

**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 EMERGENCY MOTION
TO APPROVE ABFP MULTI-STRATEGY INVESTMENT
FUND LP'S PAYMENT OF LIFE INSURANCE PREMIUM**

Basis for emergency relief:

The Receiver seeks relief on an emergency basis, on or before September 24, 2020, because the Receiver has first learned today, September 23, 2020, that a life insurance policy owned by one of the Receivership Entities may lapse or terminate if the premium is not paid by September 25, 2020.

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver ("Receiver") of the Receivership Entities,¹ hereby files this Motion to Approve ABFP Multi-Strategy Investment Fund LP's ("MSIF") Payment of Life Insurance Premium (the "Motion") and states as follows:

¹ The "Receivership Entities" are Complete Business Solutions Group, Inc. d/b/a Par Funding ("Par Funding"); Full Spectrum Processing, Inc. ("Full Spectrum"); ABetterFinancialPlan.com LLC d/b/a A Better Financial Plan; 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

BACKGROUND

1. On Friday, June 24, 2020, the Securities and Exchange Commission (“SEC”) filed its Complaint for Injunctive and Other Relief [D.E. 1] against the Receivership Entities, Lisa McElhone, Joseph Cole Barleta, a/k/a Joe Cole, Joseph W. Laforte, a/k/a Joe Mack, a/k/a Joe Macki, a/k/a Joe McElhone, Perry S. Abbonizio, Dean J. Vagnozzi, Michael C. Furman, John Gissas, and Relief Defendant The L.M.E. 2017 Family Trust.

2. On Friday, July 24, 2020, the SEC also filed a Motion for Appointment of Receiver [D.E. 4] requesting the Court to appoint Ryan K. Stumphauzer as the Receiver for the Receivership Entities.

3. On Monday, July 27, 2020, the Court entered its Order Granting the SEC’s Motion for Appointment of Receiver (“Receivership Order”) [D.E. 36]. That order was subsequently amended on Friday, August 13, 2020, when the Court entered its Amended Order Appointing Receiver (the “Amended Receivership Order”) [D.E. 141].

4. The Amended Receivership Order is the operative Order setting forth the Receiver’s duties and responsibilities. Among other things, it authorizes the Receiver to “use Receivership Property for the benefit of the Receivership Estates, making payments and disbursements and incurring expenses as may be necessary or advisable in the ordinary course of business in discharging his duties as Receiver.” Amended Receivership Order at ¶ 7(D).

5. The Amended Receivership Order also provides the Receiver with the power to “take such action as necessary and appropriate for the preservation of Receivership Property or to prevent the dissipation or concealment of Receivership Property.” *Id.* at ¶ 7(G).

6 Parallel; ABFP Multi-Strategy Investment Fund LP; ABFP Multi-Strategy Fund 2 LP; and MK Corporate Debt Investment Company LLC.

**THE URGENT NEED TO PAY THE ANNUAL
PREMIUM ON A LIFE INSURANCE POLICY**

6. Consistent with these authorized duties, the Receiver has been in contact with Defendant Dean Vagnozzi and various third-party servicing companies that administer life insurance policies that MSIF owns. To that end, the Receiver has made repeated inquiries to obtain information about these life insurance policies, including amounts and deadlines for required premium payments and additional policy information necessary to perform a valuation of the policies.

7. On Monday, September 21, 2020, one of these third-party servicing companies provided the Receiver with the requested policy details, illustrations, and other information necessary to evaluate the policies it administers for MSIF. The Receiver has already provided this information to its consultant for the purpose of performing a valuation of these policies.

8. On September 23, 2020, at 6:16 p.m., this third-party servicing company provided the Receiver with a premium notice for one of these policies (Insured: Michaels; Last Four Digits of Policy Number: 0841) (the “Policy”) and indicated that the Policy may potentially lapse on Friday, September 25, 2020, unless the current annual premium is paid by that date. The net death benefit for this Policy is \$2,032,479, and the required annual premium payment is \$151,307.95.

9. The insurers for these policies often—but may not always—provide grace notices to indicate the latest date when a premium payment must be made to avoid the termination or lapse of a policy. Although the third-party servicing company has indicated to the Receiver that no grace notice has been issued with respect to the Policy, it confirmed that there is a possibility that the Policy may either terminate or lapse if the premium payment is not made by this Friday, September 25, 2020.

10. Despite the fact that the Receiver has not yet had the opportunity to obtain a valuation of this policy, a termination or lapse of this Policy would potentially result in the dissipation of Receivership Property. Accordingly, the Receiver believes it is appropriate to avoid this risk and requests the Court's approval to make this premium payment of \$151,307.95.

11. The Receiver believes that making this payment is in the best interests of the Receivership Estate, "necessary or advisable in the ordinary course of business in discharging his duties as Receiver," and appropriate for the preservation of Receivership Property or to prevent the . . . dissipation of Receivership Property." *Id.* at ¶ 7(D) and (G).

CONCLUSION

WHEREFORE, Ryan K. Stumphauzer, as Court-Appointed Receiver, by and through his undersigned counsel, respectfully requests that this Court grant the Motion and approve the Receiver's proposed payment of the annual premium for the Policy. A proposed order for the Court's consideration is attached as Exhibit 1.

CERTIFICATION REGARDING PRE-FILING CONFERENCE

Pursuant to Local Rule 7.1(a)(3), undersigned counsel for the Receiver certifies that, given the exigencies of this Motion, he has not yet been able to confer with counsel for the parties who may be affected by the relief sought in this Motion in a good faith effort to resolve the issues raised herein. Nevertheless, concurrently with filing this Motion, the Receiver is sending an email to counsel for the parties and will advise the Court in the event any parties indicate their opposition to the relief sought herein.

Dated: September 23, 2020

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on September 23, 2020, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system which will send a notice of electronic filing to all counsel of record.

/s/ Timothy A. Kolaya
TIMOTHY A. KOLAYA

Exhibit “1”

**UNITED STATES DISTRICT COURT
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GROUP, INC. d/b/a PAR FUNDING, *et al.*

Defendants.

_____ /

**[PROPOSED] ORDER GRANTING THE RECEIVER’S EMERGENCY
MOTION TO APPROVE ABFP MULTI-STRATEGY INVESTMENT
FUND LP’S PAYMENT OF LIFE INSURANCE PREMIUM**

THIS CAUSE comes before the Court upon Receiver, Ryan K. Stumphauzer’s (“Receiver”) Emergency Motion to Approve ABFP Multi-Strategy Investment Fund LP’s Payment of Life Insurance Premium (Motion”) [D.E. ____].

Having reviewed the Motion and being otherwise duly advised, it is hereby

ORDERED AND ADJUDGED that the Motion is **GRANTED**. The Receiver, on behalf of ABFP Multi-Strategy Investment Fund LP, is authorized to pay the annual premium in the amount of \$151,307.95, for the life insurance policy referenced in the Motion (Insured: Michaels; Last Four Digits of Policy Number: 0841).

DONE AND ORDERED in Fort Lauderdale, Florida, this _____ day of September, 2020.

RODOLFO A. RUIZ II
UNITED STATES DISTRICT JUDGE

Copies to: Counsel of record