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## [Purchasers of USA Capital First Trust Deeds May Have Been Defrauded](#)

USA Capital Mortgage Company, a Las Vegas company, filed for bankruptcy last year listing approximately three-quarters billion dollars in debts to creditors. Most of this is owed to investors who purchased mortgage trust deeds and/or unit trusts which contained trust deeds. Apparently there were a number of brokerage firms involved, with an office of Financial West Investment Group, a California Based securities firm, at the center of the controversy.

According to court documents filed by Financial West in Clark County, Nevada, hundreds of investors may have been defrauded by the sale of unsuitable securities, some victims of elder abuse. The documents allege that David M. Berkowitz, a former registered representative of Financial West, sold mortgage/trust deed securities issued by USA Capital Mortgage Company; USA Capital Realty Advisors, LLC; USA Capital Diversified Trust Deed Fund, LLC; USA Capital First Trust Deed Fund, LLC; and USA Securities, LLC. When the companies then filed for bankruptcy, some investors were left wondering what will happen to their life savings.

Berkowitz was permitted to resign from Financial West Group in July of 2006 amid an "investigation of sales practice violations related to the sales of first trust deeds and trust deed funds," according to documents made available by the National Association of Securities Dealers. According to the NASD's "BrokerCheck" Report, Mr. Berkowitz has sixteen customer disputes recorded, eleven of which are still pending, consisting of claims of unsuitable investment recommendations, failure to supervise, breach of fiduciary duty, churning, misrepresentation and breach of contract. In addition, NASD records show that at least ten customers have filed complaints against Berkowitz for his sales of USA Capital First Trust Deeds.

Berkowitz's sales of USA Capital First Trust Deeds may violate federal and state securities laws, elder abuse laws, laws prohibiting fraud and breach of contract. If you have purchased first trust deeds through firms such as Financial West Investment Group or brokers such as David M. Berkowitz and have lost your investment as a result, please contact Shepherd Smith and Edwards today and we will provide you with a free consultation. Shepherd Smith and Edwards is a law firm committed to helping investors recuperate the investment losses they have incurred because of the unacceptable actions of stockbrokers and their firms. We have helped thousands of investors recover their losses.

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