



HENRY McMASTER
SECURITIES COMMISSIONER

February 19, 2008

BY FIRST CLASS MAIL

F. Scott Pfeiffer, Esquire
Pfeiffer, Gantt & Gleaton, PA
200-A South Main Street
Greenville, SC 29601

Re: Capital Investment Funding, L.L.C. – Administrative Proceeding File No. 06042

Dear Mr. Pfeiffer:

On May 11, 2007, the Securities Division of the Office of the South Carolina Attorney General (the "Division") issued to Capital Investment Funding, L.L.C. ("CIF1") a Notice of Intent to Seek the Issuance of a Stop Order Denying Effectiveness to a Registration Statement and to Seek the Issuance of an Order Revoking Available Exemptions ("Notice of Intent"). CIF1 requested a hearing on the Notice of Intent, but it also requested more time so that it could engage an attorney. In a letter dated May 30, 2007, CIF1's attorney stated that CIF1 was interested in entering into a consent order regarding the Notice of Intent and that CIF1 had developed a new plan of financing. As part of this new plan of financing, CIF1 sought to withdraw the registration statement that it filed in April, 2007, with the Division to register \$50,000,000 of Series 2007 Senior Notes. The parties have not entered into a consent order, and no hearing has been held on the Notice of Intent.

Although CIF1 no longer seeks to register securities with the Division, the second issue in the Notice of Intent – whether the exemptions from registration pursuant to S.C. Code Ann. § 35-1-202 under which CIF1 might be issuing securities to existing note holders should be revoked – remains open. On July 30, 2007, the Division received a complaint from one of CIF1's existing note holders indicating that, although he wanted to redeem his maturing note, CIF1 renewed his existing note pursuant to a federal or state exemption from registration. The Division investigated this complaint by gathering and analyzing additional documents. The Division then prepared an Amended Notice of Intent to Seek the Issuance of an Order Revoking Available Exemptions ("Amended Notice of Intent"). This Amended Notice of Intent takes into account the fact that CIF1 no longer intends to register and issue up to \$50,000,000 of Series 2007 Senior Notes. In the Amended Notice of Intent, the Division has expanded upon the reasons it is seeking an order revoking available exemptions under which CIF1 has been issuing or might issue securities to existing note holders.

Before the Division could issue the Amended Notice of Intent, the Division received a copy of a letter dated January 20, 2008, from CIF1 to its note holders. In this letter, CIF1 stated that its members had elected on January 15, 2008, to dissolve CIF1 and to wind up its business affairs and that “[t]he Company will, therefore, immediately cease issuing new Notes and will not accept any other new money.”

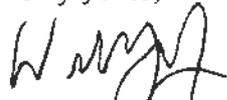
The Division understands CIF1’s statement to note holders that it will “immediately cease issuing new Notes” to mean that after January 15, 2008, CIF1 would not issue any notes or renew any outstanding notes under any federal or South Carolina exemption from registration of securities.

The Division seeks to confirm that its understanding of CIF1’s intent is correct by requesting that Arthur M. Field sign in the space provided below.

Enclosed are two originals of this letter. Please have Dr. Field sign both letters and return one of the signed letters to the Division by February 28, 2008.

If the Division receives this signed letter by February 28, 2008, it will not issue the Amended Notice of Intent and will not seek an order revoking available exemptions as described in the Notice of Intent.

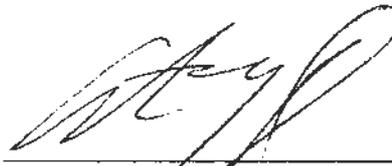
Sincerely yours,



William J. Condon, Jr.
Assistant Attorney General

WJC/wjc

I, Arthur Field, as a member and manager of Capital Investment Funding, L.L.C. (“CIF1”), state that after January 15, 2008, CIF1 has not and will not issue any securities or renew any outstanding securities pursuant to any federal or South Carolina exemption from registration of securities.



Arthur M. Field, Member and Manager of
Capital Investment Funding, L.L.C.