, including: it allowed MedCap to use up to 40% of the proceeds raised to invest in businesses other than medical receivables, and it limited the trustees' power to oversee MedCap's operations.

In July 2009, the SEC filed a civil injunctive action in federal district court in which it sought and was granted a preliminary injunction to stop all MedCap sales. The SEC alleged that MedCap and its executives defrauded investors in MPFC VI by misappropriating approximately \$18.5 million of investor funds.

The SEC also alleged that MedCap had misrepresented that it had never defaulted on or been late in making interest or principal payments, when in fact MedCap had defaulted or was late in paying nearly \$1 billion in principal and interest on the notes from its Regulation D offerings. The court appointed a receiver to gather and conduct an inventory of MedCap's remaining assets. The SEC action is pending.

Godbee's Sales of MPFC VI

During its examination of Cambridge Legacy Securities, L.L.C. the staff became aware that the firm was selling the private placements offered by Medical Capital Holdings, Inc. Cambridge Legacy executed an agreement to market and sell the MPFC VI Regulation D offering in August 2008 after the firm had sold the MPFC II, III, IV and V offerings. Between September 10, 2008 and June 16, 2009, the firm sold \$728,000 of the MPFC VI offering to twelve customers. Godbee sold the MPFC VI offering to six customers for a total of \$360,000.

As part of the FINRA examination of Cambridge Legacy's MPFC VI sales, the staff took Godbee's testimony in May 2010 regarding the firm's due diligence and supervisory procedures. During that testimony, Godbee stated he became aware of the missed interest payments and missed principal payments in the earlier MedCap offerings as early as October 2008. Moreover, Godbee stated that the only analysis he did before selling the MPFC VI offering was reading the private placement memorandum, and that he relied on the firm to conduct the due diligence and approve the product. Accordingly, the staff determined that it needed to request that Godbee provide additional information pursuant to FINRA Rule 8210 about his sales of the MPFC VI offering.

Godbee's Failure to Provide Testimony

The staff sent a letter to Godbee's CRD address of record pursuant to FINRA Rule 8210, requesting his appearance for on-the-record testimony on January 11, 2011 in connection with his sale of the MPFC VI offering to customers. On January 3, 2011, Godbee informed the staff that he was longer associated with a firm registered with FINRA and had no intention of ever doing so in the future. Further, Godbee informed the staff that he would not appear for the scheduled testimony on January 11, 2011 or on any date in the future.

Such acts, practice and course of conduct constitute a violation of FINRA Rules 8210 and 2010 by Respondent Godbee

B. I also consent to the imposition of the following sanctions:

A bar from association with any FINRA member in any capacity.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

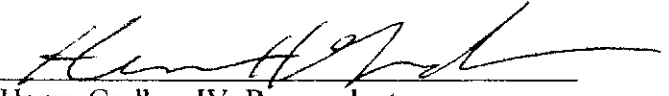
OTHER MATTERS

I understand that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

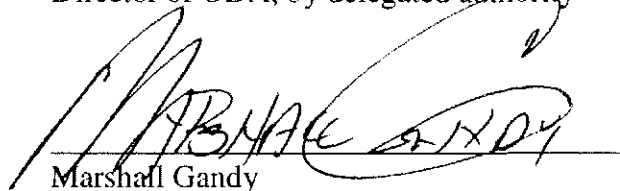
11/07/2011
Date (mm/dd/yyyy)


Henry Godbee IV, Respondent

Accepted by FINRA:

11-10-2011
Date

Signed on behalf of the
Director of ODA, by delegated authority

A handwritten signature in black ink, appearing to read 'MARSHALL GANDY', is written over a horizontal line.

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