

Edgar Filing: ECC Capital CORP - Form SC 13G

ECC Capital CORP  
Form SC 13G  
October 23, 2006

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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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SCHEDULE 13G

(RULE 13D-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED  
PURSUANT TO RULES 13D-1(B), (C) AND (D) AND  
AMENDMENTS THERETO FILED PURSUANT TO RULE 13D-2(B)

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(AMENDMENT NO.   )\*

ECC CAPITAL CORPORATION

-----

(NAME OF ISSUER)

COMMON STOCK, PAR VALUE \$0.001 PER SHARE

26826M108

-----

(TITLE OF CLASS OF SECURITIES)

-----

(CUSIP NUMBER)

OCTOBER 16, 2006

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(DATE OF EVENT WHICH REQUIRES FILING OF THIS STATEMENT)

CHECK THE APPROPRIATE BOX TO DESIGNATE THE RULE PURSUANT TO WHICH THIS SCHEDULE IS FILED:

- RULE 13D-1(B)  
 RULE 13D-1(C)  
 RULE 13D-1(D)

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\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Continued on Following Pages  
Page 1

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CUSIP No. 26826M108 13G Page 2

1 NAME OF REPORTING PERSONS: SC FUNDAMENTAL VALUE FUND,  
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY):

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION: DELAWARE

NUMBER OF SHARES	5	SOLE VOTING POWER:	3,113,729
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	6	SHARED VOTING POWER:	0
	7	SOLE DISPOSITIVE POWER:	3,113,729
	8	SHARED DISPOSITIVE POWER:	0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 3,113,729

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):

12 TYPE OF REPORTING PERSON: PN

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1 NAME OF REPORTING PERSONS: SC FUNDAMENTAL LLC



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3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION:		BRITISH VIRGIN ISLANDS
NUMBER OF SHARES	5	SOLE VOTING POWER:	1,908,367
BENEFICIALLY OWNED BY	6	SHARED VOTING POWER:	0
EACH REPORTING	7	SOLE DISPOSITIVE POWER:	1,908,367
PERSON WITH	8	SHARED DISPOSITIVE POWER:	0
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:		1,908,367
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):		
12	TYPE OF REPORTING PERSON:		CO

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1	NAME OF REPORTING PERSONS:	SC-BVI PARTNERS
	I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY):	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:	
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION:	DELAWARE

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NUMBER OF SHARES	5	SOLE VOTING POWER:	0
BENEFICIALLY OWNED BY	6	SHARED VOTING POWER:	1,908,367
EACH REPORTING	7	SOLE DISPOSITIVE POWER:	0
PERSON WITH	8	SHARED DISPOSITIVE POWER:	1,908,367
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:		1,908,367
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):		
12	TYPE OF REPORTING PERSON:		PN

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1	NAME OF REPORTING PERSONS:		PMC-BVI, INC.
	I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY):		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION:		DELAWARE
NUMBER OF SHARES	5	SOLE VOTING POWER:	0
BENEFICIALLY OWNED BY	6	SHARED VOTING POWER:	1,908,367

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EACH REPORTING	7	SOLE DISPOSITIVE POWER:	0
PERSON WITH	8	SHARED DISPOSITIVE POWER:	1,908,367
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:		1,908,367
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):		
12	TYPE OF REPORTING PERSON:		CO

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1	NAME OF REPORTING PERSONS:		SC FUNDAMENTAL BVI, INC.
	I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY):		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION:		DELAWARE
NUMBER OF SHARES	5	SOLE VOTING POWER:	0
BENEFICIALLY OWNED BY	6	SHARED VOTING POWER:	1,908,367
EACH REPORTING	7	SOLE DISPOSITIVE POWER:	0
PERSON WITH	8	SHARED DISPOSITIVE POWER:	1,908,367
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH		1,908,367

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REPORTING PERSON:

-----  
 10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:  
 -----  
 11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):  
 -----  
 12 TYPE OF REPORTING PERSON: CO  
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 CUSIP No. 26826M108 13G Page 8  
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 1 NAME OF REPORTING PERSONS: PETER M. COLLERY  
  
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY):  
 -----  
 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:  
 -----  
 3 SEC USE ONLY  
 -----  
 4 CITIZENSHIP OR PLACE OF ORGANIZATION: UNITED STATES  
 -----  
 NUMBER OF SHARES 5 SOLE VOTING POWER: 0  
 -----  
 BENEFICIALLY OWNED BY 6 SHARED VOTING POWER: 5,022,096  
 -----  
 EACH REPORTING 7 SOLE DISPOSITIVE POWER: 0  
 -----  
 PERSON WITH 8 SHARED DISPOSITIVE POWER: 5,022,096  
 -----  
 9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 5,022,096  
 -----  
 10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:  
 -----  
 11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):  
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-----  
 12 TYPE OF REPORTING PERSON: IN  
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 1 NAME OF REPORTING PERSONS: NEIL H. KOFFLER  
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY):  
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-----  
 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:  
 -----

-----  
 3 SEC USE ONLY  
 -----

-----  
 4 CITIZENSHIP OR PLACE OF ORGANIZATION: UNITED STATES  
 -----

-----  
 NUMBER OF SHARES 5 SOLE VOTING POWER: 0  
 -----

-----  
 BENEFICIALLY OWNED BY 6 SHARED VOTING POWER: 5,022,096  
 -----

-----  
 EACH REPORTING 7 SOLE DISPOSITIVE POWER: 0  
 -----

-----  
 PERSON WITH 8 SHARED DISPOSITIVE POWER: 5,022,096  
 -----

-----  
 9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 5,022,096  
 -----

-----  
 10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES:  
 -----

-----  
 11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9):  
 -----

-----  
 12 TYPE OF REPORTING PERSON: IN  
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(a) and (b) This Statement on Schedule 13G (the "Schedule 13G") relates to the Common Stock, par value \$0.001 per share (the "Common Stock"), of ECC Capital Corporation, a Maryland corporation (the "Issuer"). The address of the principal executive offices of the Issuer is 1833 Alton Parkway, Irvine, California 92606.

### ITEM 2. NAME OF PERSON FILING

(a) Name of Persons Filing:

- (i) SC Fundamental Value Fund, L.P.
- (ii) SC Fundamental LLC
- (iii) SC Fundamental Value BVI, Ltd.
- (iv) SC-BVI Partners
- (v) PMC-BVI, Inc. (vi) SC Fundamental BVI, Inc.
- (vii) Peter M. Collery
- (viii) Neil H. Koffler and
- (ix) John T. Bird (collectively, the "Reporting Persons")

(b) Address of Principal Business Office or, if None, Residence:

The principal business office of each of the Reporting Persons listed in Item 2(a) is as follows:

The principal business office of each of SC Fundamental Value Fund, L.P., SC Fundamental LLC, SC-BVI Partners, PMC-BVI, Inc., SC Fundamental BVI, Inc., Peter M. Collery, Neil H. Koffler and John T. Bird is 747 Third Avenue, 27th Floor, New York, New York 10017.

The principal business office of SC Fundamental Value BVI, Ltd. is c/o Citco Fund Services (Cayman Islands) Ltd., Corporate Center, West Bay Road, Grand Cayman, Cayman Islands.

(c), (d) and (e) For information with respect to citizenship of each of the Reporting Persons, title of class of securities and CUSIP number for the shares held by such persons, see the appropriate cover page above.

### ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO RULE 13D-1(B), OR 13D-2(B) OR (C), CHECK WHETHER THE PERSON FILING IS:

(a)  Broker or dealer registered under Section 15 of the Exchange Act;

(b)  Bank as defined in Section 3(a)(6) of the Exchange Act;

(c)  Insurance company as defined in Section 3(a)(19) of the Exchange Act;

(d)  Investment company registered under Section 8 of the Investment Company Act;

(e)  An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E);

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(f)  An Employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F);

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(g)  A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G);

(h)  A Savings association as defined in Section 3(b) of the Federal Deposit Insurance Act;

(i)  A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act;

(j)  Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

Not applicable.

### ITEM 4. OWNERSHIP

(a) - (c) The response of each of the Reporting Persons to Items 5 through 11 of each of their respective Cover Sheets which relate to the beneficial ownership of the Common Stock of the Issuer, as of October 23, 2006, is incorporated herein by reference. The percentage ownership of each of the Reporting Persons is based on 100,237,247 shares of Common Stock outstanding as of August 10, 2006, as reported by the Issuer in its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2006 filed with the Securities and Exchange Commission on August 14, 2006.

### ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of Securities, check the following .

Not applicable.

### ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON

Not applicable.

### ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY

Not applicable.

### ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP.

See Exhibit No. 2 hereto.

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### ITEM 9. NOTICE OF DISSOLUTION OF GROUP

Not applicable.

### ITEM 10. CERTIFICATION

(a) Not applicable.

(b) By signing below, each of the undersigned certifies that, to the best of his or its knowledge and belief, the securities referred to above

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were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

[The remainder of this page intentionally left blank.]

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SIGNATURE

After reasonable inquiry and to the best of our knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Date: October 23, 2006

SC FUNDAMENTAL VALUE FUND, L.P.

By: SC Fundamental LLC, as General Partner

By: /s/ Neil H. Koffler

-----  
Neil H. Koffler, Member

SC FUNDAMENTAL LLC

By: /s/ Neil H. Koffler

-----  
Neil H. Koffler, Member

SC FUNDAMENTAL VALUE BVI, LTD.

By: SC Fundamental BVI, Inc., as managing  
general partner of investment manager

By: /s/ Neil H. Koffler

-----  
Neil H. Koffler, Vice President

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SC-BVI PARTNERS

By: SC Fundamental BVI, Inc., as managing  
general partner

By: /s/ Neil H. Koffler

-----  
Neil H. Koffler, Vice President

PMC-BVI, INC.

By: /s/ Neil H. Koffler

-----  
Neil H. Koffler, Secretary

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SC FUNDAMENTAL BVI, INC.

By: /s/ Neil H. Koffler

-----  
Neil H. Koffler, Vice President

/s/ Neil H. Koffler

-----  
Neil H. Koffler as Attorney-in-Fact for  
Peter M. Collery (1)

/s/ Neil H. Koffler

-----  
Neil H. Koffler

/s/ Neil H. Koffler

-----  
Neil H. Koffler as Attorney-in-Fact for  
John T. Bird (2)

- (1) Executed by Neil H. Koffler as Attorney-in-Fact for Peter M. Collery. The Power of Attorney for Mr. Collery is attached as Exhibit 2 to the Statement on Schedule 13G with respect to the Class A Common Stock of Winmill & Co. Incorporated, filed on November 26, 2003, and is incorporated herein by reference.
- (2) Executed by Neil H. Koffler as Attorney-in-Fact for John T. Bird. The Power of Attorney for Mr. Collery is attached as Exhibit 3 to the Amendment No. 1 to the Statement on Schedule 13G with respect to the Common Stock of Tengasco, Inc., filed on March 28, 2005, and is incorporated herein by

reference.

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EXHIBIT INDEX

Exhibit No. -----	Document -----
1	Joint Filing Agreement, dated October 23, 2006, among SC Fundamental Value Fund, L.P., SC Fundamental LLC, SC Fundamental Value BVI, Ltd., SC-BVI Partners, PMC-BVI, Inc., SC Fundamental BVI, Inc., Peter M. Collery, Neil H. Koffler and John T. Bird, to file this joint statement on Schedule 13G.
2	Identity of Members of Group

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