

1 JOHN B. BULGOZDY (Cal. Bar No. 219897)  
Email: bulgozdyj@sec.gov  
2 LYNN M. DEAN (Ca. Bar. No. 205562)  
Email: deanl@sec.gov  
3 SUSAN F. HANNAN (Cal. Bar No. 97604)  
Email: hannans@sec.gov

4 Attorneys for Plaintiff  
5 Securities and Exchange Commission  
Michele Wein Layne, Regional Director  
6 John W. Berry, Regional Trial Counsel  
5670 Wilshire Boulevard, 11th Floor  
7 Los Angeles, California 90036  
Telephone: (323) 965-3998  
8 Facsimile: (323) 965-3908

9 **UNITED STATES DISTRICT COURT**  
10 **NORTHERN DISTRICT OF CALIFORNIA**  
11 **SAN JOSE DIVISION**

13 SECURITIES AND EXCHANGE  
14 COMMISSION,

15 Plaintiff,

16 vs.

17 SMALL BUSINESS CAPITAL CORP.;  
MARK FEATHERS; INVESTORS PRIME  
18 FUND, LLC; and SBC PORTFOLIO FUND,  
LLC,

19 Defendants.

Case No. 5:12-CV-03237-EJD

**DECLARATION OF JOHN B. BULGOZDY  
IN SUPPORT OF PLAINTIFF'S MOTION  
FOR SUMMARY JUDGMENT AGAINST  
DEFENDANT MARK FEATHERS**

Date: June 28, 2013  
Time: 9:00 a.m  
Dept: 4 – 5<sup>th</sup> floor  
Judge: Hon. Edward J. Davila

**DECLARATION OF JOHN B. BULGOZDY**

I, John B. Bulgozdy, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am an attorney admitted to practice law by the State Bar of California and by this Court. I am a Senior Trial Counsel with Plaintiff Securities and Exchange Commission (“Commission”) in the Office of Enforcement. I have personal knowledge of the matters set forth below, and, if called as a witness, I could and would competently testify to the facts stated herein.

2. Attached hereto as Exhibit 172 is a true and correct copy of a document, produced to the Commission during its investigation, titled Investors Prime Fund, LLC Offering Circular dated March 11, 2008. (Bates Numbers SAC0006700 – SAC0006740)

3. Attached hereto as Exhibit 173 is a true and correct copy of a document, produced by Small Business Capital Corp. (“SBCC”) to the Commission during its investigation, titled Investors Prime Fund, LLC Offering Circular dated June 11, 2009. (Bates Numbers SBCC007038 - SBCC007078)

4. Attached hereto as Exhibit 174 is a true and correct copy of a document, produced by Small Business Capital Corp. (“SBCC”) to the Commission during its investigation, titled Third Amended and Restated Operating Agreement for Investors Prime Fund, LLC effective April 23, 2009. (Bates Numbers SBCC010453 - SBCC010478)

5. Attached hereto as Exhibit 175 is a true and correct copy of a document, produced by Small Business Capital Corp. (“SBCC”) to the Commission during its investigation, titled Investors Prime Fund, LLC Offering Circular dated June 9, 2010. (Bates Numbers SBCC010348- SBCC010388)

6. Attached hereto as Exhibit 176 is a true and correct copy of a document, produced by Small Business Capital Corp. (“SBCC”) to the Commission during its investigation, titled Fifth Amended and Restated Operating Agreement for Investors Prime Fund, LLC effective November 5, 2010. (Bates Numbers SAC00006657- SAC00006683)

7. Attached hereto as Exhibit 177 is a true and correct copy of a document, produced

1 by Small Business Capital Corp. (“SBCC”) to the Commission during its investigation, titled  
2 Investors Prime Fund, LLC Offering Circular dated January 28, 2011. (Bates Numbers  
3 SBCC006960 - SBCC007003)

4 8. Attached hereto as Exhibit 178 is a true and correct copy of a document, produced  
5 by Small Business Capital Corp. (“SBCC”) to the Commission during its investigation, titled  
6 Investors Prime Fund, LLC Offering Circular dated June 29, 2011. (Bates Numbers  
7 SBCC006911 - SBCC006956)

8 9. Attached hereto as Exhibit 180 is a true and correct copy of a document, produced  
9 by Small Business Capital Corp. (“SBCC”) to the Commission during its investigation, titled  
10 Sixth Amended and Restated Operating Agreement of Investors Prime Fund, LLC effective  
11 January 28, 2011. (Bates Numbers SBCC007004- SBCC007030)

12 10. Attached hereto as Exhibit 181 is a true and correct copy of a document, produced  
13 by Small Business Capital Corp. (“SBCC”) to the Commission during its investigation, titled  
14 Seventh Amended and Restated Operating Agreement of Investors Prime Fund, LLC effective  
15 June 1, 2011. (Bates Numbers SBCC006884- SBCC006910)

16 11. Attached hereto as Exhibit 182 is a true and correct copy of a document, produced  
17 by Small Business Capital Corp. (“SBCC”) to the Commission during its investigation, titled  
18 SBC Portfolio Fund, LLC Private Placement Memorandum dated July 26, 2007. (Bates Numbers  
19 SBCC011642 - SBCC011674)

20 12. Attached hereto as Exhibit 183 is a true and correct copy of a document, produced  
21 by Small Business Capital Corp. (“SBCC”) to the Commission during its investigation, titled  
22 Operating Agreement of SBC Portfolio Fund, LLC effective July 26, 2007. (Bates Numbers  
23 SBCC011594-SBCC011617)

24 13. Attached hereto as Exhibit 184 is a true and correct copy of a document, produced  
25 by Small Business Capital Corp. (“SBCC”) to the Commission during its investigation, titled  
26 SBC Portfolio Fund, LLC Private Placement Memorandum dated December 28, 2009. (Bates  
27 Numbers SBCC011742-SBCC011774)  
28

1 14. Attached hereto as Exhibit 185 is a true and correct copy of a document, produced  
2 by Small Business Capital Corp. (“SBCC”) to the Commission during its investigation, titled  
3 SBC Portfolio Fund, LLC Private Placement Memorandum dated January 25, 2011. (Bates  
4 Numbers SBCC011708 - SBCC011741)

5 15. Attached hereto as Exhibit 186 is a true and correct copy of a document, produced  
6 by Small Business Capital Corp. (“SBCC”) to the Commission during its investigation, titled  
7 Third Amended and Restated Operating Agreement of SBC Portfolio Fund, LLC effective  
8 January 25, 2011. (SBCC011618-SBCC011641)

9 16. Attached hereto as Exhibit 187 is a true and correct copy of a document, produced  
10 by Small Business Capital Corp. (“SBCC”) to the Commission during its investigation, titled  
11 Forth [sic] Amended and Restated Operating Agreement of SBC Portfolio Fund, LLC effective  
12 August 10, 2011. (SBCC007768-SBCC007791)

13 17. Attached hereto as Exhibit 188 is a true and correct copy of a document, produced  
14 by Small Business Capital Corp. (“SBCC”) to the Commission during its investigation, titled  
15 SBC Portfolio Fund, LLC Private Placement Memorandum dated “August \_\_, 2009.” (Bates  
16 Numbers SBCC011552-SBCC011587)

17 18. Attached hereto as Exhibit 192 is a true and correct copy of an email, produced by  
18 the Receiver from the computer image of computers of SBCC, dated April 3, 2012 from  
19 Dennis@dosslaw.com to Mark Feathers and Jeff Spiegel. (Bates Numbers H00286-287)

20 19. Attached hereto as Exhibit 215 is a true and correct copy of an email, produced by  
21 the Receiver from the computer image of computers of SBCC, from peter@sbcapital.com dated  
22 February 15, 2012 listing information referencing newspaper advertising for Investors Prime  
23 Fund, LLC. (Bates Numbers SBCC007844–SBCC007846)

24 20. Attached hereto as Exhibit 216 is a true and correct copy of a document, produced  
25 by Small Business Capital Corp. (“SBCC”) to the Commission during its investigation,  
26 containing Investors Prime Fund, LLC advertisements. (Bates Numbers SBCC007898-  
27 SBCC007907)

1           21. Attached hereto as Exhibit 217 is a true and correct copy of excerpts of the  
2 transcript of the sworn investigative testimony of Mark Feathers, taken on May 14, 2012.

3           22. Attached hereto as Exhibit 218 is a true and correct copy of excerpts of the  
4 transcript of the sworn deposition testimony of Mark Feathers, taken on May 1, 2013.

5           23. Attached hereto as Exhibit 219 is a true and correct copy of excerpts of the  
6 transcript of the sworn deposition testimony of Mark Feathers, taken on May 17, 2013.

7           I declare under penalty of perjury under the laws of the United States of America that the  
8 foregoing is true and correct.

9           Executed this 23rd day of May 2013 at Los Angeles, California

10  
11                                   /s/ John B. Bulgozdy

12                                   John B. Bulgozdy