

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA
CASE NO. 20-CV-81205-RAR**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

COMPLETE BUSINESS SOLUTIONS
GROUP, INC. d/b/a PAR FUNDING, *et al.*,

Defendants.

**RECEIVER RYAN K. STUMPHAUZER’S REPLY TO DEFENDANT
DEAN VAGNOZZI’S RESPONSE TO MOTION TO COMPEL
THE PRODUCTION OF OPINION LETTERS AND COMPLIANCE
MATERIALS ATTORNEY WORK PRODUCT FROM LAW FIRMS¹**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver (“Receiver”) of the Receivership Entities,² by and through undersigned counsel, hereby files this Reply to Defendant Dean

¹ As the Receiver has previously advised the Court, the Receiver no longer seeks any relief in this Motion as it relates to work product from DLA Piper, Bybel Rutledge, and Haynes Boone. *See* ECF No. 213. Additionally, Fox Rothschild, through its counsel at Shutts & Bowen, has been professional and cooperative in providing the Receiver with copies of work product that Fox Rothschild generated for the Receivership Entities. As a result, the Receiver is no longer seeking court intervention with respect to Fox Rothschild. *Id.* Offit Kurman has not responded to any of the Receiver’s letters or the Motion and, therefore, the Motion remains pending as to that firm. And, as described more fully in this Reply, the Receiver still seeks work product that Eckert Seamans prepared for ABFP and its various related entities.

² The “Receivership Entities” are Complete Business Solutions Group, Inc. d/b/a Par Funding (“CBSG”); Full Spectrum Processing, Inc.; ABetterFinancialPlan.com LLC d/b/a A Better Financial Plan (“ABFP”); ABFP Management Company, LLC f/k/a Pillar Life Settlement Management Company, LLC; ABFP Income Fund, LLC; ABFP Income Fund 2, L.P.; United Fidelis Group Corp.; Fidelis Financial Planning LLC; Retirement Evolution Group, LLC; RE Income Fund LLC; RE Income Fund 2 LLC; ABFP Income Fund 3, LLC; ABFP Income Fund 4, LLC; ABFP Income Fund 6, LLC; ABFP Income Fund Parallel LLC; ABFP Income Fund 2 Parallel; ABFP Income Fund 3 Parallel; ABFP Income Fund 4 Parallel; and ABFP Income Fund 6 Parallel; ABFP Multi-Strategy Investment Fund LP; ABFP Multi-Strategy Fund 2 LP; and MK Corporate Debt Investment Company LLC.

Vagnozzi's ("Vagnozzi") Response to the Motion to Compel Attorney Work Product From Law Firms ("the Response") (ECF No. 212). In support of this reply, the Receiver states:

INTRODUCTION AND FACTUAL BACKGROUND

The website for A Better Financial Plan, on a page titled "About Dean," describes Vagnozzi's ascent from a number-crunching accountant, to sales jobs at various computer, software and international consulting companies, to a real estate investor and, ultimately, into wealth management and financial planning. *See* Website for A Better Financial Plan, About Dean, a copy of which is attached hereto as Exhibit 1, at pp. 2-3. While describing his own success, Mr. Vagnozzi praises his long-term and trusted securities law attorney, John Pauciulo from Eckert Seamans, as follows:

[Vagnozzi] was "making money" with his friends and for his friends, which was great, but it also highlighted the need for the investment opportunities to become more formal. It was then that Dean met an attorney that specialized in securities law, John Pauciulo, who is still Dean's attorney to this day.

John Pauciulo is pivotal to this story, as he helped Dean put together "corporations", utilizing Private Placement Memorandums, which allowed Dean to raise money from friends and family by "pooling their money" and therefore, investing in real estate opportunities that they could not afford on their own.

Id. at p. 3.

ABFP's financial records and Eckert Seamans' legal invoices corroborate Vagnozzi's claim that Eckert Seamans was a long-term, trusted advisor. In 2014, ABFP's General Ledger reflects that it paid approximately \$11,479 for work performed by Eckert Seamans. *See* Excerpt from ABFP 2014 General Ledger, a copy of which is attached hereto as Exhibit 2. By 2017, ABFP's General Ledger reflects its legal expenses grew considerably, and Eckert Seamans was paid more than \$65,000 of legal fees from Eckert Seamans. *See* Excerpt from 2017 ABFP General Ledger, a copy of which is attached hereto as Exhibit 3. In 2018, the year that the Securities &

Exchange Commission (“SEC”) has alleged that Mr. Vagnozzi began creating, managing and promoting sub-agent funds, *see* SEC’s Emergency *Ex Parte* Motion for Temporary Restraining Order and Other Relief, ECF No. 14, pp. 19-21, ABFP paid legal fees of approximately \$111,615 to Eckert Seamans. *See* Excerpt from 2018 ABFP General Ledger, a copy of which is attached hereto as Exhibit 4.

ABFP’s close relationship with Eckert Seamans was also evidenced in 2015, when Mr. Pauciulo appeared on a video Mr. Vagnozzi posted on his Vimeo website.³ In the five-minute video, titled “Our Attorney,” Mr. Pauciulo described his work for ABFP, apparently dating back 10 or 11 years, that included setting up funds to pool investor money for investments in real estate and alternative asset classes. Mr. Pauciulo also discussed securities registration requirements, exemptions from securities registration requirements, his efforts with ABFP to ensure compliance with federal securities laws, and his work on private placement memoranda that provide investors full and fair disclosure of the potential benefits and risks associated with the asset class.

Later, on April 25, 2020, during the height of the COVID-19 pandemic, Mr. Pauciulo appeared with Mr. Vagnozzi on a sixteen-minute recorded Zoom video to explain directly to investors the so-called “Exchange Offer.”^{4,5} Upon prompting from Vagnozzi, Mr. Pauciulo agreed

³ A Better Financial Plan, About Dean, <https://vimeopro.com/deanvagnozzi/best-investment-period/video/121095735> (last visited September 8, 2020). A similar, but more recent video is available at <https://secureservercdn.net/50.62.198.97/o13.264.myftpupload.com/wp-content/uploads/2020/09/Our-Attorney-John-Pauciulo.mp4?time=1599598632> (last visited September 8, 2020).

⁴ *See* <https://www.dropbox.com/s/494fn5chvh3scqh/Pauciulo%20-%20Zoom.mp4?dl=0> (last visited September 8, 2020). A transcript of this video was attached to the SEC’s Emergency *Ex Parte* Motion for Temporary Restraining Order and Other Relief as Exhibit 149. *See* ECF No. 41-35.

⁵ During this period of time, ABFP employees were urging investors that they should accept replacement notes at a drastically reduced rate of interest, or would face potential financial ruin.

that the investors would be best advised to agree to the Exchange Offer. Specifically, Mr. Pauciulo contrasted the Exchange Notes with other options—protracted litigation, bankruptcy, and negotiated restructuring—and cautioned that while there were no guarantees and significant economy uncertainty, he stated that the Exchange Notes “gave the investors the best chance to get the most money back.” Mr. Pauciulo then explained and reviewed the three documents that investors would be required to review and sign to participate in the Exchange Offer.⁶

In light of this evidence, the Receiver wrote a letter to counsel for Eckert Seamans on August 11, 2020, to request “any opinion letters, formal memoranda (internal or otherwise), analysis, or correspondence relating to the Legal Issues that your clients performed for or on behalf of, or provided to, the ABFP Entities . . .” ECF No. 160-4. Counsel for Eckert Seamans responded on August 12, 2020, and identified an internal memorandum that was arguably responsive, but stated it was “subject to both the attorney-client and work product privileges.” ECF No. 160-6. At the same time, counsel for various Defendants repeatedly reminded the Court that they opposed the Receivership, that they believed—based on decades of experience in similar SEC matters—that a corporate monitor would be more appropriate and, in any event, that the Receiver’s authority was narrowly-tailored. *See, e.g.*, ECF No. 82, 84.

Just two days later, on August 13, 2020, this Court issued an Amended Order Appointing Receiver, clearly stating at Paragraph 44 that “[t]he Receiver hereby holds, and is therefore empowered to waive, all privileges, including the attorney-client privilege, held by all Receivership Entities.” ECF No. 141. Consequently, and in the hopes of ending the escalating discovery disputes and motion practice in this matter, the Receiver sent a letter the next day,

⁶ As the Receiver has explained in other filings, Eckert Seamans, on behalf of the various ABFP funds, also negotiated with investors to resolve claims regarding the exchange offer, which resulted in the early return of principal to these investors. *See* ECF No. 236, at p. 4.

August 14, 2020, citing the language from the Court's Amended Order Appointing Receiver, and renewing his demand to the law firms for their work product. *See* ECF No. 160-7.

Counsel for Eckert Seamans responded promptly as follows: "I write in response your letter of today's date. Brian Miller, Esq., counsel to Dean Vagnozzi, has asserted privilege over the document that I identified in my letter dated August 12, 2020, and has directed us not to produce it at this time."⁷ ECF No. 160-7. Over the ensuing weeks, the Receiver exchanged countless emails with counsel for Mr. Vagnozzi and with counsel for Eckert Seamans to obtain the necessary work product, and to identify *other* memoranda, opinions and work product that were not the subject of Mr. Vagnozzi's objection. ECF No. 160-4. Despite nearly a month of negotiations, the Receiver has received very few documents of value. ABFP and Mr. Vagnozzi not only failed to produce the attorney work-product the Court already ordered them to produce, but also failed to perform the bare minimum of producing a detailed privilege log, or to even describe broad categories of documents they believe to be protected.⁸

LEGAL ARGUMENT

Faced with a court order containing unmistakable language about the Receiver's right to obtain privileged materials regarding the Receivership Entities—Paragraph 44 of this Court's Amended Order Appointing Receiver—Mr. Vagnozzi is attempting to avoid his obligation to turn

⁷ The Receiver is not casting aspersions on Eckert Seamans or its counsel, as they were merely acting to preserve the privilege objections of their clients. Further, we understand that Mr. Vagnozzi's counsel in this litigation—who has been professional and courteous throughout these proceedings—is obligated to assert well-founded privilege objections. Nonetheless, the Receiver hoped the parties could work together to identify other legal documents and opinions from Eckert Seamans that were clearly created for ABFP, and that may be outside the scope of Mr. Vagnozzi's objections. We will continue to work with counsel for Mr. Vagnozzi and Eckert Seamans to minimize the scope of the disputes to be resolved by the Court.

⁸ Indeed, the Receiver was forced to find the most helpful documents, including Eckert Seamans detailed invoices, by searching through ABFP's prior document productions to the Securities & Exchange Commission and other state regulators in other proceedings.

over these records by reshaping the dispute. Mr. Vagnozzi unilaterally concludes that the Receiver was really only seeking documents regarding the legality of CBSG, not regarding the legality of ABFP, and that the whole dispute, as it pertains to Mr. Vagnozzi, concerns a single “[l]egal Memorandum address[ing] financial statement requirements for a startup company with limited financial history under Rule 502(b) of Regulation D, 17 C.F.R. 230.502(b).” ECF No., pp. 1-2.⁹

This single memorandum was not the only document the Receiver was requesting from these attorneys who have represented ABFP, a point that was made clear in several emails and letters. *See e.g.*, ECF No. 160-4 (“To the extent I was not clear in the Receiver’s Letter . . . I request that you also send to my counsel any opinion letters, formal memoranda (internal or otherwise), analysis, or correspondence relating to the Legal Issues that your clients performed for or on behalf of, or provided to, the ABFP Entities and these other “various entities”). Moreover, it defies reason to believe there is only *one* relevant memorandum (or any other correspondence to ABFP containing legal analysis), given that Eckert Seamans represented ABFP for more than a decade, was described by Mr. Vagnozzi as “pivotal” to ABFP, and was trusted to speak to ABFP’s investors on video.

To further buttress his argument that Mr. Vagnozzi—personally and exclusively—controls the privilege over the single-identified memorandum, Mr. Vagnozzi explains that:

The Legal Memorandum concerns a personal privilege only as to Mr. Vagnozzi; none of the Receivership entities hold this privilege. The time and expense spent in

⁹ Mr. Vagnozzi, through his counsel, acknowledges that the “startup company” that was the subject of this memorandum was “a fund for merchant cash advance investments.” *See* Email from B. Miller to T. Kolaya dated September 4, 2020, a copy of which is attached as Exhibit 5. According to the billing records attached to the Response, Eckert Seamans prepared this memorandum between January 29, 2018, and February 23, 2018. *See* ECF No. 212-1. According to information available on the Delaware Department of State, Division of Corporations website, ABFP Income Fund, LLP, one of the Receivership Entities, was formed on January 12, 2018. The Receiver is not aware of any other ABFP funds, other than those that are included as Receivership Entities, involving investments in merchant cash advance businesses.

preparing the Legal Memorandum was billed to a general matter number for Mr. Vagnozzi personally, rather than other specific corporate billing numbers that the Eckert Seamans law firm used for other matters for him and his companies.

ECF No. 212 at pp. 3-4.

In an effort to prove this point, Mr. Vagnozzi attached a copy of his individual engagement letter and an invoice for \$5,500.82. ECF No. 212-1 and 212-2. Mr. Vagnozzi did not, however, attach the 2018 General Ledger statement, which demonstrates that ABFP, not Vagnozzi, paid the Eckert Seamans invoice by issuing check number 1322 on March 27, 2018. With this evidence, the Court should not entertain Mr. Vagnozzi's privilege assertions—at least not in the absence of a privilege log—no matter how firmly his heels are dug in. The Receiver has no ability to review Vagnozzi's privilege assertions in a meaningful way, but has ample reason to doubt them after reviewing Eckert Seamans' legal invoices, ABFP's payment records for those invoices, Pauciulo's videos, and other sources or evidence provided by other law firms.

CONCLUSION

To be clear, the Receiver understands that counsel for Mr. Vagnozzi and other parties to this matter must vigorously litigate well-founded privilege objections. But, in this case, the Receiver has heeded urgent warnings from all of the Defendants, including Mr. Vagnozzi, that countless business operations—including restarting CBSG's collection efforts, unfreezing of various bank accounts, paying premiums for life insurance policies owned by various ABFP funds, and attending to ABFP payroll runs—had to be addressed immediately to avoid various disasters and pitfalls. *See, e.g.*, ECF No. 82 at pp. 5-6; and ECF No. 84 at pp. 11-13. The Receiver will continue to respond to these exigencies as they arise, but should be permitted to evaluate any legal work product that may help guide his decisions in connection with all of the Receivership Entities, not just CBSG.

To minimize the need for time-consuming Court intervention, the Receiver respectfully requests that Mr. Vagnozzi should be ordered to submit, within five (5) business days from the date of the Court's Order on this Motion: (i) a privilege log of all purportedly privileged communication and correspondence between January 1, 2018¹⁰ and July 26, 2020;¹¹ and (ii) a letter from Mr. Vagnozzi's counsel formally withdrawing these privilege assertions over any correspondence or communications not identified on the privilege log, for the period of January 2018 to the present.

Dated: September 8, 2020

Respectfully Submitted,

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Co-Counsel for Receiver

¹⁰ To avoid undue burden, the Receiver will focus, at least initially, on this abbreviated period because, according to the facts alleged in the Securities & Exchange Commission's Emergency *Ex Parte* Motion for Temporary Restraining Order and Other Relief, ECF No. 14, pp. 19-21, Mr. Vagnozzi began creating, managing and promoting the subagent funds at this time. The Receiver will negotiate with the Defendants, or seek court intervention, if he deems it necessary to expand the timeframe of the above request.

¹¹ It is the Receiver's position that attorney work-product generated through the day prior to this Court's Order Granting Plaintiff's Motion for Appointment of Receiver, ECF No. 36 (July 27, 2020), including advice related to the "Exchange Offering," is directly relevant to his court-ordered duties.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on September 8, 2020, I electronically filed the foregoing document with the clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on counsel of record via transmission of Notices of Electronic Filing generated by CM/ECF.

/s/ Timothy A. Kolaya
Timothy A. Kolaya

EXHIBIT 1



One of the best things that ever happened to Dean Vagnozzi was the day he got fired from his accounting job.

After playing four years of college football and graduating from Albright College in 1990 (with an accounting degree no less) Dean was certain that crunching numbers was to become his future. A guaranteed ticket to financial success. Until his boss sat him down one day – three months into his first job out of college – and told him that accounting wasn't for him. "You're in the wrong business. You should get into sales", Dean was told. And though that bit of advice was a hard pill to swallow at first, it turned out to be a blessing in disguise.



Dean In The Media

Dean's investment tips have been published in Yahoo Finance, Bankrate.com, Foreign Policy, and more.



Bankrate

 The World
Financial Review
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BENZINGA

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Dean's natural enthusiasm and magnetic energy was not meant for a repetitive, number-crunching, solitary profession. Dean's burning desire to get ahead – and to help others get ahead – was the real path to his future.

Not long after that fateful day, Dean began his career in "Corporate America". Armed with a base salary, decent benefits and a nice retirement package, Dean was well on his way to a thriving career.

For more than a decade, Dean sold computer systems and then ERP software for SAP America. He then joined the SAP Consulting Practice for Deloitte, and then Anderson. It was also during this time that Dean met his wife, Christa. With his career in place and a family in front of him, Dean began to think about his financial future – even more seriously than he had before.

With all of this in mind, Dean purchased his first life insurance policy. The initial purchase was made through a friend of his (truth be told – to get the guy off his back) and ironically enough, it eventually led to Dean being "that guy".

You see, while working for "Corporate America", the stock market was in the middle of three years of major declines (2000 – 2002). As Dean watched his 401(k) and his "safe" investments get decimated, Dean began to become disillusioned with the stock market.

The idea of forging his own financial security and seeking investment opportunities not tied to the stock market prompted Dean to begin studying wealth management in earnest, enrolling in seminars, reading books and researching unorthodox money management tactics. Questioning the logic behind investments that you essentially couldn't touch until retirement, real estate seemed to be the answer. After all, everyone

else seemed to be investing in real estate at the time.

During this time, Dean had also just finished reading a book called “Rich Dad, Poor Dad” by Robert Kiyosaki. In the book, the author wrote about utilizing his life insurance policy to purchase real estate. Needing the liquid cash and not wanting to miss the real estate opportunity in front of him, Dean borrowed cash from his life insurance policy, which by that point had \$70,000 of cash value. A year later, Dean made \$75,000 on that real estate purchase... and all of that started from the cash he borrowed from his life insurance policy, an asset that most people are unfamiliar with.

Seven years and 25 real estate transactions later, Dean had made just under \$1 million by flipping real estate. What’s more, every real estate purchase was made by leveraging the cash value within his life insurance policy. Essentially, his policy became his bank.

And from there, “A Better Financial Plan” was born.

Well, almost.

By 2003, Dean’s friends and family all wanted in on this novel approach to making money and started giving their money to Dean so that they could invest in real estate together. By putting their money together, Dean and his cohorts were able to purchase bigger units and more real estate.

He was “making money” with his friends and for his friends, which was great, but it also highlighted the need for the investment opportunities to become more formal. It was then that Dean met an attorney that specialized in securities law, John Pauciulo, who is still Dean’s attorney to this day.

John Pauciulo is pivotal to this story, as he helped Dean put together “corporations”, utilizing Private Placement Memorandums, which allowed Dean to raise money from friends and family by “pooling their money” and therefore, investing in real estate opportunities that they could not afford on their own.

Simultaneously, Dean decided to leave “Corporate America” and enter the insurance

business full time. Dean had a yearning desire to control his destiny while also teaching people how to do exactly what he was doing, which was using the cash value of his life insurance policies to acquire and invest in alternative asset classes.

It was a novel idea at the time, and he was taking a great risk by leaving his six-figure salary. But Dean had a hunch. And it was at this moment that Dean's true entrepreneurial spirit really began to take flight.

By 2008, as most people realize, the real estate market took a major nose-dive, and well, you know the rest of that story. Luckily (and skillfully), Dean took the learned lesson of "pooling money" and was able to rebound.

A few years later, Dean truly found his niche. By going against the grain in terms of traditional investments and offering his clients a variety of alternative cash-intensive investment opportunities that have nothing to do with Wall Street, Dean's alternative investment portfolio quickly grew.

Thus, "A Better Financial Plan" was officially born.

Incorporated in 2010, Dean and his colleagues at A Better Financial Plan (ABFP) now offer five different types of investment products, all in industries with proven returns. The company is one-of-a-kind, offering investments that most people cannot afford on their own and none of which have anything to do with Wall Street.

Dean feels strongly in diversification of your assets and that his alternative investment opportunities are safer and less volatile than the stock market. With products that proudly boast returns of 11 – 14% on average, Dean offers his clients a more secure and steady option to help grow their individual wealth.

With offices based out of King of Prussia, Pennsylvania and Marlton, New Jersey, A Better Financial Plan now has 15 employees and thousands of clients.

Within the past decade, ABFP has invested over \$200 million for their clients, who typically invest approximately 25 – 50% of their portfolio within ABFP's alternative

Dean and his wife, Christa, live in Collegeville, PA. They have four children – two girls and two boys between the ages of 17 and 24. In his spare time, Dean can be found on the golf course, sitting by his pool or reading a book on a Caribbean beach.



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EXHIBIT 2

ABFP 2014 Catagorized Spending

1/1/2014 through 9/30/2014

10/9/2014 Page 10

Date	Account	Num	Description	Memo	Clr	Amount
				Go Daddy	c	-25.16
5/20/2014	abette... 434		AJI Media LLC{Video}	Video Shoot	c	-800.00
5/23/2014	abette... 5246	S	Cardmember Service{Marriott}	Gino's Restaurant	c	-513.25
				William Penn Inn 5/13	c	-955.05
				William Penn Inn 5/15	c	-916.03
6/4/2014	abette... 5250	S	Cardmember Service{Marriott 2}	RME LLC - Ginos	c	-5,749.04
				Whitford Seminar 4/9	c	-633.91
				Whitford Seminar 4/10	c	-774.77
				Dilworthtown Inn 5/8	c	-950.00
6/11/2014	abette... 5255		Cardmember Service{Marriott 2}	ruth chris dinner 6/4	c	-1,155.42
7/8/2014	abette... 5259	S	Cardmember Service{M}	rivercrest	c	-438.94
				rme	c	-7,728.16
				rme	c	-3,293.10
				rme	c	-3,270.60
				r chris 6/4	c	-1,155.42
				sullivans after seminar	c	-44.04
7/11/2014	abette... 5267		Cardmember Service{M}	Sullivan's	c	-1,969.88
7/11/2014	abette... 5270		Cardmember Service{M}	Ruth's Chris Steak house	c	-1,106.10
8/5/2014	abette... 5280		Cardmember Service{M}	Noreen Seminar	c	-799.21
8/6/2014	abette... 5282	S	Cardmember Service{M}		c	-400.00
				Ruth Chris/ Sullivans Seminar	c	-6,696.00
				Mailing Lists	c	-595.20
8/15/2014	abette... 5284		Cardmember Service{M}	Blue Bell Inn	c	-1,360.80
8/15/2014	abette... 5285		Cardmember Service{M}	Ruth's Chris	c	-1,050.72
8/15/2014	abette... 5286		Cardmember Service{M}	Blue Bell Inn	c	-737.10
8/29/2014	abette... 5303	S	Cardmember Service{M}	RME-	c	-6,795.36
				Google	c	-4.99
9/29/2014	abette... 5307	S	Cardmember Service{M}	rme mailing for 9/17		-6,573.60
				rme mailing for 9/23		-6,600.00
				rme mailing for 9/30		-6,645.76
9/29/2014	abette... 5309		Cardmember Service{M}	Hotel feisol dinner cost		-693.46
Legal Fees						-11,479.26
7/31/2014	abette... 595		Eckert Seamans Cherin & Mellott		c	-536.00
9/22/2014	abette... 467		Eckert Seamans Cherin & Mellott,	insurnce dept inquiry		-10,943.26
Meals and Entertainment						-17,865.80
1/3/2014	abette... 5192	S	Cardmember Service{Marriott 2}	Team Lunch	c	-9.79
1/24/2014	abette... 5201	S	Cardmember Service{Marriott 2}	Team Dinner - Al, Dana, Dean	c	-40.83
				Team Dinner, Al, Dana, Dean	c	-247.31

EXHIBIT 3

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT	BALANCE
03/01/2017	Journal Entry	47		LOC Interest Expense	436.92	920.65
03/31/2017	Journal Entry	52		LOC Interest Expense	588.26	1,508.91
04/30/2017	Journal Entry	54		LOC Interest Expense	680.47	2,189.38
05/30/2017	Journal Entry	55		LOC Interest Expense	646.25	2,835.63
06/30/2017	Journal Entry	58		LOC Interest Expense	641.67	3,477.30
07/31/2017	Journal Entry	63		LOC Interest Expense	666.25	4,143.55
08/31/2017	Journal Entry	60		LOC Interest Expense	446.58	4,590.13

Total for 720 Interest Expense**\$4,590.13**

722 Internet

02/03/2017	Expense		Comcast		181.10	181.10
03/20/2017	Expense		Comcast		234.09	415.19
04/13/2017	Expense		Comcast		83.67	498.86
06/13/2017	Expense		Comcast		108.52	607.38
07/11/2017	Expense		Comcast		108.52	715.90
08/08/2017	Expense		Comcast		108.52	824.42
09/11/2017	Expense		Comcast		175.21	999.63
10/13/2017	Expense		Comcast		148.40	1,148.03
11/10/2017	Check	1120	Comcast		148.41	1,296.44
12/15/2017	Check	1178	Comcast		148.41	1,444.85

Total for 722 Internet**\$1,444.85****725 Legal & Professional Fees**

03/23/2017	Check	851	Joseph M Brindisi & Associates PC	2016 Tax Prep	1,600.00	1,600.00
04/18/2017	Check	876	John Pauciulo	Seminar	700.00	2,300.00
04/26/2017	Check	886	John Pauciulo	Seminar	350.00	2,650.00
05/01/2017	Check	891	Whitaker Chalk Swindle & Schwartz PLLC	Life Partners	2,000.00	4,650.00
05/24/2017	Check	911	John Pauciulo		300.00	4,950.00
09/18/2017	Check	1046	Eckert Seamans Cherin & Mellott LLC	Invoice 1340218	826.92	5,776.92
09/18/2017	Check	1046	Eckert Seamans Cherin & Mellott LLC	Invoice 1340220	15,718.00	21,494.92
10/26/2017	Check	1092	Eckert Seamans Cherin & Mellott LLC	Invoice 1352829	19,972.49	41,467.41
10/26/2017	Check	1092	Eckert Seamans Cherin & Mellott LLC	Invoice 1352828	2,312.00	43,779.41
11/20/2017	Check	1137	Eckert Seamans Cherin & Mellott LLC	1359141	17,906.00	61,685.41

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT	BALANCE
11/20/2017	Check	1137	Eckert Seamans Cherin & Mellott LLC	1359139	4,260.59	65,946.00
12/31/2017	Check	1205	Eckert Seamans Cherin & Mellott LLC	1365364 General	3,606.72	69,552.72
12/31/2017	Check	1205	Eckert Seamans Cherin & Mellott LLC	1365366 SEC	1,107.23	70,659.95
12/31/2017	Check	1205	Eckert Seamans Cherin & Mellott LLC	1365365 Thrivest	220.00	70,879.95
Total for 725 Legal & Professional Fees					\$70,879.95	
730 Office Supplies & Postage						
01/05/2017	Check	784	Anita Badalamenti (expense reim)	12/28-12/30 Postage	62.25	62.25
01/06/2017	Expense		Crystal Springs	BILL PAY CRYSTAL SPRINGS ON-LINE xxxxxxxxxxxx65389 ON 01-06	72.95	135.20
01/09/2017	Expense		WB Mason Co., Inc.	PAPER	58.29	193.49
01/09/2017	Expense		WB Mason Co., Inc.	FOLDERS, INK	162.62	356.11
01/12/2017	Expense		USPS	USPS PO 4194080890	22.95	379.06
01/15/2017	Expense		WB Mason Co., Inc.	SIGN HERE FLAGS	41.01	420.07
01/18/2017	Check	786	Anita Badalamenti (expense reim)	1/6-1/11 Postage	100.10	520.17
01/25/2017	Expense		WB Mason Co., Inc.	Ink	48.74	568.91
02/01/2017	Check	803	Anita Badalamenti (expense reim)	2/1- Postage	92.31	661.22
02/01/2017	Check	801	Albert Vagnozzi (expense reim)	1/30 Staples (stationary)	65.70	726.92
02/01/2017	Expense		Crystal Springs		39.50	766.42
02/06/2017	Expense		CVS	Labels & Envelopes	30.57	796.99
02/06/2017	Expense		WB Mason Co., Inc.	Ink	66.76	863.75
02/08/2017	Expense		WB Mason Co., Inc.	Ink	75.49	939.24
02/10/2017	Expense		USPS	Stamps	49.00	988.24
02/23/2017	Expense		USPS	Cert mail	17.10	1,005.34
02/26/2017	Expense		Best Buy	Microwave	116.59	1,121.93
02/27/2017	Expense		Crystal Springs		45.53	1,167.46
03/01/2017	Expense		USPS	USPS.COM MOVER'S GUIDE	1.00	1,168.46
03/01/2017	Expense		USPS	USPS.COM MOVER'S GUIDE	1.00	1,169.46
03/01/2017	Expense		USPS	USPS.COM MOVER'S GUIDE	1.00	1,170.46
03/01/2017	Expense		USPS	USPS.COM MOVER'S GUIDE	1.00	1,171.46
03/01/2017	Expense		USPS	USPS.COM MOVER'S GUIDE	1.00	1,172.46
03/01/2017	Expense		USPS	USPS.COM MOVER'S GUIDE	1.00	1,173.46
03/01/2017	Check	825	WB Mason Co., Inc.	Invoice I41959712 - Ink	171.66	1,345.12
03/01/2017	Expense		USPS	USPS.COM MOVER'S GUIDE	1.00	1,346.12

EXHIBIT 4

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT	BALANCE
06/28/2018	Expense		Payoneer.com	PAYONEER.COM	850.00	7,737.00
08/03/2018	Check	1720	NAIFA		657.00	8,394.00
08/22/2018	Expense		Cardinal Intellectual	CARDINAL INTELLECTUAL	2,070.00	10,464.00
08/29/2018	Check	1748	CT Corporation		181.28	10,645.28
09/12/2018	Check	1765	Assurity Life Insurance Co.	Agent No. 32H3	15.00	10,660.28
09/12/2018	Check	1765	Assurity Life Insurance Co.	Agent No. S562	15.00	10,675.28
Total for 715 Fees & Dues					\$10,675.28	
718 Insurance Expense						
02/23/2018	Check	1282	Travelers		496.00	496.00
12/12/2018	Expense		N.A.P.A.	Errors & omissions 1/1/19-12/31/19	1,970.00	2,466.00
Total for 718 Insurance Expense					\$2,466.00	
722 Internet						
01/12/2018	Check	1229	Comcast		149.22	149.22
02/12/2018	Check	1267	Comcast		149.22	298.44
03/16/2018	Check	1309	Comcast		149.22	447.66
04/10/2018	Check	1341	Comcast		149.22	596.88
05/11/2018	Check	1404	Comcast		149.22	746.10
06/27/2018	Check		Comcast		149.22	895.32
09/12/2018	Check	1763	Comcast		149.27	1,044.59
10/10/2018	Check	1815	Comcast		149.25	1,193.84
11/08/2018	Check	1858	Comcast		149.25	1,343.09
12/17/2018	Check	1924	Comcast	8499 10 228 0312641	344.12	1,687.21
Total for 722 Internet					\$1,687.21	
725 Legal & Professional Fees						
03/27/2018	Check	1322	Eckert Seamans Cherin & Mellott LLC	Invoice 1386539	5,500.82	5,500.82
04/16/2018	Check	1357	SWS Group PC	2017 Tax prep	1,500.00	7,000.82
05/01/2018	Check	1384	Eckert Seamans Cherin & Mellott LLC	Invoice 1395717 SEC	312.00	7,312.82
05/01/2018	Check	1384	Eckert Seamans Cherin & Mellott LLC	Invoice 1395726 Dan Reisinger	4,889.00	12,201.82
05/04/2018	Check	1393	Eckert Seamans Cherin & Mellott LLC	Invoice 1395718	656.00	12,857.82
05/30/2018	Check	1426	Bello, Reilley, McGrory & DiPippo, P.C.	Invoice 35031	765.00	13,622.82
06/27/2018	Check	1465	Eckert Seamans Cherin &	Invoice 1405504 Reisinger	409.40	14,032.22

DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	AMOUNT	BALANCE
			Mellott LLC			
06/27/2018	Check	1465	Eckert Seamans Cherin & Mellott LLC	Invoice 1405493 SEC	8,381.00	22,413.22
06/27/2018	Check	1465	Eckert Seamans Cherin & Mellott LLC	Invoice 1405492-General	3,120.00	25,533.22
06/27/2018	Check	1461	Bello, Reilley, McGrory & DiPippo, P.C.	Invoice 35257	60.00	25,593.22
08/03/2018	Check	1718	Eckert Seamans Cherin & Mellott LLC	Invoice 1414367	3,223.00	28,816.22
08/24/2018	Check	1744	Eckert Seamans Cherin & Mellott LLC	Reisinger 1419086	399.00	29,215.22
08/24/2018	Check	1744	Eckert Seamans Cherin & Mellott LLC	Hemry 1419091	5,818.36	35,033.58
08/24/2018	Check	1744	Eckert Seamans Cherin & Mellott LLC	Cacchione 1419089	2,905.36	37,938.94
09/20/2018	Check	1776	Eckert Seamans Cherin & Mellott LLC	Invoice 1422962A	3,749.75	41,688.69
09/20/2018	Check	1776	Eckert Seamans Cherin & Mellott LLC	Invoice 1422964	5,236.86	46,925.55
09/20/2018	Check	1776	Eckert Seamans Cherin & Mellott LLC	Invoice 1422963	7,912.42	54,837.97
10/09/2018	Check	1809	Eckert Seamans Cherin & Mellott LLC	1428125 Cacchione	877.50	55,715.47
10/09/2018	Check	1809	Eckert Seamans Cherin & Mellott LLC	1428120 Reisinger	234.00	55,949.47
10/09/2018	Check	1809	Eckert Seamans Cherin & Mellott LLC	1428101 General	2,795.56	58,745.03
10/09/2018	Check	1809	Eckert Seamans Cherin & Mellott LLC	1428102 SEC	12,651.00	71,396.03
10/09/2018	Check	1809	Eckert Seamans Cherin & Mellott LLC	1428126 Hemry	876.14	72,272.17
10/29/2018	Check	1839	Eckert Seamans Cherin & Mellott LLC	Invoice 1435082	47.00	72,319.17
11/14/2018	Check	1865	The Bruno Firm LLC	Pillar Funds costs	153.00	72,472.17
12/04/2018	Check	1904	Eckert Seamans Cherin & Mellott LLC	Invoice 1442843-SEC	8,490.50	80,962.67
12/04/2018	Check	1904	Eckert Seamans Cherin & Mellott LLC	Invoice 1442842-General	1,396.89	82,359.56

Exhibit “5”

From: brian.miller@akerman.com
To: [Timothy Kolaya](mailto:Timothy.Kolaya)
Cc: GJA@pietragallo.com
Subject: RE: SEC v. Par Funding - Motion to Compel Work Product
Date: Friday, September 4, 2020 2:34:21 PM

Hi Tim,

Sorry for the delay. As mentioned, I've been tied up on some other cases with deadlines. We can discuss this more next week but I want to get back to you quickly because you have a brief due Tuesday. I can give you an extension on the brief as well if you like. I understand from Eckert that the one memo in question (only one they have given me to be clear) addresses pre-formation of a fund for merchant cash advance investments. As for the broader issues with Eckert, yes I am working on that and am envisioning some type of a chart (but not necessarily document by document) that will address which categories of information they have that Dean does not claim an individual privilege for, which he does, and which would be a joint privilege. Then they can turn things over.

Brian

[vCard](#) | [Profile](#)



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From: Timothy Kolaya <tkolaya@sflaw.com>
Sent: Friday, September 4, 2020 2:03 PM
To: Miller, Brian (Ptnr-Mia) <brian.miller@akerman.com>
Cc: Gaetan Alfano (GJA@pietragallo.com) <GJA@pietragallo.com>
Subject: RE: SEC v. Par Funding - Motion to Compel Work Product

Brian:

Our reply on the motion to compel work product is due on Tuesday. Although the many pending issues in this case will not allow us to avoid laboring over this holiday weekend, we would like to narrow the issues that are in dispute on this motion, if possible. We would appreciate it if you could get back to us as soon as possible. We are happy to discuss this over a call, if you think that would be helpful. Thanks.

Regards,

Tim

TIMOTHY A. KOLAYA
PARTNER

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WEB WWW.SFSLAW.COM

ONE BISCAYNE TOWER
2 SOUTH BISCAYNE BOULEVARD
SUITE 1600
MIAMI, FL 33131

From: Timothy Kolaya
Sent: Wednesday, September 2, 2020 3:52 PM
To: 'brian.miller@akerman.com' <brian.miller@akerman.com>
Cc: Gaetan Alfano (GJA@pietragallo.com) <GJA@pietragallo.com>
Subject: SEC v. Par Funding - Motion to Compel Work Product

Brian:

We reviewed your response to the Receiver's Motion to Compel the Production of Opinion Letters and Compliance Materials. As you mentioned to us during a phone call on Monday before you filed the Response, you have attempted to limit the dispute to a single opinion from Eckert Seamans, and you claim Mr. Vagnozzi personally holds the privilege to that document. With respect to that particular document, we disagree and will lay out our position in a reply. Can you clarify, however, which entity was the subject of this legal opinion? The response indicates that the opinion relates to a "startup company with limited financial history." Is this referring to one or more of the funds at ABFP and, if so, which one(s)?

More broadly, we wish to make clear that, through the letters we sent to Katie Recker prior to filing the Motion Compel, and in the Motion to Compel itself, we were requesting more than just opinions about the legality of CBSG's business. Rather, as we stated in our letter to Katie Recker, we were requesting opinion letters, memoranda, and other analysis related to the work product Eckert Seamans performed for or provided to the ABFP Entities. In other words, we were seeking work product relating to any number of "Legal Issues" these firms advised the Receivership Entities on, including, "among other things," "note restructure[s]" relating to an "Exchange offer."

We've reviewed ABFP's website, ABFP's general ledger reflecting legal fees paid, Eckert Seamans invoices (produced by Vagnozzi in other litigation), as well as videos where Mr. Vagnozzi and Mr. Pauciulo jointly spoke to investors about various topics, including the exchange offer. Stated differently, we know that Eckert Seamans did plenty of legal work for the ABFP entities, aside from the single internal opinion you reference. This other work most certainly involves "legal and compliance issues relating to the Receivership Entities" and, therefore, is within the scope of what we were seeking through the Motion to Compel.

To that end, and to make good on the sincere cooperation Mr. Vagnozzi has pledged, you indicated earlier this week that any work product for which Mr. Vagnozzi will be claiming an individual privilege is likely a small subset of the overall work performed by Eckert Seamans and Mr. Pauciulo. To the extent Mr. Vagnozzi is claiming personal or joint privilege over any communications or documents aside from the memo you address in the Response, can you identify them with particularity in a privilege log type format, with sufficient information to allow us to assess the claim of privilege? We discussed this with you during the call on Monday, but we wanted to follow up on the request now that we have had an opportunity to review the Response.

As to any other legal work for which Mr. Vagnozzi does not claim a personal or joint privilege, will you and Mr. Vagnozzi direct Eckert Seamans to release those materials to the Receiver immediately? The Court has made clear that he is tiring of the stream of motions he is receiving in this case. For the benefit of the Court and the investors, and to minimize the time spent litigating this issue, especially in light of the Court's unambiguous order about the Receiver holding the privilege over the Receivership Entities, we ask that you do this as soon as possible.

Regards,

Tim

TIMOTHY A. KOLAYA
PARTNER

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