SOAH DOCKET NO. 312-20-3303

TEXAS STATE SECURITIES BOARD, Petitioner	§	BEFORE THE STATE OFFICE
	§	
v	§	OF
	§	
ABETTERFINANCIALPLAN.COM, LLC AKA A BETTER FINANCIAL PLAN, Respondent	§	ADMINISTRATIVE HEARINGS

DECLARATION OF WILLIAM ROBERT MITCHELL

1. My name is William Robert Mitchell. I am over the age of 18, I am of sound mind and I am capable of making this declaration. This declaration is true and correct, it is based on facts within my personal knowledge and it is signed pursuant to Section 132.001 of the Texas Civil Practice and Remedies Code.

BACKGROUND AND EXPERIENCE

2. I graduated from Texas State University in San Marcos and was conferred a degree in Criminal Justice in 2007.

3. I earned a certification as a Certified Fraud Examiner from the Association of Certified Fraud Examiners in 2013.

4. I was employed as an Insurance Specialist at the Texas Department of Insurance from in or around April 2008 to in or around November 2011.

5. I have been continuously employed as a Financial Examiner with the Texas State Securities Board (the "Securities Board") in or around November 2011.

6. I am assigned to the Enforcement Division of the Securities Board (the "Enforcement Division"). The Enforcement Division is dedicated to protecting the public from illegal, deceptive and fraudulent securities offerings.

7. As a Financial Examiner assigned to the Enforcement Division, I am responsible, in part, for identifying suspect securities offerings, investigating complex securities transactions, securing evidence, analyzing financial records, conducting source-and-use analyses of income and expenditures, interviewing suspects and witnesses and testifying at administrative hearings and criminal trials. I also perform other duties as assigned by my direct supervisor, the Assistant Director assigned to the Austin Office. I also perform other duties as assigned by the Director of the Enforcement Division (the "Director").

EXHIBIT

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8. I work closely with attorneys assigned to the Enforcement Division. The attorneys are generally responsible, in part, for reviewing and analyzing evidence obtained during our investigations, applying the evidence to the law and recommending and preparing administrative, civil and criminal enforcement actions.

THE EMERGENCY CEASE AND DESIST ORDER

9. The Enforcement Division opened Investigation No. 5193 to investigate the offer of certain notes tied to merchant cash advances. I have been working on this case.

10. During the course of my investigation, I worked with an attorney assigned to the Enforcement Division and secured evidence relating to the offer of notes tied to merchant cash advances. I presented this evidence to the Assistant Director assigned to the Austin Office and the Director. The Director reviewed this evidence and other information and recommended the Securities Commissioner enter an emergency cease and desist order to stop ongoing illegal, deceptive and fraudulent conduct.

11. The Enforcement Division presented the Securities Commissioner with a draft emergency cease and desist order, a memorandum of proof[1] and evidence supporting the entry of the draft emergency cease and desist order.

12. On or about February 25, 2020, the Securities Commissioner entered Emergency Cease and Desist Order No. ENF-CDO-20-1798, styled *In the Matter of Senior Asset Protection, Inc., dba Encore Financial Solutions, Merchant Growth & Income Funding, LLC, Abetterfinancialplan.com, LLC, aka A Better Financial Plan, Complete Business Solutions Group, Inc., dba Par Funding, Gary Neal Beasley and Perry Abbonizio* (the "Emergency Order").

THE CONTESTED CASE AND
RESPONDENT'S MOTION FOR SUMMARY DISPOSITION

13. I am aware *Abetterfinancialplan.com*, LLC aka A Better Financial Plan ("Respondent") is challenging the Emergency Order and that a contested case is docketed at the State Office of Administrative Hearings ("SOAH").

14. I am also aware the Enforcement Division, as a matter of policy, provided counsel for Respondent with the memorandum of proof and evidence supporting the entry of the Emergency Order. I know this evidence includes evidence obtained during my investigation of the offer of notes tied to merchant cash advances, as well as

[1] A memorandum of proof correlates evidence with allegations by describing the evidence necessary to prove allegations set forth in a draft emergency cease and desist order.

evidence that the parties named in the Emergency Order were conspiring to violate the law.

15. I am also aware Respondent filed *Respondent Abetterfinancialplan.com, LLC's Motion to Dismiss on Summary Disposition* (the "Motion for Summary Disposition").

16. I am executing this declaration to describe some evidence that may be relevant to the Motion for Summary Disposition.[2]

INSURANCE LICENSE

17. I am aware Respondent is licensed with the Pennsylvania Insurance Department as a Resident Producer Agency, License No. 593563.

18. I am also aware records maintained by the Pennsylvania Department of Insurance reflect Respondent's lines of authority are accident and health insurance, life insurance and fixed annuities. A reproduction of insurance records obtained through the online database from the Pennsylvania Department of Insurance is attached as **Exhibit 2**.[3]

19. I am further aware records maintained by the Pennsylvania Department of Insurance reflect Respondent has been appointed by a limited number of insurance companies. These companies are American National Insurance Company, Ameritas Life Insurance Corporation, Assurity Life Insurance Company, Banner Life Insurance Company, Fidelity & Guaranty Life Insurance Company, Life Insurance Company of the Southwest, Metropolitan Life Insurance Company and National Life Insurance Company. A reproduction of insurance records obtained through the online database from the Pennsylvania Department of Insurance is attached as **Exhibit 3**.

20. Notwithstanding the forgoing, Respondent does not appear to be licensed as an insurance agency or company in Texas. I accessed the website of the Texas Department of Insurance and searched for insurance records through an online

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[2] This case involves voluminous evidence. The Enforcement Division is continuing to investigate the parties and interview witnesses and investors who may have purchased investments tied to merchant cash advances from Gary Neal Beasley and Merchant Growth & Income Funding, LLC, and who purchased said investments from one or more other sales agents.

[3] I understand this declaration will be attached to a response to the Motion for Summary Disposition and the declaration will be labeled as Exhibit 1. To avoid confusion, I am not labeling the first attachment to this declaration as Exhibit 1. Instead, I am labeling the first attachment as Exhibit 2, the next attachment as Exhibit 3, and further attachments in numerical order.

database, and a reproduction of the online insurance records is attached as **Exhibit 4**.

21. I understand Respondent is now claiming to be an insurance agency. As described herein, however, my investigation reveals Respondent was dealing in notes tied to merchant cash advance. These are not insurance products.

GARY NEAL BEASLEY

22. By way of background, early in my investigation, I learned Gary Neal Beasley ("Beasley") was offering notes tied to merchant cash advances.

23. I also learned Beasley is the President, Chief Executive Officer and sole Director of Senior Asset Protection, Inc., d/b/a Encore Financial Solutions ("Encore Financial").

24. I observed an internet website accessible by the public at https://www.encore-financial and https://encorefinancial.wordpress.com (the "Encore Financial Website"). The Encore Financial Website claimed, in part, that Encore Financial is offering ways to diversify a portion of portfolios away from stock market risk while earning a high rate of return.

25. I also discovered that Beasley and Encore Financial were publishing advertisements on KLBJ AM, a local radio station broadcasting in and around Austin, Texas.

26. The advertisements featured a male speaker, later identified as Beasley, promoting investments that have less risk than the stock market and that protect against an inevitable market correction.

THE UNDERCOVER INVESTIGATION

27. I initiated an undercover investigation. I adopted an alias and contacted Beasley. I did not reveal my affiliation with the Enforcement Division and did not disclose the existence of its investigation. Instead, I posed as a potential investor interested in learning more about investments.

28. During the course of my undercover investigation, while acting as a potential investor, I spoke with Beasley by telephone and met with him outside the office. We also corresponded by electronic mail. He provided me with written records. I recorded the telephone conversations, preserved the electronic mails and saved the written records.

29. Beasley, believing I was a potential investor, offered me the opportunity to purchase notes tied to merchant cash advances.

THE NOTES TIED TO MERCHANT CASH ADVANCES

30. During the course of my undercover investigation, as part of his pitch, Beasley provided me with a Confidential Private Placement Memorandum[4] for notes issued by Merchant Growth & Income Funding, LLC ("Merchant Growth"). The Private Placement Memorandum is attached as **Exhibit 5**.

31. The Private Placement Memorandum indicates Beasley is the sole Member of Merchant Growth, and it also explains Respondent provides management services to Merchant Growth. The Private Placement Memorandum refers to Merchant Growth as the "Company," and Beasley as the "Manager," and specifically states as follows:

> … the success of the Company depends to a large extent on the ability and experience of the Manager. The Manager has limited experience in commercial lending or business finance transactions. The Manager, acting in its sole discretion, will choose all of the investments of the Company. The Company has entered into a Management Agreement with A Better Financial Plan, LLC which will provide management services to the Company and the Manager in connection with the operation of the Company's business. A Better Financial Plan, LLC and its affiliates have managed numerous funds which have invested in a variety of asset classes including lending funds to Merchant Cash Advance financing companies.

32. The Private Placement Memorandum also describes notes issued by Merchant Growth and its use of investor principal to purchase merchant cash advance instruments. It explains as follows:

    a. Merchant Growth is issuing and offering Class A Notes for a principal investment of $75,000 to $124,000.00. Class A Notes purportedly bear an annual interest rate of 8 percent with interest paid on a monthly basis and principal paid on the maturity date.

    b. Merchant Growth is issuing and offering Class B Notes for a principal investment of $125,000.00 to $249,000.00. Class B Notes purportedly bear

[4] Based on my experience and training, a Private Placement Memorandum is a disclosure document often provided to investors in connection with the offer of securities. A Private Placement Memorandum generally outlines the terms of the securities and the risks associated with the purchase of the securities. It also provides other material information relating to the securities.

an annual interest rate of 10 percent with interest paid on a monthly basis and principal paid on the maturity date.

c. Merchant Growth is issuing and offering Class C Notes for a principal investment of $250,000.00 to $399,000.00. Class C Notes purportedly bear an annual interest rate of 12 percent with interest paid on a monthly basis and principal paid on the maturity date.

d. Merchant Growth is issuing and offering Class D Notes for a principal investment of $400,000.00 to $499,000.00. Class D Notes purportedly bear an annual interest rate of 13 percent with interest paid on a monthly basis and principal paid on the maturity date.

e. Merchant Growth is issuing and offering Class E Notes for a principal investment of $500,000.00 or more. Class E Notes purportedly bear an annual interest rate of 14 percent with interest paid on a monthly basis and principal paid on the maturity date.

33. The Private Placement Memorandum claims Merchant Growth will use the gross proceeds of the offering to purchase other promissory notes and similar debt instruments offered and sold by one or more companies that provide merchant cash advance financing in the United States.

THE USE OF MONEY

34. During the course of my undercover investigation, Beasley told me that Merchant Growth was receiving funds from investors, as described in the Private Placement Memorandum, and then forwarding their money to Respondent.

35. He also told me Respondent was using investor funds to purchase or invest in merchant cash advance instruments.

36. Respondent was reportedly only using investor funds to purchase or invest in merchant cash advances from Complete Business Solutions Group, Inc. dba PAR Funding ("PAR Funding"). Respondent was reportedly not purchasing or investing in merchant cash advances with any party other than PAR Funding.

BEASLEY'S DESCRIPTION OF RESPONDENT

37. Beasley provided me with considerable information about Respondent and its control person, Dean Vagnozzi ("Vagnozzi").

38. For example, Beasley, continuing to believe I was a potential investor, provided me with a flowchart. The flowchart is attached as **Exhibit 6**.

39. We later discussed the flowchart. I recorded the conversation with Beasley. A file consisting of the recorded conversation is being filed with SOAH and provided to counsel as **Exhibit 7**, and a transcript[5] is attached as **Exhibit 7.**[6]

40. Beasley used the flowchart to demonstrate that he was raising money from investors through Merchant Growth and qualified funds, which involve an IRA, and non-qualified funds, which do not involve an IRA, were being sent to a company referred to therein as "ABFP," which stands for "A Better Financial Plan" or Respondent. He told me Respondent thereafter sends money to "MCA/CBSG," which stands for "Merchant Cash Advance/Complete Business Solutions Group." As described herein, he told me and I know from other information that Complete Business Solutions Group is doing business as PAR Funding. He told me PAR Funding then uses the funds to make advances to businesses, and investors purportedly receive interest payments.

41. Beasley explained that he first learned the investments in merchant cash advances from Respondent and its owner, Vagnozzi, after Vagnozzi published an advertisement or article in a trade magazine. He explained as follows:

> And ABFP, A Better Financial Plan, that's the company. He [Vagnozzi] advertised about a year and a half ago, I was looking through one of my trade magazines, and he had a big article in there about this investment, and so I called and spoke to him and they sent me some email material and I read through their stuff and it sounded very interesting. And we spoke about it. This investment, the alternative investment that you're looking at.

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5 The transcriptions described herein and attached to this declaration were not prepared by a professional transcription service. Instead, the Enforcement Division prepared these transcripts. I have reviewed all such transcripts, compared them to the original audio records and determined the transcripts are true and accurate. The transcripts may nevertheless contain minor or typographic errors, and they remove fillers and utterances and similar sounds. I understand the Enforcement Division is therefore providing counsel for Respondent with files containing reproductions of the audio recordings so counsel can compare the audio recordings with the transcripts. I also understand the Enforcement Division is filing the same files with SOAH.

6 Many of these transcriptions relate to audio recordings of conversations between me and other parties. I have also listened to the audio recordings and identified my voice on the audio recordings. Whenever I have met the other parties in person, I have also recognized their voices on the audio records. For example, I met with Beasley in person, conversed with him and am familiar his voice. I recognize his voice on the audio recordings of conversations between me and him.

42. Beasley also explained he traveled to Respondent's offices to attend a training meeting. He explained as follows:

> I said well that sounds fantastic, that looks very good. And they said, "Well in a couple of weeks we're having an introductory meeting the training meeting, if you wanna come up and do, attend our training meeting, here's the date and so forth. So I did, so I flew to Philadelphia and met everybody, the owners, and took a tour of the office and Dean Vagnozzi and so it was a fun and good experience. So, Dean Vagnozzi, he has been a financial advisor for like I said, for about 25 years, and over the last three years, he has put something like 50 million dollar him and his few guys, his immediate guys in his office put around 50 million into this program. So, they've got a lot of clients.

43. Beasley further described Respondent's role in dealing with the investments. He explained Respondent handles money raised from investors and provides that money to PAR Funding. He explained as follows:

> He [Vagnozzi] has a CPA in his office her purpose is to deal with this money flow. So your money comes in to my account when I send the paperwork up to her, she looks at the paperwork goes to my account and says, Okay, there's the money, okay, then she pulled it out there when she processes the paperwork and then she forwards it on to twice a month. They send their tranches of your monies and everybody else's on to merchant cash advance, the next box over. The merchant cash advance company, and the acronym there CBSG stands for Complete Business Solutions Group that is the parent name of PAR funding. PAR Funding is a marketing name you might say, it's a DBA under the Complete Business Solutions Group.

THE VIDEO PRESENTATION BY VAGNOZZI

44. During the course of the pitch, Beasley directed me to review a video presentation of Vagnozzi. A file consisting of the video presentation is being filed with SOAH and provided to counsel as **Exhibit 8**, and the file and a transcript are attached as **Exhibit 8**.

45. The video presentation depicts Vagnozzi and identifies him as the President and Chief Executive Officer of Respondent.

46. Vagnozzi describes Respondent as an investment firm offering investments in merchant cash advances to the public. He begins the presentation, for example, by stating the following:

> This video is designed to introduce you to an investment opportunity like no other. If you're looking for double digit investment growth or investment income, then we invite you to give this opportunity strong consideration and take us up on our invitation to learn more.

47. During most of the remainder of the video, Vagnozzi pitches the investments, explaining Respondent has partnered with a "Philadelphia-based lender," which I understand is Par Funding, to offer a product to investors that can earn returns as high as fourteen percent:

> We'd like to introduce you to one of the best merchant cash advance lenders you can find. We've partnered with this extremely profitable Philadelphia-based lender to allow sophisticated investors the opportunity to get fantastic investment returns secured by the time of this recording over 120 million dollars in collections that they have coming due over the next 100 days alone. This company has an impressive default rate of less than 1 percent. You'll have the opportunity to visit their offices and meet their executive staff to determine if this investment is right for you. To arrange for a convenient time to meet and discuss this investment in greater detail, reach out to us using the number and email on your screen. We look forward to hearing from you.

48. The video presentation then provides the telephone number for Respondent and an email address for Respondent. The video presentation then closes with an image of Respondent's logo adjacent to Respondent's name and a subtitle that simply reads, "Increased Returns – Decreased Risk."

CONVERSATION WITH ABBONIZIO

49. During the course of my undercover investigation, I learned that PAR Funding maintained a website at https://parfunding.com (the "PAR Funding Website") that provides its telephone number. A recent reproduction of the website as **Exhibit 9.**

50. As part of my undercover investigation, I used this telephone number to contact PAR Funding. I was eventually directed to Perry Abbonizio ("Abbonizio"). I recorded my conversation with Abbonizio. A file consisting of the recorded conversation is being filed with SOAH and provided to counsel as **Exhibit 10**, and the file and a transcript are attached as **Exhibit 10**.

51. Abbonizio told me that he is a "principal owner" of PAR Funding, that he "know[s] Gary very well" and that he is "very familiar" with him. He also described Beasley's role in the investment program as follows:

> Gary is one of 45 people that I have throughout the United States that meet with potential investors and like yourself and gather investment capital for us to help us grow our business through a private placement memorandum… That's what Gary, that's what Gary manages, so I know the whole process you're talking to the right individual. They're all under my bailiwick.

52. Abbonizio confirmed that Respondent manages Beasley's fund. He explained as follows:

> A Better Financial Plan does the management for Gary's fund. Meaning they, on a monthly basis, will pay you the agreed upon interest that you would receive based on your investment level in his fund. Gary manages the fund, collects the assets, but relies on A Better Financial Plan to segregate and distribute the monthly distributions to his clients. So, there's total objectivity.

THE BETTER FINANCIAL PLAN WEBSITE

53. During my investigation, I observed a website accessible by the public at www.abetterfinancialplan.com (the "Better Financial Plan Website"). I used an application to capture the Better Financial Plan Website. A recent accurate reproduction of the Better Financial Plan Website is attached as **Exhibit 11.**

54. The URL for this website, www.abetterfinancialplan.com, is consistent with the name of Respondent, abetterfinancialplan.com, LLC. The website also depicts a logo with the subtitle, "Increased Returns – Decreased Risk."

55. The Better Financial Plan Website does not appear to promote insurance. Instead, the website promotes investments.

56. The landing page of the Better Financial Plan Website greets visitors with a video ("ABFP Website Video-1"). A file consisting of the video presentation is being filed with SOAH and provided to counsel as **Exhibit 12**, and the file and a transcript are attached as **Exhibit 12.**

57. ABFP Video-1 begins by identifying Vagnozzi as the President and Chief Executive Officer of Respondent and depicts him promoting investments as he stands before an audience apparently consisting of many elderly persons and senior citizens.

58. During ABFP Website Video-1, Vagnozzio begins interacting with the audience, asking questions about their investments and eliciting responses about their investments. He asks, in part, as follows:

> You are all earning between 10 and 14 percent. Raise you hand, who here is getting double digit returns on their money? Who here is getting a check every single month? How many people are thrilled with that investment? Has any payment ever been late? By the way, you've got all you money back at the end of one year, right? Who has reinvested? Who has upped the investment?

59. Phrases appear intermittently during ABFP Website Video-1. They read, at least in part: "OVER 600 CLIENTS/OVER $150 MILLION INVESTED/ALL EARN AT LEAST 10% ANNUALLY WITH INTEREST PAID MONTHLY/NOBODY HAS EVER LOST A PENNY." The video ends with a screen that identifies Respondent, displays Respondent's logo and provides Respondent's telephone number.

60. The landing page of the Better Financial Plan Website contains various sections, including a section that begins immediately below the aforementioned video of the investment presentation. This section starts with a header that reads, *Start Here: A Message from Dean Vagnozzi*. The section is followed by a video accompanied by text that describes the video ("ABFP Website Video-2"). The text reads, "In this video A Better Financial Plan President & CEO Dean Vagnozzi Summarizes what makes A Better Financial Plan Unique, what returns investors can expect and the process involved in working with us." A file consisting of the video presentation is being filed with SOAH and provided to counsel at **Exhibit 13**, and the file and a transcript of the video are attached as **Exhibit 13.**

61. ABFP Website Video-2 depicts Vagnozzi accompanied by the logo for Respondent. It appears recent, given Vagnozzi's representations about recording ABFP Website Video-2 from his home office due to the coronavirus. During ABFP Website Video-2, Vagnozzi plays to investors who are "sitting back watching your hard earned savings and your investment dollars get decimated by Wall Street." He claims he can help these investors through four investments that are secure and pay lucrative returns. He also claims that "SEC regulations… prohibit me from talking about the investments and what they are in any great detail" but does explain his firm is "pooling" money from investors to deal in these investments.

62. The landing page of the Better Financial Plan Website also contains a section that begins with a heading titled, *The Story Behind A Better Financial Plan*. The heading is followed by text that describes investments. It reads:

> A Better Financial Plan has been offering its clients an alternative approach to Wall Street for almost two decades. We do this by introducing our clients to safe, high-yielding asset classes that are not reliant on the stock market. Our clients are able to invest like the big boys by pooling their money together, which allows them to take advantage of opportunities that otherwise may not be available to them.

63. The landing page of Better Financial Plan Website also contains a heading titled *Ready To Diversify Your Investments*. The heading is followed by descriptions of its investments. It claims, for example, that its investments offer an *Increased Return* and describes the increased return as follows:

> We stand behind the belief that very few people amass significant wealth utilizing traditional Wall Street Based investments, so why try and beat the odds? We will show you how to dramatically increase your liquidity, enjoy great tax efficiencies, and grow your financial portfolio… without the volatility of Wall Street!

64. The Better Financial Plan Website also claims that its investments offer *Decreased Risk a*nd describes the Decreased Risk as follows:

> At A Better Financial Plan, we deliver better investment returns with a lot less risk, and we have no shortage of clients that can vouch for that statement. There are better, safer ways to increase wealth and that's our focus at A Better Financial Plan.

65. The Better Financial Plan Website also has an entire page dedicated to *Our Investments*. This webpage explains that "[a]t A Better Financial Plan, we offer a variety of alternative investment options… All deliver great returns, and offer a safer, less volatile option than the stock market." It generically describes these options and invites the public to "Come Join Our Financial Movement!" The text following this invitation explains "We've delivered 10-14% annual returns or better using alternative investments that were put together with one of Philadelphia's largest law firms. These investments have nothing to do with Wall Street and they are NOT annuities."

66. I noted the reference to "annuities" in the quote in the preceding paragraph. I understand that Respondent is claiming it is an insurance company. I know from my training and experience that annuities are insurance investments. Although Respondent claims it is an insurance company, its website expressly states it is not selling this insurance product.

67. The landing page of the Better Financial Plan Website claims it has "A Team You Can Trust." It also explains that Respondent wants "you to understand our alternative investment offerings" and invites the public to "meet the team."

68. I clicked on the phrase "meet the team," which hyperlinked to a listing of people that make up its team.

69. The Better Financial Plan Website identifies Tierney as part of Respondent's team. It also contains an embedded video ("ABFP Website Video-3"). A file consisting of the video presentation is being filed with SOAH and provided to counsel as **Exhibit 14**, and the file and a transcript are attached as **Exhibit 14**.

70. ABFP Website Video-3 depicts the logo and name of Respondent and begins with Vagnozzi walking into an office building. He exits an elevator and begins walking up a staircase before identifying himself as the President of Respondent and explaining he is at Respondent's office. Signage visible through a window identifies the logo and name of Respondent.

71. ABFP Website Video-3 proceeds as Vagnozzi identifies persons that appear to work for Respondent, including "Jerry," Vagnozzi's father-in-law and "Dana," Vagnozzi's sister. The video depicts Vagnozzi introducing "Mike," a person I recognized as Michael Tierney. Vagnozzi introduces Tierney as an "advisor" who came to work for Vagnozzi after attending a presentation.

72. Vagnozzi also introduces Michelle, a person I recognized from the Better Financial Plan Website as Michelle Price, as an in-house CPA who accounts for "every single penny" as follows:

> This is Michelle. Michelle is my in-house CPA. Every single penny that comes through our business through every investment, she makes sure is accounted for and knows exactly where is at, every distribution, every payout to our investors based on the again investment payouts, she's responsible for. And we would be totally lost without her.

73. The Better Financial Plan Website also contains *Testimonials* that contains videos of investors speaking generally about their investments. It also contains testimonials and reviews that purport to be drafted by clients of Respondent. Although many of the testimonials and reviews generally discuss dealings with Respondent, others actually refer to investments in merchant cash advance agreements.

74. For example, the Better Financial Plan Website contains a testimonial dated February 28, 2020, from a client identified as "Mike Miller." An accurate

reproduction of the testimonial is attached as **Exhibit 15**. The testimonial refers to an investment in merchant cash advances. It reads:

> I just told my wife this morning that with the market dropping these last few days, I feel so relieved, happy and proud of my decision to invest a good chunk of my retirement in both MCA and Life Settlements[7] with you all. It has been the best financial choice I've ever made.

75. Respondent published another testimonial from a client identified as "Brad Beebe" that identifies a merchant cash advance investment. An accurate reproduction of the testimonial is attached as **Exhibit 16**. It reads as follows:

> … Depending on the product you choose and the product(s) that make sense for you, you can rest confident that the investment is doing exactly what is promised. For myself, I'm in the Merchant Cash Advance investment. It's been performing like a champ for the past 2 years and I will re-invest at renewal…

76. Respondent published another testimonial from a client identified as "Gil Fein" that refers to merchant cash advance investments. An accurate reproduction of the testimonial is attached as **Exhibit 17**. It reads as follows:

> I'm very pleased with my MCA investment and look forward to rolling it over for another year of double digit returns. Thanks Dean!

77. Respondent published another testimonial from a client identified as "Teresa Kirk-Junod" that refers to merchant cash advance investments. An accurate reproduction of the testimonial is attached as **Exhibit 18**. It reads as follows:

> … Received my first payment today from Merchant Cash Advance. That was a site for sore eyes after watching the market this week. It truly confirmed we made the right decision to transfer funds out of the market…

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[7] An investment in a life settlement typically involves a purchaser who pays a lump sum of money to a promoter to purchase the right to receive some of the death benefits from an insurance policy when an insured dies. These are complex transactions, can take many different forms and bear considerable risks. I generally understand that many Texans have been victimized by life settlement schemes. I also generally understand that, in 2015, the Texas Supreme Court ruled that investments in life settlements are regulated as securities in Texas.

THE BETTER FINANCIAL PLAN FACEBOOK WEBPAGE

78. The Better Financial Plan website contains a link to its Facebook webpage (the "Better Financial Plan Facebook Webpage"). I used an application to capture an accurate reproduction of the Better Financial Plan Facebook Webpage and the capture is included as **Exhibit 19.**

79. The Better Financial Plan Facebook Webpage does not represent it is in the business of insurance. Instead, it explains as follows:

> We specialize in stock market alternative investments that deliver better returns with less risk than anything you can find on wall street…. A Better Financial Plan specializes in alternative investments that help clients protect themselves from the volatility of the stock market without sacrificing a fair rate of return. Our 1346 plan is grounded not in accumulating the largest amount of money possible, but rather ensuring that what is accumulated is never lost. We are headquartered in the Philadelphia area and have been helping people maximize and protect their retirement savings with an alternative retirement plan that increases retirement income while decreasing retirement tax liabilities.

80. The Better Financial Plan Facebook Webpage contains an almost overwhelming number of posts authored by Respondent, and many posts consist of client testimonials. The testimonials are published by Respondent, and not the purported authors of the testimonials, and they describe the purchase of investments. Many testimonials describe the purchase of merchant cash advance investments.

81. For example, I captured **Exhibit 20**, an accurate reproduction of a testimonial Respondent published in the Better Financial Plan Facebook Webpage that was timestamped at 2:00 on March 30. The testimonial purports to be from "Steve Boyce" and reads as follows:

> New 5.0-star Review: "I was impressed with the first meeting I had with Dean several years ago. I researched the 3 investment opportunities he offered and put some money with the Merchant Cash Advance program. Each month, the interest payment arrived on time and the full amount of the investment was returned in 12 months. I reinvested for a second cycle and added more to the base amount. That investment will end in April and I am once again gong to add more for the 3rd cycle.
> With the big hit the market is taking this week, I am happy that I diversified my investments a few years ago. I sleep much better at night.

> I am looking into the other investments that are offered through a Better Financial Plan and will most likely put some money in each of them in the future. "

82. I also captured **Exhibit 21**, an accurate reproduction of a testimonial Respondent published in the Better Financial Plan Facebook Webpage that is dated March 24 and purports to be from "Gil Fein." It reads as follows:

> New 5.0-star Review: "I'm very pleased with my MCA investment and look forward to rolling it over for another year of double digit returns. Thanks Dean [Vagnozzi]! "

83. I also captured **Exhibit 22**, an accurate reproduction of a testimonial Respondent published in the Better Financial Plan Facebook Webpage that is dated March 19 and purports to be from "Brad Beebe." It reads as follows:

> New 5.0-star Review: "The entire crew at ABFP knows who I am. That's ratre. They always treat me respectfully and courteously. Now, to the nuts and bolts…the investment products here are not correlated to the stock market. Depending on the product you choose and the product(s) that make sense for you, you can rest confident that the investment is doing exactly what is promised. For myself, I'm in the Merchant Cash Advance investment. It's been performing like a champ for the past 2 years and I will re-invest at renewal. My wish is that I had more money to invest across the other products. "

84. I also captured **Exhibit 23**, an accurate reproduction of a testimonial Respondent published in the Better Financial Plan Facebook Webpage that is dated March 14 and purports to be from "Jeanette Stephens-El. " It reads as follows:

> New 5.0-star Review: "While the stock market is in a dramatic downturn due to fears of the Corona virus, I have not missed receiving any monthly interest payments via my Merchant investment account. I'm feeling pretty good about that! "

85. I also captured **Exhibit 24**, an accurate reproduction of a testimonial Respondent published in the Better Financial Plan Facebook Webpage that is dated March 13 and purports to be from "Jeff Roth. " It reads as follows:

> New 5.0-star Review: "With the DOW over the past 2 weeks dropping 9,000 points along with my 401k, I am confident in the management and continued monthly payments I've been receiving from my MCA account. I plan to open more accounts in the near future for long term income. "

86. I also captured **Exhibit 25**, an accurate reproduction of a testimonial Respondent published in the Better Financial Plan Facebook Webpage that is dated March 4 and purports to be from "John Hogan. " It reads as follows:

> New 5.0-star Review: "I originally invested in MCA in September 2017, and have just reinvested for the third time in 2019. Each time I have added to the investment, as it has delivered interest payments and return of principal exactly as promised. I can't ask for anything more than that. "

87. I also noted the postings do not simply consist of testimonials from investors. Respondent posted other information that appears to promote new investment opportunities and some postings merely contain the type of communications typically associated with social media. I did, however, capture **Exhibit 26**, and accurate reproduction of a post Respondent published in the Better Financial Plan Facebook Webpage on February 6. It shows Respondent paid more than $10.3 million to clients in 2019.

THE BETTER FINANCIAL PLAN LINKEDIN WEBPAGE

88. The Better Financial Plan Website also contains a link to Respondent's LinkedIn page (the "Better Financial Plan LinkedIn Webpage"). I used an application to accurately reproduce the Better Financial Plan LinkedIn Webpage and the capture is included as **Exhibit 27.**

89. The Better Financial Plan LinkedIn Webpage does not describe its business as an insurance agency. Instead, it represents Respondent's business is "Investment Management."

90. The Better Financial Plan LinkedIn Webpage also describes its business as Investment Management as follows:

> A Better Financial Plan is committed to discovering and making available alternative safe investments that deliver attractive rates return, up to 10%, consistently. This commitment drives us to continuously produce content that will help any investor of any means improve the performance of the safe part of their portfolio.

DEAN VAGNOZZI'S LINKEDIN WEBPAGE

91. I accessed a LinkedIn webpage for Dean Vagnozzi (the "Vagnozzi LinkedIn Webpage"). I used an application to accurately capture the Vagnozzi LinkedIn Webpage and the capture is included as **Exhibit 28.**

92. The Vagnozzi LinkedIn Webpage contains his photographs. The text underneath his photograph reads, “We'll significantly improve your finances without the help of Wall Street or annuities!”

93. As described herein, I know from my training and experience that annuities are insurance investments. Although Respondent claims it is an insurance company, the Vagnozzi LinkedIn Webpage expressly states he is not involved in selling this insurance product.

94. The Vagnozzi LinkedIn Webpage does not describe Respondent as an insurance company. Instead, it describes it as an investment firm. It includes a section titled *About* that contains the following text:

> As President of abetterfinacialplan.com, LP, I believe in making your money work hard for you right NOW. If it’s locked up in retirement accounts, it can’t be accessed until much later in life … and sitting around waiting is just not my style.
>
> I am a self-taught and tested financial advisor, and have relished the opportunity to forge my own financial destiny, enrolling in seminars, reading books and researching unorthodox money management tactics. My client-base is made up of smart investors who, like me, can see there is a better way to achieve a lucrative retirement rather than typical cookie-cutter plans.
>
> www.ABetterFinancialPlan.com outlines the thinking behind my successful non-traditional strategies. My online presentations will pique any potential investor’s interest while clearly showing the passion and energy that has driven me to become the thriving entrepreneur I am today.
>
> Specialties: I develop financial plans that are safe from loss, have double digit earning potential and minimize taxes. In addition I maximize family protection with the right amount of life, disability and other necessary kinds of insurance.
>
> My goal is to achieve all of the above with no increase to a person's monthly cash outlay.

95. The Vagnozzi LinkedIn Webpage also contains a section titled *Experience*. This section identifies Vagnozzi as the Founder & CEO of Respondent and shows that

he has been with Respondent since January 2004. The text under this section reads as follows:

> A Better Financial Plan provides long term savings strategies to investors of all levels. These strategies focus on increasing the performance of the a specific percentage of a long term savings portfolio. Properly employed the approach offered by A Better Financial Plan offers increased investment returns, and decreased risk while providing greater liquidity and an overall decreased tax liability in retirement years.

MIKE TIERNEY LINKEDIN WEBPAGE

96. I reviewed a LinkedIn Webpage for Mike Tierney (the "Tierney LinkedIn Webpage"). I used an application to accurately capture the Tierney LinkedIn Webpage and the capture is included as **Exhibit 29.**

97. The Tierney LinkedIn Webpage contains a photograph of Tierney that appears to show the same person depicted in the Better Financial Plan Website. The text under the photograph of Tierney reads, "Specializing in Maximizing Wealth for Clients."

98. The Tierney LinkedIn Webpage contains a section titled *About*. It reads as follows:

> I focus on teaching individuals strategies to maximize their wealth, increase their retirement spending, while decreasing risk and taxes.
>
> As a financial professional I believe in listening to people and tailoring recommendations to their current and future needs. Losing money and locking it up in vehicles when there are more desirable options are two ideas that I help people implement.
>
> I have experience working with families to prepare for retirement, and college as well as business to reach their unique objectives. I enjoy teaching these strategies to my clients as well as other advisors.

99. The Tierney Linkedin Webpage also contains a section titled *Experience*. This section of the Tierney LinkedIn Webpage identifies Tierney as an advisor with Respondent and shows that he has been with Respondent since 2012.

UNDERCOVER CONVERSATION WITH TIERNEY

100. During my undercover investigation, I contacted Respondent by telephone at the telephone number set forth in Respondent's website. I ultimately spoke with Tierney. I recorded the conversation. A file consisting of the audio recording is

being filed with SOAH and provided to counsel, and a transcript is attached at **Exhibit 30**.

101. I was continuing to use an alias and act in an undercover capacity by presenting myself as a potential investor.

102. I told Tierney I was attempting to understand the investments. Tierney initially told me that I was "close" in my understanding and that I needed to speak with Beasley for additional explanation. Tierney said he could not explain further because of an "SEC regulation."

103. Tierney later stated, "we do merchant cash advance investments, which is what Gary's talking to you about (inaudible) That's what we do. My job, we're out in Philadelphia and you called our (inaudible) office and my office asked me to call you (inaudible) work with individuals like Gary (inaudible) if that checks your box (inaudible) what we do, then that's what we do.

104. At no time did Tierney indicate Respondent is an insurance agency.

SEC REGULATORY FILING

105. As a Financial Examiner assigned to the Enforcement Division, I know the securities laws require all securities sold in Texas to be registered or permitted for sale. I am also aware that circumstances may exist where securities are exempt from state securities registration requirements or federal law preempts states from requiring the registration of securities.

106. Attorneys assigned to the Enforcement Division are responsible for analyzing evidence to determine whether securities are exempt from state securities registration requirements or whether federal law preempts states from requiring the registration of securities.

107. Although I am not responsible for conducting the analyses described in the preceding paragraph, I know that issuers may file information with the United States Securities and Exchange Commission (the "SEC") when they claim federal law preempts states from requiring the registration of securities.

108. I learned that on or around February 12, 2019, PAR Funding filed a Form D, titled Notice of Exempt Offering of Securities, with the SEC. I am attaching an accurate copy of this Form D to this declaration as **Exhibit 31**.[8]

[8] I understand that PAR Funding filed another Form D in 2020, and I am attaching a copy of this Form D as **Exhibit 32**.

109. The Form D explains PAR Funding began selling debt securities on August 1, 2012, and that it raised more than $227 million.

110. Item 12 of Form D requires the disclosure of parties that are or will be paid money to sell the securities. The instructions this item read as follows:

> Enter the requested information for each person that has been or will be paid directly or indirectly any commission or other similar compensation in cash or other consideration in connection with sales of securities in the offering, including finders… In addition, check the State(s) in which the named person has solicited or intends to solicit investors. If more than five persons to be listed are associated persons of the same broker or dealer, enter only the name of the broker or dealer, its CRD number and street address, and the State(s) in which the named person has solicited or intends to solicit investors.

111. Items 12 of this Form D identifies Respondent as having been paid or to be paid a commission or other similar compensation in connection with sales of securities in the offering. Item 12 also explains Respondent has solicited or intended to solicit securities sales in Texas, as well as Delaware, Florida, Georgia, Illinois, Maryland, Nevada, New Jersey, Pennsylvania and Wisconsin.

EXECUTION

112. My name is William Robert Mitchell, and I am an employee of The Texas State Securities Board. I am executing this declaration as part of my assigned duties and responsibilities. I declare under penalty of perjury that the foregoing is true and correct.

Executed in Travis County, State of Texas, on the 30th day of April, 2020.

s/William R. Mitchell
William Robert Mitchell

Exhibit 2

Online records from Pennsylvania Insurance Department/search results

Licensee Search

Search Results - Business Entity

Return to Search Page

Click on the license number for more information.
Agencies that hold more than one license will be listed separately by license number.

Number of Records: 1

Business Entity	License Type	City	State	License Number
ABETTERFINANCIALPLAN.COM LLC	Resident Producer Agy	COLLEGEVILLE	PA	593564

License information is current as of Wednesday, April 22, 2020.

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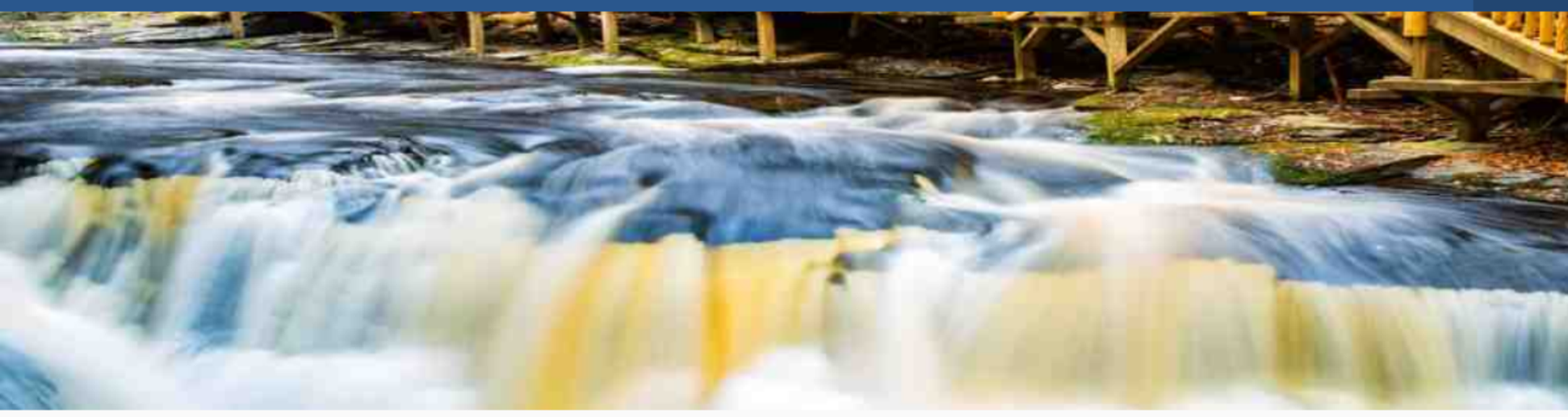
Exhibit 3

Online records from Pennsylvania Insurance Department/licensure



Licensee Search

Licensee Information

ABETTERFINANCIALPLAN.COM LLC

License Number:	593564
Business Name:	ABETTERFINANCIALPLAN.COM LLC
City:	COLLEGEVILLE
State:	PA
Lines of Authority:	Accident and Health, Life and Fixed Annuities
License Type:	Resident Producer Agy
Expiration Date of License:	12/1/2020

Display Appointments in New Window

Resident and non-resident licensees who wish to apply for a new license, renew their license or check their Continuing Education (CE) status visit Sircon.

Non-residents may also apply for a new license or existing non-resident licensees may apply to add a new line of authority to their existing license through the National Insurance Producer Registry (NIPR).

Click here to view a list of closed enforcement actions on our website. This sentence does not imply that an enforcement action is present with this record. It is merely here to promote yet another service on this website.

License information is current as of Wednesday, April 22, 2020.

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Exhibit 4

Online records from Pennsylvania Insurance Department/appointments

Licensee Search

Producer Appointments

Licensee: ABETTERFINANCIALPLAN.COM LLC

Type: No LOA

Company	Activated
AMERICAN NATIONAL INSURANCE COMPANY	March 6, 2013
AMERITAS LIFE INSURANCE CORPORATION	March 13, 2018
ASSURITY LIFE INSURANCE COMPANY	February 1, 2014
BANNER LIFE INSURANCE COMPANY	March 11, 2011
FIDELITY & GUARANTY LIFE INSURANCE COMPANY	February 15, 2011
LIFE INSURANCE COMPANY OF THE SOUTHWEST	March 11, 2019
METROPOLITAN LIFE INSURANCE COMPANY	February 9, 2011
NATIONAL LIFE INSURANCE COMPANY	March 11, 2019

Resident and non-resident licensees who wish to apply for a new license, renew their license or check their Continuing Education (CE) status visit Sircon.

Non-residents may also apply for a new license or existing non-resident licensees may apply to add a new line of authority to their existing license through the National Insurance Producer Registry (NIPR).

Click here to view a list of closed enforcement actions on our website. This sentence does not imply that an enforcement action is present with this record. It is merely here to promote yet another service on this website.

License information is current as of Wednesday, April 22, 2020.

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Exhibit 5

Private Placement Memorandum

PPM

Confidential Private Placement Offering Memorandum

MERCHANT GROWTH & INCOME FUNDING, LLC,

a Delaware limited liability company

Barton Oaks Plaza
901 S. Mopac Expressway
Building 1, Suite 300
Austin, TX 78746
(512) 707-8216

for the sale of its

Promissory Notes having maturities of One Year with Varying Interest Rates

---

This Confidential Private Placement Offering Memorandum relates to an offering undertaken by Merchant Growth & Income Funding, LLC (the "Company") of its promissory notes (collectively, the "Notes") with the following fundamental terms: (1) One Year Maturity bearing interest at the rate of 8.0% per year with interest payments made monthly and principal paid on the maturity date available for investment amounts from $75,000 to $124,999 ("Class A Note"); (2) One Year Maturity bearing interest at the rate of 10.0% per year with interest payments made monthly and principal paid on the maturity date available for investment amounts from $125,000 to $249,999 ("Class B Note"); (3) One Year Maturity bearing interest at the rate of 12.0% per year with interest payments made monthly and principal paid on the maturity date available for investment amounts from $250,000 to $399,999 ("Class C Note"); (4) One Year Maturity bearing interest at the rate of 13.0% per year with interest payments made monthly and principal paid on the maturity date available for investment amounts from $400,000 to $499,999 ("Class D Note"); and (5) One Year Maturity bearing interest at the rate of 14.0% per year with interest payments made monthly and principal paid on the maturity date available for investment amounts from $500,000 or more ("Class E Note"). The Company may elect to issue notes in amounts less than $75,000 in its sole discretion. The Notes will be unsecured obligations of the Company; there is no collateral securing the obligations of the Company under the Notes.

The proceeds from the sales of the Notes will be used to purchase promissory notes and other similar debt instruments offered and sold by companies which provide "Merchant Cash Advance" financing (the "MCA Debt Obligations"). Merchant Cash Advance financing is a form of commercial financing in which the financing company purchases a portion of a businesses' future accounts receivable in exchanges for an immediate payment of money. The Company will use the payments received from the MCA Debt Obligations to repay the Notes.

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION DOES NOT PASS UPON THE MERITS OF OR GIVE ITS APPROVAL TO ANY SECURITIES OFFERED BY THE TERMS OF THE OFFERING, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR OTHER SELLING LITERATURE. THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE COMMISSION; HOWEVER, THE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THE SECURITIES OFFERED HEREUNDER ARE EXEMPT FROM REGISTRATION.

	Price to Public	Underwriting Discount and Commissions	Proceeds To Issuer Or Other Persons
Per $100,000	$100,000	$0	$100,000
Total	$100,000	$0	$100,000

THIS OFFERING INVOLVES SOME DEGREE OF RISK.
SEE "RISK FACTORS."

May 15, 2018

COPYRIGHT MERCHANT INCOME FUNDING, LLC. 2018. ALL RIGHTS RESERVED. REPRODUCTION IS STRICTLY PROHIBITED.

IMPORTANT CONSIDERATIONS

THE OFFERING AND THE SECURITIES OFFERED HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND MAY NOT BE OFFERED OR SOLD EXCEPT TO A LIMITED NUMBER OF INVESTORS. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISK OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE ISSUER IS RELYING ON THE EXEMPTIONS FROM REGISTRATION PROVIDED UNDER REGULATION D PROMULGATED UNDER THE SECURITIES ACT. IN ADDITION, THIS OFFERING HAS NOT BEEN REGISTERED UNDER THE SECURITIES LAWS OF ANY STATE IN RELIANCE ON EXEMPTIONS FROM REGISTRATION FOUND IN THE RESPECTIVE SECURITIES LAWS OF SUCH STATES AND THE SECURITIES MAY BE SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER IN SUCH JURISDICTIONS. ACCORDINGLY, PURCHASERS OF THE SECURITIES OFFERED HEREBY MAY NOT SELL OR OTHERWISE TRANSFER SUCH SECURITIES EXCEPT PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR EXEMPTIONS THEREFROM.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

INVESTMENT IN THE SECURITIES OFFERED HEREBY INVOLVES A HIGH DEGREE OF RISK. IT IS NOT EXPECTED THAT SUCH SECURITIES WILL BECOME MARKETABLE. PURCHASE OF THESE SECURITIES IS SUITABLE ONLY FOR PERSONS OF SUBSTANTIAL MEANS WHO HAVE NO NEED FOR LIQUIDITY IN THIS INVESTMENT AND WHO CAN AFFORD THE TOTAL LOSS OF THEIR INVESTMENT. SEE "RISK FACTORS."

THE INFORMATION PRESENTED IN THIS MEMORANDUM WAS PREPARED BY THE FUND AND IS BEING FURNISHED BY THE FUND SOLELY FOR USE BY PROSPECTIVE INVESTORS IN CONNECTION WITH THIS OFFERING. NO PERSONS HAVE BEEN AUTHORIZED TO MAKE REPRESENTATIONS OR TO GIVE ANY INFORMATION WITH RESPECT TO THE OFFERING OF THE NOTES OR THE OPERATIONS OF THE FUND, EXCEPT THE INFORMATION CONTAINED IN THIS MEMORANDUM OR PROVIDED AS SET FORTH BELOW. THIS MEMORANDUM SUPERSEDES ALL PRIOR ORAL OR WRITTEN INFORMATION, IF ANY, PROVIDED TO INVESTORS WITH RESPECT TO THE OFFERING OF THE SECURITIES OR THE OPERATIONS OF THE FUND.

NO STATEMENT CONTAINED HEREIN SHALL BE DEEMED TO MODIFY, SUPPLEMENT OR CONSTRUE IN ANY WAY THE PROVISIONS OF ANY DOCUMENTS INCLUDED HEREWITH AS EXHIBITS OR ANY OF THE

PROVISIONS CONTAINED THEREIN, AND ANY STATEMENT MADE HEREIN WITH RESPECT TO ANY SUCH DOCUMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE THERETO.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES OFFERED HEREBY IN ANY STATE OR OTHER JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORIZED. EXCEPT AS OTHERWISE INDICATED, THIS MEMORANDUM SPEAKS AS OF ITS DATE OF ISSUE. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE FUND SINCE THE DATE HEREOF.

THE SECURITIES OFFERED ARE SUBJECT TO THE PROVISIONS OF A SUBSCRIPTION AGREEMENT, WHICH EACH INVESTOR PURCHASING SECURITIES WILL BE REQUIRED TO EXECUTE PRIOR TO THE PURCHASE OF ANY SECURITIES. ANY PURCHASE OF SECURITIES SHOULD BE MADE ONLY AFTER A COMPLETE AND THOROUGH REVIEW OF THE PROVISIONS OF SUCH AGREEMENT. IN THE EVENT THAT ANY OF THE TERMS, CONDITIONS OR OTHER PROVISIONS OF SUCH AGREEMENT ARE INCONSISTENT WITH OR CONTRARY TO THE DESCRIPTIONS OR TERMS CONTAINED IN THIS MEMORANDUM, SUCH AGREEMENT WILL CONTROL.

INVESTORS WHO PURCHASE THE SECURITIES AND RESELL THEM OR ANY PART OF THEM, MAY BE DEEMED TO BE "UNDERWRITERS" UNDER SECTION 2(3) OF THE SECURITIES ACT AND MAY BE SUBJECT TO ALL LIABILITIES IMPOSED UPON "UNDERWRITERS" UNDER SUCH SECURITIES ACT IN CONNECTION WITH THE RESALE OF THE SECURITIES.

THESE SECURITIES ARE OFFERED SOLELY BY THIS MEMORANDUM SUBJECT TO PRIOR SALE, APPROVAL OF COUNSEL, THE RIGHT TO WITHDRAW OR MODIFY THIS OFFER WITHOUT PRIOR NOTICE OR TO REJECT ANY SUBSCRIPTIONS, AND CERTAIN OTHER CONDITIONS.

THIS MEMORANDUM IS BEING PROVIDED FOR THE EXCLUSIVE USE OF THE PROSPECTIVE INVESTOR RECEIVING THIS MEMORANDUM AND HIS, HER, OR ITS ADVISORS. DELIVERY OF THIS MEMORANDUM TO ANYONE IS UNAUTHORIZED AND ANY REPRODUCTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR ANY RELEASE OF ITS CONTENTS, IN WHOLE OR IN PART, WITHOUT THE PRIOR WRITTEN CONSENT OF AN AUTHORIZED REPRESENTATIVE OF THE FUND IS PROHIBITED.

THE INVESTOR, BY ACCEPTING DELIVERY OF THIS MEMORANDUM, AGREES TO RETURN THIS MEMORANDUM AND EXHIBITS TO THE FUND IF THE INVESTOR DECIDES NOT TO PURCHASE ANY OF THE SECURITIES OFFERED HEREBY.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL OR TAX ADVICE. EACH INVESTOR SHOULD CONSULT HIS, HER, OR ITS COUNSEL, ACCOUNTANT OR BUSINESS ADVISOR AS TO LEGAL, TAX, BUSINESS AND RELATED MATTERS CONCERNING INVESTMENT IN THE NOTES OFFERED HEREBY.

STATEMENTS IN THIS MEMORANDUM ARE MADE AS OF THE DATE HEREOF AND DO NOT INCLUDE INFORMATION RELATING TO EVENTS OCCURRING SUBSEQUENT TO ITS DATE. UNLESS STATED OTHERWISE HEREIN, NEITHER THE DELIVERY OF THIS MEMORANDUM AT ANY TIME, NOR ANY SALE HEREUNDER, SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS MEMORANDUM.

ADDITIONAL INFORMATION

The Company has agreed to make available to each prospective investor, prior to the issuance of any security by the Company, the opportunity to ask questions of, and receive answers from, certain authorized representatives of the Company concerning the terms and conditions of the Offering and to obtain any additional information, to the extent they possess such information. Prospective investors and/or their advisors are encouraged to communicate directly with Merchant Growth & Income Funding, LLC, by contacting its member, Gary Beasley at Barton Oaks Plaza, 901 S. Mopac Expressway, Building 1, Suite 300, Austin, TX 78746 or by telephone at (512) 707-8216.

Merchant Growth & Income Funding, LLC

This Private Placement Offering Memorandum contains "forward looking" statements that involve risks and uncertainties. These statements may relate to future events or the Company's future financial performance. Examples of forward looking information include: statements of investment objectives of management, statements regarding return on investment, earnings, interest income or expense, loss, investment mix and quality, growth prospects, capital structure and other financial terms, and assumptions, such as economic conditions underlying other statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements.

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Summary of the Offering

THIS SUMMARY OF CERTAIN PROVISIONS OF THIS OFFERING IS INTENDED FOR QUICK REFERENCE ONLY AND DOES NOT FULLY REFLECT ALL OF THE TERMS OF THE OFFERING. PROSPECTIVE INVESTORS SHOULD READ AND UNDERSTAND THIS ENTIRE MEMORANDUM AND THE EXHIBITS BEFORE MAKING AN INVESTMENT DECISION WITH RESPECT TO THIS OFFERING.

Company	Merchant Growth & Income Funding, LLC (the "Company") has been established as a Delaware limited liability company for the purpose of purchasing promissory notes and other similar debt instruments offered and sold by companies which provide "Merchant Cash Advance" financing. The Company is newly formed and does not own any assets or have any liabilities as of the date of this Memorandum other than expenses incurred in connection with the formation of the Company and this Offering.
Risk Factors	An investment in the Company involves a certain degree of risk. You should consider the risk factors commencing on page 3 including, among others: worsening economic conditions may result in decreased demand for merchant cash advance financing and cause default rates to increase and if the information provided by customers is incorrect or fraudulent, a customer's qualifications to receive merchant cash advance financing may be misjudged and, accordingly, defaults rates may be higher than anticipated.
Offering	The Company is offering its promissory notes (the "Offering") with the following fundamental terms: (1) One Year Maturity bearing interest at the rate of 8.0% per year with interest payments made monthly and principal paid on the maturity date available for investment amounts from $75,000 to $124,999 ("Class A Note"); (2) One Year Maturity bearing interest at the rate of 10.0% per year with interest payments made monthly and principal paid on the maturity date available for investment amounts from $125,000 to $249,999 ("Class B Note"); (3) One Year Maturity bearing interest at the rate of 12.0% per year with interest payments made monthly and principal paid on the maturity date available for investment amounts from $250,000 to $399,999 ("Class C Note"); (4) One Year Maturity bearing interest at the rate of 13.0% per year with interest payments made monthly and principal paid on the maturity date available for investment amounts from $400,000 to $499,999; and (5) One Year Maturity bearing interest at the rate of 14.0% per year with interest payments made monthly and principal paid on the maturity date available for investment amounts from $500,000 or more ("Class E Note").
Minimum Investment	The minimum investment is $75,000.

Use of Proceeds	The gross proceeds of the offering will be used to purchase promissory notes and other similar debt instruments offered and sold by companies which provide "Merchant Cash Advance" financing (the "MCA Debt Obligations"). Merchant Cash Advance financing is a form of commercial financing whereby the financing company purchases of a businesses' future accounts receivable in exchanges for an immediate payment of money. Expenses incurred in connection with the formation of the Company and this Offering, as well as, the Company's operating expenses shall be borne by the Company and not the purchasers of the Notes.
Management	Gary Beasley is the sole Member of the Company and, as such, will make all investment decisions on behalf of the Company and will be solely responsible for the development and implementation of the Company's investment policy and strategy.
Legal Counsel	Eckert Seamans Cherin & Mellott, LLC
Subscription: Subscription Fee	To purchase Notes, complete and execute the Subscription Agreement and Investor Questionnaire and deliver it to the Company. Payments for Notes may be made by check made payable to the Company. The Company reserves the unconditional right to accept or reject any subscription.

RISK FACTORS

THE SECURITIES OFFERED HEREIN INVOLVE A DEGREE OF RISK AND SHOULD NOT BE PURCHASED BY PERSONS WHO CANNOT AFFORD THE LOSS OF THEIR TOTAL INVESTMENT. PROSPECTIVE PURCHASERS OF THE NOTES OFFERED HEREIN SHOULD GIVE CAREFUL CONSIDERATION, IN ADDITION TO THE OTHER INFORMATION IN THIS MEMORANDUM, TO THE FOLLOWING RISK FACTORS.

Worsening economic conditions may result in decreased demand for business credit and cause default rates to increase.

Uncertainty and negative trends in general economic conditions in the United States and abroad, including significant tightening of credit markets, historically have created a difficult environment for companies in the lending industry. Many factors, including factors that are beyond the Company's control, may have a detrimental impact on companies providing Merchant Cash Advance financing. These factors include general economic conditions, unemployment levels, energy costs and interest rates, as well as events such as natural disasters, acts of war, terrorism and catastrophes.

Most companies which seek and obtain Merchant Cash Advance financing are small businesses. Small businesses have historically been, and may in the future remain, more likely to be affected or more severely affected than large enterprises by adverse economic conditions. These conditions may result in a decline in the demand for Merchant Cash Advance financing or higher default rates.

Merchant Cash Advance financing involves the purchase of future accounts receivable and if the seller of the accounts receivable (the Merchant Cash Advance recipient) goes out of business or declares bankruptcy, then the purchaser of the accounts receivable (the Merchant Cash Advance financing company) may lose its entire investment. If worsening economic conditions result in business closures in significant numbers, Merchant Cash Advance financing companies may lose money and not have funds sufficient to repay their debts, including the MCA Debt Obligations. This scenario could have negative effect on the Company's ability to repay the Notes. There can be no assurance that economic conditions will remain favorable or that demand for Merchant Cash Advance financing or default rates will remain at current levels.

If the information provided by the Merchant Cash Advance recipient is incorrect or fraudulent, its qualification to receive Merchant Cash Advance financing and the operating results of the Merchant Cash Advance financing company may be harmed.

The decision whether to provide Merchant Cash Advance financing to a particular business is based partly on information provided by the applicant. To the extent that applicants provide information in a manner that cannot be verified, the Merchant Cash Advance financing company may not accurately understand the associated risk with entering into a transaction with such applicant and may pay too much to acquire certain accounts receivable.

Fraudulent activity or significant increases in fraudulent activity could also lead to regulatory intervention, negatively impact operating results, brand and reputation and require Merchant Cash Advance financing companies to take steps to reduce fraud risk, which could increase their costs and could affect their ability to repay the MCA Debt Obligations.

Underwriting and risk management efforts may not be effective.

In order to be profitable, Merchant Cash Advance financing companies must effectively identify, manage, monitor and mitigate risks, such as operational risk, industry risk, liquidity risk, and other market-related risk. To the extent the models and methods used to assess the ability of the Merchant Cash Advance recipient to continue to operate a profitable business and generate sufficient revenue to compensate the Merchant Cash Advance financing company are flawed, incorrect or not executed property, such Merchant Cash Advance financing company may sustain losses greater than anticipated and, in such event, may not generate profits sufficient to repay the MCA Debt Obligations.

The Merchant Cash Advance Company is unregulated. Regulations could adversely affect their business.

Currently, Merchant Cash Advance financing is not regulated by federal or state laws. Enactment of laws or regulations applicable to Merchant Cash Advance financing could adversely affect financing companies' ability to operate in the manner in which they currently conduct business and/or make it more difficult or costly to originate financing transactions by subjecting them to additional licensing, registration and other regulatory requirements in the future. For example, if Merchant Cash Advance financing transactions were determined for any reason to be commercial loans, financing companies would be subject to many additional requirements including limitations on the amount charged, and their fee structures and repayment arrangements could be challenged by regulators or Merchant Financing Advance recipients, all of which could have a material adverse effect on their business and financial condition and their ability to repay the MCA Debt Obligations.

General Investment Risks; Competition.

The Company will be competing with other investment funds, as well as operating companies and institutional investors, for opportunities to invest in the types of investments targeted by the Company. Some of these competitors have greater financial resources than the Company and may be able to fund more MCA Debt Obligations than the Company. This competition may reduce the number of attractively priced investment opportunities available to the Company. The identification of suitable investments for the Company is a difficult task and there is no assurance that it can be accomplished successfully.

No Operating History; Experience of Manager.

The Company is newly formed, has no operating history and has no investing history with the intended investment strategy and asset class of the Company. Further, the success of the Company depends to a large extent on the ability and experience of the Manager. The Manager has limited experience in commercial lending or business finance transactions. The Manager, acting in its sole discretion, will choose all of the investments of the Company. The Company has entered into a Management Agreement with A Better Financial Plan, LLC which will provide management services to the Company and the Manager in connection with the operation of the Company's business. A Better Financial Plan, LLC and its affiliates have managed numerous funds which have invested in a variety of asset classes including lending funds to Merchant Cash Advance financing companies. If the Manager or certain of its principals cease to participate in the Company's

business, the Company's ability to manage its investments may be materially impaired. There can be no assurance that the investment opportunities that come to the attention of the Manager will be such as to enable the Company to achieve its investment goals, or that the holders of Notes will recover all of their investment in the Company.

Other Regulatory Risks.

The Company will not be registered as an "investment company" under the Investment Company Act of 1940 or as an "investment adviser" under the Investment Adviser Act of 1940. Consequently, Partners in the Company will not be covered by the protections afforded by the Investment Company Act of 1940 or the Investment Advisor Act of 1940.

No Market for Notes; Lack of Liquidity.

No public market for the Notes presently exists nor is one expected to develop. In addition, the Notes are subject to significant restrictions on transferability. Consequently, holders of Notes may not be able to recoup their investment in the event of an emergency or for any other reason. The Notes should be purchased only with the intention to hold them until maturity. See "Investor Suitability Standards." A subscription for Notes should be considered only by persons financially able to maintain their investment until the maturity date of the Notes and who can afford a loss of their entire investment.

There is No Operating History to Judge Portfolio Performance.

The Company is newly formed and has no operating history. The success of the Company will be largely dependent on the efforts of the Manager.

Conflicts of Interest.

The Manager may act as manager or advisor in and for other separate funds and may act as investment manager or advisor for separate managed investment accounts, which may have investment strategies the same as or similar to the Company's. In addition, in its various current and expected future capacities, a majority of which involve investing and financial activities, the Manager (including any/all affiliated persons or entities) may encounter or engage in activities which may be considered conflicts of interest with the Company, where such activities may include, but are not limited to, advising, consulting, managing, and generally being involved in financial transactions which may be related to activities of the Company. Further, the present and anticipated future activities of the Manager may result in conflicts of interest should it become necessary for the Manager to establish priorities in the allocation of time, or other resources in which it is or may become involved.

Indemnification.

Pursuant to the Limited Liability Company Operating Agreement, the Manager and its officers, directors, employees, agents, and affiliates will be indemnified by the Company against any liability arising out of their actions or inaction in managing the Company, including, but not limited to, all investment decisions and any losses incurred. Such indemnification may create an incentive for the Manager to make investments that involve greater risk or are more speculative in nature.

Description of the Company

Merchant Growth & Income Funding, LLC (the "Company"), a Delaware limited liability company, has been established for the purpose of purchasing promissory notes and other similar debt instruments offered and sold by companies which provide "Merchant Cash Advance" financing (the "MCA Debt Obligations"). The investment offered consists of promissory notes issued by the Company. An investment in the Company's promissory notes provides investors with an opportunity to participate in the relatively high rates of returns generated in "Merchant Cash Advance" financing transactions.

The Company is newly formed and does not own any assets or have any liabilities as of the date of this Memorandum other than expenses incurred in connection with the formation of the Company and this Offering.

Use of Proceeds

The proceeds from the sale of the Notes will be used to purchase promissory notes and other similar debt instruments offered and sold by one or more companies which provide "Merchant Cash Advance" financing (the "MCA Debt Obligations") in the United States. Merchant Cash Advance financing is a form of commercial financing whereby the financing company purchases a portion of a businesses' future accounts receivable in exchanges for an immediate payment of money. The Company will use the payments received from the MCA Debt Obligations to repay the Notes and all operating expenses of the Company.

The Company will not pay any cash proceeds of this Offering to any person as compensation, commission, or consideration for the sale of the Notes.

Overview of Merchant Cash Advance Financing Transactions

The term "Merchant Cash Advance" generally refers to a form of short term financing provided to operating businesses. While the specific terms of the financings may vary from company to company or transaction to transaction, usually, a "Merchant Cash Advance" transaction is a form of commercial financing whereby the financing company purchases a portion of a businesses' future accounts receivable in exchange for an immediate payment of money -- the so-called "Advance". Merchant Cash Advances, technically, are not loans but rather the sale of revenues which the operating company expects to generate in the future.

A "Merchant Cash Advance" financing transaction has several basic business or commercial terms: (1) the amount of the Advance to be made by the financing company, (2) the amount to be paid back to the finance company which is usually referred to as the "buy rate" or "factor rate", (3) the holdback rate which is the amount of daily revenue which is retained (or held back) by the finance company and (4) the term or duration of the advance.

The amount which is paid back to a financing company depends upon the Buy Rate. Buy Rates vary depending upon market conditions as well as each financing companies' underwriting and pricing policies but are often between 120% and 140% of the advance (or 1.2 to 1.4 times the amount of the advance). To determine how much a Merchant Cash Advance recipient is required to repay, the amount of the advance is multiplied by the Buy Rate. For example, if the Merchant Cash Advance recipient sold $100,000 of its future accounts receivable at a Buy Rate

of 1.3 for a term of twelve months, then the total amount to be paid to the financing company would be $130,000.

Holdback rates depend upon the volume of business generated by the Merchant Cash Advance recipient. The financing company receives the amount of the Advance multiplied by the Buy Rate by taking some percentage of the business's revenue, usually in the form of daily credit card receipts. The remainder is retained by the Merchant Cash Advance recipient. Typical holdback rates range from 10%-20% of daily receipts, though this amount may vary widely based upon the nature of the business and the risk of payment as determined by the financing company. For example, if the Merchant Cash Advance recipient generated $10,000 per day in payments via credit cards and the Holdback Rate was 10%, the Merchant Cash Advance financing company would keep or "holdback", $1,000 for that day. The amount of the holdback is applied to the total amount payable to the Merchant Cash Advance financing company – that is, the Advance multiplied by the Buy Rate.

Merchant Cash Advances Are Not Loans

Although business loans and Merchant Cash Advances look quite similar and serve the same purpose, Merchant Cash Advances are not loans but rather sales of an asset of an operating company – namely, its future revenues. Loans are transfers of funds with the obligation to repay the loan amount together with interest. There are several critical differences between business loans and Merchant Cash Advance financing transactions.

Instead of being priced in terms of an interest rate like traditional loans, Merchant Cash Advances are priced using "Buy Rates" or "Factor Rates". Unlike traditional, interest-bearing loans, Buy Rates are not annualized. Merchant Cash Advance transactions continue until the financing company receives the full amount owed, that is, the return of the Advance amount multiplied by the Buy Rate or Factor Amount. Since there are no fixed payments of principal and interest, the duration of a Merchant Cash Advance transaction is indeterminate and depends on the Merchant Cash Advance recipient's sales both in terms of quantity and time. However, financing companies are able to exert some control over the transaction's length by adjusting the holdback percentage. Financing companies review the Merchant Cash Advance recipient's average monthly credit card sales and adjust the holdback percentages to estimate the time period necessary to repay the Advance and the Buy Rate.

Lastly, unlike loan recipients, Merchant Cash Advance recipients are not absolutely liable for repaying the financing company because Merchant Cash Advances do not carry an absolute obligation or an unconditional promise to repay. Legally, the financing company has purchased the right to receive the future receivables and immediately takes legal ownership of them. As a purchaser, the financing company assumes the risk that it will receive all or a portion of the amount that they are entitled to and that the accounts purchased will not become worthless. Indeed, after the sale occurs, the Merchant Cash Advance recipient's principal duty is to immediately deliver the contracted portions of its credit card sales to the financing company as the sales occur.

Because they are no longer obliged to make payments once they are out of business, some Merchant Cash Advance recipients will close their businesses and reopen under another name. Other businesses attempt to escape by using another credit card processor -- one the Merchant Cash Advance provider cannot collect from or by depositing sales into a hidden account.

Financing companies protect their interests by requiring that the Merchant Cash Advance recipient agree not to accept multiple Merchant Cash Advances from different financing companies (a practice sometimes referred to as stacking) and/or by requiring that the business's owner give his or her personal guarantee. The owner, however, is not guaranteeing that the business will repay all or some of the Merchant Cash Advance but rather only that the business will not breach the contractual obligations.

Because Merchant Cash Advances lack absolute obligations to repay, fixed payment schedules, interest rates, and maturity dates, courts are not likely to hold in favor of classifying the transaction as a loan, thereby subjecting the transaction to lending laws and regulations, such as usury laws which would limit the amount Merchant Cash Advance financing companies could charge or earn on a given transaction.

The Rise of Merchant Cash Advances

Since the recession of 2008, the number of commercial loans of $1,000,000 or less has been declining nationally each year and remains below pre-recession levels. Commercial banks have withdrawn from lending to small businesses for a variety of reasons. Additionally, small community banks, which once issued a sizable portion of the nation's small business loans, are either closing down or consolidating due to the increased costs of regulatory compliance. Accordingly, while the demand for small business loans has not decreased, the supply has.

Structural barriers that make it difficult for banks to lend to small businesses have also played a part in prompting the banks to leave the small business loan market. For lenders and borrowers alike, the search costs in small business lending tend to be high. Even more troublesome for small business owners, the transactions costs of a $100,000 loan are comparable to those of a $1,000,000 loan but will earn the bank less profit. This is because small business loans typically have a greater risk of default. Small businesses tend to be more sensitive to economic turbulence than their larger counterparts, and banks have an onerous time assessing the creditworthiness of smaller businesses due to a lack of information. In particular, small businesses tend to lack detailed balance sheets, do not make their information public, maintain inadequate income statements, and file sparse tax returns.

Larger commercial banks have withdrawn from the small business loan market. In an attempt to curtail the number of time-consuming loan applications from small businesses, some banks -- larger ones in particular -- have entirely eliminated or drastically reduced loans below a certain threshold, whereas others simply refuse to lend to businesses that generate less than $2,000,000 in annual revenue. The banks' withdrawal creates a problem for small businesses because those that get a loan, even a subprime one, are far more likely to survive than those that do not. The high demand for small business loans coupled with the banks' exit from the market has created a void to be filled.

Investment Objective

The Company's investment objective is to provide a return on invested capital that is uncorrelated to traditional investments such as publicly traded stocks and bonds, while minimizing principal risk. The Company will seek financing companies which provide Merchant Cash Advances and will invest in such financing companies. The Company expects that its investments will be in the form of acquiring promissory notes or other debt like instruments issued by the

Merchant Cash Advance financing companies and which generate a fixed rate of return over a given period of time. The Company does not intend to acquire equity ownership in any "Merchant Cash Advance" financing company.

Investment Management

Gary Beasley will make all investment decisions on behalf of the Company and will be solely responsible for the development and implementation of the Company's investment policy and strategy.

Gary N. Beasley, age 63, is the sole manager of Merchant Growth and Income Funding, LLC.

Gary attended Central Missouri University. He has been licensed to sell life insurance, annuities and disability insurance in Texas since 1983. Gary was a self-employed Investment Advisor Representative from 2003 to May 15, 2018, resigned as a securities advisor to form Merchant Growth and Income Funding, LLC to help small and mid-size business owners acquire funding to grow their business.

The Company will not have any employees. No person will manage the fund except Mr. Beasley.

Legal Counsel

The Company has engaged the law firm of Eckert Seamans Cherin & Mellott, LLC to advise the Company on various legal matters, including issues relating to securities law, certain regulatory matters as well as certain tax matters.

Accounting

The Company intends to use the accounting services of Deonette M. Goodspeed, CPA located at 111 West Anderson Lane, #310, Austin, TX 78752.

The Offering

The Company is offering its promissory notes (collectively, the "Notes") with the following fundamental terms:

(1) Class A Notes: Promissory notes having a maturity date of one year after the date of issuance, bearing interest at the rate of 8.0% per year with payments of interest only made each month after the date of issuance and principal and any accrued and unpaid interest paid on the maturity date (a "Class A Note"). Class A Notes are available for investment amounts from $75,000 to $124,999.

(2) Class B Notes: Promissory notes having a maturity date of one year after the date of issuance, bearing interest at the rate of 10.0% per year with payments of interest only made each month after the date of issuance and principal and any accrued and unpaid interest paid on the maturity date (a "Class B Note"). Class B Notes are available for investment amounts from $125,000 to $249,999.

(3) Class C Notes: Promissory notes having a maturity date of one year after the date of issuance, bearing interest at the rate of 12.0% per year with payments of interest only made each month after the date of issuance and principal and any accrued and unpaid interest paid on the maturity date (a "Class C Note"). Class C Notes are available for investment amounts from $250,000 to $399,999.

(4) Class D Notes: Promissory notes having a maturity date of one year after the date of issuance, bearing interest at the rate of 13.0% per year with payments of interest only made each month after the date of issuance and principal and any accrued and unpaid interest paid on the maturity date (a "Class D Note"). Class D Notes are available for investment amounts from $400,000 to $499,999.

(5) Class E Notes: Promissory notes having a maturity date of one year after the date of issuance, bearing interest at the rate of 14.0% per year with payments of interest only made each month after the date of issuance and principal and any accrued and unpaid interest paid on the maturity date (a "Class E Note"). Class E Notes are available for investment amounts from $500,000 or more.

The minimum investment is $75,000; provided, however, that the Manager reserves the right in its sole discretion to increase or decrease the minimum investment at any time.

Interest on the Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months. Interest will begin to accrue on the ten (10th) day or the twenty-fifth (25th) day of each month depending upon the date on which payment for the Note was received by the Company. If the Company receives payment on the first (1st) through the tenth (10th) day of a month or the twenty-fifth (25th) day through the thirty-first (31st) day of the prior month, interest will begin to accrue on the tenth (10th) day of the month and payments of interest only will be due and payable on the thirteenth (13th) day of the following month and each month thereafter until maturity. If the Company receives payment on the eleventh (11th) day of the month through the twenty-fifth (25th) day of the month, interest will begin to accrue on the twenty-fifth (25th) day of the month and payments of interest only will be due and payable on the twenty-eighth (28th) day of the following month and each month thereafter until maturity. For example, if the

Company receives a completed subscription for $100,000 on February 22nd, interest would begin to accrue on February 25th and payment of interest only would be due and payable on March 28th.

The Notes will be unsecured obligations of the Company; there is no collateral securing the obligations of the Company under the Notes.

This Memorandum set forth a brief summary of the terms of the Notes which is qualified in its entirety by reference to the definitive form of the Notes, the terms of which may be more extensive and complex than the descriptions thereof. A copy of the form of the Note is attached to this Memorandum as Exhibit "A". The summary of the Notes is limited only to certain material business provisions and is not intended to be completely comprehensive. Prospective investors should also review the form of Note in its entirety before deciding whether or not to invest in the Company.

Payments for the Notes must be made in cash, by certified check or wire transfer of immediately available funds.

There is no minimum amount which must be raised before commencing operations. The Company reserves the right to continue the Offering for an additional thirty (30) days and to increase the number of the Notes offered and sold.

Operating Expenses

The Company's operating expenses, including, but not limited to, the fees of its accountants, auditors, commissions, banking expenses, professional and legal fees (the "Operating Expenses") will be paid by the Company and not the holders of the Notes.

Compensation

Name of Individual or Identity of Group	Capacities in Which Remuneration Was Received	Aggregate Remuneration
Gary Beasley	Member of the Company	Exact amount cannot be determined at this time but the Member shall retain the difference between the amount paid to the Company from the MCA Debt Obligations and the amounts payable on the Notes.

The Company will not have any employees and does not anticipate paying any other compensation in connection with the management of the Company and does not have any plan or arrangement to provide compensation to any person, except the Manager as described here.

Commissions

The Merchant Cash Advance financing companies which issue the MCA Debt Obligations may pay a fee or commission to the party who acquires the MCA Debt Obligations or the party who introduces the acquirer of the MCA Debt Obligations. Whether fees or commissions are payable and the amounts payable vary from financing company to financing company. In any event, any such fees and commissions, if paid in connection with the Company's purchase of the MCA Debt Obligations, shall be retained in full by the Company and shall not be payable to the holders of the Notes.

Transferability of the Notes

The Notes may not be transferred, pledged, hypothecated, assigned or sold to third parties except with the prior written consent of the Manager, which consent will not be unreasonably withheld. Transfers are also subject to restrictions set forth in the Securities Act of 1933, as amended (the "Securities Act").

Indemnification

The Manager and any members, managers, employees, affiliates, agents and officers of the Manager will be indemnified and held harmless by the Company from and against any and all losses, liabilities and expenses (including legal fees) arising from, but not limited to, claims, investigations, demands, suits or actions, in which it may be involved, as a party or otherwise, by reason of the management of the Company. However, the Manager will not be entitled to indemnification for losses resulting from the Manager's failure to act in good faith in its management of the Company's affairs.

Fiscal Year

The Company's fiscal year (the "Fiscal Year") will be the calendar year.

Investor Suitability Standards

The Company reserves the right, in its sole discretion, to declare any prospective investor ineligible to purchase Notes based on any information which may become known or available to the Company concerning the suitability of such prospective investor, for any other reason, or for no reason.

Each Investor will be required to represent that he or she is purchasing the Notes for his or her own account, as principal, for investment purposes only and not with a view to resale or distribution, and he or she is aware that his or her right to transfer the Notes is restricted by the Securities Act, applicable state securities laws, the Subscription Agreement, attached hereto as Exhibit "B" (the "Subscription Agreement") and the absence of any market for the Notes.

The Company's Notes have not been registered under the Securities Act or any state securities laws, and are being offered and sold pursuant to an exemption from the registration requirements provided under Rule 506(b) of Regulation D.

SUITABILITY STANDARDS - WHO MAY INVEST

INVESTMENT IN THE NOTES INVOLVES A HIGH DEGREE OF RISK AND IS SUITABLE ONLY FOR PERSONS OF SUBSTANTIAL FINANCIAL RESOURCES WHO HAVE NO NEED FOR LIQUIDITY IN THEIR INVESTMENT.

A substantial number of state securities commissioners have established investor suitability standards for the marketing within their respective jurisdictions of restricted securities. Some have also established minimum dollar levels for purchases in their states. The reasons for these standards appear to be, among others, the relative lack of liquidity of securities of such programs as compared with other securities investments. Investment in the Notes involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity in their investments.

The Company has adopted as a general investor suitability standard the requirement that each subscriber for Notes represent in writing that the subscriber: (a) is acquiring the Notes for investment and not with a view to resale or distribution and will not sell any Notes for a period of twelve (12) months after initial purchase; (b) can bear the economic risk of losing their entire investment; (c) their overall commitment to investments which are not readily marketable is not disproportionate to their net worth, and an investment in the Notes will not cause such overall commitment to become excessive; (d) has adequate means of providing for their current needs and personal contingencies and has no need for liquidity in this investment in the Notes; (e) has evaluated all the risks of investment in the Company; and (f) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of investing in the Company or is relying on their own purchaser representative, in making an investment decision.

The suitability standards referred to above represent minimum suitability requirements for prospective purchasers and the satisfaction of such standards by a prospective purchaser does not necessarily mean that the Notes are a suitable investment for such purchaser. The Company may, in circumstances it deems appropriate, modify such requirements.

Information To Be Furnished As to Suitability Requirements

Investors should take extreme care in completing the subscription documents in a complete and accurate manner. Any subscription documents that are not properly completed will be rejected. The Company may reject any subscription for Notes in its full and complete discretion.

An investment in the Notes offered hereby involves substantial investment risk and is suitable only for investors of substantial means who have no need for liquidity in their investment. There is no public market for the Notes, and such a market is unlikely to develop since there can be only a limited number of investors and there are significant restrictions on the transferability of the Notes. The Notes have not been registered under the Securities Act or qualified or registered under the laws of any other jurisdictions and therefore, cannot be sold unless they are subsequently registered and/or qualified under applicable law or an exemption from registration is available. The Company does not contemplate registering the Notes and is not required to do so. Therefore, purchasers of Notes may be required to bear the financial risk of an investment in the Notes until the stated maturity date.

Furthermore, the exemptions from registration under the Securities Act and certain state securities laws relied on in connection with this Offering are conditioned upon the acquisition of Notes by all investors for investment purposes only and not with a view to the resale of distribution of the Notes acquired. Accordingly, each investor will be required to represent to the Company in the Subscription documents, that such investor is acquiring the Notes for its own account and for the purposes of investment only, and not with a view to, or in connection with, the distribution or sale of the interests, and that such investor will not sell, pledge, assign or transfer, with or without consideration, any of the Notes without an effective registration statement under the Securities Act, and registration or qualification under applicable state securities laws, or an exemption therefrom and an opinion of counsel acceptable to the Company, unless waived, that an exemption from registration under the Securities Act and applicable state securities laws is available and the transaction fully complies with applicable federal and state securities laws.

Accredited Investors

Rule 506 of Regulation D, promulgated under the Securities Act, permits the Notes to be sold to an unlimited number of Accredited Investors. Rule 501 of Regulation D, promulgated under the Securities Act, defines an "Accredited Investor" as the following persons:

- Any natural person whose individual net worth, or joint net worth with that person's spouse, excluding primary residence, at the time of purchase, exceeds $1,000,000;

- Any natural person who had an individual income in excess of $200,000 in each of the two most recent years, or joint income with that person's spouse in excess of $300,000 in each of those years, and has a reasonable expectation of reaching the same income level in the current year;

- Any director or executive officer of the issuer;

- Any trust, with total assets in excess of $5,000,000, not formed for the specific

purpose of acquiring the securities offered, whose purchase is directed by a person with such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment, or the issuer reasonably believes immediately prior to making any sale that such person comes within this description;

- Any entity in which all of the equity owners are Accredited Investors;

- Any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any corporation or similar business trust or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000;

- Any employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") if (a) the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company or registered investment advisor; (b) the employee benefit plan has total assets in excess of $5,000,000; or (c) it is a self-directed plan, with investment decisions made solely by persons that are Accredited Investors;

- Any bank as defined in Section 3(a)(2) of the Securities Act or any savings and loan association or other financial institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity;

- Any broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934;

- Any insurance company as defined in section 2(a)(13) of the Act;

- Any Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958;

- Any private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940; or

- Any investment company registered under the Investment Company Act of 1940, as amended, or a business development company as defined in Section 2(a)(48) in such act.

The Company intends to rely on the information provided by the investor in the Subscription Documents in determining whether an investor is an Accredited Investor or otherwise satisfies the investment standards under Rule 506.

Satisfaction of Standards

The Company has the right, in its absolute discretion, to approve or disapprove any offer to subscribe for Notes made by any investor for any reason.

Restrictions Imposed by the USA PATRIOT Act and Related Acts.

The Notes may not be offered, sold, transferred or delivered, directly or indirectly, to any "Unacceptable Investor". Unacceptable Investor means any person who is a:

- Person or entity who is a "designated national," "specially designated national," "specially designated terrorist," "specially designated global terrorist," "foreign terrorist organization," or "blocked person" within the definitions set forth in the Foreign Assets Control Regulations of the U.S. Treasury Department;
- Person acting on behalf of, or any entity owned or controlled by, any government against whom the U.S. maintains economic sanctions or embargoes under the Regulations of the U.S. Treasury Department—including, but not limited to the "Government of Sudan," the "Government of Iran," the "Government of Libya," and the "Government of Syria";
- Person or entity who is within the scope of Executive Order 13224-Blocking Property and Prohibiting Transaction with Persons who Commit, Threaten to Commit, or Support Terrorism, effective September 24, 2001; or
- Person or entity subject to additional restrictions imposed by the following statutes or regulations and executive orders issued thereunder: the Trading with the Enemy Act, the Iraq Sanctions Act, the National Emergencies Act, the Antiterrorism Act and Effective Death Penalty Act of 1996, the International emergency Economics Powers Act, the United Nations Participation Act, the International Security and Development Cooperation Act, the Nuclear Proliferation Prevent Act of 1994, the foreign Narcotics Kingpin Designation Act, the Iran and Libya Sanctions of Act of 1996, the Cuban Democracy Act, the Cuban Liberty and Democratic Solidarity Act and the Foreign Operations, Export Financing and Related Programs Appropriations Act or any other law of similar import as to any non-U.S. Country, as each such act or law has been or may be amended, adjusted, modified or reviewed from time to time.

IRA and ERISA Considerations

IRA Investors

Notes may be purchased, transferred, assigned or retained by an Individual Retirement Account ("IRA") established under Section 408 of the Internal Revenue Code of 1986, as amended. An investment in the Notes will not, in and of itself, create an IRA and that, in order to create an IRA, purchasers must comply with the provisions of Section 408 of the Internal Revenue Code.

ERISA Investors

The investment objectives and policies of the Company have been designed to make the Notes suitable investments for employee benefit plans under current law. In this regard, ERISA provides a comprehensive regulatory scheme for "plan assets." In accordance with final regulations published by the Department of Labor in the Federal Register on November 13, 1986, our Manager will manage the Company so as to assure that an investment in the Notes by a qualified plan will not, solely by reason of such investment, be considered to be an investment in the underlying assets of the Company so as to make the assets of the Company "plan assets." The final regulations are also applicable to an IRA.

We are not permitted to allow the purchase of units with assets of any qualified plans if we (i) have investment discretion with respect to the assets of the qualified plan invested in the Company, or (ii) regularly give individualized investment advice that serves as the primary basis for the investment decisions made with respect to such assets. This prohibition is designed to prevent violation of certain provisions of ERISA.

ERISA contains strict fiduciary responsibility rules governing the actions of "fiduciaries" of employee benefit plans. It is anticipated that some investors will be corporate pension or profit-sharing plans and IRAs, or other employee benefit plans that are subject to ERISA. In these situations, the person making the investment decision concerning the purchase of the units will be a "fiduciary" of such plan and will be required to conform to ERISA's fiduciary responsibility rules. Persons making investment decisions for employee benefit plans (i.e., "fiduciaries") must discharge their duties with the care, skill and prudence which a prudent man familiar with such matters would exercise in like circumstances. In evaluating whether the purchase of units is a "prudent" investment under this rule, fiduciaries should consider all of the risk factors set forth in this prospectus. Fiduciaries should also carefully consider the possibility and consequences of unrelated business taxable income (see "Federal Income Tax Consequences"), as well as the percentage of plan assets which will be invested in the Company insofar as the diversification requirements of ERISA are concerned. An investment in the Company is relatively illiquid, and fiduciaries must not rely on an ability to convert an investment in the Company into cash in order to meet liabilities to plan participants who may be entitled to distributions.

DUE TO THE COMPLEX NATURE OF ERISA, EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT HIS OWN TAX ADVISOR OR PENSION CONSULTANT TO DETERMINE THE APPLICATION OF ERISA TO HIS/HER/ITS PROSPECTIVE INVESTMENT.

Subscription Procedure for the Notes

Prospective investors who satisfy the investor suitability standards of the Company may subscribe for Notes by following the steps set forth below:

Read, complete and execute the forms entitled "Subscription Agreement," "Purchaser Questionnaire", and "Note Counterpart Signature Page" included with the Subscription Booklet; and

1. Mail the completed forms to Merchant Growth & Income Funding, LLC, Barton Oaks Plaza, 901 S. Mopac Expressway, Building 1, Suite 300, Austin, TX 78746.

2. Execution copies of the Subscription Agreement, the Purchaser Questionnaire and the Note Signature Page are included with this Confidential Private Placement Memorandum. The Manager reserves the unconditional right to accept or reject any subscription.

Unless a subscription for Notes is rejected by the Manager before the expiration of the Offering, fully paid subscriptions in proper form will be deemed accepted and the subscriber will be issued the Notes of the type and in the amounts as described in the Subscription Agreement. The Manager may accept subscriptions until the expiration of the Offering.

Certain Regulatory Matters

Securities Act of 1933

The offer and sale of the Notes will not be registered under the Securities Act of 1933, as amended (the "Securities Act") in reliance upon the exemption from registration provided by Section 4(2) thereof and Rule 506(b) of Regulation D promulgated thereunder. Each purchaser will be required to represent, among other customary private placement representations, that it is acquiring the Notes for its own account for investment purposes only and not with a view toward resale or distribution. See "Investor Suitability Standards."

Investment Company Act of 1940

The Company will not be subject to the provisions of the Investment Company Act of 1940, as amended (the "Investment Company Act"), in reliance upon Section 3(c)(1) and/or Section 3(c)(7) thereof. Section 3(c)(1) excludes from the definition of "investment company" any issuer whose outstanding securities are beneficially owned (as defined in Section 3(c)(1)) by not more than 100 persons and which meets the other conditions contained therein.

Investment Advisers Act of 1940

The Manager of the Company is not registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), in reliance upon an exemption from the registration requirements of the Advisers Act.

Exhibit 6

Flowchart for use of investor money

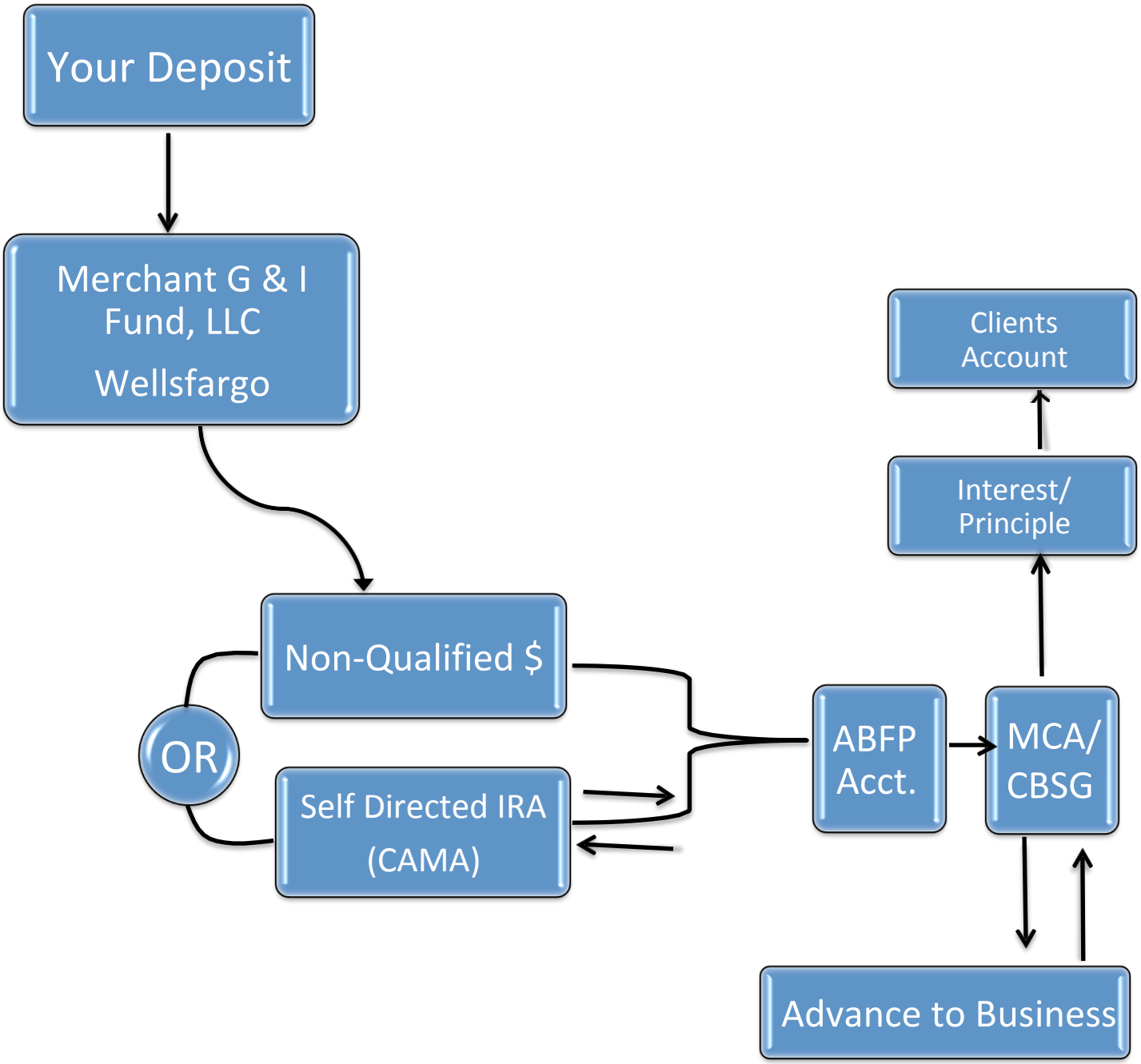

Your Deposit
Merchant G & I Fund, LLC
Wellsfargo
Non-Qualified $
OR
Self Directed IRA (CAMA)
ABFP Acct.
MCA/ CBSG
Interest/ Principle
Clients Account
Advance to Business

Exhibit 7

Recorded undercover conversation with Gary Neal Beasley and Transcript

A thumb drive containing the audio recording is being sent via Federal Express to the ALJ

Transcript
EXHIBIT 07 Beasley Transcript

Mitchell 0:01

Today is June 13, 2019, 1:01pm. Continuation of the undercover for Gary Beasley. 512-577-5539

Beasley 1:03

Encore Financial, this is Gary.

Mitchell 1:06

Hey, Hey Gary. It's Earl.

Beasley 1:11

Hello, there!

Mitchell 1:13

Hello.

Beasley 1:14

How are you?

Mitchell 1:15

Doing okay.

Beasley 1:16

How are you today?

Mitchell 1:17

Sorry, it just it sounded like it sounded like I caught you in the middle of something or I don't know, a lot of ruckus.

Beasley 1:26

That's right I just my put my lunch in the, dish in the sink.

Mitchell 1:34

Oh.

Beasley 1:36

Just finished. So, uh...

Mitchell 1:38

That's funny.

Beasley 1:39

I'm back, I'm back here in the office, so we're good to go.

Mitchell 1:44

Oh Okay, yeah, I'm just now about to eat my lunch. You know, it's. I mean its only noon over here. So, you know.

Beasley 1:56

I see, I see where you at?

Mitchell 1:59

Colorado still.

Beasley 2:02

In Colorado, uh huh, uh huh, I see. Do you want to talk me now or do you want to have your lunch and ring back? I'll be available here. I've got a conference call at two o'clock but...

Mitchell 2:16

No, that's...

Beasley 2:17

It won't take us....

Mitchell 2:19

Right, Right now it's fine. Right now’s good.

Beasley 2:22

Alright.

Mitchell 2:25

I guess, I guess I would just like to start off, or I guess have, I'm sorry. I guess it have you start off. I didn't quite understand what you were talking about in that email when you had sent that. So, we're going to talk about the email and the flowchart. And just like the details of Complete Business Solutions, and then Par Funding and not being mentioned in the PPM.

Beasley 2:53

Okay, sounds good then. You want to cover the flowchart first?

Mitchell 3:06

Sure, whichever, whichever one you want to start with.

Beasley 3:11

Alright, well, we'll start with the flowchart here. So, you've got that where you can look at it I guess.

Mitchell 3:20

I have, I have the, the flowchart in front of me, like the little thing that you emailed me. You know, it says your deposit and then it goes to Merchant G and I Fund, LLC, that's, that's you, right? That...

Beasley 3:43

Yeah, that's just simply my bank account that I have to have set up in order to collect the money and then it is automatically drafted or pulled out by the company down below there. And so, which I'll get to here. So that is Merchant Growth and Income Fund LLC.

Mitchell 4:22

Uh huh.

Beasley 4:23

And due to regulatory requirements, this is what I have to have as a separate account to hold investment, the, the client's money in and then it's simply, it's all it's used for. And then it's simply I put the money in there I collect it from you, I put it in there and really, I don't do much with it after that. So the next thing that happens we move down the flowchart to the non-qualified money, since this is not IRA money. Then the next box it's connected to there is ABFP. And that stands for A Better Financial Plan. And that is the company, I don't know if I showed you his book, "A Better Financial Plan" book when we met or not. But the financial advisor that got me involved with this. He's just outside of Philadelphia, in King of Prussia, which is another town not far from, you know, on the outskirt's suburbs of Philadelphia. And that's where he's been for 25 years as a financial advisor and he does a lot of financial seminars and been quite successful and has a few representatives that work under him and with him. And until, until recently, and, but a couple of years ago, he met the Par Funding, and that, that organization actually has been closer to three years now. And he, I don't know who, how that got started, whether it was his idea or their idea, but I think it was his idea. They were looking for investment money to, PAR funding, you know, that's how they, they, they loan money out to small businesses. So where does that money come from? He said how about we start, put this out to the financial advisors that I work with, and we can offer this offering to, to our clients. And so that, that sort of started him in the, in the relationship with Par Funding. And since then he's got probably 30 or 40 reps around the country that do what I do. Talk to you, explain the program, collect the investment money and send it on to merchant, the merchant cash advance company, to Par Funding.

Mitchell 7:40

So who's the, so this ABFP, A Better Financial Planning, who is, who, who controls that company?

Beasley 7:54

Dean Vagnozzi, he's the owner of the company and he has a CPA in his office. That is her purpose is to deal with this, your money flow.

Mitchell 8:10

Uh huh.

Beasley 8:11

And so your money comes in to my account. When I send the paperwork up to her, she looks at the paperwork, goes to my account and says okay, there's the money. Okay. Then she pulls it out of there when she processes the paperwork. And, and then she forwards it on to, twice a month, of a similar tranches of your money and everybody else's on to merchant cash advance the box, the next box over the merchant cash advance company and the, the acronym there, the CBSG stands for Complete Business Solutions Group and, and that is the, the parent name of the Par Funding. Par Funding is a marketing name, you might say it's a dba under the Complete Business Solutions Group...

Mitchell 9:19

Wait, I'm, I'm kind of going to hold on, hold on, Gary. I'm just, I just want to make sure that this is I'm kind of getting a little confused. So ABF, ABFP is, that's, that's the, owned by Dean who has a CPA. She looks at over all the documents, and then she funnels it to CBSG. Who is Par Funding? Is that right?

Beasley 9:52

Right. Yeah, they're one and the same.

Mitchell 9:54

Okay.

Beasley 9:55

They're the corporate, that's the corporate name and they use the Par Funding for the marketing of the company.

Mitchell 10:06

Gotcha. Okay. Okay. Gotcha.

Beasley 10:11

And, ABFP, A Better Financial Plan, that company, he advertised about a year and a half ago, I was looking through one of my trade magazines, and he had a big article in there about this investment. And so, I call and spoke to him and they sent me some email material. And I read through their stuff and it sounded very interesting. And we, we spoke about it, this investment, you, the alternative investment that you're looking at. And I said, well, that sounds fantastic that, that looks very good. And they said, well, we're, in a couple of weeks, we're, we're having a, an introductory meeting, the training meeting. If you want to come up and do the, attend our training meeting, here's the date and so forth. So, I did so I flew to Philadelphia and met everybody and the owners and took a tour of the office and met Dean Vagnozzi. And, so it was it was a fun and good experience. So, Dean Vagnozzi he has been a financial advisor for like I said for about 25 years. And over the last three years, he has put something like $50 million. Him and his few guys, his immediate guys in his office have put about $50 million into this program. So, they've got a lot clients and did, did you watch the videos, the video, I sent that to you, right? With, Dean Vagnozzi was the guy that was introducing the, the, how this company operates you know did you see that video?

Mitchell 12:26

I'm trying to, I remember seeing one video I can't remember off the top my head if it was that exact one, I thought you sent me two.

Beasley 12:38

There was, there was, there's actually three in the first [inaudible] or the first one introduces, Dean is explaining how this, who this company is a merchant cash advance company and how it works and how they, they loan out the money for 100 days, and then they, they loan it three times a year.

Mitchell 13:06

Right, right.

Beasley 13:10

Yeah. So, so he's the guy talking in that, giving that presentation.

Mitchell 13:16

Okay.

Beasley 13:17

Yeah. So, then the second video was an annual, well not an annual, but a dinner, a dinner meeting with a lot of his clients and prospects in a big hotel environment. And he said during the meeting if you all would come, if anyone here would like to give a testimonial for me with regard to how happy you are or what you think about the investment that you have made, those of us that have made investments into the, on the merchant cash advance company. We're at the break and afterwards, if you would do a little, we're going to do a little video of testimonials. So, if you want to volunteer to give a testimonial, we would appreciate it and but don't feel obligated or anything like that. So, that, that video was a live video after one of his meetings with several of his clients that have put their money in the plan. They're happy with it. They've put more money in the plan, some of them had it for more than a year and they decided to renew and, and so forth. So that was that video. So then, the last video is the attorney. The attorney that does all the legal work and the paperwork that you would have to sign to enroll in the investment. So, that, that attorney speaks, and he's known Dean Vagnozzi for quite some time and they've done other things together in the past or Dean's had him do other legal work for him in the past, so they've known each other for a while. So that attorney he's the head attorney in the securities division. And it's a firm tht has like almost 400 attorneys, 15 different locations and offices in 15 different cities up there in the northeast. So, huge law firm that does all the legal paperwork on, on this for us. John is the attorney lean and...

Mitchell 15:54

Did you say, did you say john?

Beasley 15:58

Yes, yeah. And John he, he did all of my paperwork, he does all of everybody's paperwork to get everything set up.

Mitchell 16:11

So,

Beasley 16:12

Give it to you sign and enroll people like yourself.

Mitchell 16:15

Right. So, okay, so I yeah, well, this, this kind of helps out a little bit. I greatly appreciate the time you took to, to kind of explain it to me because I was just kind of, you know, I was kind of puzzled a little bit on the ABFP, and the MCAs, you know, the merchant cash advance, and...

Beasley 16:41

Yeah, it's not meant to be self-explanatory. I guess I probably could have my assistant work on this and spell those names out, but then nobody would know what the names meant until I explained it to them. So...

Mitchell 16:53

Right, exactly. Well, so I guess in a sense, am I it's so you know, let's say all right. I invest you know, it's going great, you know, months down the road and then finally it's come due I'm due my investment back? So, am I getting paid, Who am I getting paid by?

Beasley 17:13

Okay? The interest is getting put back into your account every month. It pays back the interest back to you monthly so in one month you can see okay, it's working they sent me my interest, one-twelfth of you know your interest. And so that, that comes in my monthly and at the end of the year. We, we simply talk you and I talk, and you decide, we decide. You decide if you want to do it again.

Mitchell 17:51

Right

Beasley 17:52

So, you just sign, sign another note. It's like a two page piece of paper and then you buy another note for 75,000 or whatever however much money you want to put in.

Mitchell 18:07

Right.

Beasley 18:08

And that just pays you interest for the next year,

Mitchell 18:14

Who's, who's? So, who's the company that's paying me the interest on a monthly basis? Is that the ABFP? Or is that the CBSG slash Par Funding? Hello?

Beasley 18:40

That uh, is uh...

Mitchell 18:52

Hello?

Beasley 18:53

That, I'm thinking here, I'm trying to...that I actually need to check to see if the money flows back from, from the merchant cash advance company back to Dean's accounting office and then it's paid to you but I, no, no, the merchant cash advance company pays you like is on the page there. So, the interest payments are set up, the interest payments are paid from them to you and it goes right to your account.

Mitchell 19:40

The merchant cash advance C, the Complete Business?

Beasley 19:48

Yes, yes.

Mitchell 19:49

Okay.

Beasley 19:49

Yes, they are the ones that release the money and you know sends it to your bank account.

Mitchell 20:00

Gotcha. Okay. Gotcha. Okay. Okay, well, this kind of makes a little bit more sense now. Uh, I was I finally had gotten, you know, I still have some of the old material with me and I've been looking at it from time to time and then and then you sent me the flowchart. I had these two other syllables and I was like, ah, who, who, who are these guys.

Beasley 20:35

Yeah.

Mitchell 20:37

I mean, and I'm, again I apologize. Just you know, I want to make sure that we're doing this right you know, this is this is a quite a bit of money, at least for me. So, you know, I just want to make sure that I dot my I's, cross my T's you know what I mean? You know.

Beasley 20:54

Yeah, yeah. Did I tell you that I just set up my own account for 75,000?

Mitchell 21:01

You know what? You had mentioned that in the email. Yeah. 75 and the subscription agreement? Yeah. Do you have a cop? I guess yeah, sure. I can show you a copy. Do you have? Do you have a copy to...?

Beasley 21:25

Yeah, yeah, yeah. One of them is the check that I've written so I'd rather not send that over the email.

Mitchell 21:33

No, no, no. Okay.

Beasley 21:38

I carry it with me to show people, to verify that I've invested in that and so. I wanted to do 125,000 real bad. And I just didn't have enough Instead, it didn't leave enough diversification in my portfolio. I got a bit of money in real estate and so it limits my cash investments...

Mitchell 22:08

I gotcha.

Beasley 22:09

...at this time.

Mitchell 22:10

I can, I can, I can tell you right now, I can tell you right now my, the one person who probably be happier than me to see that would probably be my wife just cause she's more of the she's more of the picture layout person she likes to see where things flow, you know what I mean? So, yeah, it would probably do her a bit a good.

Beasley 22:36

Yeah, yeah, so but yeah it’s just a copy of my agreement that I sent to them, a copy of my check that I, that was payable to them, and a copy of my bank account where the money went to, into the merchant cash advance company got at Wells Fargo.

Mitchell 22:58

Gotcha, okay. So is there any point in time that I guess that you know, I mean, these guys that are also part of the mix, you know, do is there any involvement on my into our I would communicate with these guys or know them or anything like that?

Beasley 23:21

No no. That's my responsibility to recruit my own clients and I'm in charge of taking care of my own clients.

Mitchell 23:30

Okay, okay, gotcha, gotcha

Beasley 23:34

Any, any issue that came up if I can't resolve, resolve it or you know, whatever. Then, then I talk to them I talk to them regularly.

Mitchell 23:45

Okay. And these are pretty safe companies, right. I mean, I guess you know, like, you've been you've so far you've done a pretty good job, like you said, or they have done a pretty good job but I mean, I, I mean, I guess that you know, they are good. They are. They are in I guess.

Beasley 24:06

They're growing. They're growing very nicely. And if you remember that spreadsheet that showed their growth rate, they've just continued to increase and grow. And I have a new updated one. Of course I get every quarter and the, I had another thought that I want to share with you Oh, I think I explained already to you, I think about the insurance. They've, I think, I guess I've already yeah, that's long enough ago. But I'll say it again, just to refresh your memory in case they, they're one of the very few companies in this business that have implemented an insurance program, where the loans if they have a loan out to a to a small business from 5000 up to 150,000. If they think that that small business doesn't have adequate collateral or cash flow to pay, pay the pay the loan to satisfy them, then if they meet the criteria, one step further then they will offer to that small business owner. If you, mister business owner, if you, we can't accept your, your own your, you just don't have quite the collateral and so forth. However, you do meet the qualification for our, for the next step down, but you would have to purchase an insurance program, policy, you'd have to pay an insurance premium. And sure, that insures your loan against default.

Mitchell 26:21

Okay.

Beasley 26:21

And it cost you know X amount of percent or dollars and if you want, so if you want to do that we will go ahead and make you the cash advance. And so, about 30 to 40% of their loans that are in that range up to 150,000. About 30-40% of those loans fall in that category where they're not acceptable to them without the insurance but they require the business owner to carry the insurance, and so that takes the risk off of our back and their back Par Funding's back and puts the risk on the insurance company. And the business owner has to pay the premium to, to insure that loan. And so, they make loans from 5,000 to 500,000, and 5,000 to 150 is, s a, you know, they do a lot of loans in that range. So, 30 to 40% of those loans are probably going to end up with being insured. So, if they're not insured, the company feels like they've got plenty of collateral, they're not worried about it.

Mitchell 27:50

Gotcha.

Beasley 27:52

So, so, so that was a huge step that we just implemented like last November.

They've been, they've been growing and doing quite nicely without that program. But now that's just how, you know, people feel more comfortable like you and it's, you know, it has increased business of course. The second thing that has happened, just the beginning of this year, they, when they don't have enough money coming in from, from investment people like yourself and us advisors bringing it in, they will go out to institutional lenders, and then borrow the money so that they can borrow it, you know, lend it out directly. That money was costing them 18% until January or February of this year, they made, they went back to their original lenders and said, look, we want to we want you to reconsider our loaning strength. You know, here's our track record. We got the financials here to show you and we've got the insurance program put in place. And they ended up, the institutional lenders dropped their lending rate from 18% down to 8%. So, if these big institutional lender lenders said, okay, you guys look good enough that, you know, you're doing well enough and everything's working well, we're going to lower your rate by 10%. I mean, a full 10%, which is more than 50% and, and, and decrease their, their loan interest rate from 18% down to 8%. Then that's a huge statement, you know, that, that those institutional lenders they, they're, they're not going to do that unless, unless they're comfortable. That's like calling your credit card company and saying, okay, I've got a good customer for a long time you I want you to consider reducing my rate from 18% down to 8%. And...

Mitchell 30:13

Geez.

Beasley 30:14

Some will and some won't it's a little different story but

Mitchell 30:18

Yeah.

Beasley 30:19

It's very similar.

Mitchell 30:22

Gotcha. Okay, well this definitely does help out a lot Gary, I really do appreciate the time you took to help kind of help me understand it a little bit more. I, I'm gonna, I'm gonna be needing to head out here shortly. We've got to go back I'm like I said, I'm kind of like in the middle of my lunch too as you're talking so sorry for the fee here the smacking noises.

Beasley 30:51

No, not at all, not at all.

Mitchell 30:53

But, uh, yeah, maybe, maybe once I get back though, we can probably maybe try to get together again soon.

Beasley 31:02

Yeah, sounds, sounds good and I can show you my, my application and note and everything and kind of go over things a little bit closer.

Mitchell 31:17

I gotcha. I listen to, I listen to KLBJ every once in a while, is your, I, and I heard your ad, I was like you know what that does sound familiar? Is it still? Is it, is it still running on the radio net right now or no?

Beasley 31:36

No, it ran its course and it may start again the 20th or the 22nd.

Mitchell 31:45

Of June?

Beasley 31:48

Yeah, I'm debating on whether to run again right now or not, but actually the 17th it may start again on the 17th, but I haven't pulled the trigger on that one yet. But people call and met with several people so I'm working through that. And it's, it's, it's quite, it's quite exciting. I, I wouldn't you know, if there was

some question or problem with this company, I just simply wouldn't represent them I don't want problems in my life. And I don't want my good customers to be a, to feel like they were sold some bill of goods.

Mitchell 32:39

And there hasn't, there hasn't been any problem, view, that at least that you know, of, there hasn't been any problems with these companies that you've mentioned.

Beasley 32:50

Within the companies no none of them they're all, they're, they're all just doing extremely well. It's just all doing quite well.

Mitchell 33:01

Good. Okay, then.

Beasley 33:04

Quite happy with the way things are working.

Mitchell 33:06

Well then, I guess. All right, then well then, I'll when I get back, you know what, we'll talk about it some more. And I'll also I'll make sure to listen up for your ad when I get back. I should be back June 17. I hope to be back in the next couple of days. But uh, definitely if if your radio ad pops up again on June 17. I'll definitely try to look at listen out for it.

Beasley 33:30

I sent you a copy of it, did you did you get that?

Mitchell 33:32

Yeah, I did. But it was a little choppy. I've been having some internet problems here where I'm at, so I don't know if it's, I don't know if it's the internet or it's my computer or something. But it just it was a little choppy.

Beasley 33:50

You might send to your cell phone and see if you can, you can should be able to watch it on your cell phone as well.

Mitchell 33:56

I got, yeah, I might do that. I might I might actually do that. But uh, okay. All right, Gary. Well, I won't take up too much of your time. I know you have a meeting at two o'clock. So I'll go ahead and let you go, man. And, again, thank you for your time and hopefully I'll get to see you soon.

Beasley 34:16

Yeah, sounds good, I look forward to it

Mitchell 34:16

Alright, you have a good day.

Beasley 34:19

Alright, thanks now, you too.

Exhibit 8

Sales presentation of Dean Vagnozzi, CEO and President of Respondent

A thumb drive containing the video recording is being sent via Federal Express to the ALJ

Exhibit 08 Vagnozzi Video Transcript

0:06

This video is designed to introduce you to an investment opportunity like no other.

0:11

If you're looking for double digit investment growth, or investment income, then we invite you to give this opportunity strong consideration and take us up on our invitation to meet in person to learn more.

0:24

Everyone knows that since the market meltdown of 2008, the banking industry has become tougher and tougher on small businesses.

Exhibit 08 Vagnozzi Video Transcript

0:33

Banks are lending substantially less money than ever before.

0:37

They require more and more paperwork during the process, and they are taking longer than ever to approve loans.

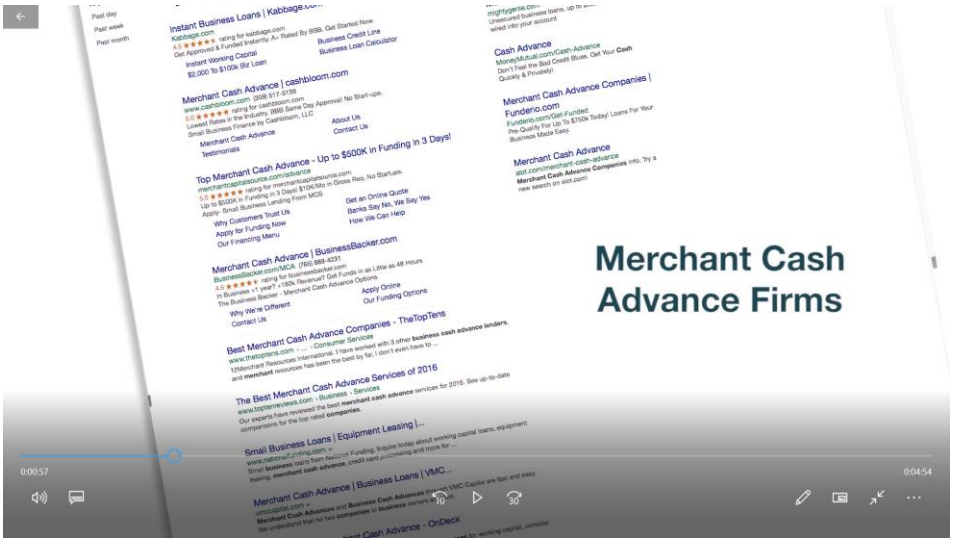
0:44

As a result, the merchant cash advance industry has experienced tremendous growth since 2008.

0:51

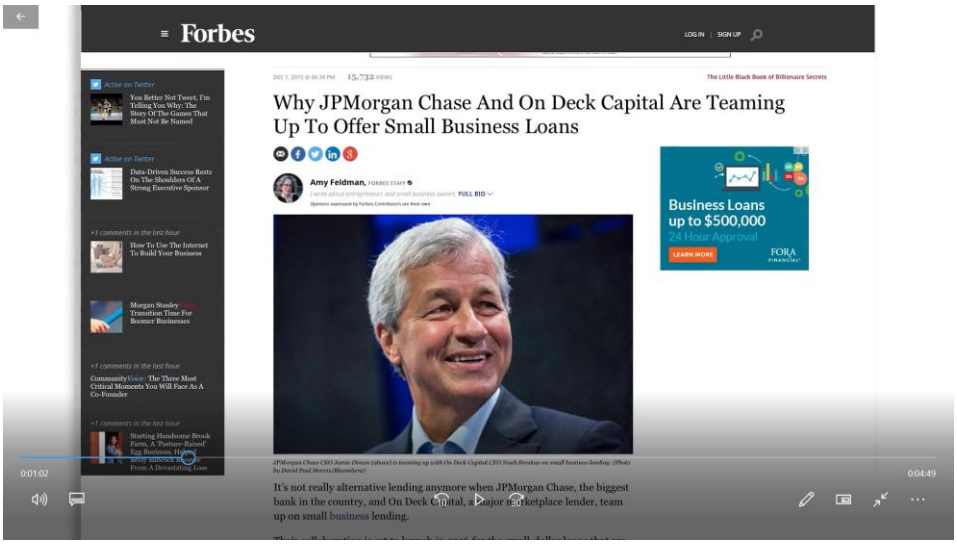
If you do your research, you'll see that there are plenty of institutions and high net worth individuals profiting from the merchant cash advance explosion.

Exhibit 08 Vagnozzi Video Transcript



1:01

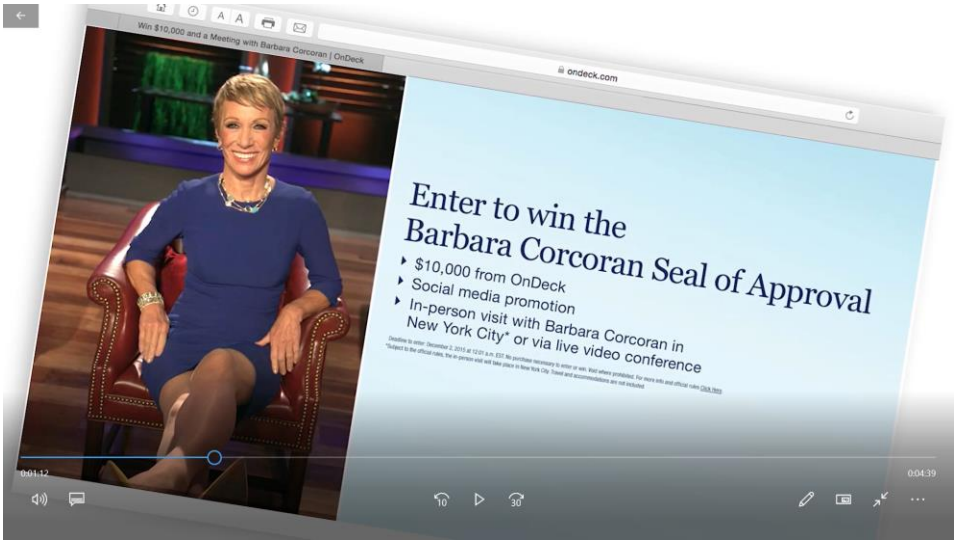
Recently, JP Morgan invested 650 million dollars with On Deck Capital, the largest merchant cash advance player in the industry.



1:11

Barbara Corcoran from the hit show Shark Tank has become On Deck's spokesperson, Kevin O'Leary, also from Shark Tank has partnered with IOU Financial, another major player in the merchant cash advance industry.

Exhibit 08 Vagnozzi Video Transcript



1:26

Why do you think JP Morgan and other high net worth people are investing in the merchant cash advance industry.

1:33

They're investing because the profits are massive. And now you're going to be able to get into the game as well and invest like the big boys.

1:43

In short, merchant cash advance lenders provide growth opportunity loans to small businesses. they lend anywhere from $5,000 to $250,000.

Exhibit 08 Vagnozzi Video Transcript

1:56

Usually within 48 hours.

1:58

These loans are given to financially sound companies that have been in business for several years and have a track record of strong daily cash flow coming into their business bank account.

2:10

I want to stress that these loans are given to financially sound companies.

Exhibit 08 Vagnozzi Video Transcript

2:16

These are not loans given to companies that are struggling to make payroll.

2:20

These are opportunistic business loans in that the money is generally used to expand an already successful business.

2:30

The loans are usually paid back to the merchant cash advance lender within 100 days and are done so utilizing an ACH transaction.

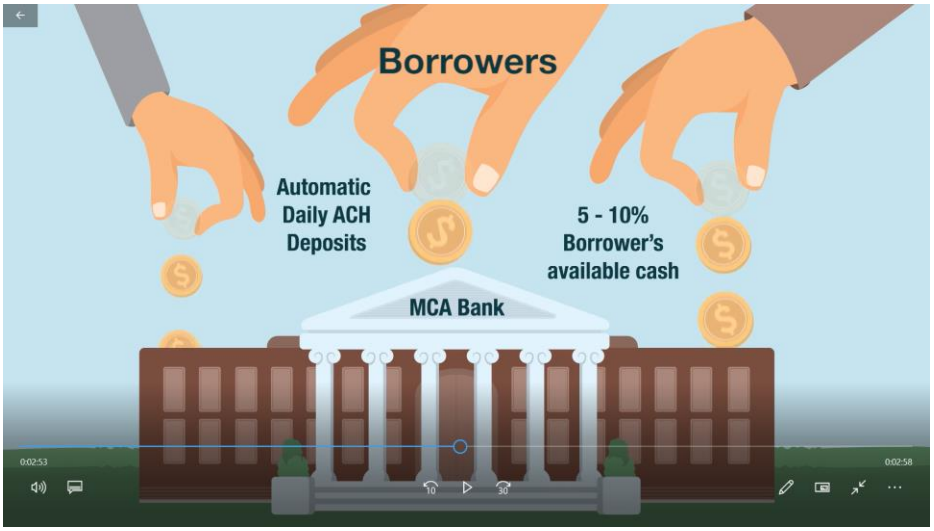
2:38

So in other words, the merchant cash advance lender automatically withdraws a payment every single business day from the bar and company.

2:48

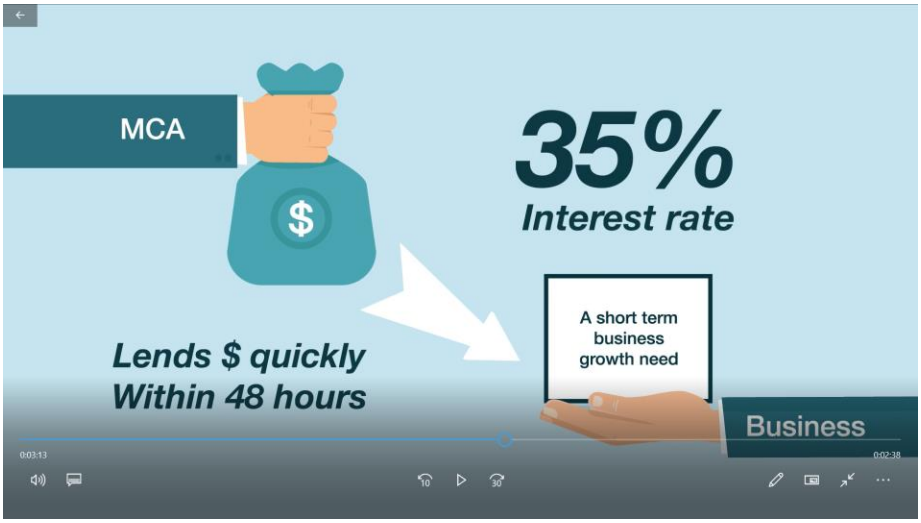
These payments are typically five to 10% of the borrower's available cash, and again, the loan is usually paid off in full in less than 100 days.

Exhibit 08 Vagnozzi Video Transcript



2:59

Since The merchant cash advance industry lends money so quickly, again usually within 48 hours, they typically charge the borrower an interest rate of at least 35%. Yes 35%.



3:14

So why would any company pay such a high interest rate? Remember, these are opportunistic business loans, which are allowing these small companies to expand their already profitable business.

3:27

For example, a small construction company wins a bid to complete a large job that will allow them to earn $100,000 in profits. But in order to complete the job, the construction company needs to purchase

$25,000 in equipment. The construction company doesn't have time to wait one month or two months for a bank to approve a loan.

3:51

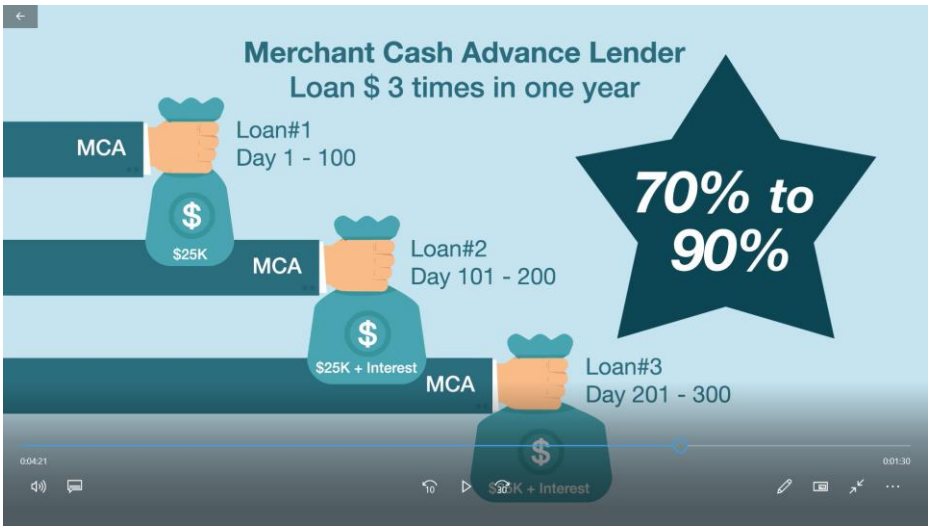
merchant cash advance lenders provide the funding that allows small businesses to seize the moment and make serious profits.

4:00

As a result, these small companies are not worried about the high interest rate that the money will cost them.

4:06

Because the loans are usually paid back within 100 days, the merchant cash advance lender can reloan this money three times within a year, which allows them to generate 70 to 90% profits. Yes 70 to 90% profits.



4:26

So where do you think many merchant cash advance lenders get the money to give the borrowers they get the money from investors like you.

4:36

That's where. Because they are making such a large profits, the merchant cash advance lenders can afford to pay you an extremely attractive rate of return. Generally, between 8 and 14%.

Exhibit 08 Vagnozzi Video Transcript

4:52

Now you'd have a good understanding of the industry. We'd like to introduce you to one of the best merchant cash advance lenders that you can find.

5:00

We've partnered with this extremely profitable Philadelphia based lender to allow sophisticated investors the opportunity to get fantastic investment returns, secured by the time of this recording over 120 million dollars in collections that they have coming due over the next 100 days alone.

5:21

This company has an impressive default rate of less than 1%.

Exhibit 08 Vagnozzi Video Transcript

5:27

You'll have the opportunity to visit their offices and meet their executive staff to determine if this investment is right for you.

5:35

To arrange for a convenient time to meet and discuss this investment in greater detail. Reach out to us using the number and email on your screen. We look forward to hearing from you

5:46

Exhibit 08 Vagnozzi Video Transcript

(484-425-7393 SHANNON@ABETTERFINANCIALPLAN.COM)

Exhibit 9

PAR Funding Website

PAR FUNDING

Call Us : (855)-382-1908 LOGIN

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MORE ACCESSIBLE, AFFORDABLE CAPITAL FOR ALL

All fields are mandatory

Amount needed?

Enter amount in $

Monthly reve

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Years in business?

Repayment t

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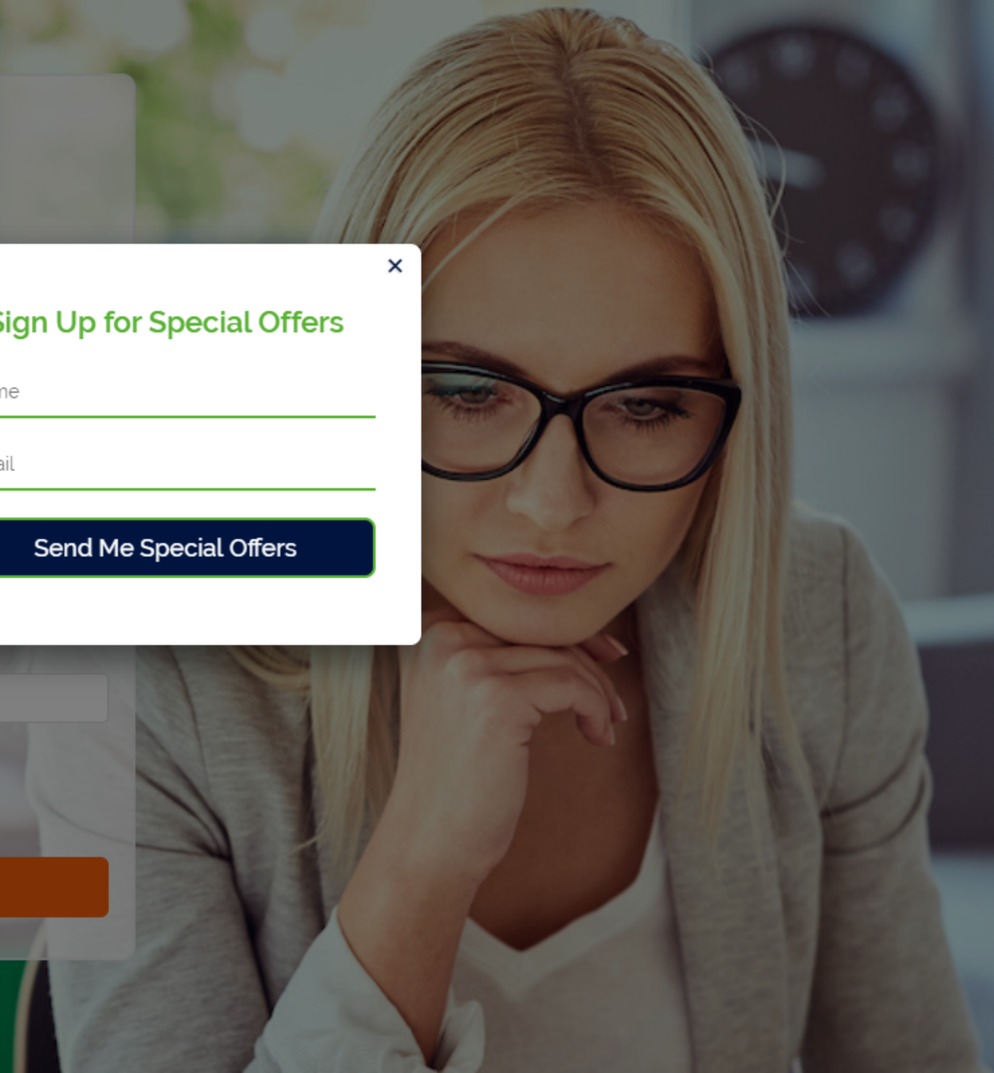

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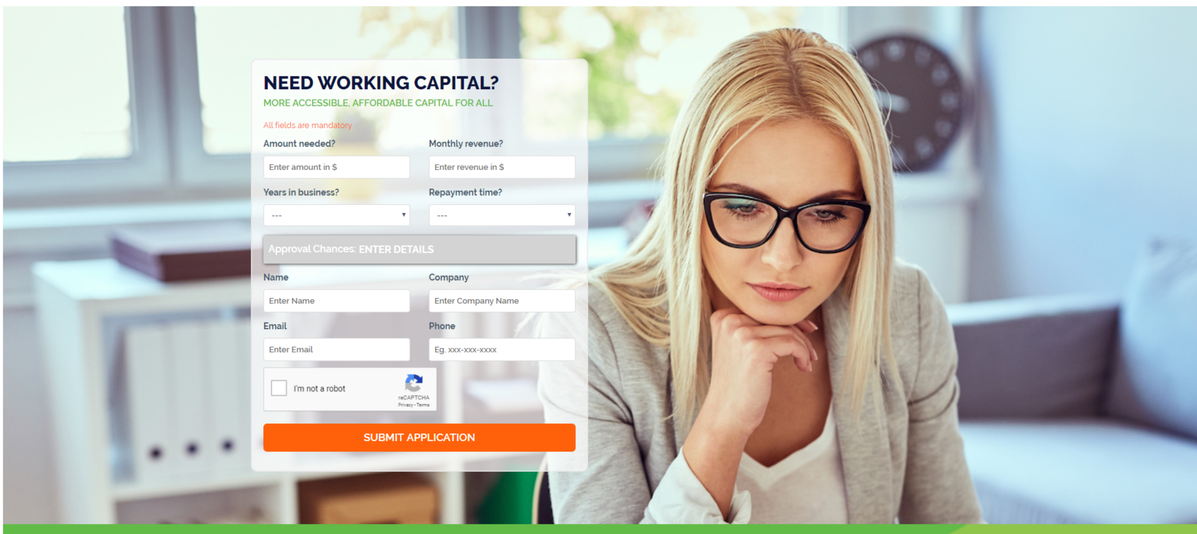

4-48 hours QUICK PROCESSING

5000 BUSINESSES FUNDED

SEE TESTIMONIALS

SECURE APPLICATION

MORE ACCESSIBLE, AFFORDABLE CAPITAL FOR ALL

DECISIONS BASED ON BUSINESS POTENTIAL, NOT CREDIT SCORE.

We believe that the financial strength of your company is the key to our approval process. Only 1 year in business and 3 months of bank statements are required to get started.

WORKING CAPITAL PROVIDED IN 4-48 HOURS.

Par Funding can provide the cash you need now. You can qualify for up to $500,000 in as little as 4 hours with our immediate working cash advance.

ACCESS YOUR ONLINE ACCOUNT 24/7.

Use our secure online portal and check balances, payments and apply for additional working capital any time.

GET WORKING CAPITAL IN 3 STEPS

Access your working capital within 4-48 hours.

APPLY ONLINE

GET APPROVED

ACCESS CAPITAL

ABOUT US

HARD MONEY

OUR CUSTOMER EXPERIENCES

"It has been an absolute pleasure to do business with Par Funding. From the first moment, they were very helpful in providing me with custom tailored solutions for my financial needs. The process has been extremely efficient and tight timelines were met exactly as promised. Joe and his team were responsive to our needs and solved unexpected issues in the shortest time possible.

Forthrightness and honesty is not the hallmark of this industry but has been exactly our experience with Par Funding. I will definitely come back Par Funding and recommend them to others to help them meet short term financial goals.

-Fawzi S.
Hungry Howies

"In the last year we opened a second location, and operating capital can make or break a location. We have been very successful in our first location, but launching the second one has been tenuous, but with PAR's help this second location has met the same sales as the first in less than a year, and the good news is this location is 3 times the size of the first, so more room to expand our catering business and other opportunities. PAR funding has been a tremendous comfort and help to us in building our business and helping us to be able to grow.

Joe and Ashley in particular have been very helpful, and have only been a phone call away when needed. Not to mention they are prompt and expedite the process very quickly.

This has meant the world to us.

-Kelly, Kreg & Jan
Wilma & Frieda's

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Par Funding has helped over 5000 clients and has funded over $600M since 2013. We pride ourself in strengthening the core of American economy by helping small and mid-size businesses access working capital when it matters the most. We are looking forward to help your business next. Apply within 5 mins and access working capital in 4-48 hours upon approval.

Hard Money

Opening dates. Union strikes. Unstable foundations. There are countless variables in commercial real estate construction, and issues can arise at any time. Hard Money keeps projects on track and investors satisfied.

Who Does Hard Money Benefit?

Hard Money benefits commercial real estate developers working on new construction projects or building rehabs and renovations. You may consider Hard Money if:

- You're waiting for long-term investments while maintaining tight construction deadlines.
- Your rehab or renovation project faces more complex issues than initially expected.

Our Experience

Par Funding is experienced in the commercial real estate investment market. Our team can help you anticipate costs or other potential issues and develop a flexible payment plan to ensure our services best meet your individual needs.

No matter the cause, our team can help you find the best financial solution to keep your project on track.

NEED WORKING CAPITAL?

ACCESS CAPITAL FOR YOUR BUSINESS IN 4-48 HOURS.

All fields are mandatory

Amount needed?

Enter amount in $

Monthly revenue?

Enter revenue in $

Years in business? ---

Repayment time? ---

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Venture Capital

Discovering a startup opportunity is exciting: the desire to bring an innovative product or service to the masses can sweep you up and drive you to hit the ground running.

But when you have short windows to lock down investments, Venture Capital can help you keep moving forward.

Who does Venture Capital benefit?

Venture Capital benefits high-growth startups with proven business models. You may seek Venture Capital if:

- You need access to working capital while waiting on a long-term investor.
- You're facing tight deadlines to seize opportunities.
- Unexpected costs occur.

Our Experience

Par Funding offers Venture Capital to business owners who are in a phase of growth or advancement. We believe in clients who have strong ideas and show a dedication to seeking out opportunities to expand their business.

We don't just provide you with funds. We want to be your advocate and mentor. Many of our team members have firsthand experience with running startups and small businesses.

When you have an inventive product or service and believe in its ability to improve the lives of your customers or industry, we're here to back you up.

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Invoice Factoring

When your business receives payments using an invoice system, you may get stuck chasing clients for unpaid bills. Your employees have already done the work, and they need to get paid. Or maybe you need equipment repaired before taking on a new job.

Who Does Invoice Factoring Benefit?

Invoice Factoring benefits small business who utilize invoices to receive payments from clients. You may seek Invoice Factoring if:

- Late payments from clients are affecting your ability to operate.
- Your clients pay on time, but you need immediate access to funds due to unexpected issues.

Our Experience

Par Funding values your time. We understand that the less you worry about organizing payments, the more time and focus you can dedicate to successfully running your business.

With our flexible Invoice Factoring model, payments are automatically deducted when your clients pay their invoices.

Don't wait for your clients. Receive immediate funds and let us take care of your payments.

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Supply Chain Financing

If your business depends on multiple suppliers to provide your products, it can be difficult to manage multiple payments and production deadlines. Often, cash can become trapped in your supply chain and leave you struggling to support your internal team or other operations costs.

Who Does Supply Chain Financing Benefit?

Supply Chain Financing (also known as Reverse Factoring) provides working capital to your suppliers when they need it. You may seek this financing if:

- Your suppliers need fast access to working capital when they face snags in production.
- Inconsistent invoice payments disrupt your ability to pay suppliers on time.

Our Experience

Par Funding offers Supply Chain Financing to businesses who need secure access to their revenue in order to maintain internal operations costs. We understand that juggling payments between consumers and suppliers can cause hardship.

We're here to help you avoid interruptions and let you focus on running your business.

Avoid supply chain traps, protect your suppliers from delays, and pay your employees on time. All with peace of mind.

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About Us

More Accessible, Affordable Working Capital for All

Par Funding strives to help small businesses gain access to necessary funding for day-to-day operations and growth. We offer honest, transparent financial solutions through exceptional customer support.

A Strong, Dedicated Team

Par Funding follows the latest innovations and financial solutions to provide the cost-effective options our clients deserve.

Our growth, at a glance:

- ACH payments from $1M in 2013 to $1B in 2018
- Funded over 5000 businesses to date
- Over $600M in funding since 2013

Our growing assets and ability to help small business leaders continues to strengthen, and that means we can help more business owners. When you need help, we offer the opportunities you deserve.

Why We Do This

Many of our team members have firsthand experience with running their own business. We know how overwhelming it can feel when you can't find enough cash to move forward, cover the bills, or get to the next 'peak' season in your industry.

Most businesses fail because of a lack of cash.

At Par Funding, we work to find innovative ways to help you get the financial resources you need. We focus on the future success of your business.

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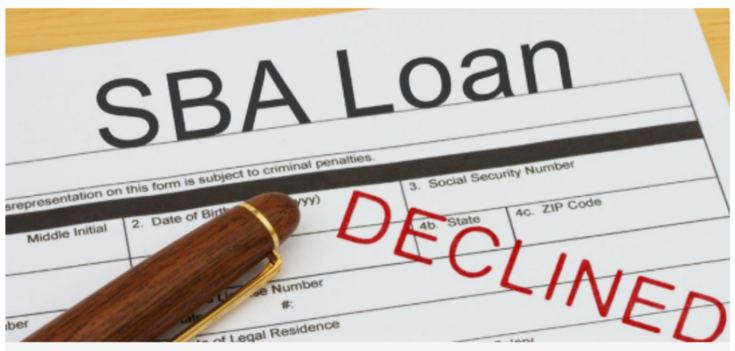
Blog

All Business Finance Small Business Tips



Top 4 reasons why your small business loan application was declined

It was tough enough to sit there and fill out the paperwork for a small business loan. Your palms were getting sweaty, your heart rate had increased, and your hands were shaking by the time you submitted the paperwork. You smiled in the clerk and he smiled back, but you went back to your business [...]

Read more

How Much Do You Understand About Your Business' Cash Flow?

Without cash flow, no business will survive. It is often considered the lifeblood and if you run low or completely out of workable cash, it can cause serious problems. It can make it almost impossible to purchase inventory, pay the utilities, cover your lease, and even pay employees. Unfortunately, not enough business owners are intimately [...]

Read more

Prepare your business to take Full Advantage of the End of the Year Holidays

The end of the year is the time when most retail businesses move from operating in the red (at a loss) to the black (at a profit). Consumers are rushing out to get gifts and other great deals before those holidays are upon us.

There are ways to capitalize on this and take full advantage

Read more

25 Best Apps/Tools to Help Businesses Be More Efficient

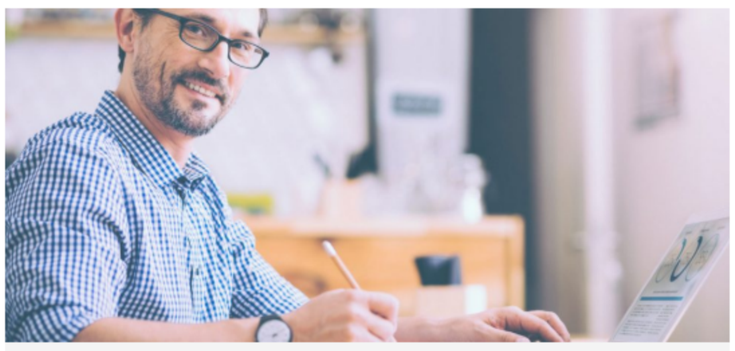
Operating a business requires many hats. Most small business owners attempt to wear as many of these hats as possible in order to reduce operating expenses (ie., having to pay employees to do these basic tasks). With smartphone technology, mobile apps, and 'the cloud,' it is becoming easier to streamline some of these processes.

Read more

Understanding the Key Differences Between Loans, Cash Advances and Factoring

It's not always easy trying to figure out the right financial product for your particular small business. You will be confronted with the prospect of getting a loan, a cash advance, or maybe an opportunity for factoring. Not all of these are going to be ideal for every situation.

Read more



5 Financial Best Practices Of Successful Entrepreneurs

Businesses led by entrepreneurs that follow financial best practices have been known to consistently outperform their competitors both in terms of their annual revenues as well as a happier and more loyal customer base.

Read more

Grow Your Small Business with 10 simple and effective tips

Laying the foundation of your startup business venture is essentially only half the battle, with the other half being acquiring new clients and propelling the company towards sustainable growth and expansion. Here are 10 amazing tips that might come in handy for ensuring consistent growth of your small business.

Read more

Manage Your Business Cash Flows with these Smart Financial Strategies

Managing your day-to-day operational cash flows is critical to the success of your business enterprise. Regardless of however impressive your profits might be, an inability to manage the simple intricacies of your cash inflows and outflows can essentially damage the health of your company.

Read more

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In the News

NEWS ARTICLES

MARCH 7, 2019

Joseph Laforte shares what the biggest obstacles for money-savvy millennials

https://foreignpolicyi.org/joseph-laforte-shares-what-the-biggest-obstacles-for-money-savvy-millennials/

SOURCE: FOREIGN POLICY

PRESS RELEASES

APRIL 16, 2019

Par Funding's Joseph Laforte Announces Most Competitive Factor Rate in the Industry

https://www.wrcbtv.com/story/40318378/par-fundings-joseph-laforte-announces-most-competitive-factor-rate-in-the-industry

SOURCE: NBC3

APRIL 16, 2019

Par Funding's Joseph Laforte Announces Most Competitive Factor Rate in the Industry

https://www.nbc-2.com/story/40318378/par-fundings-joseph-laforte-announces-most-competitive-factor-rate-in-the-industry

SOURCE: NBC2

APRIL 16, 2019

Joseph Laforte – Par Funding Announces New Competitive Factoring Rates

https://dallas.citybizlist.com/article/543579/joseph-laforte-par-funding-announces-new-competitive-factoring-rates

SOURCE: CITY BIZ LIST

MARCH 28, 2019

Joseph Laforte – Par Funding Helps Keep the Dream Alive for Commercial Developers and Home Flippers

https://finance.yahoo.com/news/joseph-laforte-par-funding-helps-170500289.html

SOURCE: YAHOO! FINANCE

MARCH 28, 2019

Joseph Laforte – Par Funding Helps Keep the Dream Alive for Commercial Developers and Home Flippers

https://www.marketwatch.com/press-release/joseph-laforte—par-funding-helps-keep-the-dream-alive-for-commercial-developers-and-home-flippers-2019-03-28

SOURCE: MARKETWATCH

MARCH 28, 2019

Joseph Laforte – Par Funding Helps Keep the Dream Alive for Commercial Developers and Home Flippers

https://markets.businessinsider.com/news/stocks/joseph-laforte-par-funding-helps-keep-the-dream-alive-for-commercial-developers-and-home-flippers-1028067841

SOURCE: MARKETS INSIDER

FEBRUARY 21, 2019

Joseph Laforte of Par Funding Announces Unique Short-Term Factoring Solution for Restaurant & Hospitality Industry with Pick Your Pay Day

http://www.wfmj.com/story/40003813/joseph-laforte-of-par-funding-announces-unique-short-term-factoring-solution-for-restaurant-hospitality-industry-with-pick-your-pay-day

SOURCE: WFMJ

FEBRUARY 21, 2019

Joseph Laforte of Par Funding Announces Unique Short-Term Factoring Solution for Restaurant & Hospitality Industry with Pick Your Pay Day

https://newyork.citybizlist.com/article/543579/joseph-laforte-par-funding-announces-new-competitive-factoring-rates

SOURCE: CITY BIZ LIST

FEBRUARY 21, 2019

Joseph Laforte of Par Funding Announces Unique Short-Term Factoring Solution for Restaurant & Hospitality Industry with Pick Your Pay Day

https://www.weny.com/story/40003813/www.parfunding.com

SOURCE: WENY NEWS

JANUARY 31, 2019

Par Funding Now Offers Unique Consolidation Program to Help 'Stacked' Merchants

https://www.abc-7.com/story/39885791/par-funding-now-offers-unique-consolidation-program-to-help-stacked-merchants

SOURCE: ABC7

JANUARY 24, 2019

Par Funding's Joseph Laforte Helps Service Disabled Veteran-Owned Company Expand by 30% in 2018

http://www.fox21delmarva.com/story/39846046/par-fundings-joseph-laforte-helps-service-disabled-veteran-owned-company-expand-by-30-in-2018

SOURCE: FOX21

JANUARY 24, 2019

Par Funding's Joseph Laforte Helps Service Disabled Veteran-Owned Company Expand by 30% in 2018

http://www.wsiltv.com/story/39846046/par-fundings-joseph-laforte-helps-service-disabled-veteran-owned-company-expand-by-30-in-2018

SOURCE: ABC3

JANUARY 24, 2019

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https://www.snntv.com/story/39846046/par-fundings-joseph-laforte-helps-service-disabled-veteran-owned-company-expand-by-30-in-2018

SOURCE: SSN NEWS

JANUARY 16, 2019

Par Funding : Joseph Laforte At Par Funding Announces Short-term Funding Deal That Saves C&D Coal Company from Bankruptcy

https://www.marketwatch.com/press-release/joseph-laforte-at-par-funding-announces-short-term-funding-deal-that-saves-cd-coal-company-from-bankruptcy-2019-01-17

SOURCE: MARKETWATCH

JANUARY 16, 2019

Par Funding : Joseph Laforte At Par Funding Announces Short-term Funding Deal That Saves C&D Coal Company from Bankruptcy

https://www.owler.com/reports/par-funding/press-release-par-funding—joseph-laforte-at-par/1548800881342

SOURCE: OWLER

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Contact Us

Connect with our team and learn which alternative lending solution is right for your business.

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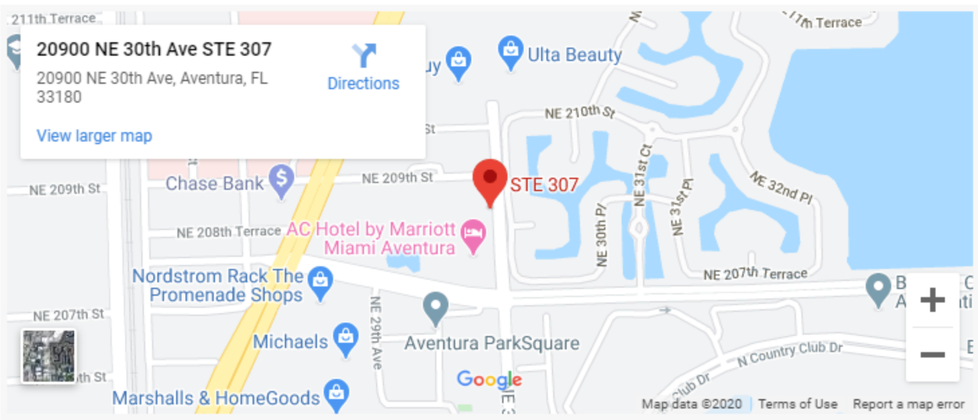

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Par Funding and its subsidiaries (collectively, "Par Funding", "us", "we", or "our") are committed to maintaining your confidence and trust as it relates to the privacy and usage of your information. Please read below and learn how we collect, protect, share, and use your information as part of our technology platforms, and all of our products and services.

This privacy policy applies to this site https://www.parfunding.com

1. Information We Collect :
   - Personally Identifiable Information:We collect personally identifiable information that can identify you such as your name, address, telephone number, mobile number, email address, and Social Security Number (collectively, "Personally Identifiable Information" or "PII"). PII could also be information you provide on others, such as co-borrowers.
   - Non-Personally Identifiable Information: We also collect information such as demographic data, data about your online activity, and other information which could not be used to identify you (collectively, "Non-Personally Identifiable Information" or "NPII").
   - Information: PII and NPII are known together as "Information".

2. How We Collect Information
   - Information provided by you:Information is collected from you when you enter information in connection with an inquiry into our services. This Information could be provided via an online form, over the phone, or via other means in which you interact with our services.
   - Information from service providers:Information is collected from third party service providers, such as credit bureaus and service providers who may have data on your financial profile, home, or other demographic information.
   - Information from cookies and other tracking technologies: Like many websites, we use cookies, web beacons, and similar technologies to record your preferences, track the use of our Site and collect Information. This information may include internet protocol (IP) addresses, browser type, internet service provider (ISP), referring/exit pages, operating system, date/time stamp, and/or clickstream data. We may combine this automatically collected log information with other Information we collect about you. You may choose to set your web browser to refuse cookies, or to alert you when cookies are being sent. If you do so, please note that some parts of our Site may not function properly.

3. How We Use Your Information: In General:We may use Information to:
   - Deliver the products and services you requested
   - Improve customer service
   - Improve our Site
   - Personalize your user experience
   - Communicate with you about products or services that may be of interest to you
   - Manage our business

4. Who Do We Share Your Information With?
   - CBSG(Complete Business Solutions Group): We may share your Information with the Complete Business Solutions Group, which is our holding company.
   - Network Partners: In submitting an inquiry for a financial product or other service provided through this website, you agree that Par Funding may share your Information with lenders and other third parties which provide services to our consumers (including, for example, real estate agents or debt relief companies) in our network (collectively, "Network Partners") to deliver the products and services you requested. PLEASE NOTE:the Network Partners with which you are matched may retain or use your Information whether or not you use their services. You should contact these Network Partners directly concerning their privacy and information sharing practices.
   - Par Funding Vendors: We may share your Information with vendors that perform certain services on our behalf ("Par Funding Vendors") including, but not limited to, credit bureaus, marketing partners, or entities providing business analysis and/or website or product support.
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     - When we believe disclosure is appropriate in order to investigate, prevent, or take action regarding actual or suspected illegal activity or other wrongdoing; to protect and defend the rights, property, or safety of the Par Funding Business, our users, our employees, or others; or to enforce our Site's terms and condition or other agreements or policies.
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   - Unsubscribe: If at any time you do not wish to receive communications from the Par Funding Business, you may email to unsubscribe@parfudning.com to unsubscribe. There may be an unsubscribe link at the bottom of emails sent from the Par Funding Business.
   - Advertising on third party sites: We may use third-party tracking technology. This technology allows targeted advertisements to you from Par Funding Business. Some of these advertising companies may be networks that are members of the Network Advertising Initiative which offers a single location to opt out of ad targeting from member companies. The opt-out is available at http://optout.networkadvertising.org/#!/

6. Updating and Accessing Your Information
   - The appropriate method(s) for accessing your Information, if any, will depend on which Site or services you have used. Depending on the respective Site or service, you may have the ability to view or edit some of your Information online. If you have submitted a funding request with a Par Funding Business, you can update your personal information by contacting our Customer Care Department at info@www.parfunding.com . Our address is 20 N 3rd St, Philadelphia, PA 19106.

7. How We Protect Your Information
   - We take what we believe to be industry standard security measures (including physical, electronic, and procedural measures) to help safeguard your Information from unauthorized access and disclosure. We also require employees to comply with information security safeguards, we use encryption in the transmission of your Information between your system and ours, and we use firewalls and other intrusion detection and prevention controls to help prevent unauthorized persona from gaining access to your Information.
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8. Changes to this Privacy Policy
   - Par Funding has the discretion to update this privacy policy at any time. When we do, we will revise the date at the bottom of this page. We encourage you to frequently check this page for any changes to stay informed about how we are helping to protect the Information we collect. You acknowledge and agree that it is your responsibility to review this privacy policy periodically and become aware of modifications.

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    - Use of Intercom Services: We use third-party analytics services to help understand your usage of our services. In particular, we provide a limited amount of your information (such as your email address and sign-up date) to Intercom, Inc. ("Intercom") and utilize Intercom to collect data for analytics purposes when you visit our website or use our product. Intercom analyzes your use of our website and/or product and tracks our relationship so that we can improve our service to you. We may also use Intercom as a medium for communications, either through email, or through messages within our product(s). As part of our service agreements, Intercom collects publicly available contact and social information related to you, such as your email address, gender, company, job title, photos, website URLs, social network handles and physical addresses, to enhance your user experience. For more information on the privacy practices of Intercom, please visit https://www.intercom.com/terms-and-policies#privacy. Intercom's services are governed by Intercom's terms of use which can be found at https://www.intercom.com/terms-and-policies#terms. If you would like to opt out of having this information collected by or submitted to Intercom, please contact us.

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    - If you have any questions about this privacy policy, the practices of any Par Funding Business, or your dealings with a Par Funding Business, please contact us at:
      Compliance Officer
      Par Funding
      20 N 3rd St
      Philadelphia, PA 19106
      Or
      privacy@www.parfunding.com
      This document was last updated on 11/02/2017

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Exhibit 10

Recorded undercover conversation with Perry Abbonizio

A thumb drive containing the audio recording is being sent via Federal Express to the ALJ

Transcript
Exhibit 10 Abbonizio Transcript

Mitchell 0:08

Hello,

Abbonizio 0:09

Earl, good morning to you, Perry Abbonizio. How are you, sir? I apologize, you've been, Perry Abbonizio with Par Funding.

Mitchell 0:18

Oh, okay. Okay. Yes. Yes. Well, thank you for returning my...

Abbonizio 0:23

Am I getting you at a bad time, sir?

Mitchell 0:25

Oh, no, no, no, no, no, this is fine. This is fine. I appreciate you giving me the call back. I greatly do appreciate it. I had been...

Abbonizio 0:34

So How can I help you, sir?

Mitchell 0:36

I had been trying to get ahold of somebody with Par Funding, simply because I wanted to try to do I wanted to try to do my due diligence and finding out, you know, how you guys are all connected and make sure that you know if I can actually make sure that if I can actually call somebody that I would actually get somebody on the phone and actually speak to someone. My name is...

Tierney 1:00

Ok, regarding what, sir?

Mitchell 1:02

.... regarding some investments. My Name Is Earl Franklin. I live here in Texas. I live in the Austin area. And I've been I've been speaking to a gentleman here who is a, an agent, I believe, or I guess he owns his own company. It's called, his name is Gary Beasley he is with Encore.

Abbonizio 1:26

Yes indeed, yes, I know Gary very well, thank you.

Mitchell 1:28

Oh, okay. He's He's with a company, he owns this company called Encore Financial Solutions.

Abbonizio 1:35

Sir, I'm very familiar, let me stop you right there. Gary is one of 45 people that I have throughout the United States that meet with potential investors and like yourself and gather investment capital for us to help us grow our business through a private placement memorandum.

Mitchell 1:56

Okay.

Abbonizio 1:57

That’s what Gary, that's what Gary manages, so I know the whole process you're talking to the right individual. They're all under my bailiwick. So how can I, how can I be of assistance.

Mitchell 2:07

Well, I just wanted to well, Gary has been very, very kind and he's a very patient person. And he's been very patient with me. And I just I told him that, you know, I, as much as I am prepared financially to make this investment, I just want to make sure that I do my due diligence and find out who you guys were because he showed me a bunch of graphs and, and, and tried to explain it to me the best way he could on how the funds kind of get moved around. And he named a bunch of other companies and I'm just trying to make sense of it all. And so, I just wanted to make sure that if I actually said, Can I talk to somebody at Par Funding, could I get somebody.

Abbonizio 2:48

You're speaking to him right now, yes indeed. You, you actually were given my cell phone and left me a message my cell phone is 215-740-1428 and I'm a principal owner of this company.

Mitchell 3:08

Okay, okay. And would you say...

Abbonizio 3:13

So, let's, let's start right there you're already talking to the person you should be talking to?

Mitchell 3:16

Okay, well I greatly appreciate that. I really do. What, What did you say your last name was? I'm so sorry.

Abbonizio 3:23

Abbonizio. A-b-b-o-n-i-z-i-o.

Mitchell 3:29

Gotcha. Okay. Okay. All right. Well, Mr. Perry, sir, Abbonizio. I thank you for your time. I just simply wanted to make sure that, you know, you know, the information that Gary's was provided to me was, you know, of course, you know, sufficient and an actual and, you know, again, he gave me the name of another company to called it A Better Financial Plan. He had kind of explain their role, as well.

Abbonizio 4:00

Yes, A Better Financial Plan does the management for Gary's fund. Meaning they, on a monthly basis, will pay you the agreed upon interest that you would receive based on your investment level in his fund. Gary manages the fund, collects the assets, but relies on A Better Financial Plan to segregate and distribute the monthly distributions to his clients. So, there's total objectivity.

Mitchell 4:37

Okay. Okay.

Abbonizio 4:39

Make sense?

Mitchell 4:40

Yes.

Abbonizio 4:41

So, what can I help you with in terms of familiarizing you with the company itself?

Mitchell 4:46

I just want I just not much more than that. That's all I really wanted. I wanted to simply say, you know, I, as I told Mr. Beasley you know, a while back I told him I was like, you know, if I were to get somebody On the phone, could I actually talk to somebody if something were to happen?

Abbonizio 5:03

Oh absolutely, are you sure you don't want me to give you an overview of what we do? How well we do it, I'm happy to do that.

Mitchell 5:11

Well, sure, yes, please, if I don't, if you don't mind if I'm not taking up too much of your time.

Abbonizio 5:17

Sir, I don’t mind at all, if you're if you're giving this serious consideration, I'm happy to spend a few minutes and make it worthwhile for you.

Mitchell 5:28

Well, yes,

Abbonizio 5:29

We are a merchant, we're a merchant cash advance company. Merchant cash advance as a sector of the US economy was formated 1995. And its mission statement is to provide opportunistic, expeditious within three days, growth capital for small business USA. That's the mission statement. Generally speaking. Unfortunately, when we formated as an industry group, the US economy was in very little need for what we had to offer because your banks, mortgage companies, financial advisory firms and brokerage firms. If you go back, what's your age Earl? If I may ask?

Mitchell 6:18

I am 37.

Abbonizio 6:20

Ah, you're a little young, ok? So, this may preclude you but back in the late 90s through 2008. Your banks, insurance, mortgage and financial firms were proliferating the marketplace with easy lending, giving capital to every and all, regardless of their underwriting worthiness. It led to the bubble in 2008, where the US economy almost entered a depression.

Mitchell 6:55

I'm familiar. Yeah.

Abbonizio 6:57

Okay, well to the rescue of small business post 2008 we came off the bench in the game, if you will, and merchant cash, as an industry almost single handedly sustained small business which is the backbone of the US economy because your banks, even speaking today have no interest in funding on a quick basis loans 5000 to 200,000 they have very little interest. So, we have been able to captivate that market share as an industry group. Our company got started in 2013 and in six years we got started with $2 million in friendly and family seed capital. And six and a half years later, we've grown from 2 million to 520 million could easily be double that. But we have the most conservative underwriting in the industry. The industry averages about a 19% default rate. Meaning if they give out 100 advances to small businesses, 19 of the recipients of those advances can't meet their daily obligation.

Mitchell 8:27

Gotcha.

Abbonizio 8:28

Did Gary, did Gary, explain how we collect our money from the merchants? Did he take you through a presentation?

Mitchell 8:37

He did. He did it was quite a while ago that he had spoke to me about that. But if he...

Abbonizio 8:45

We give small business what is known as a cash advance, based on their future receivables, we're technically a factoring company and we will give anywhere from 5000 to a half a million dollars to a small business. But the average advance that we put forth down out on the street it's about $65,000. So, it's small and unlike a traditional bank that wants, we take a loan from a bank, what do we do, Earl? We pay them back every month, mortgage payment installment loan, with a cash advance when we give XYZ company the money on Thursday, the 16th of January. We make our first payment. We collect our first payment from the merchant the very next day and for every working day thereafter, till the term of the relationship expires, which is typically 100 working days, or five months. If you're looking at a calendar. It's a very short relationship, which is a benefit of our model. And we, unlike banks, don't rely on the acquirer of the advance to mail in the check to us, we go right into their checking account and debit their account every single day. And pool the agreed upon principle and factor fee rate. It's a great model. We take in about $9 million a week from some 3800 merchants that are in our diversified portfolio. And when you invest in Gary's fund, you invest in the entirety of our portfolio. It's not just the companies that we add today. It's the 3800 and growing number of merchants that we have, that we service on a daily basis, so it's very diversified and the key to the whole investment, and the reason Gary is eager to have you invest, is I referenced, our competition averages 19 defaults in the money they give out. Meaning 19 merchants aren't able to make the payment every day. Our underwriting is superior and through a six-and-a-half-year period, we only have a 1% default rate. That's the whole thesis for, for our investment strategy. We're the best underwriters in the industry, we protect your money and ours frankly and that's the key to our success. And when you talk to Gary, he can take you through exactly how we underwrite but that's the whole, that's the whole model.

Mitchell 12:01

Yeah.

Abbonizio 12:02

It's protecting the money you give your money to Gary; Gary pays you 10 to 14% interest monthly. Gary gives us the money helps us grow because we put it out and probably make about 38% on every advance that we put forth in the marketplace. So, we get paid handsomely, and we pass on a good bit of

that profit to you, and Gary, for that matter. So, it's a wonderful model. Last year, I think I raised 270 million through people like Gary and others. And I probably have a little over 1200 investors, like yourself, hopefully, and that number grows each and every month. So, we've got a we've got a wonderful, wonderful platform. If you'd be so kind and you want to text me your email, I could send you some some reading material that would be helpful.

Mitchell 13:08

That would be fantastic. I would greatly appreciate that.

Abbonizio 13:12

So, when we conclude on this number, simply reply giving me a text and I'll be happy to help get you on board?

Mitchell 13:24

Okay. Well, that's that. That definitely sounds great. And I greatly appreciate your time. And thank you very much. And thanks to Mr. Beasley too. He's been he's been, you know, very informative with all the information that you guys are doing. So, thank, thank you. Thank you both.

Abbonizio 13:42

Thank you, buddy, you have my name, you have my number, text me your email and I'll send you some info. Okay.

Mitchell 13:48

All righty. Thank you.

Abbonizio 13:51

Thank you.