

**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 INTERIM  
STATUS REPORT DATED OCTOBER 6, 2020**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver ("Receiver") of the Receivership Entities,<sup>1</sup> hereby files this Interim Status Report dated October 6, 2020.

**I. Communications and Overall Administration**

**A. Website / Communications with Interested Parties**

The Receiver continues to receive many e-mails, telephone calls, and other inquiries from former employees of the Receivership Entities, investors, merchants, administrators of agent

---

<sup>1</sup> The "Receivership Entities" are Complete Business Solutions Group, Inc. d/b/a Par Funding; Full Spectrum Processing, Inc.; 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 6 Parallel; ABFP Multi-Strategy Investment Fund LP; ABFP Multi-Strategy Fund 2 LP; and MK Corporate Debt Investment Company LLC.

funds, and other interested parties. The Receiver and his counsel and staff have returned phone calls and emails from hundreds of investors, merchants, and others. Since the Receiver established the receivership website on August 16, 2020, which is available at [parfundingreceivership.com](http://parfundingreceivership.com), there have been more than 22,516 visitors and 66,733 pageviews to the website. The Receiver will continue to update this website with court filings, news and updates, reports from the Receiver, answers to frequently asked questions, important dates and deadlines (including Zoom or telephone dial-in information for hearings before the Court), and other pertinent information.

## **II. Operations**

### **A. Status of Par Funding Operations**

The Receiver and his consultants at Development Specialists, Inc. (“DSI”) have re-hired several employees of Par Funding / Full Spectrum Processing, and are engaged in the process of communicating with Par Funding’s more than 1,300 merchants to reconcile accounts and discuss the status of collections. To date, the Receiver has brought back employees in the areas of accounting, collections, and information technology. The Receiver anticipates bringing back additional employees in the coming weeks, depending on the needs of the company, as the Receiver and DSI continue to assess the strategy for continuing operations.

The Receiver has encountered many obstacles in this process of resuming operations. For example, at the time the Court appointed the Receiver, Par Funding had not begun the process of reconciling any of its bank accounts for 2020, and many of the bank accounts for 2019 also remained unreconciled. Additionally, despite representations from the Defendants in this matter to the contrary, the company does not have any audited financial statements. As a result, it was difficult for DSI to quickly assess the company’s financial status, the quality and balance of its merchant cash advance portfolio, and to restart operations.

Moreover, as the Receiver and DSI continue to analyze the portfolio of outstanding receivables under Par Funding's merchant cash advance ("MCA") agreements, it is evident that the underwriting and origination process the company previously employed was significantly flawed. For example, it appears that the company did very little in the way of analyzing the financial strength of the merchants, confirming the legal existence of the business entities to which the company was advancing funds, reviewing the operating agreements of those entities, and verifying the identities of the officers and agents authorized to take action on behalf of these entities. To that end, the Receiver has observed flaws in the documentation of the company's MCA agreements that present significant obstacles to the collection process. For example:

- Some agreements do not include the correct name of the merchant, such that the contract counterparty is not accurately reflected on the agreement. As a result, in certain circumstances the company advanced funds to limited liability companies, but entered into agreements with corporations with a similar name. In other instances, the company entered into agreements with a legal entity that improperly listed that it was "doing business as" various other limited liability companies.
- In some instances, when the company advanced funds under an agreement, it did not ensure that it was sending the funds to the merchant that entered into the MCA agreement.
- In situations where the company obtained a lien on collateral, it often failed to file the UCC-1 financing statements in the correct jurisdiction. Additionally, these financing statements often did not accurately describe the collateral. Also, in other instances, the company appears to have recorded liens against collateral that did not belong to the merchant or a guarantor of the merchant's obligations under the agreement. The Receiver is spending considerable time addressing and unwinding these issues.

The Receiver is aware of and sensitive to other issues and concerns that have been raised about the prior operations and the collection tactics from Par Funding. As a result, in overseeing this collections process, DSI is taking into account commercially reasonable factors and credit decisions based on the facts of each counterparty relationship, including (i) legal agreements, (ii) status of payments to date, (iii) collection actions taken to date, and (iv) defenses or other issues raised by the merchant/counterparty.

**B. Other Related Companies Owned by Lisa McElhone**

As part of the Receiver's ongoing investigation, the Receiver and his counsel have searched through and reviewed email communications contained on Par Funding's G Suite database. Within the database was certain email correspondence between Joseph LaForte (using his alias, Joe Mack), Lisa McElhone, and Jamie McElhone that contained various drafts of Lisa McElhone's personal financial statement.<sup>2</sup> This personal financial statement causes the Receiver and DSI grave concern because Ms. McElhone purports to hold a substantial equity stake in several merchant businesses that received advances under MCA agreements from Par Funding, and that the Receiver initially presumed to be independent from Par Funding. These merchants and other related companies in which Ms. McElhone purports to have an ownership interest include Kingdom Logistics, Colorado Farms, Colorado World Resorts, Colorado Sky, Colorado Natural Products, Solar Exchange LLC, and Solar Dogs LLC. Through various interviews, the Receiver has learned

---

<sup>2</sup> The Receiver believes the information on Ms. McElhone's financial statement is highly relevant to these proceedings and would be helpful to the investors and other stakeholders and, therefore, should be available in its fully unredacted format on the public docket. Nonetheless, the Receiver is mindful of Section 6 of the Southern District of Florida's CM/ECF NextGen Administrative Procedures and, therefore, is filing this document in redacted format as Exhibit 1 hereto, with redactions to certain property addresses and other potentially sensitive information that may be unrelated to the Receivership Entities. The Receiver will file a fully unredacted copy or different versions of the McElhone financial statement if directed by the Court.

that Ms. McElhone or her related entities obtained many of these ownership interests after Par Funding advanced funds to the merchants and was engaged in discussions with the merchants about efforts to collect on those amounts.

Ms. McElhone also purports to own several other MCA companies and related businesses, including Fast Advance Funding, Capital Source 2000, Contract Financing Solutions, and Recruiting and Marketing Resources. Through interviews with several of Par Funding's merchants, the Receiver has learned that merchants who approached Par Funding for a merchant cash advance would sometimes receive funds from Par Funding, and other times from these other companies. The Receiver also located an organizational chart, attached as Exhibit 2 hereto, that depicts many of these related companies under Par Funding's corporate umbrella.

**B. Analysis of Pre-Receivership Net Collections by Par Funding**

The Defendants have criticized the Receiver's efforts to date, arguing that Par Funding's pre-receivership collections were approximately \$1.5 million per day. *See* Defendants' Joint Response to Receiver's Status Report of September 8, 2020 (the "Joint Response") (ECF No. 249), at 3. This collections number is misleading and does not provide the Court with a complete picture of Par Funding's financial health because, during this same time period, Par Funding was extending additional cash advances. Although the company's 2020 QuickBooks reports have not yet been reconciled, and thus this number will likely change, it appears from the company's records that the average daily funding during that same time was approximately \$1.2 million per day.

Some of those funds were being disbursed to new merchants under new MCA agreements. As explained below in the next section regarding the "Top 10" merchants, however, a significant portion of these funds were being distributed to merchants that already had a large receivable

balance and, thus, were receiving funds from Par Funding at the same time they were remitting payment to Par Funding.

**C. Information Regarding the Top 10 Merchants of Par Funding**

As the Receiver advised the Court at the prior status conference on September 8, 2020, the merchants with the 10 highest account balances with Par Funding comprise \$224.7 million of the total amount owed to Par Funding of approximately \$420 million, or 53.5 percent of the total portfolio of receivables. The Receiver and his team have dedicated substantial time to investigating the company's merchants (and particularly the top 10 merchants), attempting to reconcile their accounts, and communicating with these merchants to explore the status of repayment of these balances. Additional information regarding these top 10 merchants, with a focus on the period of January 1, 2020 through July 30, 2020 (the "Period"), is provided below:

***1. B&T Supply, Inc. and Lifeguard  
(Receivable balance of \$91,344,727)***

B&T Supply, Inc. ("B&T Supply") is a janitorial supply company that has the largest receivable balance of any of Par Funding's merchants. As of September 30, 2020, the receivable balance is nearly \$78 million. During 2020, B&T Supply also assumed the debt of a related company, Lifeguard, that now totals \$13,359,810.

As of January 1, 2020, the combined entity had a total outstanding balance of approximately \$53,231,000. During the Period, collections from the combined entity were approximately \$33,501,000, while the additional cash advances to the merchant totaled \$33,931,000. Essentially, Par Funding received no additional cash from B&T Supply in 2020 and, as a matter of fact, transferred approximately \$429,000 in additional funds to the merchant over the Period. Moreover, fees and other account additions increased the balance of the combined entity by over \$25,000,000 in 2020, to over \$91,000,000.

2. *National Brokers of America*  
*(Receivable balance of \$35,293,618)*

National Brokers of America appears to be a defunct health insurance enrollment center. Par Funding's records reflect multiple MCA agreements with National Brokers of America LLC entered into between 2016 and 2020. As of January 1, 2020, the receivable balance for this company was \$31,997,074. From January 1, 2020 through July 2020, Par Funding advanced a total of \$8,510,025 to National Brokers of America. During that same period of time, Par Funding collected \$9,513,591 from National Brokers of America. Moreover, fees and other account additions of approximately \$4,300,000 increased the total receivable balance to approximately \$35,300,000.

On September 8, 2020, the Receiver learned of a bankruptcy involving National Brokers of America, Inc. The docket of this bankruptcy action, which was filed in the Eastern District of Pennsylvania at No. 19-15488-PMM on September 3, 2019, reflects that Par Funding is not a creditor of this debtor entity. Additionally, the Receiver has determined that the Debtor in those bankruptcy proceedings, National Brokers of America, Inc., has the very same tax identification number and authorized officer as the company Par Funding entered into MCA agreements with and to which it advanced funds.

National Brokers of America, Inc., the debtor in the bankruptcy proceedings, is an Ohio Corporation that is registered to do business in Pennsylvania. The Receiver has not identified any registered entities by the name of National Brokers of America, LLC in Pennsylvania, Ohio, or any other states in which it has searched. These circumstances are deeply troubling to the Receiver, as the individual behind this business used the same business name and the very same taxpayer identification number. The Receiver continues to investigate this matter, but is concerned that it

appears to be an intentional misrepresentation that was designed to mislead the bankruptcy court and to divert assets to avoid creditors.

3. **Colorado Homes, LLC and United by ECH d/b/a Colorado World Resorts, LLC**  
**(Receivable Balance of \$25,489,000.00)**

Prior to the establishment of this receivership, Par Funding filed a confession of judgment against Colorado Homes LLC (“Colorado Homes”) in the amount of \$27,145,888.72. On Thursday, September 24, 2020, the Receiver, through counsel, interviewed Ranko Mocevic, the principal of Colorado Homes, together with his counsel. Mr. Mocevic is a real estate developer and builder. Through various entities, including Colorado Homes and United by ECH d/b/a Colorado World Resorts, LLC, Mr. Mocevic has entered into dozens of agreements with Par Funding, described as either Factoring Agreements or Agreements for the Sale of Future Receivables (the “Agreements”).

Par Funding’s records reflect that these entities received a total of approximately \$50 million in merchant cash advances from Par Funding. Of that \$50 million, \$21 million was allocated in the agreements as a payoff of existing receivable balances. In other words, Colorado Homes and Colorado World Resorts never received that \$21 million in additional funding, as it was accounted for as a payoff of portions of the prior receivable balance. As of September 30, 2020, Colorado Homes and Colorado World Resorts had a total receivable balance of \$25,488,957.

In his interview, Mr. Mocevic explained that he currently has five development projects that he cannot complete without additional funding. He further explained that his company is in default, not only under the Agreements with Par Funding, but also with multiple subcontractors on these projects due to non-payment.

Mr. Mocevic further explained that when he initially defaulted on his underlying Agreements with Par Funding in 2019, he was approached by Joseph LaForte, who negotiated an



agreement with Mr. Mocevic under which Colorado Homes would enter into five “Tenants in Common” Agreements. Through these Tenants in Common Agreements, Mr. Mocevic was forced to grant Mr. LaForte and Lisa McElhone—through companies owned by Ms. McElhone outside of Par Funding—a percentage interest in each of Colorado Home’s five real estate projects, ranging from 30 percent to 50 percent.

For example, attached as Exhibit 3 is a copy of the Eagle County Tenants in Common Agreement between Colorado World Resorts, LLC and Pink Lion, LLC, which is an entity that Lisa McElhone owns. This agreement reflects that Colorado World Resorts, LLC and Pink Lion, LLC each own a fifty percent interest in the condominium and hotel project that is the subject of the agreement. Ms. McElhone also utilized a different company by the name of Liberty 7th Avenue, LLC for purposes of acquiring an ownership interest in Mr. Mocevic’s other projects.

The agreement indicates that, in exchange for obtaining this fifty percent interest in the project, “each of the Tenants in Common shall from time to time advance or cause to be advanced . . . such funds [that] shall from time to time be required to pay for the development . . . of the Property.” (Exhibit 3, ¶ 4). Mr. Mocevic has made clear that Ms. McElhone and Pink Lion, LLC intended to utilize Par Funding and other related MCA companies owned by Lisa McElhone to advance the funds necessary to sustain the development of the project. In other words, as consideration for advancing funds under MCA agreements from Par Funding, Lisa McElhone, through her entity, Pink Lion, LLC, personally acquired a fifty percent ownership interest in this development project. Ms. McElhone’s own personal financial corroborates that she holds an equity interest in Mr. Mocevic’s projects.

4. **Kingdom Logistics**  
***(Receivable Balance of \$20,892,199)***

Kingdom Logistics, LLC is a holding company that purports to maintain interests in coal mining operations. As of September 30, 2020, Kingdom Logistics' receivable balance under its various MCA agreements with Par Funding was \$20,892,199. In addition to the funds it received from Par Funding, Kingdom Logistics also received cash advances from other merchant cash companies, including \$1.45 million from Contract Financing Solutions, and approximately \$2.8 million from Fast Advance Funding. According to Lisa McElhone's personal financial statement, Ms. McElhone is the owner of Contract Financing Solutions and owns 70 percent of Fast Advance Funding. (Exhibit 1).

Ms. McElhone's personal financial statement also reflects that she is a partial owner of Kingdom Logistics. In other words, she has an ownership interest in each of the MCA companies that advanced funds to Kingdom Logistics, and also has an ownership interest in the company receiving these funds. The Receiver is currently investigating the circumstances through which Ms. McElhone obtained this ownership interest in Kingdom Logistics.

Another owner of Kingdom Logistics is Anthony Zingarelli, who served as an independent contractor for Par Funding from July 2017 through July 2020. Mr. Zingarelli also maintains ownership interests in several other merchants that received cash advances from Par Funding, including Vision Solar, LLC (\$1.6 million), Millennium Holdings Limited (approximately \$1 million), and CNP Operating (approximately \$4.3 million). According to Ms. McElhone's personal financial statement, she also has an ownership interest in each of these entities.

Mr. Zingarelli's companies also received funding from Eagle Six Consultants Inc., which is another company owned by Lisa McElhone (and which received distributions of \$42.6 million from Par Funding, purportedly as "consulting fees"). These other merchants include Vision Solar,

LLC (approximately \$1 million from Eagle Six), Colorado Sky Industrial Supply (approximately \$950K from Eagle 6), CNP Operating (approximately \$850K from Eagle Six), and Alternative Materials (approximately \$3.5 million from Eagle Six). Ms. McElhone's personal financial statement reflects that she maintains an ownership interest in all of these additional companies that received funds from Eagle Six.

Mr. Zingarelli also owns an interest in certain promissory notes from Par Funding. Specifically, on September 4, 2020, AGM Capital Fund I, LLC and AGM Capital Fund II, LLC—which filed motions for a protective order and to quash subpoenas issued by the Receiver (ECF Nos. 294-295)—entered into agreements through which they sold their interests as the holder of certain promissory notes from Par Funding to MHL Union Alliance LLC. The face value of these promissory notes totals in excess of \$57 million. Mr. Zingarelli, through his counsel, has confirmed that he is the 100 percent owner of the membership interests in MHL Union Alliance.

**5. Big Red Trucking, LLC  
(Receivable Balance of \$18,952,252)**

Prior to the establishment of this receivership, Par Funding filed a judgment by confession against Big Red, Blackford Development Ltd. II, and Carol J. Welkowitz, as Executor of the Estate of Richard Welkowitz (the "Welkowitz Estate") in the amount of \$20,875,197.06. Par Funding also has made a claim in the amount of \$20,875,197.06 in the Welkowitz Estate's probate case in the Court of Common Pleas, Lancaster County, Pennsylvania.

On September 2, 2020, the Executor of the Welkowitz Estate filed suit in the Court of Common Pleas of Lancaster County, Pennsylvania against Par Funding, among others, claiming that Mr. Welkowitz' signatures were forged on the underlying documents and that any claims by Par Funding should be set aside as fraudulent. The Receiver has entered his appearance in that case and provided notice in that action of this Court's litigation injunction.

6. **Dual Diagnostic Treatment Center, Inc.**  
**(Receivable Balance of \$8,893,247)**

Dual Diagnosis Treatment Center, Inc. (“Dual Diagnosis”) is a company that operated and maintained mental health and substance treatment facilities. As the Defendants noted in the Joint Response, Par Funding appears to have reached a settlement agreement with this merchant around the same time the SEC filed this action. It appears from the settlement documentation that Joseph Cole Barletta, Joseph LaForte, James LaForte, and Lisa McElhone executed this settlement agreement on July 23, 2020. Dual Diagnosis appears to have signed the agreement on July 27, 2020.

New York Unity Factor, LLC, another merchant cash advance company, is a party to the settlement agreement. The settlement agreement states in its recitals that Dual Diagnosis and its related parties “entered into multiple Merchant Cash Advance agreements” prior to July of 2018, wherein “Broadway Advance LLC agreed to purchase certain receivables” from Dual Diagnosis and its related entities “for approximately \$8,500,000.00.” Broadway Advance LLC apparently assigned its rights under these Merchant Cash Advance agreements to Par Funding, and Par Funding subsequently assigned these agreements to New York Unity Factor, LLC. The settlement purports to resolve multiple lawsuits between the parties, and resulted in an agreement under which Dual Diagnosis and its related entities agreed to assign accounts receivable of approximately \$2 Million to New York Unity Factor, LLC.

The full extent of the relationship between Par Funding, Broadway Advance LLC, and New York Unity Factor, LLC is not currently known. However, Broadway Advance LLC and New York Unity Factor, LLC utilize the same physical address and suite number as the location for their business. Additionally, Lisa McElhone’s organizational chart includes New York Unity

Factor, and reflects that New York Unity Factor is within the umbrella of companies associated with Par Funding. *See* Exhibit 2.

**7. JRC Painting  
(Receivable Balance of \$6,751,346)**

JRC Painting, which had a receivable balance of \$6,751,346 as of September 30, 2020, made payments to Par Funding and received additional advancements every month from January through July 2020. For example, the new advances to and collections from JRC Painting were as follows: (1) January 2020 – Funded \$54,005, Paid Back \$78,915; (2) February 2020 – Funded \$21,340, Paid Back \$51,058; (3) March 2020 – Funded \$46,000, Paid Back \$68,103; (4) April 2020 – Funded \$19,400, Paid Back \$69,723; (5) May 2020 – Funded \$25,867, Paid Back \$74,260; (6) June 2020 – Funded \$24,005, Paid Back \$80,888; and (7) July 2020 – Funded \$38,010, Paid Back \$65,648.

Through this process of simultaneously receiving funds and paying back funds to Par Funding, JRC Painting paid down the receivable balance by a total of \$263,966 in 2020, or an average of \$37,700 per month. At the same time, however, fees and other account additions resulting from these advances increased the receivable balance by \$221,364 over that same period of time. Thus, the net change to JRC Painting's receivable balance in 2020 was a reduction of \$42,602, from \$6,793,948 as of January 1, 2020, to \$6,751,346 as of September 30, 2020.

**8. Health Acquisition Company  
(Receivable Balance of \$6,081,515)**

Prior to the Receivership, Par Funding filed a confession of judgment against Health Acquisition Co. ("HAC") in the amount of \$5,959,906.69. HAC's principal, Jorge Perez, a guarantor of HAC's obligators to Par Funding, is under federal indictment in Florida for a \$1.4 billion health care fraud scheme involving billing for lab tests through rural hospitals that, pursuant

to federal regulations, are entitled to higher reimbursement rates than other hospitals. Based upon the Receiver's initial investigation, the Receiver believes that HAC has few, if any, assets.

HAC is comprised principally of five affiliated operating companies (the "CAH Companies"), each of which is now in bankruptcy. The Bankruptcy Trustee for the CAH Companies has proposed a settlement in which the Receiver would receive upwards of \$750,000.00 in cash. Under this proposed settlement, the Receiver would retain claims totaling \$1,350,000.00 in the CAH Companies' bankruptcy proceedings. The Receiver would also retain certain claims against individuals and retain a mortgage lien on a rural hospital in DeQueen, Arkansas, which apparently was closed in 2019. The Receiver also retains title to a closed community hospital in Williston, Florida.

**9. D19 Liquor, Inc.  
(Receivable Balance of \$5,573,512)**

D19 Liquor is a Michigan company that owns a small liquor store in Pinckney, Michigan, a rural town with a population of 2,400 people, approximately 20 miles northwest of Ann Arbor, Michigan. Par Funding filed a confession of judgment against D19 in 2019 based on a default by the merchant. This confession was later vacated in 2020, before the establishment of this receivership.

As of April 3, 2020, the balance for D19 Liquor's receivables due to be paid to Par Funding was approximately \$910,000. Par Funding's records reflect, however, that the company entered into an additional MCA agreement on April 7, 2020, under which D19 assumed the balances of amounts owned to Par Funding by several other companies owned by the principal of D19, including a gas station, a pizza restaurant, and other entities that own property where these businesses were located. As a result, the receivable balance for D19 increased from under one

million to \$7,068,770.68 as of April 7, 2020. As of September 30, 2020, the receivable balance was \$5,573,512.

The Receiver has some concerns over how large this receivable balance is for D19, given that the merchant obligated under the agreement is a small liquor store in rural Michigan. Additionally, the Receiver has learned that the principal of D19 was found to be liable in prior litigation for fraud and civil conspiracy in connection with a “check-kiting” scheme. *See RBS Citizens, NA v. M-59 Tel. Petroleum LLC*, 2:12-CV-11193, 2013 WL 4496248, at \*1 (E.D. Mich. Aug. 21, 2013), amended, 2:12-CV-11193, 2014 WL 1652192 (E.D. Mich. Apr. 23, 2014) (granting summary judgment against principal of companies in claims for fraud and civil conspiracy, and granting request to pierce corporate veil to allow principal to be held personally liable for the actions of his companies).

**10. CKD Enterprises  
(Receivable Balance of \$5,442,666)**

CKD Enterprises had an outstanding balance of approximately \$6,000,000 as of January 1, 2020. During the Period, collections from this merchant totaled approximately \$3,800,000, but Par Funding extended additional merchant cash advances during that same time frame of approximately \$2,200,000, resulting in a net collection of approximately \$1,600,000. Moreover, fees and other account additions of approximately \$1,000,000 adjusted the receivable balance to approximately \$5,400,000 as of September 30, 2020.

**III. Prior Litigation Involving Par Funding**

**A. Engagement of Fox Rothschild LLP to Transition Pending Litigation**

The Receiver has decided against retaining Fox Rothschild LLP to continue to represent Par Funding in pending litigation involving the company. The Receiver has agreed, however, to engage Fox Rothschild LLP on a limited basis for the purpose of transitioning these litigation

matters to new counsel. In addition, the Receiver continues to communicate with counsel for Fox Rothschild about a \$1.5 million transfer from Par Funding to the firm after this litigation commenced, on July 27, 2020. Fox seeks to retain approximately \$600,000 of that amount as fees earned prior to the establishment of the receivership. If the Receiver and Fox are unable to resolve this matter, they will present the issue to the Court by motion.

**B. Par Funding's Pre-Receivership Filings of Confessions of Judgment**

Prior to the appointment of the Receiver, Par Funding filed numerous confessions of judgment against merchants (or guarantors of the merchants' obligations) that were in default under agreements with Par Funding. Based on records and information available to the Receiver, it appears that Par Funding filed, in total, at least 1,716 confessions of judgment from 2013 through 2020. On September 4, 2020, in acknowledgment of this Court's litigation injunction (ECF No. 141 at 12), the Philadelphia Court stayed all litigation involving the Receivership Entities (in particular, Par Funding), including the 1,716 confessions of judgment.

The year-by-year breakdown of these filings is as follows:

2013: 10 (1.4%)

2014: 1 (0.05%)

2015: 27 (1.5%)

2016: 90 (5.2%)

2017: 254 (14.8%)

2018: 141 (8.2%)

2019: 800 (46.6%)

2020: 393 (22.9%)

1,716 Total



With respect to the 393 confessions of judgment Par Funding filed in 2020 (January 1, 2020 – July 29, 2020), 185 were filed in the first two months of the year (*i.e.*, prior to February 28, 2020), and 208 were filed in the subsequent five months, leading up to the filing of this action and the appointment of the Receiver (*i.e.*, between March 1, 2020 and July 29, 2020). Based on this data, it is clear that the vast majority of the underlying defaults that resulted in the filing of confessions of judgment (1,508 of 1,716) occurred prior to February 28, 2020, and were not related to the COVID-19 crisis. In fact, 800 confessions of judgment, almost half of the total (46.6%), were filed in 2019, well before the COVID-19 crisis began to impact the U.S. economy.

The Receivership has worked with dozens of merchants and/or guarantors to mark judgments satisfied, to dissolve writs of garnishment, and/or to remove liens against personal or real property where merchants are no longer in default. As the Court is aware, the Receiver has filed, and will continue to file, motions to lift the litigation injunction to accomplish this. *See* ECF Nos. 111, 148, 198, 232, 264.

#### **IV. Other Matters Involving the Receiver in this Litigation**

##### **A. The Receiver's Motion to Compel Work Product from Law Firms**

On Sunday, August 16, 2020, the Receiver filed a Motion to Compel the Production of Opinion Letters and Compliance Materials from Law Firms (the “Motion to Compel”) (ECF No. 160). The Receiver has made progress with all of the various law firms in resolving the Motion to Compel. As the Receiver advised in a Status Report dated September 30, 2020 (ECF No. 297), the Receiver continues to work with the managing partner of the Philadelphia office of Offit Kurman to determine whether that firm has any additional relevant materials to produce to the Receiver. In addition, Eckert Seamans and counsel for Dean Vagnozzi are working to produce to the Receiver work product that the firm generated for ABFP and its various related funds. The

Receiver's counsel will continue to engage in efforts to resolve disputes with Mr. Vagnozzi's counsel regarding assertions of an individual or joint privilege over certain work product. Mr. Vagnozzi and the Receiver have requested the opportunity to provide another status report on these issues by October 14, 2020.

**B. The Receiver's Intention to Consent to a Judgment against the Receivership Entities**

As reflected in the Joint Scheduling Report, the Receiver "will likely consent to the causes of action against the Receivership Entities" and is "not expected to present a defense at trial." (ECF No. 261, at 1-2). To that end, the Receiver is currently in discussions with the SEC about the form of a proposed consent judgment.

**C. ABFP Entities**

The Court previously agreed to expand the receivership to include ABFP Multi-Strategy Investment Fund LP and ABFP Multi-Strategy Fund 2 LP, two additional investments funds managed by ABFP that include investments in Par Funding as well as certain life settlements. (ECF No. 238). Since that time, the Receiver has been in frequent communication with the companies that administer the life insurance policies, including for purposes of coordinating the payment of insurance premiums and processing claims on those policies. The Receiver is evaluating these life insurance policies to avoid a potential lapse of these policies and is obtaining a valuation to support the decision to continue to make payments on these policies.

The Receiver is also in discussions with the SEC and counsel for Dean Vagnozzi about the practicality of developing a process for fully separating various ABFP-related investment funds from the receivership that had no involvement in Par Funding. These include funds that invested in life insurance policies (the Pillar funds), litigation funding (the Atrium funds and ProMed

Investment), and other various investments (*e.g.*, Woodland Falls Investment Fund LLC, Windsor Corporate Park Investment Fund LLC, and ABFP Libra Fund LLC).

ABFP Management Company, LLC is the manager of several of those investment funds. As a result, the Receiver has been regularly coordinating with Mr. Vagnozzi to provide him access to records and other information he requires to administer those funds. In addition, numerous investors in these other funds have been contacting the Receiver (and the Court) to express their concerns over the administration of these funds. Assuming Mr. Vagnozzi presents information to the Court establishing that these other funds are truly separate from Par Funding and do not contain commingled funds, the Receiver believes it would be in the best interests of all parties to agree on an appropriate arrangement under which Mr. Vagnozzi will take over full responsibility and control of these other funds, outside of the receivership.

**D. Other Litigation Involving the Receivership Entities**

The Receiver continues to address matters involving other litigation against the Receivership Entities and has filed notice of the Litigation Injunction (ECF No. 141, ¶¶ 31-34) in several matters nationwide in order to maintain the status quo and avoid spending the Receivership Estate's resources on litigation. The Receiver will continue to file motions to lift the Litigation Injunction, where appropriate, to address issues related to prior enforcement and collections actions that should not have proceeded for various reasons or to otherwise remove liens and writs of garnishment on various assets that should not have been encumbered.

**E. Cooperation by Defendants John Gissas and Michael Furman**

The Receiver continues to work closely with counsel for Mr. Gissas and counsel for Mr. Furman to address issues and questions as they arise related to their continued operation of

businesses that are unrelated to Par Funding. There are no pending issues related to Mr. Gissas or Mr. Furman that currently require the Court's attention.

WHEREFORE, Ryan K. Stumphauzer, as Court-Appointed Receiver, by and through his undersigned counsel, respectfully files this Interim Status Report dated October 6, 2020.

Dated: October 6, 2020

Respectfully Submitted,

**STUMPHAUZER FOSLID SLOMAN  
ROSS & KOLAYA, PLLC**  
Two South Biscayne Blvd., Suite 1600  
Miami, FL 33131  
Telephone: (305) 614-1400  
Facsimile: (305) 614-1425

By: /s/ Timothy A. Kolaya  
TIMOTHY A. KOLAYA  
Florida Bar No. 056140  
tkolaya@sfslaw.com

*Co-Counsel for Receiver*

**PIETRAGALLO GORDON ALFANO  
BOSICK & RASPANTI, LLP**  
1818 Market Street, Suite 3402  
Philadelphia, PA 19103  
Telephone: (215) 320-6200  
Facsimile: (215) 981-0082

By: /s/ Gaetan J. Alfano  
GAETAN J. ALFANO  
Pennsylvania Bar No. 32971  
(Admitted Pro Hac Vice)  
GJA@Pietragallo.com  
DOUGLAS K. ROSENBLUM  
Pennsylvania Bar No. 90989  
(Admitted Pro Hac Vice)  
DKR@Pietragallo.com

*Co-Counsel for Receiver*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on October 6, 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”

**From:** [Joe Mack](#) on behalf of [Joe Mack <joe@parfunding.com>](#)  
**To:** [jamie@parfunding.com](#)  
**Subject:** FW: Personal Financial Statement  
**Date:** Monday, June 15, 2020 6:06:49 PM  
**Attachments:** [Personal Financial Statement Trust.xlsx](#)

---

---

**From:** Lisa Mc <[lisa.mcelhone@gmail.com](mailto:lisa.mcelhone@gmail.com)>  
**Sent:** Monday, June 15, 2020 3:07 PM  
**To:** Joe Mack <[joe@parfunding.com](mailto:joe@parfunding.com)>  
**Subject:** Personal Financial Statement

Hi,



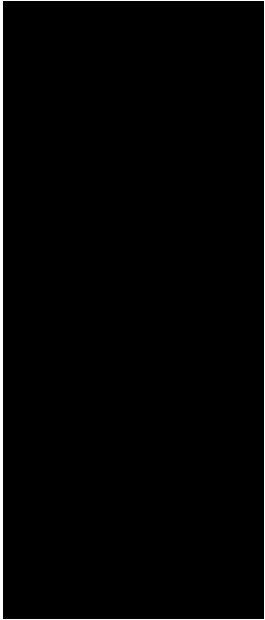



See updated Personal Financial Statement attached. I totalled it by category and did a grand total at the bottom. This is impressive!!!!

We can make corrections or revisions for anything you see that needs to be changed.

Let me know xoxo

*Regards,*

*Lisa McElhone*

Company Names	Type	Valuation	Purchase Price	Note
Complete Business Solutions Group	MCA Portfolio	\$ 250,000,000.00		
Fast Advance Funding LLC	MCA Portfolio	\$ 15,000,000.00		Own 70%
Capital Source 2000	MCA Portfolio	\$ 35,000,000.00		
Contract Financing Solutions	MCA Portfolio	\$ 17,000,000.00		
Recruiting & Marketing Resources	MCA Broker/ISO	\$ 5,000,000.00		
Full Sprectrum Processing	Processing Company	\$ 1,000,000.00		
		<b>\$ 323,000,000.00</b>		
Heritage Business Consulting	Alternative Investment Co	\$ 26,500,000.00		
Eagle Six Consultants Inc.	Alternative Investment Co	\$ 47,400,000.00		
		<b>\$ 73,900,000.00</b>		
LME Fam Trust 2017	Trust	\$ 115,000.00		
	Holding Company	\$ 10,500,000.00		Investment accounts (Stocks, EFTs, Mutuals)
		<b>\$ 10,615,000.00</b>		
	Nail Salon	\$ 500,000.00		
Metro Physical Medicine Group Inc	Medical	\$ 250,000.00		Physical Therapy Clinic
		<b>\$ 750,000.00</b>		
Pink Lion LLC	Property Holding	\$ -		Vail CO Condo & Hotel (\$160mm /50%)
	Property Holding	\$ -	\$ 34,000,000.00	
	Property Management	\$ -		
	Property Holding	\$ 600,000.00	\$ 500,000.00	
	Property Holding	\$ 600,000.00	\$ 500,000.00	
	Property Holding	\$ 3,000,000.00	\$ 3,000,000.00	
	Property Holding	\$ 3,500,000.00	\$ 3,500,000.00	
	Property Holding	\$ 1,200,000.00	\$ 1,200,000.00	
	Property Holding	\$ 850,000.00	\$ 850,000.00	
	Property Holding	\$ 800,000.00	\$ 800,000.00	
	Property Holding	\$ 4,000,000.00	\$ 2,600,000.00	
	Property Holding	\$ 2,900,000.00	\$ 2,900,000.00	
	Property Holding	\$ 650,000.00	\$ 650,000.00	
	Property Holding	\$ 1,100,000.00	\$ 1,100,000.00	
	Property Holding	\$ 8,000,000.00	\$ 7,600,000.00	
	Property Holding	\$ 5,000,000.00	\$ 4,600,000.00	
	Property Holding	\$ 1,900,000.00	\$ 1,900,000.00	
	Property Holding	\$ 850,000.00	\$ 850,000.00	
	Property Holding	\$ 2,900,000.00	\$ 2,900,000.00	
	Property Holding	\$ 2,950,000.00	\$ 2,950,000.00	
	Property Holding	\$ 800,000.00	\$ 800,000.00	
	Property Holding	\$ 1,800,000.00	\$ 1,800,000.00	
	Property Holding	\$ 6,600,000.00	\$ 6,600,000.00	
	Property Holding	\$ 1,640,000.00	\$ 1,640,000.00	
	Personal Real Estate	\$ 7,000,000.00	\$ 5,800,000.00	
	Personal Real Estate	\$ 560,000.00	\$ 407,000.00	
Golf Course		\$ -		
		<b>\$ 59,200,000.00</b>		
Eagle Union Quest One	Plane Holding Entity	\$ 8,000,000.00	\$ 8,000,000.00	
Artwork	Art	\$ 3,000,000.00	\$ 3,000,000.00	
2019 Porsche Turbo S	Auto	\$ 250,000.00	\$ 232,600.00	
2020 Range Rover	Auto	\$ 155,000.00	\$ 128,185.00	
2016 Bentley Mulsanne	Auto	\$ 185,000.00	\$ 184,841.00	Owned by HBC
2020 Mercedes G550	Auto	\$ 150,000.00	\$ 117,754.00	
2016 Chevy Tahoe	Auto	\$ 50,000.00		
		<b>\$ 790,000.00</b>		
Liberty Sixth Avenue LLC	pending			Technology Advisors owner
Liberty Seventh Avenue LLC	pending	\$ 3,000,000.00		Colorado World / Colorado Farms Holding
				Arkansas 1st Position Lien 3.7mm Owns Ft
				Worth TX CKD Facility (Texas Mine) 7.3mm
				Royalties of \$1 per ton CKD
				Owns 40% Vision Solar, 40% Alternative
				Materials, 40% Kingdom Logistics, 40% CNP,
				40% Rare Elements of the world
				Solar Install Company- Own 40%
Colorado Sky		\$ -		
Vision Solar LLC	Construction	\$ 75,000,000.00		



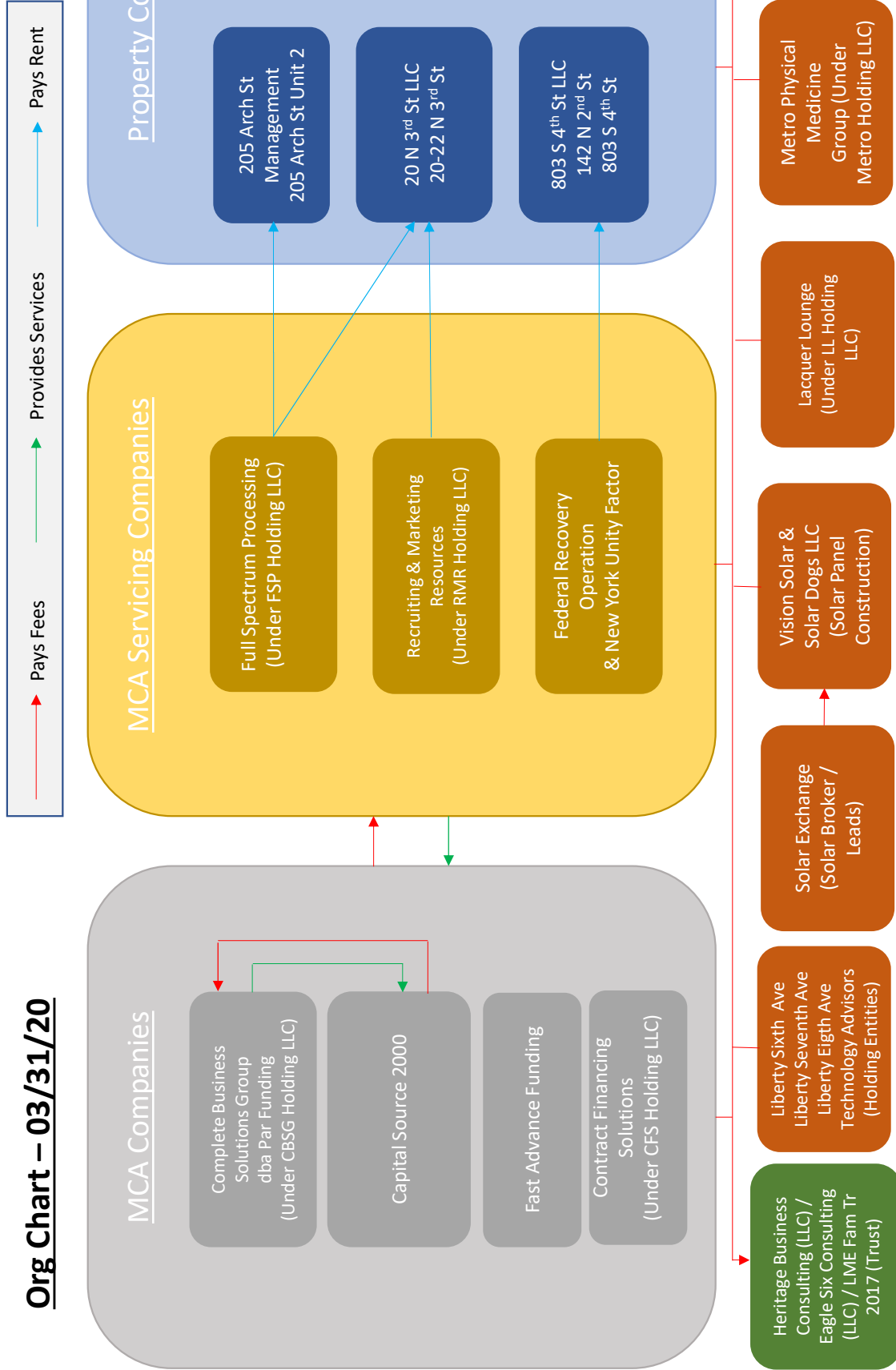
Alternative Materials		\$ 68,000,000.00	Colorado Sky Owns 40%
Kingdom Logistics		\$ 100,000,000.00	Marianna & Double Mountain
Colorado Natural Products		\$ 50,000,000.00	
My CBD Lab	CBD Brand	\$ -	
Rare Earth Elements of The World		\$ 15,000,000.00	
		<b>\$ 316,500,000.00</b>	

**TOTAL ASSETS** **\$ 795,755,000.00**

Eagle Union Quest Two	Plane Management	
Millenium Holdings Limited LLC		
Solar Exchange LLC	Construction Broker	
Solar Dogs LLC	Holding Company	
	Property Holding	hoa entity
Manitou Boat		
Waverunner		
Waverunner		

# Exhibit “2”

## Org Chart – 03/31/20



# Exhibit “3”

## EAGLE COUNTY TENANTS IN COMMON AGREEMENT

This EAGLE COUNTY TENANTS IN COMMON AGREEMENT ("*Agreement*") is made effective as of May 7, 2020 (the "*Effective Date*"), by and among COLORADO WORLD RESORTS, LLC, a Colorado limited liability company ("*Colorado World Resorts*"), and Pink Lion LLC, a Pennsylvania Limited Liability Company ("*PL-TIC*"; Colorado World Resorts and PL-TIC are hereinafter referred to singularly as a "*Tenant*" and collectively as the "*Tenants in Common*").

### RECITALS

WHEREAS, the Tenants in Common jointly own the real property and improvements thereon located at 38388 Highway 6, Avon, Eagle County, Colorado 81620, more particularly described in Exhibit 1 attached hereto and incorporated herein (the "*Property*"); and

WHEREAS, the Tenants in Common are entering into this Agreement to memorialize their agreement with respect to the joint ownership of the Property;

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

**1. Definitions.** The following terms shall have the meanings and definitions as set forth below:

- (a) "*Affiliate*" shall mean, with respect to any person, any other person that directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the referenced person.
- (b) "*Computed value*" shall mean the value of the TIC-Interests in the Property as assessed by a comparative market analysis performed by a licensed realtor selected and agreed to by the Tenants in Common. Such computation shall be binding and conclusive upon the parties. The computation shall be made in accordance with generally accepted practices consistently applied in the area.
- (c) "*Existing Loans*" shall mean the loans in the aggregate original principal amount of \$2,500,000.00 which encumber the Property as of the Effective Date. This amount includes the \$1,000,000.00 funded at the signing of these agreements.
- (d) "*Hotel*" shall mean the 81 dwelling units to be operated as a hotel at the Property.
- (e) "*Project*" shall mean the development and construction of the condominium and hotel property at the Property. The Project is planned to contain approximately 162 dwelling units, with approximately 81 of the units to be sold as condominiums and the remaining approximately 81 units to be operated as the Hotel.
- (f) "*TIC-Interest*" shall mean a Tenant's undivided tenant in common interest in the Property, expressed as a percentage.

**2. *TIC-Interests.*** The Tenants in Common have the following undivided percentage interests in the Property (*i.e.*, TIC-Interests):

- (a) Colorado World Resorts - 50%; and
- (b) PL-TIC - 50%.

The TIC-Interests are subject to the encumbrances securing the Existing Loans.

**3. *Management.*** PL-TIC shall have sole authority to make decisions on all matters on behalf of the Company relating to the Project. Any and All decisions shall require PL-TIC approval.

(a) PL-TIC's authority includes (but not limited to):

- (1) supervise the development and construction of the Project, including to make any decision concerning the development and construction of the Project;
- (2) engage or replace the construction manager for the Project (*see* §3(b) below);
- (3) secure, approve and hire contractors and subcontractors for the Project;
- (4) make any decisions concerning job scheduling for the Project;
- (5) enter into any loans with respect to the Project and Property and encumbering the Property to secure such loans;
- (6) incur any obligations with respect to the Project and Property;
- (7) enter into any agreements with respect to the Project and Property;
- (8) make any expenditures with respect to the Project and Property;
- (9) make any payments to any vendors, service providers or subcontractors;
- (10) manage the day-to-day operations of the Property after completion of the Project;
- (11) make any decision concerning the Hotel, including to decide the flag affiliation and hire or replace the operations manager for the Hotel; and
- (12) any distribution of profits.

(b) The initial construction manager will be UAB INC., a Pennsylvania corporation, which is contracted by PL-TIC.

**4. *Funding for the Property by Tenants in Common.*** Each of the Tenants in Common shall from time to time advance or cause to be advanced, in proportion to their relative TIC-Interests, funds to a common account as such funds shall from time to time be required to pay for the development, construction, maintenance and operation of the Property, including interest and principal on mortgage liens, and for the costs of any improvement. Should any Tenant for any reason fail or refuse to advance or cause to be advanced its proportional share of required funds, then and in that event, the other Tenants in Common shall have the right to acquire the interest of the delinquent Tenant at the Computed Value.

**5. Profit and Losses.** The profits and losses from the operation of the Property shall be shared by the Tenants in Common in proportion to their relative TIC-Interests.

**6. Transfer Restrictions.** Neither of the Tenants in Common will dispose, transfer, devise, convey, lease, mortgage, or otherwise encumber its TIC-Interest, without the written consent of the other Tenants in Common, whose consent shall not be unreasonably withheld.

- (a) *Transfers to Related Individuals.* Each Tenant shall have the right to transfer to any or all of such Tenant's TIC-Interest to an Affiliate (as defined below) without obtaining the consent of the other Tenants in Common. Upon a transfer of a TIC-Interest to an Affiliate, the transferor Tenant shall deliver to the other Tenants in Common within 7 days of the making of the transfer, a copy of each and every instrument providing for the transfer.
- (b) *Joinder to this Agreement.* Each transferee shall be bound by all of the provisions of this Agreement as if such transferee had owned the transferred TIC-Interest on the Effective Date and had in fact signed this Agreement on the Effective Date. A transferee shall promptly execute a written assumption agreeing to perform faithfully and to be bound by all of the terms, covenants, conditions, provisions and agreements of this Agreement with respect to the TIC-Interest acquired by such transferee and upon such assumption the transferee shall become a party to this Agreement.

**7. No Partition.** Each of the Tenants in Common irrevocably waives any and all right that it may have to maintain any action for partition with respect to its TIC-Interest or to compel any sale of the Property under any applicable laws now existing or subsequently enacted.

**8. Termination.** This Agreement shall terminate on the sale of the Property and the distribution to the Tenants in Common of the net proceeds of the sale, or at such other times as the parties may agree in writing.

**9. Binding Effect.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns. If a Tenant in Common transfers, in accordance with this Agreement and the Loan Documents, all or part of its TIC-Interest, then its transferee shall be bound by all of the terms and conditions of this Agreement.

**10. Governing Law.** This Agreement shall be governed by, construed, enforced and interpreted in accordance with the internal laws of the State of Colorado, without regard to the conflicts of law provisions and principles thereof.

**11. Severability.** In the event any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability shall not affect any other provision. This Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been contained in it. If any provision or part thereof of this Agreement is stricken in accordance with this Section, then such stricken provision shall be replaced, to the extent possible, with a legal, enforceable and valid provision that is as similar in tenor to the stricken provision as is legally possible.

**12. Amendments.** This Agreement may be amended by the parties only by a written agreement.

**13. Attorneys' Fees.** If any action at law or in equity is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled.

**14. Terminology and Interpretation.** The terms "include" and "including" do not limit the preceding words or terms. The term "any" includes 'any', 'if any', 'all', 'any or all' or 'any and all', as the context requires. Each gender shall include each other gender. When required by the context, the singular shall include the plural and vice-versa. The word "or" is not exclusive. All headings are for convenience and ease of reference only and are irrelevant to the construction or interpretation of any provision of this Agreement.

**15. Further Assurances.** Each Tenant in Common agrees to execute, with acknowledgment and affidavit if required, any and all documents and to take any and all actions that may be reasonably required in furtherance of the provisions of this Agreement.

**16. Counterparts; Facsimiles.** This Agreement may be executed in counterparts, each of which shall be deemed an original (including copies sent to a party by facsimile transmission or e-mail) as against the party signing such counterpart, but which together shall constitute one and the same instrument. An electronic signature or a copy of a party's signature to this Agreement, including a photocopied signature or a signature transmitted by facsimile or email, shall be valid and binding as an original signature and there shall be no need for a party to deliver an original handwritten signature.

**17. Memorandum of Agreement.** Each Tenant in Common hereby agrees to execute a memorandum of this Agreement (without the requirement of any Tenant in Common's signature), to be filed in the real property records where the Property is located for the purpose of providing constructive notice of certain terms and provisions of this Agreement. Upon termination of this Agreement, each Tenant in Common shall execute a termination of such memorandum in recordable form.

**18. Entire Agreement.** This Agreement and any agreement, document or instrument referred to herein constitute the entire agreement between the Tenants in Common pertaining to the subject matter contained in such agreement and supersedes all prior and contemporaneous agreements, representations and understandings of the Tenants in Common.

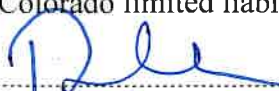
[SIGNATURES ON FOLLOWING PAGE]



IN WITNESS WHEREOF, each Tenant in Common has set its signature effective as of the Effective Date set forth above.

TENANTS IN COMMON:

**COLORADO WORLD RESORTS, LLC,**  
a Colorado limited liability company

By:   
Ranko Mocevic, Manager

Address: 6460 S. Quebec Street, Building 5  
Centennial, Colorado 80111  
Attn: Ranko Mocevic  
Phone: 303-726-0455  
Email: ranko@customcoloradohome.com

**NAME OF PL-TIC,**  
a PA LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: 20 N. 3<sup>rd</sup> Street  
Philadelphia, Pennsylvania 19106  
Attn: \_\_\_\_\_  
(215) 922-2636  
Email: lisa.mcelhone@gmail.com

**EXHIBIT 1**  
**Property Description**

A PARCEL OF LAND LOCATED IN THE NORTHWEST 1/4 SOUTHEAST 1/4 SECTION 12, TOWNSHIP 5 SOUTH, RANGE 82 WEST OF THE 6TH PRINCIPAL MERIDIAN LYING SOUTHERLY OF U.S. HIGHWAY 6, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A BRASS CAP SET FOR THE SOUTHEAST CORNER OF THE NORTHWEST 1/4 SOUTHEAST 1/4 SECTION 12, TOWNSHIP 5 SOUTH, RANGE 82 WEST OF THE 6TH PRINCIPAL MERIDIAN; THENCE SOUTH 89 DEGREES 53 MINUTES 54 SECONDS WEST A DISTANCE OF 1302.02 FEET ALONG THE 1/16 LINE; THENCE NORTH 19 DEGREES 32 MINUTES 15 SECONDS EAST A DISTANCE OF 1097.52 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY 6; THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE ALONG A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 3770.00 FEET AND A CENTRAL ANGLE OF 04 DEGREES 27 MINUTES 57 SECONDS AN ARC DISTANCE OF 293.85 FEET AND CHORD BEARING AND DISTANCE OF SOUTH 65 DEGREES 20 MINUTES 12 SECONDS EAST 293.78 FEET; THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE SOUTH 58 DEGREES 48 MINUTES 40 SECONDS EAST A DISTANCE OF 128.74 FEET; THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE SOUTH 63 DEGREES 10 MINUTES 00 SECONDS EAST A DISTANCE OF 622.93 FEET TO A POINT ON THE EAST 1/16 LINE OF SAID SECTION 12; THENCE ALONG SAID 1/16 LINE SOUTH 00 DEGREES 12 MINUTES 20 SECONDS EAST A DISTANCE OF 561.57 FEET TO THE POINT OF BEGINNING, COUNTY OF EAGLE, STATE OF COLORADO