

**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.

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**RECEIVER’S MOTION TO FILE UNREDACTED COPIES OF LISA McELHONE’S  
PERSONAL FINANCIAL STATEMENTS AND RELATED COMMUNICATIONS**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver (“Receiver”) of the Receivership Entities,<sup>1</sup> by and through undersigned counsel, hereby files this Motion to File Unredacted Copies of Defendant Lisa McElhone’s Personal Financial Statements and Related Communications, and states as follows:

1. On October 6, 2020, the Receiver filed an Interim Status Report with several exhibits, including a copy of Lisa McElhone’s Personal Financial Statement. ECF No. 301, 301-1. In that financial statement, Ms. McElhone claimed total personal assets totaling \$795,755,000. *Id.* As previously explained, “[t]his personal financial statement cause[d] the Receiver and DSI

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<sup>1</sup> The “Receivership Entities” are Complete Business Solutions Group, Inc. d/b/a Par Funding (“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.

grave concern because Ms. McElhone purport[ed] to hold a substantial equity stake in several merchant businesses that received advances under merchant cash advance (“MCA”) agreements from Par Funding, and that the Receiver initially presumed to be independent from Par Funding . . . includ[ing] Kingdom Logistics, Colorado Farms, Colorado World Resorts, Colorado Sky, Colorado Natural Products, Solar Exchange LLC, and Solar Dogs LLC.” ECF No. 301 at 4.

2. Later, on October 30, 2020, the Receiver filed a Motion to Expand the Receivership Estate (the “Motion to Expand”) to include five categories of entities and properties as additional Receivership Entities, including: (1) two related MCA entities owned and operated by Par Funding insiders that received proceeds of the fraud scheme; (2) four “consulting” companies, owned and operated by Defendants Lisa McElhone, Perry Abbonizio, and Joseph Cole that received fraud proceeds; (3) nineteen real estate entities formed to purchase multiple income-producing properties with commingled proceeds of the fraud scheme; (4) a family trust operated by Defendant McElhone (currently designated as the Relief Defendant) that received millions of dollars in commingled funds directly from a Par Funding investor account; and (5) personal real estate in Pennsylvania and Florida purchased by McElhone with commingled proceeds of the fraud scheme (collectively the “Additional Receivership Entities”). ECF No. 357.

3. As to the second category of additional Receivership Entities, the Receiver attached supporting declarations, deposition transcripts, audit reports, accounting records and other exhibits, demonstrating that Par Funding distributed nearly **\$99.3 million dollars**, or 23% of the total investor funds collected between July 2015 and July 2020, to four “consulting companies” controlled by Par Funding insiders. *See* ECF No. 357 at p. 8, ECF No. 357-1 to 357-13. As to Ms. McElhone, specifically, the supporting evidence demonstrated:

- Between July 2015 and July 2020, Par Funding transferred approximately \$42,334,600.00 in commingled investor funds to Heritage Business Consulting, an entity owned and controlled by Defendant Lisa McElhone;
- Between July 2015 and July 2020, Par Funding transferred approximately \$42,643,174.00 to Eagle Six Consultants, an entity owned and controlled by Defendant Lisa McElhone;

4. On October 30, 2020, the Defendants filed a “response” to the Receiver’s interim status report, in which they continued to describe the financial health and stability of Par Funding, as well as their responsible corporate stewardship over investor funds. ECF No. 355. As to the McElhone personal financial statement, the Defendants concluded—with no supporting evidence—that it was merely “a rough draft of potential and projected assets on a spreadsheet” and that “[i]t was largely hypothetical and based on predictions of assets in the future.” *Id.* at 25-26. More specifically, “the projection draft suggests the possible value of assets and investments over a 10-15 year period, i.e., as of year 2020-2035.” *Id.* at 27-28.

5. This is demonstrably false. When considering these documents collectively and in chronological order, there is absolutely no support for the notion that Ms. McElhone’s personal financial statements are “hypothetical future projections;” instead, several line items reflect the actual purchase price of the listed assets, or the estimated fair market value of the listed assets when the financial statement was drafted or edited.<sup>2</sup> Thus, the Receiver believes the Court and investors should (and deserve to) see unredacted copies of the financial statements and emails so

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<sup>2</sup> To be clear, the Receiver is not suggesting that Lisa McElhone’s personal financial statement reflects a truthful or accurate estimate of monetary value in all instances, but instead that there is substantial evidence undermining the Defendants’ self-serving and unsupported claim that the financial statement was a long-term projection.

they can continue to evaluate the veracity of the unsupported statements in the Defendants' response to the Receiver's status reports. *See* ECF No. 335.

6. More importantly, the unredacted versions of Ms. McElhone's financial statements are directly relevant to the Motion to Expand the Receivership Estate, ECF No. 357, now pending before the Court and fully briefed. When the Receiver initially filed Ms. McElhone's financial statement as an exhibit to the Interim Status Report, ECF No. 302-1, several line items were heavily redacted in an abundance of caution. Nonetheless, the Receiver projected at that time:

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.

ECF. No. 305, p. 4 fn. 2.

7. Now, more than a month after that Status Report was filed, it is increasingly evident that the myriad versions of Ms. McElhone's personal financial statement, and the attached emails that elucidate their creation, purpose, and use, are relevant to the Court's ruling on the Receiver's Motion to Expand Receivership Estate. Indeed, Ms. McElhone's Personal financial statements specifically reference some of the income producing real estate and other assets that are the subject of the Motion to Expand. Moreover, the Receiver notes that these documents do not contain any social security numbers, drivers' license numbers, bank account numbers, or other information that would violate the CM/ECF NextGen Administrative Procedures. Finally, the Defendants have now squarely disputed the nature and accuracy of the information contained in Ms. McElhone's own personal financial statement, thereby placing the issue squarely before the Court.

**CONCLUSION**

8. For the reasons set forth herein, the Receiver respectfully requests that the Court enter an order permitting the Receiver to file unredacted copies of Lisa McElhone's personal financial statement, as well as email correspondence attached to—or directly relevant to the creation, use, or purpose of—those personal financial statements.

**CERTIFICATION REGARDING PRE-FILING CONFERENCE**

Pursuant to Local Rule 7.1(a)(3), undersigned counsel for the Receiver certifies that he has conferred with counsel for Ms. McElhone regarding the relief sought in this motion in a good faith effort to resolve the issues raised in this motion. Counsel for Ms. McElhone opposes the requested relief.

Dated: December 1, 2020

Respectfully Submitted,

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on December 1, 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