

**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 QUARTERLY
STATUS REPORT DATED FEBRUARY 1, 2021**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver ("Receiver") of the Receivership Entities,¹ pursuant to the requirements of the Amended Order Appointing Receiver [ECF No. 141], hereby files this Quarterly Status Report dated February 1, 2021. By way of summary, the

¹ 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; MK Corporate Debt Investment Company LLC; Capital Source 2000, Inc.; Fast Advance Funding LLC; Beta Abigail, LLC; New Field Ventures, LLC; Heritage Business Consulting, Inc.; Eagle Six Consulting, Inc.; 20 N. 3rd St. Ltd.; 118 Olive PA LLC; 135-137 N. 3rd St. LLC; 205 B Arch St Management LLC; 242 S. 21st St. LLC; 300 Market St. LLC; 627-629 E. Girard LLC; 715 Sansom St. LLC; 803 S. 4th St. LLC; 861 N. 3rd St. LLC; 915-917 S. 11th LLC; 1250 N. 25th St. LLC; 1427 Melon St. LLC; 1530 Christian St. LLC; 1635 East Passyunk LLC; 1932 Spruce St. LLC; 4633 Walnut St. LLC; 1223 N. 25th St. LLC; Liberty Eighth Avenue LLC; and The LME 2017 Family Trust; and also include the properties located at 568 Ferndale Lane, Haverford PA 19041; 105 Rebecca Court, Paupack, PA 18451; and 107 Quayside Dr., Jupiter FL 33477.

Receivership Estate consists of, among other things, Par Funding's and the other Receivership Entities' portfolios of accounts receivable, the value of which are not yet determined, as well as approximately \$130 million of tangible assets, including approximately \$63 million of real property and over \$67 million in cash (\$29.5 million of which the Receiver has recovered through collections and other recovery efforts since the receivership was established).

I. Communications and Overall Administration of Receivership Estate

A. Website / Communications with Interested Parties

The Receiver continues to receive many e-mails, telephone calls, and other inquiries from investors, merchants, administrators of agent funds, and other interested parties. The Receiver and his professionals have returned phone calls and emails from thousands of investors, merchants, and others. Since the Receiver established the receivership website on August 16, 2020, which is available at parfundingreceivership.com, there have been more than 46,159 visitors and 141,741 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.

B. Quarterly Report of Receivership Estate

Pursuant to the requirements of the Amended Order Appointing Receiver [ECF No. 141], attached as Exhibit 1 is a full report and accounting reflecting (to the best of the Receiver's knowledge as of the period covered by the report) the existence, value, and location of all Receivership Property, and of the extent of liabilities, both those claimed to exist by others and those the Receiver believes to be legal obligations of the Receivership Estates (the "Quarterly Report"). The Quarterly Report contains the following information: (1) summary of the operations

of the Receiver; (2) the amount of cash on hand, the amount and nature of accrued administrative expenses, and the amount of unencumbered funds in the estate; (3) a schedule of all the Receiver's receipts and disbursements (attached as Exhibit A to the Quarterly Status Report), with one column for the quarterly period covered and a second column for the entire duration of the receivership; (4) a description of all known Receivership Property, including approximate or actual valuations, anticipated or proposed dispositions, and reasons for retaining assets where no disposition is intended; (5) a description of liquidated and unliquidated claims held by the Receivership Estate, including the need for forensic and/or investigatory resources; approximate valuations of claims; and anticipated or proposed methods of enforcing such claims (including likelihood of success in: (i) reducing the claims to judgment; and, (ii) collecting such judgments); (6) a list of all known creditors with their addresses and the amounts of their claims; (7) the status of Creditor Claims Proceedings, after such proceedings have been commenced; and (8) the Receiver's recommendations for a continuation or discontinuation of the receivership and the reasons for the recommendations, as required pursuant to Paragraphs 53 and 54 of the Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141].

C. Pending Motions

As of the filing of this report, the following motions / applications remain pending:

1. Receiver's First Application for Allowance and Payment of Professionals' Fees and Reimbursement of Expenses for July 27, 2020 - September 30, 2020 [ECF No. 438], filed on December 16, 2020. Through this application, the Receiver has requested the Court's approval for the allowance and payment of professionals' fees and reimbursement of expenses incurred by the Receiver, his attorneys, his consultants, and his operations team at DSI, for the period of July 27, 2020, through September 30, 2020. On December 22, 2020, the Court referred this application

to United States Magistrate Judge Bruce Reinhart to take all action as required by law on the application [ECF No. 451]. As reflected in the application, the Securities and Exchange Commission has reviewed and does not oppose the relief requested through the application, which remains pending as of the filing of this Report.

2. Motion to Compel Receiver's Production of Documents Responsive to Defendant Lisa McElhone's Requests for Production [ECF No. 459], filed on January 5, 2021. Through this Motion, Defendants Perry S. Abbonizio, Joseph W. LaForte, and Dean J. Vagnozzi asked the Court to compel the Receiver to produce certain documents the Receiver previously agreed to produce to the Defendants, but only upon Defendants Joseph Cole Barleta and Lisa McElhone's agreement to return to the Receiver various documents and information belonging to the Receivership Entities. On January 11, 2021, the Receiver filed a Response to the Motion [ECF No. 464], indicating that the Motion was moot as a result of (i) Cole and McElhone's eventual compliance with the Receiver's requests to return these documents and records, and (ii) the Receiver's production of the agreed-upon documents. On January 15, 2021, the Court entered a Paperless Order directing the Defendants to file a reply regarding whether, based on the Receiver's representations in his Response [ECF No. 464], the Motion to Compel was now moot. As of the filing of this Report, the Defendants have not filed the reply as directed by the Court.

3. Receiver's Third Motion to Expand Receivership Estate and Motion to Correct Scrivener's Errors [ECF No. 468], filed on January 14, 2021. Through this Motion, the Receiver seeks to include as additional Receivership Entities two (2) limited liability companies that serve as the record owners for the residences of Defendants Lisa McElhone and Joseph LaForte in Haverford, Pennsylvania (Blue Valley Holdings, LLC) and Paupack, Pennsylvania (LWP North LLC) (the properties are already included as part of the Receivership Estate), and one (1) additional

real estate entity that Ms. McElhone formed to purchase an income-producing property with commingled proceeds of the Par Funding fraud scheme (500 Fairmount Avenue, LLC). The Receiver also requests the Court to correct scrivener's errors in the names of two entities that were previously included within the scope of the receivership through the Court's prior Orders. Specifically, the correct name of Eagle Six Consulting, Inc. is Eagle Six Consultants, Inc., and the correct name of ABFP Multi-Strategy Fund 2 LP is ABFP Multi-Strategy Investment Fund 2 LP. This Motion is unopposed, except with respect to the inclusion of 500 Fairmount Avenue, LLC. On January 15, 2021, the Court entered a Paperless Order [ECF No. 471], directing the Defendants to file a response to the Motion on or before January 22, 2021, should they wish to challenge the inclusion of 500 Fairmount Avenue, LLC as an additional Receivership Entity. The Defendants did not file a response.

4. Wilmington Savings Fund's Motion to Intervene and for Relief from the Amended Order Appointing Receiver [ECF No. 476], filed on January 21, 2021. Non-Party Wilmington Savings Fund filed a Motion requesting the Court to lift the litigation injunction so as to allow it to proceed with a foreclosure sale involving certain property on which Par Funding holds a junior lien. On January 22, 2021, the Court entered a Paperless Order directing Wilmington Savings Fund to meet and confer with the Receiver and the SEC in an effort to determine whether the Receiver and SEC object to the relief it is requesting in the Motion. The Receiver anticipates that Wilmington Savings Fund will be filing a notice in the near future advising the Court that it will be withdrawing this Motion.

II. Operations of Par Funding and DSI's Collection Activities

The Receiver and his professionals recommenced collection efforts, with the return of some previous collection staff, on September 8, 2020. Under the Receiver's supervision, collection

protocols were revised to ensure that the Receivership's collection practices comply with applicable laws and are consistent with best practices. The collections team previously contacted merchants to inform them about the receivership and the restart of the periodic, direct debits from their bank accounts. Once they reestablished these lines of communication, the collections team started and continues contacting merchants regarding payment plans and compelling compliance with the factoring agreement, as well as obtaining new bank account information when needed.

Collection efforts have been significantly impacted by the pandemic and its effect on the merchants' ability to conduct their business. Indeed, the collections staff are continuing to work with the merchants to establish performing payment plans and settlements as needed. In addition, the Receiver's professionals have been provided with modification or settlement agreements, as well as bankruptcy information, that were not included within the Par Funding books and records at the time of the establishment of the receivership, despite these events taking place prior to the Receiver's appointment. These developments have required extensive investigation and research.

The Receiver has filed eight (8) motions to lift the litigation stay affecting dozens of merchants. The requested stay relief allowed the Receiver to resolve confessions of judgment and liens where the merchant had fully repaid its advance or otherwise resolved the receivable account. The stay also was lifted in circumstances where the liens or judgments were incorrect or where the merchant filed for bankruptcy. The Receiver anticipates filing a ninth motion shortly.

The Receiver has not yet sought to lift the stay to institute collection actions, but that will be required shortly to resolve certain of the larger receivables, including anticipated collection actions against merchants in the Exception Portfolio, discussed below. Where appropriate, the Receiver has filed UCC-1s to secure his position on merchants' assets.

The Receiver is aware of the suggestion by certain investors that certain Defendants should be returned to control of the operations, supervised by a monitor. Based on the findings outlined in the Sharp Declaration [ECF No. 426], returning control of operations to the Defendants would result in a further reduction in the assets available to repay investors. Specifically, as discussed in the Sharp Declaration:²

1. Under the Defendants' management, the Par Funding merchant cash advance ("MCA") business generated only \$6.6 million in net cash from its inception through the end of 2019. During this same timeframe, the Defendants and other Par Funding insiders utilized at least \$144 million of commingled investor proceeds.

2. As a result of the Defendants' management, the receivable portfolio is heavily concentrated, with 50% of the total portfolio due from 16 merchants in five (5) related groups, referred to as the "Exception Portfolio." Several of the merchants in the Exception Portfolio have used funds advanced by Par Funding to make the required payments back to Par Funding, with no net return to Par Funding. The Defendants' use of "reloads" escalated the receivables in the Exception Portfolio and the receivables have now grown significantly larger than supportable by the individual merchant's business. Collection of many of these receivables is questionable. If Defendants are allowed to return to control, this exposure would likely increase, resulting in substantially greater losses to investors.

3. As a result of the Defendants' poor underwriting and management of the portfolio, the Par Financial model utilized by the Defendants requires significant additional cash investments to fund additional receivables, as the current portfolio does not generate sufficient cash. If the

² A corrected copy of the Sharp Declaration, which includes, among other non-substantive revisions, an attachment that was inadvertently omitted from the original draft, is attached as Exhibit 2.

Defendants are returned to control, an additional source of capital would be required. Additional investments likely would not lead to profits and would result in significant additional losses to investors.

The Receiver's ongoing investigations have confirmed that the Defendants used comingled investor funds to acquire: (i) personal real estate, including a \$6 million waterfront property in Jupiter, Florida; (ii) more than two dozen income-producing properties in and around Philadelphia; (iii) a multi-million dollar financial portfolio at Charles Schwab; and (iv) other luxury personal assets, including a jet. Although acquired with investor funds, these assets were placed in numerous LLCs and other corporate structures controlled exclusively by the Defendants and their nominees. Moreover, as discussed below, the Defendants have continued to transfer and conceal property even after the Receiver was appointed and while a motion to expand the receivership was pending before the Court. It would be difficult, if not impossible, for a monitor to prevent this type of self-dealing activity, and to work cooperatively with the Defendants, who have steadfastly refused to provide basic document and information to the Receiver, even though they are required to do so by this Court's Orders.

Certain investors have also suggested that the Receiver aggressively collect merchant cash advance ("MCA") balances from all merchants using all viable methods that the business is able to perform under the terms of these agreements (including liens against the personal assets of the owners of these merchant businesses). The Receiver is utilizing practices that are lawful and consistent with the characterization of the Par Funding receivables as merchant cash advances. Many merchants have demanded discounts, or even total forgiveness, due to the Defendants' previous collection tactics. Collection actions similar to some of those previously undertaken by the Defendants could provide the merchants a defense to their repayment obligations.

DSI also has reviewed the available information regarding Eagle Six Consultants, Inc. (“ESC”) and Heritage Business Consulting, Inc. (“HBC”), which have been included in the receivership through this Court’s December 16, 2020 Order [ECF No. 436]. This information included data located on the Par Funding/Full Spectrum servers, as well as information from a software program used to track account balances, MCA Suites, and the available QuickBooks files for ESC and HBC. The amounts presented are as reported in the QuickBooks files for ESC and HBC and have been updated through July 2020. Par Funding accounting employees that the Receiver has rehired are in the process of updating the QuickBooks files for the remainder of 2020, which may affect the balances presented here. DSI is also in the process of reviewing these balances and contacting counterparties to determine their accuracy and collectability.

DSI has located \$91.6 million in loans or receivables due to ESC, of which \$47.6 million is due from other Receivership Entities. The summary breakdown as follows:

	Amount (\$000)	Number of Accounts
Due from Receivership Entities	\$47,605	22
Due from related parties not under Receiver control	\$15,509	13
Due from third parties	\$28,486	24
TOTAL	\$91,600	59

The amounts due to ESC “from Receivership Entities” include amounts ESC advanced to allow Defendants McElhone and LaForte to acquire real estate that was titled under the name of distinct single-purpose LLCs formed for the sole purpose of holding this property. As discussed throughout this report, these properties are now under the Receiver’s control as additional Receivership Entities. The amounts “due from related parties not under Receiver control” include amounts that ESC loaned to entities that also entered into MCA agreements with Par Funding, such as Kingdom Logistics and Colorado Homes. The amounts “due from third parties” include

loans that ESC advanced to a variety of other companies using commingled investor funds from Par Funding. Through these transactions, Defendants McElhone and LaForte diverted money to ESC, and then operated ESC like a bank, extending traditional loans. Notably, some of the borrowers under these transactions have disputed the amounts due, or even the existence of these obligations. The Receiver and his professionals continue to communicate with these third parties and will update the Court as additional information is available.

DSI has located \$22.3 million in loans or receivables due to HBC, of which \$8.2 million is due from other Receivership Entities. The summary breakdown is as follows:

	Amount (\$000)	Number of Accounts
Due from Receivership Entities	\$8,284	5
Due from related parties not under Receiver control	\$6,630	4
Due from third parties	\$7,361	16
TOTAL	\$22,275	25

The majority of the approximately \$8.3 million “due from Receivership Entities” is a transfer of approximately \$7.4 million from HBC to ESC. The remaining amounts due to HBC from “related parties not under Receiver control” include amounts owed by Blue Valley Holdings LLC (the entity that owns the Haverford property) and LWP North, LLC (the entity that owns the Paupack property) that were utilized for the purchase of those properties. Finally, the amounts “due from third parties,” similar to the amounts due to ESC, include loans HBC advanced to a variety of other companies using commingled investor funds.

III. Expansion of Receivership / Issues Relating to Additional Receivership Entities

A. Status of Properties Subject to Expansion Order

As a result of this Court’s December 16, 2020 Order expanding the receivership, the Receiver was provided with possession of and control over 26 properties at 23 separate property

locations, with a cumulative value of in excess of approximately \$63 million based upon purchase price. The Receiver has attached to this report as Exhibit 3 a chart identifying each property, its purchase price, and any monthly income attributed to that property. The Receiver has recorded, or is in the process of recording, *lis pendens* against all the properties, as illustrated on the chart.

Nineteen (19) of the subject property locations are in the City of Philadelphia. Two (2) of the property locations are the former business offices of Par Funding/FSP and are managed by DSI. The remaining 17 Philadelphia property locations are either commercial, residential, or mixed use. The Receiver has retained the services of the legacy property manager in Philadelphia, OCF Realty, to continue to manage these 17 locations.

The Receiver also has taken possession and control of Defendants McElhone's and LaForte's residences at 105 Rebecca Court, Paupack, Pennsylvania and 107 Quayside Drive, Florida. The Receiver has prepared a residential lease for 568 Ferndale Lane, Haverford, Pennsylvania, where Defendants McElhone and LaForte continue to reside, and has requested that they execute it. After more than two (2) weeks, counsel for Defendant LaForte indicated that McElhone and LaForte will not sign the lease agreement and otherwise refuse to pay any amounts to the Receiver for their continued occupancy of that home.

The Receiver has learned, as discussed in more detail below, that Defendant McElhone has transferred the property at 4309 Old Decatur Road, Fort Worth, Texas to a Par Funding merchant, Kingdom Logistics, despite her previous representation to the Court that none of the properties subject to the Receiver's Motion to Expand had been sold.

As referenced above in Section I.C.3, on January 14, 2021, the Receiver also moved the Court to expand the Receivership to include an additional property at 500 Fairmount Avenue, Philadelphia, Pennsylvania which was acquired with commingled investor proceeds [ECF No.

468]. The property was purchased for \$1.64 million in January 2020. On January 15, 2021, the Court issued an Order requiring Defendants to respond to the Motion by January 22, 2021, should they wish to explain their position with respect to the Receiver's request to include this entity as an additional Receivership Entity [ECF No. 471]. Defendants have not filed a response.

B. Ms. McElhone's Transfer of 4309 Old Decatur Road, Fort Worth, Texas

As noted above, Ms. McElhone executed a series of undisclosed transactions to transfer the property at 4309 Old Decatur Road, Fort Worth, Texas. By way of background, on August 28, 2020, the Receiver through counsel, inquired whether Ms. McElhone and/or the LME 2017 Family Trust (the "Trust") would agree to the filing of *lis pendens* against 21 properties identified in the affidavit of SEC Investigator Raymond Andjich [ECF No. 177, Ex. 51]. The Receiver requested the *lis pendens* at the time to maintain the status quo and to prevent the dissipation of assets.

One property included in Andjich's declaration was a 34.88-acre tract of land located at 4309 Old Decatur Road, Fort Worth, Texas, 76102 (also known as 3950 Angle Avenue, Fort Worth, TX). It was purchased by Liberty Eighth Avenue LLC on April 19, 2019, with \$4.6 million of commingled investor funds. On September 1, 2020, the Receiver obtained a title commitment report reflecting that this property was owned by Liberty Eighth Avenue LLC. Thereafter, the Receiver sent follow-up emails regarding the requested *lis pendens* on September 2, 2020 and October 8, 2020, but was unable to reach agreement with Ms. McElhone and the Trust, as they declined the Receiver's request to agree to a *lis pendens*. Consequently, the Receiver filed a motion to expand the receivership on October 30, 2020. That motion sought to expand the Receivership to include, among others, the Decatur Road property.

On September 30, 2020, however, Ms. McElhone caused Liberty Eighth Avenue LLC to deed the Decatur Road property to Kingdom Logistics, LLC. Specifically, by deed dated

September 30, 2020, Liberty Eighth Avenue LLC conveyed title to the Old Decatur Property to Kingdom Logistics, LLC, a Wyoming limited liability company. The consideration recited on the Deed reflects a “\$10.00” transfer price. The Deed was signed by Lisa McElhone, as President, Liberty Eighth Avenue LLC with Lisa McElhone’s signature notarized by her sister, Jamie McElhone. The Deed is recorded in the Deed Records of Tarrant County, Texas at County Clerk’s Document No. D220266852.

On October 14, 2020, DEF Capital LLC was formed as a New Jersey limited liability company with an address of 3 Marys Way, Jackson, NJ 08527. By Deed dated October 22, 2020, Kingdom Logistics, LLC conveyed title to the Old Decatur Property to DEF Capital. The consideration recited in the Deed also reflects a “\$10.00” transfer price. The Deed is recorded in the Deed Records of Tarrant County, Texas at County Clerk’s Document No. D220276660.

Although certain Defendants repeatedly have represented to the Court that Kingdom Logistics is a legitimate, independent merchant with a collectable MCA balance, the Receiver has determined that Lisa McElhone and Joseph LaForte obtained a 40% ownership interest in Kingdom Logistics in August 2019 through a series of transactions involving Anthony Zingarelli and Eagle Six. In fact, in her June 2020 personal financial statement, Ms. McElhone lists an ownership interest in Kingdom Logistics valued at \$100 million.

On November 4, 2020, Ms. McElhone, Mr. LaForte, and the Trust filed a Motion to Stay Briefing on the Receiver’s Motion to Expand the Receivership or, In the Alternative, to Enlarge the Time to Response [ECF No. 367]. In that Motion, those Defendants represented to the Court that:

The Receiver has not suggested in the Motion to Expand that any asset at issue has been or is being dissipated. To the contrary, the Defendants have scrupulously maintained the status quo regarding the assets at issue in the Expansion Motion since these proceedings began and have

neither withdrawn nor transferred for their personal benefit nor sold any assets at issue. What's more, in an effort to demonstrate their transparency and confirm that there is no urgency to rule on the Motion to Expand, the undersigned agreed to produce bank statements to the Receiver to verify the same.

ECF No. 367 at p. 3 (emphasis added). The property at 4309 Old Decatur Road, Fort Worth, Texas was an "asset at issue in the Expansion Motion." The representation that no asset had been transferred or sold was untrue when made. Even more remarkably, Ms. McElhone eventually opposed the Expansion Motion on the ground that a *lis pendens* against the real property assets at issue would be sufficient to maintain the status quo, without notifying the Receiver or the Court that Ms. McElhone already had transferred the Old Decatur Road property.

The Receiver has requested that Ms. McElhone provide him with a detailed explanation of the transactions involving the Old Decatur Road property, as well as copies of all documents, emails, contracts and other records evidencing the transfer of the property from Liberty Eighth LLC to Kingdom Logistics, and from Kingdom Logistics to DEF Capital LLC. The Receiver has yet to receive any response and anticipates taking appropriate action before this Court to set aside the transfer of 4309 Old Decatur Road.

C. Defendants McElhone's and LaForte's Attempt to Establish *In Rem* Jurisdiction over the Trust's Assets Through a Nevada State Court

On December 11, 2020, while the Receiver's Motion to Expand the Receivership was pending, Premier Trust as the Independent Trustee of The LME 2017 Family Trust, filed a petition in the District Court, Clark County, Nevada for that Court to assume *In Rem* jurisdiction over the Trust, to confirm Defendants McElhone and LaForte as Co-Family Trustees, and to confirm Premier Trust as the Independent Trustee of the Trust. Although the Petition, in a footnote, stated that the request "was subject to the jurisdiction of the receiver" in the case before this Court, neither the Trustee nor Defendants McElhone or LaForte served the Receiver with the Petition. A copy

of the “Statement of Assets” for the Trust, as of August 3, 2020, is attached as Exhibit 4. This statement reflects that nearly all of the assets—with the exception of the Tradewinds South LLC account (*see infra* at p. 18) and 500 Fairmount Avenue LLC (*see supra* at p. 5)—were either already Receivership Entities or the subject of the Receiver’s Motion to Expand.

On December 15, 2020, the Trust, McElhone and LaForte appeared through counsel at this Court’s Status Conference, but failed to mention the filing of this Petition. Additionally, they opposed the relief sought by the Receiver in his Motion to Expand, including the Receiver’s request to add the Trust as a Receivership Entity, as opposed to remaining as a Relief Defendant. Only after the Court granted the Receiver’s Motion to Expand did the Trust’s former counsel notify the Court and the Receiver of the pendency of the Nevada action [ECF No. 439].

Upon learning of the Trustee’s and Defendant McElhone’s and LaForte’s actions in filing the *In Rem* Petition, the Receiver contacted the Trustee’s counsel in Nevada and demanded that the Trustee withdraw the Petition. The Trustee balked, claiming that the filing of the December 11, 2020 *In Rem* Petition had vested the Nevada state court with “prior exclusive jurisdiction” over the Trust’s assets. The Trustee maintained this position even though this Court, in its August 13, 2020 Amended Order Appointing the Receiver, acquired subject matter jurisdiction over any assets held by the Trust attributable to investor funds. Further, even assuming the viability of the “prior exclusive jurisdiction” doctrine, the Receiver filed the Motion to Expand with this Court on October 30, 2020, predating the December 11, 2020 *In Rem* Petition in Nevada state court.

Although the Trustee subsequently agreed to vacate a scheduled February 5, 2021 hearing on his Petition, he did not agree to withdraw the Petition at that time. Accordingly, the actions of the Trustee and Defendants McElhone and LaForte required the Receiver to retain counsel in Nevada and to file a Motion to Stay the proceedings. After failing to respond to the Receiver’s

Motion to Stay on January 22, 2021, the Trustee eventually withdrew the *In Rem* Petition on January 28, 2021, but only after the Receiver's repeated requests for the Trustee to do so. The Receiver believes this was a misguided attempt by certain Defendants to usurp this Court's jurisdiction over assets these Defendants acquired with commingled investor proceeds. This is another instance where the Receivership Estate, and the investors by extension, unnecessarily incurred additional fees because of the Defendants' ongoing misconduct and refusal to cooperate with the Receiver's requests.

D. Defendants' Compliance with the Receivership Orders

The Receiver has made other demands on certain Defendants for compliance with this Court's Receivership Orders. These demands are all time-sensitive and impact the Receiver's ability to preserve the assets of the Receivership Estate and to perform his duties under the Court's various Receivership Orders. The Receiver has not yet received satisfactory responses to many of these requests, including the following:

1. A demand that Joseph LaForte and/or Lisa McElhone agree to pay the 2020 property taxes at 107 Quayside Drive, Florida in the amount of \$74,104.11. The total bill for 2020 is \$77,501.43, which reflects a discount from the Tax Collector for payment prior to January 31, 2021. The amount requested is prorated for January 1 through December 16, 2020, the date this property was brought within the Receivership Estate.

2. A demand that Joseph LaForte and/or Lisa McElhone pay the owners' assessment at 20-22 N. 3rd Street, Philadelphia in the amount of \$331,398.68, exclusive of interest and attorneys' fees. Although those Defendants claim that they "contested" the assessment, the

Receiver has confirmed that Anthony Zingarelli,³ acting on behalf of the entity through which Defendants McElhone and LaForte own the property, 20 N. 3rd Street Limited, attended the Board meeting for the condominium association, voted to approve the assessment, and voted to approve the selection of one contractor for the window replacements and another contractor for the façade repairs. Moreover, Mr. Zingarelli personally negotiated with one of the contractors to obtain more favorable terms. The assessment was approved by the owner's board and imposed before the Court established this receivership.

3. A demand that Ms. McElhone and Mr. LaForte execute the lease for the residence at 568 Ferndale Lane, Haverford, Pennsylvania. As noted above, Defendants McElhone and LaForte have thus far refused to enter into a lease, or otherwise agree to pay any amounts to the Receiver, for their continued occupancy of this residence.

The Receiver also has requested several categories of documents that remain outstanding, as follows:

1. Bank account information and bank records from Joseph Cole Barleta for Capital Source 2000, Inc. and Beta Abigail, LLC, both of which are Receivership Entities that Defendant Cole previously controlled.

2. Bank account information and bank records for the Trust, a Receivership Entity. The only document Defendants McElhone and LaForte have provided to the Receiver regarding the Trust's assets is a "Statement of Assets," which is attached hereto as Exhibit 4.

³ Based on the Receiver's investigation, including interviews of former Par Funding employees, merchants, and others, Mr. Zingarelli is a close business associate of Joseph LaForte, and has been described as a "utility player" who served as Defendant LaForte's "right hand." Mr. Zingarelli maintained a Par Funding email address, conducted business on behalf of Par Funding and related entities, and also served as the nominee owner when Lisa McElhone took undisclosed equity interests in merchant companies—including Vision Solar and Kingdom Logistics—that fell behind on their MCA balances.

Notably, with the exception of a single “bank deposit program” at an unidentified financial institution valued at \$115,845.50, this statement contains no detail regarding the value of or the transactions involving any accounts or assets listed on the statement.

3. The Receiver also has determined that Defendant McElhone transferred commingled investor funds totaling approximately \$10.35 million into an investment account at Charles Schwab denominated as “Tradewinds South LLC.” Accordingly, the Receiver has requested account documents and statements from Ms. McElhone for the Tradewinds South LLC account at Charles Schwab. Counsel for Mr. LaForte has indicated that the Defendants do not have any statements for this account.

IV. **Conclusion**

WHEREFORE, Ryan K. Stumphauzer, as Court-Appointed Receiver, by and through his undersigned counsel, respectfully files this Quarterly Status Report dated February 1, 2021.

Dated: February 1, 2021

Respectfully Submitted,

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Co-Counsel for Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on February 1, 2021, 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



VIA EMAIL (rstumphauzer@sfslaw.com)

February 1, 2021

Mr. Ryan Stumphauzer
Receiver
c/o Stumphauzer, Foslid, Sloman, Ross & Kolaya PLLC
2 South Biscayne Boulevard
Suite 1600
Miami, Florida 33131

Dear Ryan:

In accordance with the Amended Order Appointing Receiver (D.E. #141) ("Amended Order"), following is our quarterly report relating to the operations and analyses undertaken by Development Specialists Inc. ("DSI") since the date of the prior report. Except as may be noted, all activity and financial data is for the period from October 1, 2020, the date of the prior report, and December 31, 2020 ("Reporting Period")

A. A summary of operations of the Receiver

During the Reporting Period, DSI worked on the general operations matters provided below.

Expanded Receivership

On December 16, 2020, the Court issued the Order Granting Motion To Expand Receivership Estate. This motion increased the number of entities under the Receivership ("Expanded Receivership Entities") and the asset base. To this end, during the Reporting Period,

- **Banking**

Soon after the Court issued the Order, we communicated with the banks with which the Expanded Receivership Entities may have done business. This resulted in identifying 26 bank accounts for the Expanded Receivership Entities with a cash balance of nearly \$9 million. Each of the banks for which accounts were identified have been informed that only the Receiver may have access to the accounts.

Additionally, we worked and are continuing to work with the Receiver's bank to open new accounts for each of the Expanded Receivership Entities.

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Mr. Ryan K. Stumphauzer

February 1, 2021

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Furthermore, DSI has obtained the bank statements for many of the accounts for the period from July 2020 through December 31, 2020 in order to reconcile and analyze the accounts and bring the financial reporting up-to-date.

- Property Management

The Expanded Receivership Entities includes numerous commercial and residential properties. During the Reporting Period, along with counsel, we met with the property manager. The Receivership re-engaged the manager and continues to work through the issues that remained unresolved prior to the Order such as insurance matters, repairs and maintenance and utilities. This work is on-going.

General Operations.

- Staffing

DSI continues to oversee the Accounting and Collections staff. DSI provides management and oversight over all key functions of the day-to-day operations. During the Reporting Period, DSI and staff transitioned to Work from Home due to restrictions imposed by the City of Philadelphia due to the Covid-19 pandemic. All staff were issued corporate computer equipment. DSI communicates daily with individual staff and holds weekly video and audio conference calls with each department. DSI continues to monitor the guidelines for the City of Philadelphia in order to determine when the staff can resume working in the office.

- Reconcile bank accounts.

It was previously noted that the bank accounts for CBSG and FSP had not been reconciled for much of 2019 and none of 2020. To date, the accounting staff have reconciled all of the accounts for 2019 and have nearly completed the pre-Receivership period for 2020. Once this is completed, the staff will ensure that the bank reconciliations for the Expanded Receivership Entities are complete.

Collections

- Analysis of merchant cash advance (“MCA”) accounts.

As previously mentioned, at the outset of the Receivership, the Receiver was provided a listing of the MCA accounts (“Portfolio”). This listing included nearly thousands of accounts with a gross balance of over \$400 million at the start of the Reporting Period. The accounts were marked performing, non-performing, under-performing or default. During the Reporting Period, DSI continued to analyze the Portfolio. To this end, we

Mr. Ryan K. Stumphauzer

February 1, 2021

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noted that 50% of the total Portfolio is due from 16 merchants in 5 related groups referred to as the “Exception Portfolio” and for which collections remain challenging. We have analyzed and documented our review of certain of the Exception Portfolio for further investigation.

We also identified other merchants within the Portfolio which filed bankruptcy. Collections of these accounts have been halted given bankruptcy laws.

- Collections Activity

Collections staff continue to work with merchants in order to maximize recovery. The staff have initiated or responded to thousands of telephone calls, e-mails and other correspondence with merchants. Furthermore, we have finalized the collections protocol setting parameters upon which staff may settle outstanding amounts due from merchants. As part of the settlement, the merchants are required to provide recent financial statements and banking information.

Under the MCA agreement, CBSG is allowed to file UCC-1’s to secure it’s position in the merchants’ assets. During the Reporting Period, we filed numerous UCC-1’s against the allowable assets.

Forensic Accounting and Litigation Support

- General Matters

During the reporting period, DSI continued to compile the transactions for the pre-receivership period. The results of our analysis will assist further investigation and identification of possible causes of action. Furthermore, we continue to review non-financial records as part of our analyses of the Portfolio and other matters relating to the operations of the business.

B. The amount of cash on hand, the amount and nature of accrued administrative expenses, and the amount of unencumbered funds in the estate.

Exhibit A shows the activity of the Receivership through for the Reporting Period and the cumulative period. Total cash as of December 31, 2020 is \$65,087,116. All of the cash is unencumbered.

The accrued administrative fees for the quarter ended December 31, 2020 are:

- Receiver/co-counsel – Stumphauzer, Foslid, Sloman, Ross & Kolaya PLLC \$292,546.10
- Co-counsel – Pietragallo Gordon Alfano Bosick & Raspanti, LLP \$592,792.30
- Transition Counsel – Fox Rothschild, LLP \$25,235.00

Mr. Ryan K. Stumphauzer

February 1, 2021

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- Financial Advisor/Operations Consultant – Development Specialists, Inc. \$1,354,261.00
- Digital Evidence/Computer Forensics Professional – Lawgical Insights, LLC \$72,638.75
- Investigation Firm – HD Investigative Group, LLC \$36,843.75

All other administrative expenses, such as payroll and office expenses, are paid in the ordinary course of business. Certain employee wages, specifically paid time off, for employees who have returned to work may be owed to employees but has not been quantified.

C. A schedule of all the Receiver's receipts and disbursements.

Exhibit A details the receipts and disbursements for the Reporting Period.

D. A description of known Receivership Property, including approximate or actual valuations, anticipated or proposed dispositions, and reasons for retaining assets where no disposition is intended.

Receivership Property includes:

Asset:	Estimate value (at 12/31/2020)
Cash in bank	\$65,087,000
Cash held by ACH processors	\$750,000
Portfolio balance (without reduction for collectability/bad debt)	\$374,000,000
Other accounts receivable ¹	\$52,700,000
Investment in wholly-owned subsidiary ²	\$6,300,000
Life settlement policies (gross death benefits) ³	\$25,700,000
Real estate ⁴	\$63,000,000
Furniture and fixtures	\$100,000

¹ This balance of "other accounts receivable" includes, among other things, amounts owed by third-parties to Eagle Six Consulting (ESC) and Heritage Business Consulting (HBC), two Expanded Receivership Entities. The records of ESC and HBC also reflect that these entities are owed additional amounts that are recorded as loans they made to other Expanded Receivership Entities, including the entities that own the "Real estate" referenced below. This is also true with respect to the entities that own the properties located in Haverford, Pennsylvania and Paupack, Pennsylvania, which are included within the Receivership Estate. For purposes of consistency and to avoid double counting those amounts within these balances, the additional loan balances owed from the other Expanded Receivership Entities and in connection with the Haverford and Paupack properties are neither included in this accounts receivable balance, nor are they factored into the value of the real estate listed below.

² CBSG is the 100% member of Eagle Union Quest One, LLC, the owner of 2008 Cessna model 680, tail #N789MJ.

³ Approximate death benefit of life settlement insurance policies owned by Receivership Entities under the A Better Financial Plan. We have engaged a professional to value this life settlement portfolio.

⁴ Per Receiver Ryan K. Stumphauzer's Quarterly Status Report Dated February 1, 2021.

Mr. Ryan K. Stumphauzer

February 1, 2021

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E. A description of liquidated and unliquidated claims held by the Receivership Estate, including the need for forensic and/or investigatory resources; approximate valuations of claims; and anticipated or proposed methods of enforcing such claims.

Working with counsel, this process is ongoing and we have yet to determine the claims and the estimated value of the claims. As noted above, we continue to work on the forensic review of the books and records and will provide more information.

F. A list of all known creditors with their addresses and the amounts of their claims.

We provided a list of the known creditors of CBSG in our report to you dated August 31, 2020 and filed as Exhibit 1 to D.E #214, Receiver Ryan K. Stumphauzer's Notice Of Filing Sworn Statement Pursuant To Paragraph 9 Of The Amended Receivership Order. At this time, we have no additional information to report. However, we continue to review records and are developing a list of creditors related to the non-CBSG entities including investors, trade and vendor payables.

G. The status of Creditor Claims Proceedings, after such proceedings have commenced.

The Creditor Claims Proceedings have not yet commenced.

H. The Receiver's recommendations for a continuation or discontinuation of the receivership and the reasons for the recommendations.

It is my recommendation that the receivership continues. The Receivership is benefitted by our collections work plan and efforts which is averaging several hundred thousand dollars a week and knowledge of the Receivership Entities' books and records all of which is vital to working with you and counsel on various causes of actions and to maximize the assets of the receivership.

Sincerely,



Bradley D. Sharp
President & CEO

Copy to: Mr. Gaetan J. Alfano (GJA@Pietragallo.com)
Mr. Tom J. Frey (e-mail TFrey@DSIConsulting.com)
Mr. Timothy A. Kolaya (e-mail TKolaya@sflaw.com)
Mr. George E. Shoup, III (e-mail GShoup@DSIConsulting.com)
Mr. Yale S. Bogen (e-mail YBogen@DSIConsulting.com)

Exhibit “A”

Ryan K Stumphauzer, Receiver

Report prepared by:
Financial Advisor and Operational Consultant to the Receiver
Development Specialists, Inc.

INTERIM REPORT IN PREPARATION OF STATUS CONFERENCE

STANDARDIZED FUND ACCOUNTING REPORT

CIVIL - RECEIVERSHIP FUND

Consolidated Par Funding Receivership Entities ¹

Civil Court Docket No. 20-cv-81205-RAR

Reporting Period 10/1/2020 to 12/31/2020

Note 1: 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., 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, ABFP Income Fund 6 Parallel, ABFP, Multi-Strategy Investment Fund LP, ABFP Multi-Strategy Fund 2 LP, MK Corporate Debt Investment Company LLC, United Fidelis Group Corp., Fidelis Financial Planning, LLC, Retirement Evolution Group, LLC, RE Income Fund LLC, RE Income Fund 2 LLC, Fast Advance Funding LLC, New Field Ventures LLC, 118 Olive PA LLC, 205 B Arch St. Management LLC, 242 S 21st St. LLC, 300 Market St, LLC, 627-629 E Girard, LLC, 803 S 4th St, LLC, 1427 Melon St, LLC, 1530 Christian St. LLC, 1635 East Passyunk, LLC, 1932 Spruce St, LLC, 4633 Walnut St. LLC, 1223 N 25th St. LLC, 1250 N 25th St. LLC, 135-137 N. 3rd St. LLC, 715 Sansom St. LLC, 861 N 3rd St. LLC, 915-917 S. 11th, LLC, 20 N 3rd St. Ltd, Capital Source 2000, Inc., Beta Abigail, LLC, Heritage Business Consulting, Inc., Eagle Six Consulting, Inc., Liberty Eight Avenue, LLC, LME 2017 Family Trust.

STANDARDIZED FUND ACCOUNTING REPORT for PAR FUNDING - Cash Basis

Receivership; Civil Court Docket No. 20-cv-81205-RAR

Reporting Period 10/1/2020 to 12/31/2020

Fund Accounting:		Current Period	Prior Period(s)	Case-to-date
		10.1.20 - 12.31.20	7.28.20 - 9.30.20	Total
Line 1	Beginning Balance:	\$35,939,842	\$28,779,570	\$28,779,570
	<i>Increases in Fund Balance:</i>			
Line 2	Business Receipts	21,065,006	7,439,944	28,504,949
	Business Receipts - Overpayments	(49,571)	0	(49,571)
Line 3	Cash and Securities	8,872,904	0	8,872,904
	Change in Value of Securities	44,456	3,810	48,266
Line 4	Interest/Dividend Income	10,729	1,102	11,830
Line 5	Business Asset Liquidation	0	0	0
Line 6	Personal Asset Liquidation	0	0	0
Line 7	Third-Party Litigation Income	0	0	0
Line 8	Miscellaneous ¹	79,950	6,257	86,206
	Total Receipts ²	30,023,473	7,451,112	37,474,585
	Total Funds Available (Lines 1 - 8):	\$65,963,314	\$36,230,683	\$66,254,155
	<i>Decreases in Fund Balance:</i>			
Line 9	Disbursements to Investors	0	0	0
Line 10	Disbursements for Receivership Operations:			
Line 10a	Disbursements to Receiver or Other Professionals	0	0	0
Line 10b	Business Asset Expenses			
	Payroll & Benefits	279,290	100,031	379,321
	IT Expense	159,259	30,150	189,410
	Utilities	3,568	4,146	7,714
	Insurance	20,769	1,223	21,992
	Other Operating Expense	5,938	194	6,132
	Other	3,348	2,511	5,859
	Total Business Asset Expenses ²	472,173	138,256	610,428
Line 10c	Personal Asset Expenses	0	0	0
Line 10d	Investment Expenses	0	0	0
	Premiums Due on Life Settlement Policies	404,026	152,585	556,611
Line 10e	Third-Party Litigation Expenses			
	1. Attorney Fees	0	0	0
	2. Litigation Expenses	0	0	0
	Total Third-Party Litigation Expenses	0	0	0
Line 10f	Tax Administrator Fees and Bonds	0	0	0
Line 10g	Federal and State Tax Payments	0	0	0
	Total Disbursements for Receivership Operations	\$876,199	\$290,841	\$1,167,040
Line 11	Disbursements for Distribution Expenses Paid by the Fund:	0	0	0
Line 12	Disbursements to Court/Other:	0	0	0
	Total Funds Disbursed (Line 9 - 12)	\$876,199	\$290,841	\$1,167,040
Line 13	Ending Balance:	\$65,087,116	\$35,939,842	\$65,087,116

STANDARDIZED FUND ACCOUNTING REPORT for PAR FUNDING - Cash Basis

Receivership; Civil Court Docket No. 20-cv-81205-RAR

Reporting Period 10/1/2020 to 12/31/2020

	<u>Current Period</u>	<u>Prior Period(s)</u>	<u>Case-to-date</u>
Line 14 Ending Balance of Fund - Net Assets:			
Line 14a Cash & Cash Equivalents	\$65,087,116	\$35,939,842	\$65,087,116
Line 14b Investments			Unknown
Line 14c Other Assets or Uncleared Funds			
Total Ending Balance of Fund - Net Assets	\$65,087,116	\$35,939,842	\$65,087,116

OTHER SUPPLEMENTAL INFORMATION:

	<u>Current Period</u>	<u>Prior Period(s)</u>	<u>Case-to-date</u>
<i>Report of Items NOT To Be Paid by the Fund:</i>			
Line 15 Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 16 Disbursements to Court/Other Not Paid by the Fund:			
Line 17 DC & State Tax Payments			
Line 18 No. of Claims:			
Line 18a # of Claims Received This Reporting Period			
Line 18b # of Claims Received Since Inception of Fund			
Line 19			
Line 19a # of Claimants/Investors Paid This Reporting Period			
Line 19b # of Claimants/Investors Paid Since Inception of Fund			

Note 1: Includes \$16,574.82 of expense reimbursements from Solar Vision and Solar Exchange for shared IT expenses.

Note 2: Excludes inter-receivership receipts/disbursements.

Schedule 1.1

STANDARDIZED FUND ACCOUNTING REPORT for PAR FUNDING - Cash Basis

Receivership; Civil Court Docket No. 20-cv-81205-RAR

Reporting Period 10/1/2020 to 12/31/2020

Entity	Bank Name	Account Number	Beginning Cash Balance as of 7/28/20	Ending Cash Balance as of 12/31/2020
Pre-receiver Accounts¹				
Complete Business Solutions Group, Inc.	Chase	Multiple	\$322,915	\$0
Complete Business Solutions Group, Inc.	Empire Bank	x5805	\$5,999,980	\$0
Complete Business Solutions Group, Inc.	Empire Bank	x4825	\$1,664,854	\$0
Complete Business Solutions Group, Inc.	Bank of the San Juans/Glacier Bank	x3352	\$2,771,657	\$0
Complete Business Solutions Group, Inc.	FedChex	N/A	\$327,706	\$0
Complete Business Solutions Group, Inc.	Actum	N/A	\$679,697	\$0
Complete Business Solutions Group, Inc.	Priority Payment	N/A	\$4,722,924	\$0
Complete Business Solutions Group, Inc.	Kotapay	N/A	\$20,000	\$0
Complete Business Solutions Group, Inc.	First Bank of NJ	x7807	\$153,221	\$0
Complete Business Solutions Group, Inc.	First Bank of NJ	x7831	\$749,390	\$0
Complete Business Solutions Group, Inc.	First Bank of NJ	x7823	\$6,585,485	\$0
Full Spectrum Processing Inc.	Citizens Bank	x3290	\$11,469	\$0
Full Spectrum Processing Inc.	Citizens Bank	x3282	\$21,075	\$0
ABFP Income Fund 2	Citizens Bank	x9745	\$7,885	\$0
ABFP Income Fund 2	TD Ameritrade	x1080	\$1,003,564	\$1,051,830
abetterfinancialplan.com, LLC	Citizens Bank	x9567	\$62,951	\$0
ABFP Multi-Strategy Investment Fund LP	Citizens Bank	x9702	\$667,652	\$0
ABFP Management Company	Citizens Bank	x9737	\$397	\$0
ABFP Management Company	Citizens Bank	x9575	\$208,528	\$0
ABFP Multi-Strategy Investment Fund 2 LP	Citizens Bank	x9729	\$839,389	\$0
MK Corporate Debt Investment Company LLC	Citizens Bank	x8766	\$565,000	\$0
abetterfinancialplan.com, LLC	Victory Bank	x4566	\$7,900	\$0
Fidelis Financial Planning LLC	Synovous Bank	x9934	\$12,914	\$0
The United Fidelis Group Corp.	Synovous Bank	x9306	\$25,170	\$0
The United Fidelis Group Corp.	Synovous Bank	x1697	\$147,846	\$0
Retirement Evolution Group LLC	Wells Fargo	x6902	\$1,200,000	\$0
Fast Advance Funding LLC	Citizens Bank	x6860	\$0	\$1,002,053
Fast Advance Funding LLC	Citizens Bank	x6879	\$0	\$58,347
New Field Ventures LLC	Citizens Bank	x9508	\$0	\$37
118 Olive PA LLC	Citizens Bank	x3584	\$0	\$2,601
205 B Arch St Management LLC	Citizens Bank	x2953	\$0	\$1,498
242 S 21st St LLC	Citizens Bank	x3231	\$0	\$19,082
300 Market St LLC	Citizens Bank	x3347	\$0	\$69,727
627-629 E Girard LLC	Citizens Bank	x3762	\$0	\$64,836
803 S 4th St LLC	Citizens Bank	x1914	\$0	\$9,305
1427 Melon St LLC	Citizens Bank	x3339	\$0	\$96,684
1530 Christian St. LLC	Citizens Bank	x3215	\$0	\$20,924
1635 East Passion LLC	Citizens Bank	x3258	\$0	\$6,999
1932 Spruce St LLC	Citizens Bank	x3142	\$0	\$31,649
4633 Walnut St. LLC	Citizens Bank	x3320	\$0	\$21,169
1223 N 25th St. LLC	Citizens Bank	x2961	\$0	\$14,348
1250 N 25th St LLC	Citizens Bank	x2937	\$0	\$23,277
1250 N 25th St LLC	Citizens Bank	x3622	\$0	\$713
135-137 N. 3rd St. LLC	Citizens Bank	x0379	\$0	\$82,741
715 Sansom St. LLC	Citizens Bank	x3223	\$0	\$37,814
861 N 3rd St. LLC	Citizens Bank	x3606	\$0	\$42,777
915-917 S. 11th LLC	Citizens Bank	x2945	\$0	\$27,099
20 N. 3rd St. Ltd	Citizens Bank	x3312	\$0	\$5,772
Capital Source 2000, Inc	First Bank of NJ	x7151	\$0	\$300,000
Beta Abigail, LLC	First Bank of NJ	x9967	\$0	\$392,001
Eagle Six Consulting, Inc.	BOSJ		\$0	\$140,820
Liberty Eighth Avenue LLC	BOSJ		\$0	\$6,400,632

Schedule 1.1

STANDARDIZED FUND ACCOUNTING REPORT for PAR FUNDING - Cash Basis

Receivership; Civil Court Docket No. 20-cv-81205-RAR

Reporting Period 10/1/2020 to 12/31/2020

Entity	Bank Name	Account Number	Beginning Cash Balance as of 7/28/20	Ending Cash Balance as of 12/31/2020
Receiver Accounts				
Complete Business Solutions Group, Inc.	City National Bank	x1839	\$0	\$11,664,510.66
Complete Business Solutions Group, Inc.	City National Bank	x5736	\$0	\$116,715.67
Complete Business Solutions Group, Inc.	City National Bank	x2430	\$0	\$39,103,742.17
Complete Business Solutions Group, Inc.	City National Bank	x5554	\$0	\$4,812.84
Complete Business Solutions Group, Inc.	City National Bank	x3071	\$0	\$23,469.58
Complete Business Solutions Group, Inc.	Actum	N/A	\$0	\$12,000.00
Complete Business Solutions Group, Inc.	FedChex	N/A	\$0	\$327,706.00
Complete Business Solutions Group, Inc.	Kotapay	N/A	\$0	\$20,000.00
Complete Business Solutions Group, Inc.	Priority Payment Systems	N/A	\$0	\$50,000.00
Full Spectrum Processing Inc.	City National Bank	x5700	\$0	\$80,244.34
ABFP Income Fund 2	City National Bank	x8328	\$0	\$1,133.10
abetterfinancialplan.com, LLC.	City National Bank	x2189	\$0	\$218,786.75
ABFP Multi-Strategy Investment Fund LP.	City National Bank	x3575	\$0	\$370,117.77
ABFP Management Company	City National Bank	x3737	\$0	\$208,977.25
ABFP Multi-Strategy Investment Fund 2 LP.	City National Bank	x3872	\$0	\$1,010,845.05
MK Corporate Debt Investment Company LLC.	City National Bank	x3944	\$0	\$565,813.53
Fidelis Financial Planning LLC.	City National Bank	x5835	\$0	\$12,918.31
The United Fidelis Group Corp.	City National Bank	x5682	\$0	\$170,497.73
Retirement Evolution Group LLC.	City National Bank	x5754	\$0	\$1,200,090.95
			<u>\$28,779,570</u>	<u>\$65,087,116</u>

Note 1: The Receiver has identified the majority of the open expanded receivership entities bank accounts and is in the process of opening new accounts at City National Bank and transferring the money from the pre-receiver accounts to the new receivership accounts.

Schedule 1.2

STANDARDIZED FUND ACCOUNTING REPORT for PAR FUNDING - Cash Basis
Receivership; Civil Court Docket No. 20-cv-81205-RAR
Reporting Period 10/1/2020 to 12/31/2020

Source of Funds - Receipts

Date	Category	Description	Total
10/1/2020	Business Receipts	Customer Receipt	\$338
10/1/2020	Business Receipts	Customer Receipt	\$438,294
10/2/2020	Business Receipts	Customer Receipt	\$12
10/2/2020	Business Receipts	Customer Receipt	\$49
10/2/2020	Business Receipts	Customer Receipt	\$100
10/2/2020	Business Receipts	Customer Receipt	\$444
10/2/2020	Business Receipts	Customer Receipt	\$2,586
10/2/2020	Business Receipts	Customer Receipt	\$3,547
10/2/2020	Business Receipts	Customer Receipt	\$200
10/2/2020	Business Receipts	Customer Receipt	\$388
10/2/2020	Business Receipts	Customer Receipt	\$1,000
10/2/2020	Business Receipts	Customer Receipt	\$1,750
10/2/2020	Business Receipts	Customer Receipt	\$372,354
10/2/2020	Miscellaneous l	G-Suite Payment - Test	\$0.51
10/2/2020	Business Receipts	Customer Receipt	\$673.66
10/5/2020	Business Receipts	Customer Receipt	\$40
10/5/2020	Business Receipts	Customer Receipt	\$100
10/5/2020	Business Receipts	Customer Receipt	\$375,192
10/6/2020	Business Receipts	Customer Receipt	\$800
10/6/2020	Business Receipts	Customer Receipt	\$4,054
10/6/2020	Business Receipts	Customer Receipt	\$331,128
10/7/2020	Business Receipts	Customer Receipt	\$500
10/7/2020	Business Receipts	Customer Receipt	\$1,987
10/7/2020	Business Receipts	Customer Receipt	\$3,610
10/7/2020	Business Receipts	Customer Receipt	\$22,555
10/7/2020	Business Receipts	Customer Receipt	\$83,580
10/7/2020	Business Receipts	Customer Receipt	\$343,895
10/8/2020	Business Receipts	Customer Receipt	\$339,766
10/9/2020	Business Receipts	Customer Receipt	\$100
10/9/2020	Business Receipts	Customer Receipt	\$613
10/9/2020	Business Receipts	Customer Receipt	\$1,115
10/9/2020	Business Receipts	Customer Receipt	\$1,353
10/9/2020	Business Receipts	Customer Receipt	\$1,742
10/9/2020	Business Receipts	Customer Receipt	\$388
10/9/2020	Business Receipts	Customer Receipt	\$1,000
10/9/2020	Business Receipts	Customer Receipt	\$1,750
10/9/2020	Business Receipts	Customer Receipt	\$2,000
10/9/2020	Business Receipts	Customer Receipt	\$22,602
10/9/2020	Business Receipts	Customer Receipt	\$355,054
10/9/2020	Business Receipts	Vision Solar - July, Aug, Sept G Suite and 365 Fee	\$25,145.85
10/9/2020	Business Receipts - Overpa	Overpayment Refund	(\$2,550)
10/9/2020	Cash and Securities	Transfer to Priority Payment for reserve deposit	
10/13/2020	Business Receipts	Customer Receipt	\$1,400
10/13/2020	Business Receipts	Customer Receipt	\$3,500
10/13/2020	Business Receipts	Customer Receipt	\$376,022
10/13/2020	Business Receipts - Overpa	Overpayment Refund	(\$483)

Date	Category	Description	Total
10/13/2020	Business Receipts - Overpa	Overpayment Refund	(\$518)
10/14/2020	Business Receipts	Customer Receipt	\$125
10/14/2020	Business Receipts	Customer Receipt	\$125
10/14/2020	Business Receipts	Customer Receipt	\$125
10/14/2020	Business Receipts	Customer Receipt	\$624
10/14/2020	Business Receipts	Customer Receipt	\$746
10/14/2020	Business Receipts	Customer Receipt	\$950
10/14/2020	Business Receipts	Customer Receipt	\$1,115
10/14/2020	Business Receipts	Customer Receipt	\$1,165
10/14/2020	Business Receipts	Customer Receipt	\$1,250
10/14/2020	Business Receipts	Customer Receipt	\$1,363
10/14/2020	Business Receipts	Customer Receipt	\$1,667
10/14/2020	Business Receipts	Customer Receipt	\$325,103
10/14/2020	Business Receipts	Customer Receipt	\$41,458.61
10/14/2020	Business Receipts	Customer Receipt	\$912,521.05
10/14/2020	Business Receipts - Overpa	Overpayment Refund	(\$96)

Schedule 1.2

STANDARDIZED FUND ACCOUNTING REPORT for PAR FUNDING - Cash Basis

Receivership; Civil Court Docket No. 20-cv-81205-RAR

Reporting Period 10/1/2020 to 12/31/2020

Use of Funds - Disbursements

Date	Category	Description	Total
10/1/2020	Other	Wire Fee	\$15
10/1/2020	Other	Wire Fee	\$15
10/1/2020	Other Operating Expense	AC Maintenance at 20 N 3rd St	\$250
10/1/2020	Other Operating Expense	Changed Alarm Codes	\$250
10/1/2020	IT Expense	Annual Quickbook Fees	\$6,686
10/2/2020	Other	Actum Fees	\$25
10/2/2020	Other	Wire Fee	\$15
10/2/2020	Other	Wire Fee	\$15
10/2/2020	Other	Wire Fee	\$15
10/2/2020	Other	Wire Fee	\$15
10/2/2020	Other	Wire Fee	\$15
10/2/2020	Premiums Due on Life Settlement Policies		\$823
10/2/2020	Premiums Due on Life Settlement Policies		\$11,315
10/2/2020	Other	ACH Fee	\$17
10/2/2020	IT Expense	G Suite	\$15,078
10/5/2020	Other	Wire Fee	\$15
10/5/2020	Premiums Due on Life Settlement Policies		\$1,806
10/5/2020	Premiums Due on Life Settlement Policies		\$3,849
10/5/2020	Other	Wire Fee	\$15
10/5/2020	Other	Wire Fee	\$15
10/5/2020	Utilities	PECO Bill	\$842
10/5/2020	IT Expense	Ring Central Bill	\$5,600
10/6/2020	Other	Wire Fee	\$15
10/6/2020	IT Expense	G-Suite Payment	\$45,511
10/6/2020	IT Expense	Heritage Business Systems, Inc.	\$69
10/6/2020	IT Expense	FSP Web Hosting	\$180
10/7/2020	Other	Wire Fee	\$15
10/7/2020	Other	Wire Fee	\$15
10/7/2020	Other	Wire Fee	\$15
10/7/2020	Other	Wire Fee	\$15
10/9/2020	Other	Wire Fee	\$15
10/9/2020	Other	Wire Fee	\$15
10/9/2020	Other	Wire Fee	\$15
10/9/2020	Other	Wire Fee	\$15
10/13/2020	Other	Wire Fee	\$15
10/13/2020	Other	Wire Fee	\$15
10/14/2020	Other	Wire Fee	\$15
10/14/2020	Utilities	Comcast	\$832
10/14/2020	IT Expense	IT Consultants	\$1,711
10/14/2020	Utilities	Comcast 20 N 3rd St	\$401
10/14/2020	Utilities	Comcast 205 Arch St.	\$401
10/15/2020	Other	Wire Fee	\$15
10/15/2020	Other	Wire Fee	\$15
10/15/2020	Other	Wire Fee	\$15
10/15/2020	Other	Bank Fee	\$1
10/15/2020	Other	Bank Fee	\$105
10/15/2020	Other	Bank Fee	\$111
10/16/2020	Other	Wire Fee	\$15
10/16/2020	Other	Wire Fee	\$15
10/16/2020	Other	Wire Fee	\$15
10/16/2020	Payroll & Benefits	Payroll	\$45,369
10/16/2020	Other Operating Expense	Fidelis Office Rent	\$2,556
10/16/2020	Other	Wire Fee	\$15

Date	Category	Description	Total
10/19/2020	Other	Actum Fees	\$75
10/19/2020	Other	Actum Fees	\$75
10/19/2020	Other	Wire Fee	\$12
10/19/2020	Other	Wire Fee	\$15
10/19/2020	Other	Wire Fee	\$15
10/19/2020	Other	Wire Fee	\$15
10/20/2020	Other	Wire Fee	\$15
10/20/2020	Other	Wire Fee	\$15
10/20/2020	Other	Wire Fee	\$15
10/20/2020	Other	Wire Fee	\$15
10/21/2020	Other	Wire Fee	\$15
10/21/2020	Other	Wire Fee	\$15
10/21/2020	Other Operating Expense	Postage reload	\$100
10/21/2020	Other Operating Expense	Office Supplies	\$231
10/21/2020	Other Operating Expense	Security Services	\$301
10/23/2020	Other	Wire Fee	\$15
10/23/2020	Insurance	Florida Hospital insurance payment - Riemer Insurance Group	\$20,769
10/23/2020	IT Expense	IT Consultants	\$3,279
10/26/2020	Other	Wire Fee	\$15
10/26/2020	Other	Wire Fee	\$15
10/26/2020	Other	Wire Fee	\$15
10/26/2020	IT Expense	Elliot Davis professional Fees - Right Networks	\$5,401
10/26/2020	IT Expense	TIAA Bank	\$1,851
10/27/2020	Other	Wire Fee	\$15
10/28/2020	Other	Wire Fee	\$15
10/28/2020	Premiums Due on Life Settlement Policies		\$491
10/28/2020	Payroll & Benefits	Payroll	\$47,176
10/28/2020	Utilities	PGW	\$27
10/28/2020	Utilities	PGW	\$33
10/28/2020	Utilities	PGW	\$40
10/28/2020	Utilities	PECO Bill	\$189
10/29/2020	Other	Wire Fee	\$15
10/29/2020	Premiums Due on Life Settlement Policies		\$727
10/30/2020	Other	Wire Fee	\$15
10/30/2020	Other	Wire Fee	\$15
10/30/2020	Other	Wire Fee	\$15
11/2/2020	Other	Actum Fees	\$25
11/2/2020	Other	Wire Fee	\$15
11/3/2020	Other	Actum Fees	\$25
11/3/2020	Other	Actum Fees	\$25
11/3/2020	Other	Wire Fee	\$15
11/3/2020	Other	ACH Fee	\$10
11/3/2020	Utilities	PECO Bill	\$348
11/4/2020	Other	Wire Fee	\$15
11/5/2020	Other	Wire Fee	\$12
11/6/2020	Other	Wire Fee	\$15
11/6/2020	IT Expense	Google Payment	\$657
11/6/2020	Premiums Due on Life Settlement Policies		\$38,266
11/6/2020	Other	Wire Fee	\$15
11/6/2020	Payroll & Benefits	Payroll	\$743
11/9/2020	Other	Wire Fee	\$15
11/9/2020	Other	Wire Fee	\$15
11/10/2020	Other	Wire Fee	\$15
11/10/2020	Other	Wire Fee	\$15
11/10/2020	Other	Wire Fee	\$15
11/10/2020	Other	Wire Fee	\$15
11/10/2020	Other	Wire Fee	\$15
11/10/2020	IT Expense	Microsoft 365	\$883
11/10/2020	Other Operating Expense	Locksmith	\$218
11/10/2020	Payroll & Benefits	Payroll	\$44,210
11/12/2020	Other	Wire Fee	\$15
11/12/2020	Other	Wire Fee	\$15

Date	Category	Description	Total
11/12/2020	Other	Wire Fee	\$15
11/12/2020	Other	Wire Fee	\$15
11/12/2020	Other	Wire Fee	\$15
11/13/2020	Other	Fraud check - Funds returned on 11/16	\$18,500
11/13/2020	Other	Wire Fee	\$15
11/13/2020	Other	Wire Fee	\$15
11/13/2020	Other	Wire Fee	\$15
11/13/2020	Other	Wire Fee	\$15
11/13/2020	Other	Wire Fee	\$15
11/13/2020	Other	Wire Fee	\$15
11/13/2020	Premiums Due on Life Settlement Policies		\$255
11/13/2020	Premiums Due on Life Settlement Policies		\$593
11/13/2020	Premiums Due on Life Settlement Policies		\$1,830
11/13/2020	Premiums Due on Life Settlement Policies		\$4,160
11/13/2020	Premiums Due on Life Settlement Policies		\$243
11/13/2020	Premiums Due on Life Settlement Policies		\$644
11/13/2020	Other Operating Expense	Office Supplies	\$160
11/16/2020	Other	Fraud check - Funds returned	(\$18,500)
11/16/2020	Other	Bank Fee	\$38
11/16/2020	Premiums Due on Life Settlement Policies		\$6,956
11/16/2020	Premiums Due on Life Settlement Policies		\$3,678
11/16/2020	Other	Bank Fee	\$25
11/16/2020	Other	Bank Fee	\$105
11/16/2020	Other	Wire Fee	\$15
11/16/2020	Premiums Due on Life Settlement Policies		\$1,277
11/16/2020	Premiums Due on Life Settlement Policies		\$1,975
11/16/2020	Premiums Due on Life Settlement Policies		\$2,485
11/16/2020	Premiums Due on Life Settlement Policies		\$2,696
11/16/2020	Premiums Due on Life Settlement Policies		\$5,439
11/16/2020	Premiums Due on Life Settlement Policies		\$6,607
11/16/2020	Premiums Due on Life Settlement Policies		\$10,828
11/16/2020	Other	Bank Fee	\$55
11/17/2020	Other	Wire Fee	\$15
11/17/2020	Other	Wire Fee	\$15
11/17/2020	Other	Wire Fee	\$15
11/17/2020	Other	Wire Fee	\$15
11/17/2020	Other	Wire Fee	\$15
11/17/2020	Other	Wire Fee	\$15
11/17/2020	Premiums Due on Life Settlement Policies		\$4,835
11/17/2020	Premiums Due on Life Settlement Policies		\$12,181
11/18/2020	Other	Wire Fee	\$15
11/18/2020	Other Operating Expense	Florida Hospital Locksmith	\$492
11/18/2020	Utilities	Comcast	\$271
11/18/2020	Other	Wire Fee	\$15
11/20/2020	Other	Wire Fee	\$15
11/20/2020	Other	Wire Fee	\$15
11/20/2020	Other	Wire Fee	\$15
11/20/2020	Other	Wire Fee	\$15
11/20/2020	Premiums Due on Life Settlement Policies		\$24,714
11/20/2020	Utilities	PECO Bill	\$186
11/23/2020	Other	Wire Fee	\$15
11/23/2020	Other	Wire Fee	\$15
11/23/2020	Other	Wire Fee	\$15
11/23/2020	Premiums Due on Life Settlement Policies		\$18,854
11/23/2020	Payroll & Benefits	Payroll	\$46,806
11/24/2020	Other	Wire Fee	\$15
11/24/2020	Premiums Due on Life Settlement Policies		\$11,425
11/24/2020	Other Operating Expense	Office Supplies	\$632
11/25/2020	Other	Wire Fee	\$25
11/25/2020	Other	Wire Fee	\$15
11/25/2020	Other	Wire Fee	\$15

Date	Category	Description	Total
11/25/2020	Other	Wire Fee	\$15
11/25/2020	Other	Wire Fee	\$15
11/25/2020	Other	Wire Fee	\$15
11/25/2020	Other	Wire Fee	\$15
11/27/2020	Other	Wire Fee	\$15
11/27/2020	Premiums Due on Life Settlement Policies		\$10,382
11/27/2020	Premiums Due on Life Settlement Policies		\$10,382
11/30/2020	Other	Wire Fee	\$15
11/30/2020	Other	Wire Fee	\$15
11/30/2020	Other Operating Expense	Janitorial	\$112

Schedule 1.2

STANDARDIZED FUND ACCOUNTING REPORT for PAR FUNDING - Cash Basis
Receivership; Civil Court Docket No. 20-cv-81205-RAR
Reporting Period 10/1/2020 to 12/31/2020

Source of Funds - Transfers from Legacy Accounts to Receivership Accounts

Date	Category	Description	Total
10/2/2020	Transfer	Deposit from legacy CBSG First Bank of NJ bank account x7807	\$153,221
10/2/2020	Transfer	Deposit from legacy CBSG First Bank of NJ bank account x7831	\$749,390
10/2/2020	Transfer	Deposit from legacy CBSG First Bank of NJ bank account x7823	\$6,585,484.75
10/1/2020	Transfer	Deposit from legacy ABFP account x4566	\$7,899.79
10/9/2020	Transfer	Deposit from legacy ABFP account x9737	\$397.37
Total transfers from legacy accounts to receivership accounts			<u><u>\$7,496,392.24</u></u>

Exhibit “2”

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

SECURITIES AND EXCHANGE COMMISSION,

v.

CASE NO.: 20-cv-81205-RAR

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

Defendants.

DECLARATION OF BRADLEY D. SHARP

Pursuant to 28 U.S.C. Section 1746, the undersigned states as follows:

1. My name is Bradley D Sharp. I am over twenty-one years of age and have personal knowledge of the matters set forth herein.
2. I am CEO of Development Specialists, Inc., the financial advisor to the Receiver, Ryan K. Stumphauzer.
3. I am the primary engagement manager for all matters relative to Complete Business Solutions Group, Inc., d/b/a Par Funding (“CBSG”) and related Receivership Entities.
4. I have overseen my staff’s analyses of CBSG’s books and records and have reviewed their work. My staff includes experienced forensic accountants maintaining CPA, CFF and CFE certifications.
5. This declaration will provide our preliminary findings with respect to our analysis of CBSG. The analysis will provide conclusions regarding the CBSG sources and uses of cash through 2019, an analysis of merchants that account for 50% of the receivable

portfolio and comments with respect to the hypothetical analysis provided by the Defendants.

Summary of Conclusions:

6. From inception through 2019, CBSG generated only \$6.6 million in cash from MCA Activity despite advancing \$1.1 billion in MCA transactions.

7. From inception through 2019, CBSG paid more than \$144 million to or for the benefit of LaForte, McElhone, Cole and Abbonizio (“Insiders”).

8. From inception through 2019, CBSG incurred a cash loss from operations of \$136.2 million.

9. From inception through 2019, CBSG paid \$231.0 million to investors, consisting of principal repayments totaling \$135.6 million and interest payments totaling \$95.4 million. CBSG could not have made these principal and interest payments to the investors without additional funds from the investors.

10. A significant amount of the receivable portfolio consists of “factors,” fees and expense and not cash advanced.

11. It appears that many of the larger merchants have made payments to CBSG with funding from CBSG.

12. The Defendants hypothetical portfolio analysis in the Defendants’ Joint Response to the Status Report [ECF Doc No.355] is misleading and does not reflect actual operations at CBSG.

Cash Sources and Uses:

13. Our preliminary conclusions summarized above are based on our analysis of CBSG’s cash sources and uses for the calendar years 2012 through 2019. In order to do

so, we utilized the receipts and disbursements from CBSG's QuickBooks file which were then reconciled to the CBSG bank statements. The transactions were categorized based largely on CBSG's accounting for each. In other words, we identified the "other side" of the entry for each cash receipt or disbursement. For a receipt, we identified the account to which the corresponding credit was recorded (e.g., Accounts Payable). For a disbursement, we identified the account to which the corresponding debit was recorded (e.g., Interest Expense).

14. While we are confident that our analysis encompasses virtually all cash transactions through 2019 and reflects the nature of the transactions as accounted for by CBSG, this analysis should be considered preliminary as we are still researching the purpose of certain transactions and evaluating the transactions in 2020.¹

15. Attached as Exhibit A is our summary of CBSG cash sources and uses for the period from inception through 2019. The following chart is a high-level overview of the cash activity (dollars in millions):

<u>Category</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Net</u>
Investors	\$ 479.3	\$ (231.0)	\$ 248.3
MCA Activity	1,103.9	(1,097.3)	6.6
Operating Expenses	1.3	(27.7)	(26.4)
Commissions/Consulting Fees:			
To/FBO Related Entities	-	(77.0)	(77.0)
To Other Entities	-	(39.4)	(39.4)
Other Related Entity Activity	4.7	(72.0)	(67.3)
Totals	<u>\$ 1,589.2</u>	<u>\$ (1,544.4)</u>	<u>\$ 44.8</u>

¹. We have reviewed the analysis presented by the SEC through June 2020. Our analysis is through December 2019 and other than the scope and minor classification issues, our results are consistent with the SEC analysis.

16. Although there were significant transactions, CBSG did not generate a positive cash flow:

- a. CBSG had receipts of \$1.1 billion including \$943.0 million of payments from MCA clients and \$160.9 million of payments relating to joint funding involving participations with other MCA lenders. CBSG disbursed \$1.1 billion which included \$938.3 million of advances to MCA clients and \$159.0 million of payments relating to joint funding activity. Despite this level of cash transactions, CBSG generated only \$6.6 million in net cash from MCA activity through 2019 (“MCA Activity”).
- b. From inception through 2019, CBSG paid \$116.4 million in commissions and consulting fees to the following entities:
 - Heritage Business Consulting (McElhone) - \$37.8 million
 - Eagle Six Consultants (McElhone) - \$24.4 million
 - New Field Ventures (Cole) - \$9.9 million
 - Beta Abigail (Abingozi)- \$4.9 million
 - All other entities combined - \$39.4 million

Of this \$116.4 million, \$77.0 million was paid to companies controlled by Insiders.

- c. CBSG paid net operating expenses of \$26.4 million.
- d. From inception through 2019, CBSG generated a negative cash flow from operations of \$136.2 million:

Cash from MCA Activity	\$6.6 million
Less:	
Commissions & consulting fees	\$116.4 million
Operating expenses	<u>\$26.4 million</u>
Cash flow from operations	(\$136.2) million

- e. In addition to the commissions and consulting fees referenced above, from inception through 2019, CBSG made net payments of \$67.3 million to, or for the benefit of, Insiders and related entities

McElhone/LME Trust	\$40.6 million
Full Spectrum Processing	\$9.1 million
RMR Holdings (LaForte)	\$6.9 million
Eagle Union Quest (private jet)	\$6.2 million
Heritage Business Consulting	\$3.7 million
Other (combined)	\$0.8 million
Total Related Entity Activity	\$67.3 Million

- f. Thus, CBSG paid a total of \$144.3 million to Insiders and their related entities through 2019.

- g. The net cash flow from non-investor activities was negative \$203.5 million:

Cash loss from operations, which includes \$116.4 million in commissions, with \$77 million paid to Insiders	(\$136.2) million
Payments for the benefit of Insiders	(\$67.3) million
Total negative cash flow from non-investor activities	(\$203.5) million

17. Due to the significant negative cash flow from non-investor activities, CBSG required additional funds from investors in order to sustain the business and to make the principal and interest payments on the investor notes.

- a. The cash loss of \$203.5 million from non-investor activities does not include payments to investors for principal and interest of \$231.0 million.
- b. Investors provided CBSG \$479.3 million in investments and CBSG paid \$231.0 million to investors, consisting of principal repayments totaling \$135.6 million and interest payments totaling \$95.4 million.
- Thus, the investors provided net cash to CBSG of \$248.3 million. Given the cash loss of \$203.5 million, CBSG could not have made the principal and interest payments totaling \$231.0 million to the investors without the \$479.3 million in funds from the investors.

Portfolio Analysis

18. To analyze the CBSG portfolio, we conducted detailed analyses with respect to

a subset of the CBSG merchants. Based on our analyses, these merchant accounts demonstrated unusual activity, such as:

- a. Outstanding balances significantly larger than supported by the financial information located in the CBSG books and records.
- b. Significant reload activity, within the merchant and reloads across merchants (e.g., transferring an advance from one merchant to another).
- c. Cash payments by merchants dependent on continuing advances to the same merchants.
- d. Ownership position in certain merchants by CBSG's affiliates and related parties.

19. The merchant accounts that have unusual activity have been defined as the Exception Portfolio. We have located 16 individual merchants demonstrating some or all of the above characteristics. These have been combined into 5 groups based on common ownership, reloads and other transactions between the merchants.

20. Our analysis of the Exception Portfolio includes the following:

- a. B & T Supply Group (including B & T Supply, Lifeguard, Yanky Holding, YBT Industries Inc., Naki Cleaning Services, and Anglo China)
- b. Colorado Homes Group (including Colorado Homes, United by ECH, CNP Operating, Colorado Sky, and escrow held by Dickinson Wright)
- c. Kingdom Logistics
- d. Big Red Express Group (including Big Red Ltl, Bulova Technologies, and Twiss Cold Storage)
- e. National Brokers of America

21. Our analysis of the CBSG portfolio noted significant use of “reloads.” A reload is essentially CBSG refinancing a pre-existing MCA advance. The “reload” advance would normally fund the merchant with additional cash and repay the existing advance. The reload, with the “factor”, becomes the new outstanding obligation. By way of example, on June 27th, 2019, CBSG advanced \$700,000 (and advance origination fees) to B & T Supply² with a daily payment obligation that was scheduled to last for 154 days. CBSG added a “factor” of \$224,000 to the cash advance, creating an Outstanding Balance of \$924,000. After payments of \$53,995, on July 11th, 2019, CBSG incorporated the unpaid balance of \$870,045 into a reload advance.³ The terms of the reload advance agreement state “Payoff Existing: \$870,045 Purchase Price New: \$1,000,000”, which indicates that the advance paid off the unpaid balance of \$870,045. This transaction occurred a mere two weeks after the initial advance with only 5.8% of the expected payback amount having been repaid. CBSG wired out \$1,000,000 in new money (less advance origination fees) and charged an additional “factor” of \$598,414, thereby creating a new Outstanding Balance of \$2,468,459. Combined, through these advances, payment and reload, CBSG funded \$1,700,000, charged a “factor” of \$822,414 and created a new receivable of \$2,468,459.

22. Use of reloads escalates the obligations of the merchant as each reload adds an additional “factor” along with any new funds advanced. In the example above, the \$870,045 in reloaded funds is subject to the factor twice; once when the funds were originally sent and again when they are included in the reload advance. The use of reloads also significantly distorts the calculation of loss rates as the advances are simply refinanced without becoming a loss. Our analysis also noted the frequent use of “combination” reloads involving the

² Coded BAND003:19010 in CBSG’s books and records.

³ Coded BAND003:19011.

Exception Portfolio. These types of reloads occurred when multiple prior advances were reloaded prior to their final payment dates into a single new advance. Some of these combination reloads included new funds being advanced, however others did not include any new funds being advanced at all. In a reload without new funds being advanced, CBSG would determine the total amount needed to combine the prior advances into the new combination advance. CBSG then applied an additional “factor” to the new combination advance balance resulting in a payment amount that was greater than the payments required under the prior, uncombined advances.

23. This practice of rolling advances into a new obligation becomes apparent when there is significant growth in a merchant’s obligation unrelated to its business operations. As demonstrated by the table that follows, a substantial, portion of the Exception Portfolio, and therefore the receivable as a whole, is a result of reloads and not cash advanced.

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24. The following table provides a summary of the activities with respect to the Exception Portfolio from the inception of the relationship to November 2020:

CBSG Exception Portfolio Merchant Balances and Fees

	Start of Relationship [1]	Cash Out	Cash Back	Net Cash Exposure [2]	Net Balance Transferred	Outstanding Fees and Other Charges [3]	% of Outstanding Balance	Outstanding Balance	
B & T Supply	05/15/15	50,485,491	48,567,460	1,918,030	18,838,973	57,227,914	73%	77,984,917	[4] *
Lifeguard	02/06/20	17,531,669	9,566,636	7,965,033	3,032,210	2,362,567	18%	13,359,810	[4] *
Yanky Holding Supplies	03/29/16	4,585,877	2,793,427	1,792,450	(4,805,790)	3,013,340	N/A	-	[5]
YBT Industries Inc	04/12/16	12,477,305	6,407,979	6,069,327	(10,845,555)	4,776,228	N/A	-	[5]
Naki Cleaning Services	04/12/16	6,287,403	4,182,342	2,105,061	(4,462,483)	2,357,422	N/A	-	[5]
Anglo China	04/27/20	1,597,595	-	1,597,595	(1,757,355)	159,760	N/A	-	[5]
B & T Group Total		92,965,340	71,517,843	21,447,497	(0)	69,897,231	77%	91,344,728	
Colorado Homes	02/05/18	24,533,701	21,212,640	3,321,061	(4,252,726)	20,581,824	105%	19,650,160	[4] *
United by ECH	08/26/19	3,532,525	2,155,603	1,376,922	1,537,726	2,924,149	50%	5,838,797	*
CNP Operating	11/04/19	-	93,000	(93,000)	4,480,000	-	0%	4,387,000	[4]
Colorado Sky	02/22/19	1,200,000	1,235,000	(35,000)	(445,000)	480,000	N/A	-	[6]
Dickinson Wright	01/30/19	1,200,000	-	1,200,000	(1,320,000)	120,000	N/A	-	[7]
Colorado Homes Group Total		30,466,226	24,696,243	5,769,983	0	24,105,974	81%	29,875,957	
Big Red Express (Big Red Ltd)	10/10/17	5,990,665	4,941,182	1,049,483	6,176,781	11,725,988	62%	18,952,252	*
Bulova Technologies	03/26/14	5,714,985	4,905,683	809,302	(5,027,611)	4,218,309	N/A	-	[8]
Twiss Cold Storage	04/26/16	1,630,505	1,072,904	557,601	(1,149,169)	591,568	N/A	-	[9]
Big Red Express Group Total		13,336,156	10,919,769	2,416,386	0	16,535,865	87%	18,952,252	
Kingdom Logistics	08/01/18	31,097,243	27,785,333	3,311,910	-	17,604,689	84%	20,916,599	*
National Brokers Of America	05/07/15	35,313,398	36,993,310	(1,679,912)	-	36,973,530	105%	35,293,618	*
Grand Total		\$ 203,178,362	\$ 171,912,498	\$ 31,265,864	\$	165,117,289	84%	\$ 196,383,154	

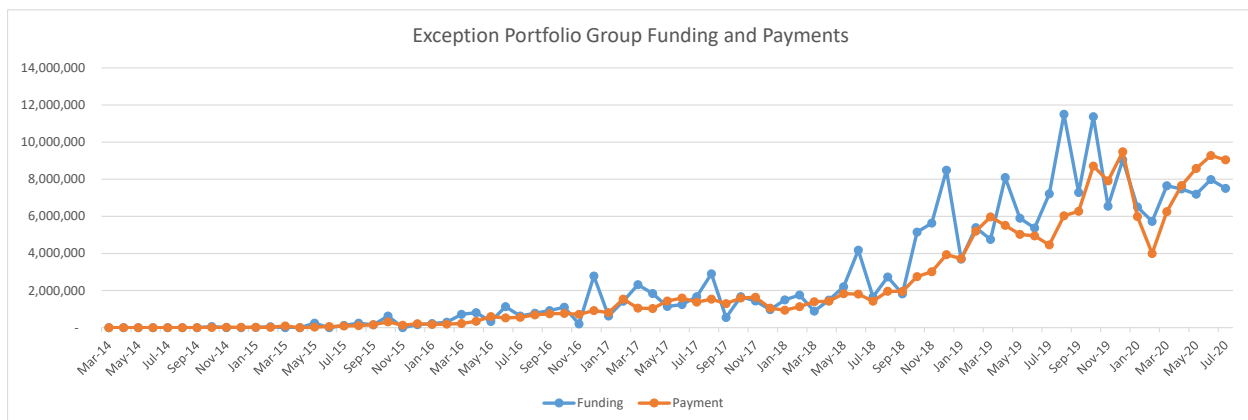
1. Start of Relationship is defined as the date of the first signed contract.
2. Net Cash Exposure is defined as Cash Out minus Cash Back.
3. Outstanding Fees and Other Charges is defined as Outstanding Balance less Net Cash Exposure.
4. Outstanding Balance includes reloads from entities not currently listed here.
5. Entity reloaded outstanding advances into B&T Supply and/or Lifeguard and does not currently have an outstanding balance
6. Entity reloaded outstanding advances into CNP Operating and does not currently have an outstanding balance
7. Entity reloaded outstanding advances into Colorado Sky and does not currently have an outstanding balance
8. Entity reloaded outstanding advances into Big Red Express and does not currently have an outstanding balance
9. Entity reloaded outstanding advances into Bulova Technologies and does not currently have an outstanding balance

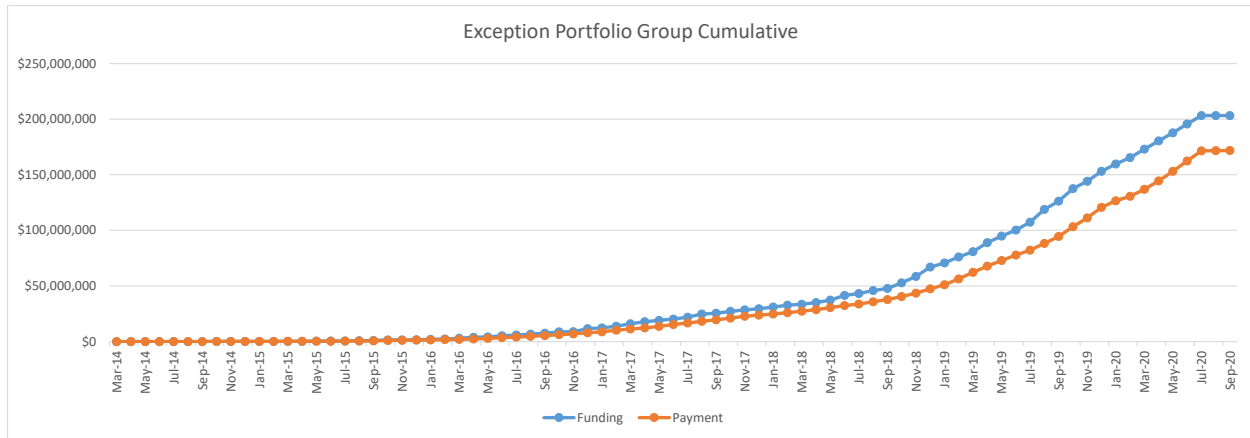
25. Based on our analysis of the Exception Portfolio, we reached the following conclusions with respect to the quality of the CBSG portfolio.

- a. It appears that the Exception Portfolio has excessive reloads with 84% of the outstanding balance made up of the “factor,” fees and expenses and not actual cash advanced. The majority of the advances in this portfolio have been reloaded into new advances, not paid in full.
- b. If CBSG is only able to collect the Cash Exposure (cash out less cash back) in the Exception Portfolio, CBSG’s assets will decline by \$165.1 million reducing the total accounts receivable portfolio by 42% from \$391.8 million, down to \$226.7 million.

- c. The CBSG portfolio is highly concentrated with the 16 merchants in 5 related groups in the Exception Portfolio representing more than 50% of the total \$391.8 million accounts receivable on the books of CBSG.
- d. Based on the data reviewed to date on several merchants in the Exception Portfolio, it appears that the payments received by CBSG were a result of funds actually advanced by CBSG to the merchant. In other words, the funds advanced by CBSG to the merchants made a “round trip” back to CBSG to meet the required payments.
- e. Since March 2014, the cumulative amount collected from the above 16 merchants (“Cash Back”) is \$31.3 million less than the Net Advanced, or “Cash Out” amount in the above table. In other words, for these 16 merchants, representing more than 50% of the portfolio, CBSG has advanced \$31.3 million more in cash than it has received.

26. The following charts show a timeline of Total Funding and Payment activities of the Exception Portfolio, by month and cumulatively:



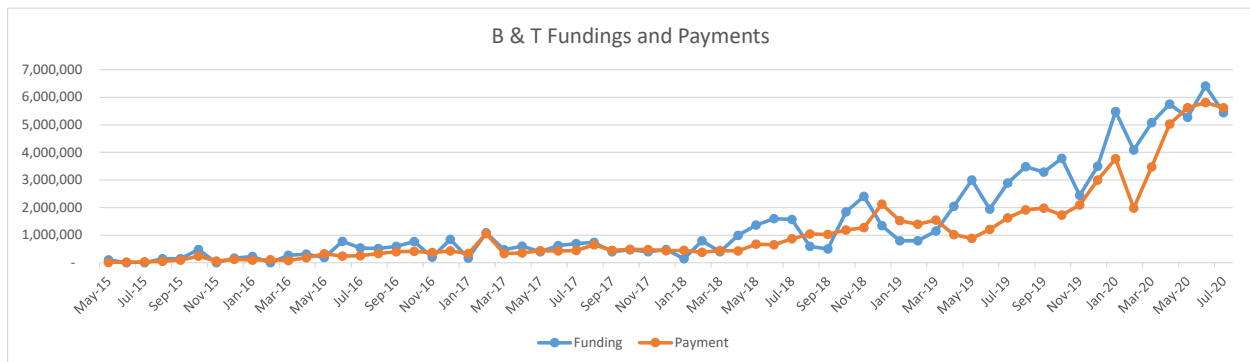


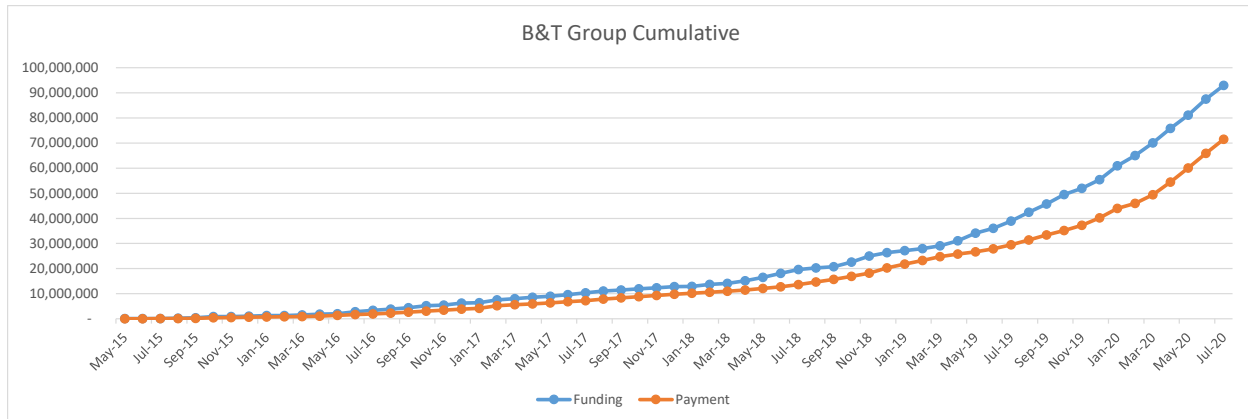
27. As is clear in the second graph above, throughout its relationship with these merchants, the payments received by CBSG never exceeded the amount advanced to these merchants, let alone return a profit. In our analysis, this gap between Cash Out and Cash In has not shown any sign of narrowing on an aggregate basis.

The Exception Merchants

B & T Supply Group:

28. Funding to and payments by B & T Supply Group, by month and cumulatively:





29. As illustrated above, the cash funding to the B&T Supply Group exceeds the cash repaid by more than \$21.4 million with a total outstanding balance due of more than \$91 million, consisting primarily of the “factor”, fees and expenses.

30. The documents in the files of CBSG with respect to this merchant do not support credit exposure of more than \$20 million and certainly not more than \$90 million. CBSG’s own Underwriting Profile dated May 12, 2015 recommended a credit limit of \$27,600. There is no information in the CBSG books and records with respect to the other B&T related entities although these entities received advances.

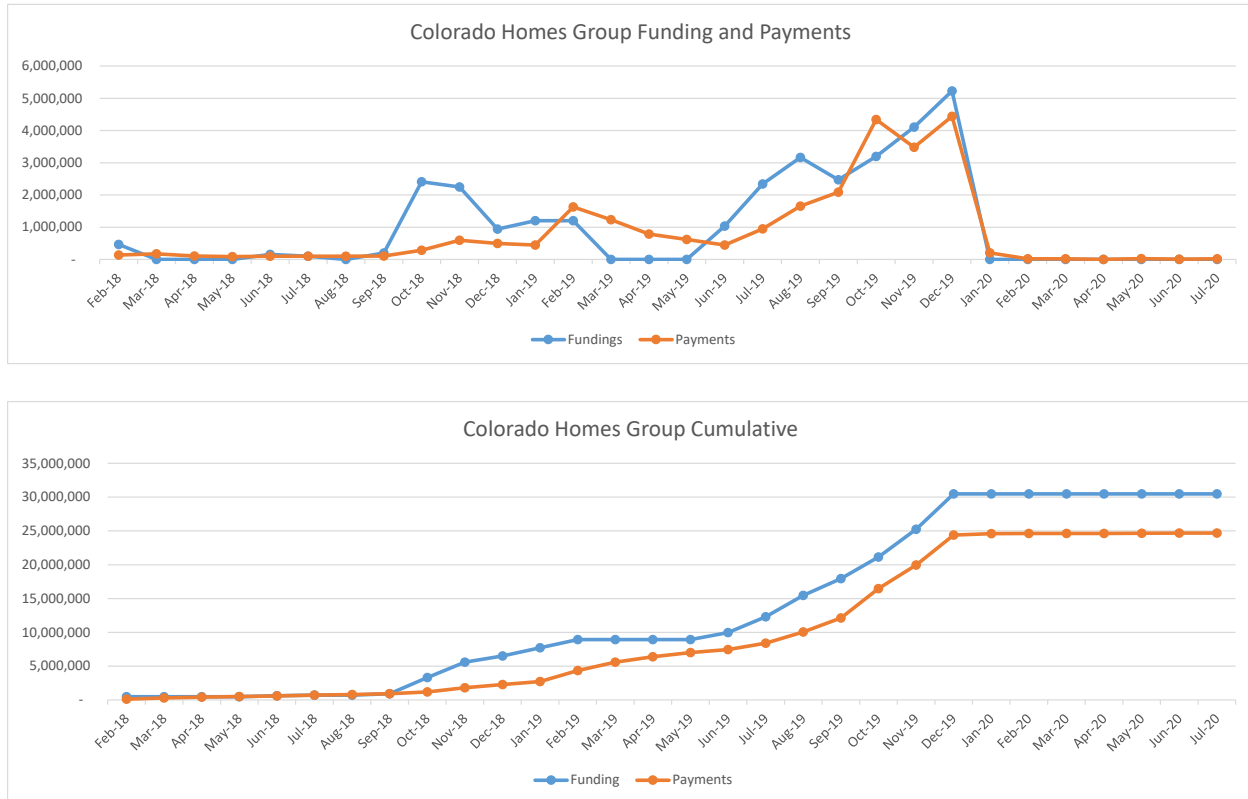
31. The only financial information we have located with respect to this merchant are 20 bank statements for 3 different accounts from 2015 and 2017. When combined, the monthly average balance on these accounts does not exceed \$1 million. From January to June 2020, CBSG funded a monthly average of \$5.3 million to the B&T entities and received average monthly payments of only \$4.3 million.

32. Based on this information, it appears that this merchant has been making its payments to CBSG with funding provided by CBSG.

33. B&T has engaged counsel and its counsel has disputed the amount owed.

Colorado Homes:

34. Funding to and payments by Colorado Homes Group, by month and cumulatively:



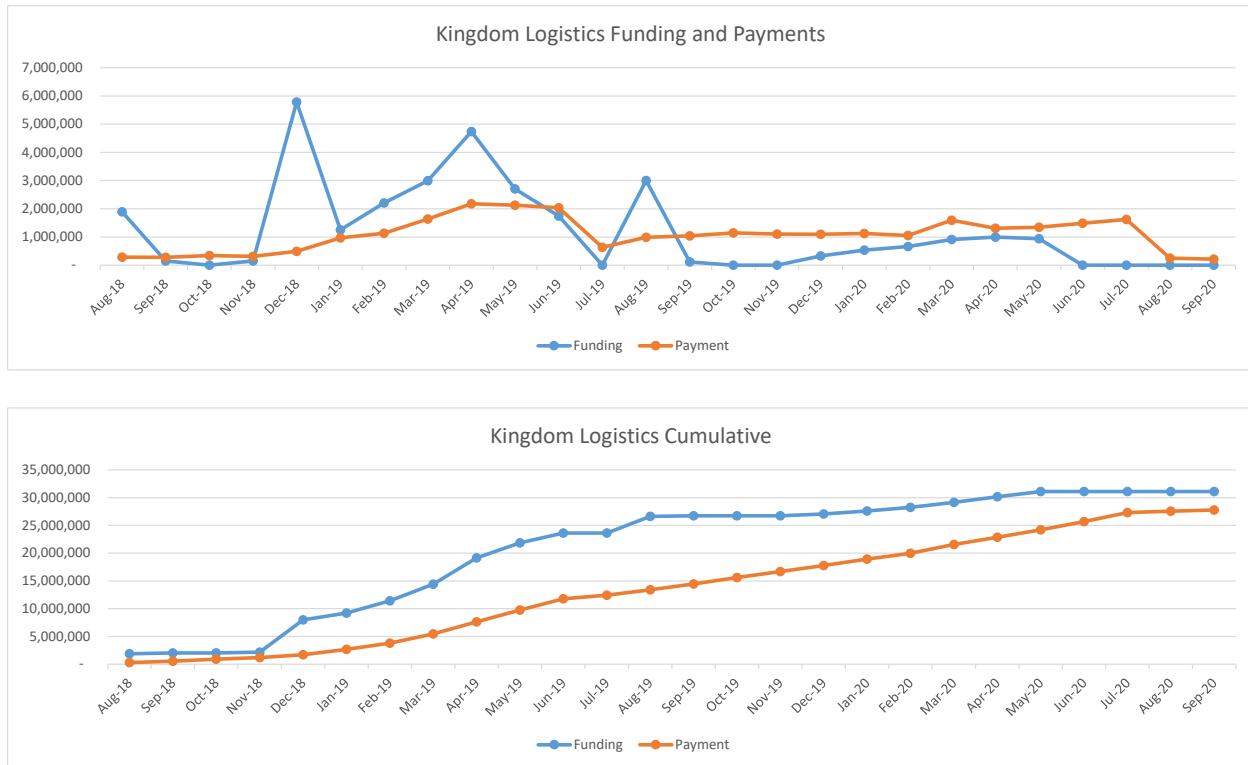
35. The last funding to the Colorado Homes Group was \$5.2 million in December 2019.

36. Since funding ceased, the Colorado Homes Group has only repaid \$297,000. The funding and payment pattern with Colorado Homes is similar to that with B&T. Colorado Homes has been advanced more cash than it has repaid and appears to have been making payments with funding provided by CBSG.

37. Colorado Homes has engaged counsel and has disputed the amount owed. Colorado Homes has stated that the insiders of Par Funding, specifically entities owned by Lisa McElhone, are not fulfilling funding commitments.

Kingdom Logistics:

38. Funding to and Payments by Kingdom Logistics, by month and cumulatively:



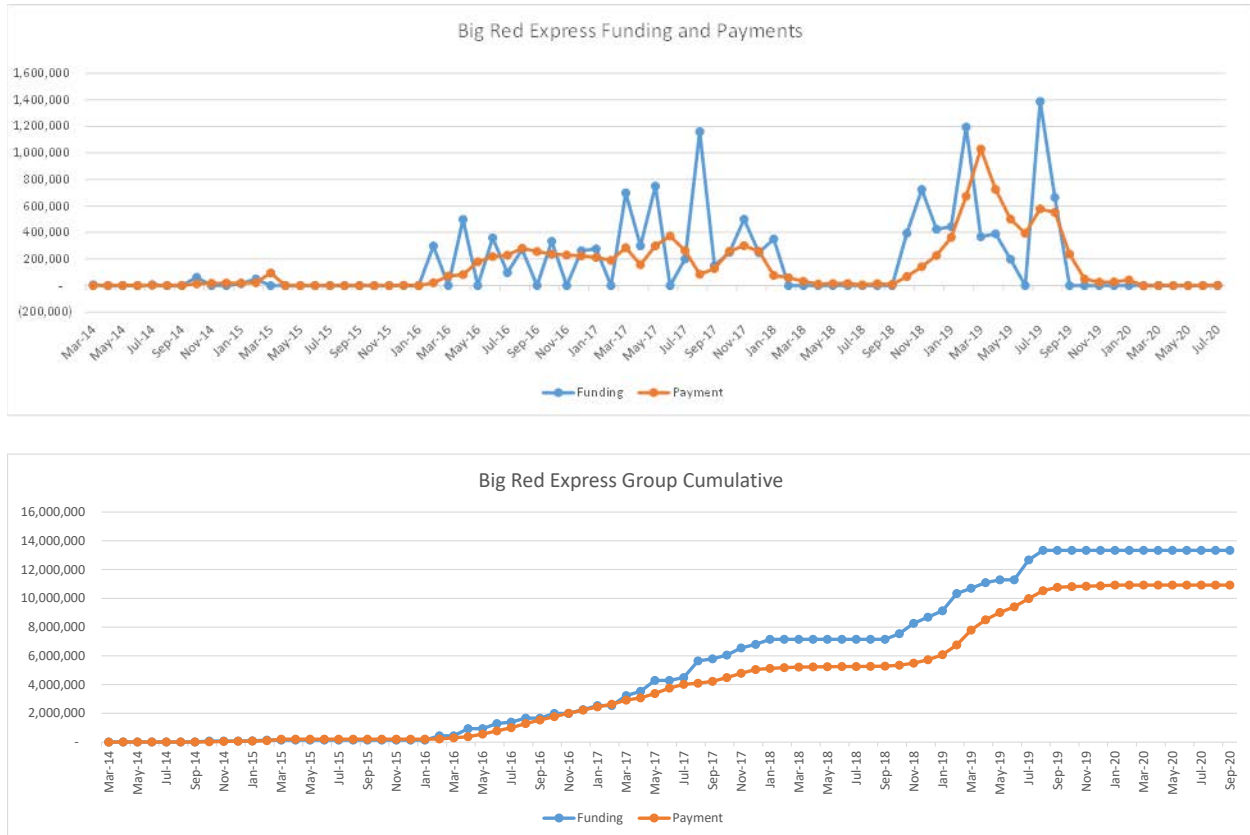
39. As illustrated above, CBSG’s cash funding to Kingdom Logistics exceeds the cash repaid by \$3.3 million with a total outstanding balance due of more than \$20.9 million. This total outstanding balance is comprised primarily of “factor,” fees and expenses. CBSG last funded this merchant with ~~\$3.0 million~~\$937 thousand in ~~August 2019~~May 2020. The merchant made payments of \$12,000 per day until September 28, 2020, when it closed its bank account funding the payments.

40. Anthony Zingarelli, a former contractor for CBSG and an associate of Joe LaForte purports to speak for Kingdom Logistics. We have demanded a resumption of payments but have not received a response.

Big Red Express:

41. Funding to and payments by Big Red Express Group, by month and

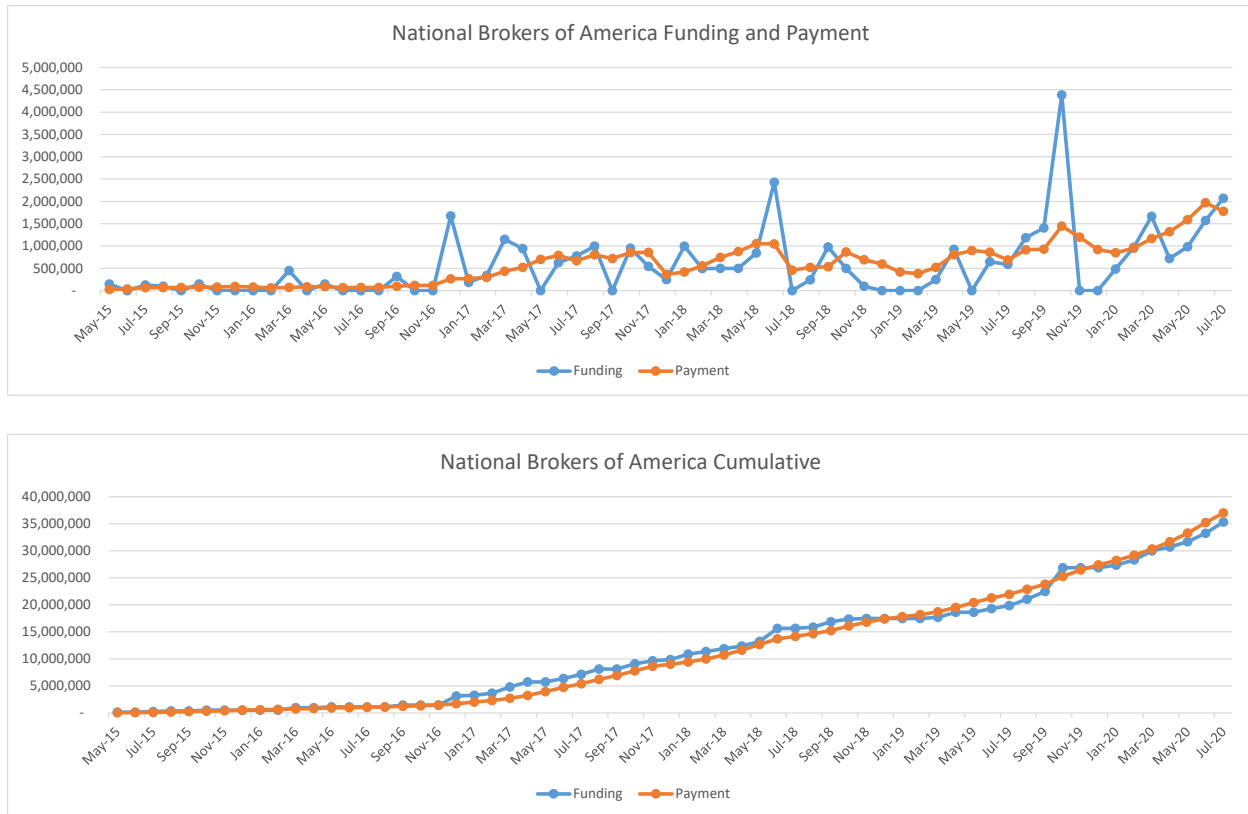
cumulatively:



42. Based on the cash funding and payment history, it appears that Big Red was only able to make payments to CBSG with funding from CBSG. Prior to the Receivership, CBSG filed a confession of judgment against Big Red for \$20,875,197.06 in state court in Pennsylvania. The estate of Big Red's owner has also filed suit in Pennsylvania state court alleging forgery and fraud in CBSG's dealings with Big Red.

National Brokers of America:

43. Funding to and payments by National Brokers of America, by month and cumulatively:



44. National Brokers of America is the only merchant in the Exception Portfolio to repay the amount of cash advanced. CBSG advanced \$35.3 million since May 2015 and was repaid \$36.7 million. However, the Outstanding Balance is still \$35.4 million, consisting exclusively of the “factor,” fees and expenses. The five-year cumulative net cash inflow of \$1.4 million is only 4.76% of total amount advanced. Considering the time value of money and CBSG’s own cost of capital, National Brokers of America is not a source of profit for CBSG.

45. CBSG’s most recent merchant agreement lists an entity, National Brokers of America LLC with a D/B/A of Bene Markets LLC. The original party to the merchant agreements, National Brokers of America, Inc. filed a Chapter 7 Bankruptcy on September 7, 2019 (Case No. 19-15488, Eastern District of Pennsylvania). There is also no listing of any debts owed to CBSG in the bankruptcy filings and no reference of Bene Markets LLC.

46. The most recent credit report in the files of CBSG for National Brokers of America LLC in October 2018 estimates annual sales of in the range of \$1 to \$499,000 and reported a credit limit recommendation of \$1,900.

Par Financial Model

47. As a part of the analysis discussed above, I have reviewed Defendants' Joint Response to the Status Report [ECF Doc No.355]. Based on my analysis of the operations of CBSG, the Joint Response is misleading.

48. For instance, Defendants present a table assuming three hypothetical MCA deals. However, this table assumes that Par collects all the amount due with a factor of 1.32. Based on our experience with the Exception Portfolio, which represents more than 50% of the total Accounts Receivable, Par has only collected 86% of the actual cash Funding, not 132%. In order to continue with the same level of Funding for Deal 2 and Deal 3 as indicated in the table, Par would need to raise additional investor funds.

49. To restate the table presented in the pleading based on actual results:

	Deal 1	Deal 2	Deal 3
Funding	\$100,000.00	\$132,000.00	\$174,240.00
Factor	1.32	1.32	1.32
Collected (86% of funding)	\$86,000.00	\$113,520.00	\$149,846.40
New Investor Money Required	\$14,000.00	\$18,480.00	\$24,393.60
Initial Outstanding Balance	\$132,000.00	\$174,240.00	\$229,996.80
Remaining Outstanding Balance	\$46,000.00	\$60,720.00	\$80,150.40

50. The New Investor Money Required represents additional cash above the amount collected required to fund the next Deal as illustrated below:

Funding	\$100,000.00	\$132,000.00	\$174,240.00
Previous Cash Collected		\$86,000.00	\$113,520.00
New Investor Money Required	\$100,000.00	\$46,000.00	\$60,720.00

51. CBSG's requirement for new investor money in the example above does not include additional cash needs for expenditures such as:

- a. Interest paid to investors (\$51.7 million in 2019)
- b. Operating expenses (\$7.7 million in 2019)
- c. "Consulting fees" previously paid to the Par insiders equal to 10% of the Funding Amount (\$77.0 million).

52. When these factors are considered, CBSG's need for new investor funding would be substantially higher.

53. Based on our review to date, it is apparent that CBSG would not have been able to continue to provide payments to investors, or to continue to operate, without additional funds from investors.

I declare under penalty of perjury that the foregoing is true, correct, and made in good faith.

Executed this ~~13th day of December 2020~~^{1st day of February 2021} in San Juan Capistrano, California



Bradley D. Sharp

Complete Business Solutions Group, Inc. d/b/a Par Funding, et al.**Summary of Cash Sources and Uses for the Period 2012 through 2019 (\$ in Millions)**

	2012	2013	2014	2015	2016	2017	2018	2019	Total
Beginning Cash Balance	\$ -	\$ -	\$ 0.1	\$ 0.2	\$ 0.7	\$ 2.3	\$ 10.3	\$ 10.2	\$ -
Investor Activity									
Receipts from Investors	1.8	2.3	2.3	4.1	24.0	73.1	114.9	256.8	479.3
Disbursements to Investors									
Principal Repayments	(0.1)	(0.3)	(1.7)	(2.1)	(1.5)	(3.6)	(38.9)	(87.4)	(135.6)
Interest Payments	(0.1)	(0.7)	(1.3)	(1.4)	(3.0)	(10.2)	(27.0)	(51.7)	(95.4)
Total Disbursements to Investors	(0.2)	(1.0)	(3.0)	(3.5)	(4.5)	(13.8)	(65.9)	(139.1)	(231.0)
Net Investor Activity	1.6	1.3	(0.7)	0.6	19.5	59.3	49.0	117.7	248.3
MCA Activity									
Advances to Merchants	(2.3)	(9.3)	(17.3)	(28.6)	(63.1)	(159.1)	(290.3)	(368.3)	(938.3)
Payments from Merchants	1.1	9.6	20.5	32.2	61.7	149.8	291.1	377.0	943.0
Joint Funding Net Activity	-	-	(0.3)	(0.4)	(4.8)	(2.5)	14.4	(4.5)	1.9
Net MCA Activity	(1.2)	0.3	2.9	3.2	(6.2)	(11.8)	15.2	4.2	6.6
Operating Expenses	(0.3)	(0.9)	(1.2)	(1.7)	(2.3)	(3.0)	(9.3)	(7.7)	(26.4)
Commissions/Consulting Fees									
To/FBO Related Entities									
Heritage Business Consulting	-	-	(0.2)	(0.7)	(3.6)	(19.2)	(12.7)	(1.4)	(37.8)
Eagle Six Consultants	-	-	-	-	-	-	(8.2)	(16.2)	(24.4)
New Field Ventures	-	-	-	-	-	(2.4)	(2.9)	(4.6)	(9.9)
Beta Abigail	-	-	-	-	(0.3)	(1.4)	(2.1)	(1.1)	(4.9)
Total To/FBO Related Entities	-	-	(0.2)	(0.7)	(3.9)	(23.0)	(25.9)	(23.3)	(77.0)
To Other Entities	(0.1)	(0.6)	(0.6)	(0.4)	(3.4)	(8.0)	(10.8)	(15.5)	(39.4)
Total Commissions/Consulting Fees	(0.1)	(0.6)	(0.8)	(1.1)	(7.3)	(31.0)	(36.7)	(38.8)	(116.4)
Other Related Entity Activity ^[1]									
McElhone/LME Trust	-	-	-	(0.1)	(0.4)	(0.7)	(14.4)	(25.0)	(40.6)
Full Spectrum Processing	-	-	-	-	-	(1.0)	(3.1)	(5.0)	(9.1)
RMR Holdings	-	0.1	-	(0.3)	(1.6)	(2.0)	(0.7)	(2.4)	(6.9)
Eagle Union Quest	-	-	-	-	-	-	-	(6.2)	(6.2)
Heritage Business Consulting	-	-	-	-	(0.1)	(1.3)	-	(2.3)	(3.7)
Other	-	(0.1)	(0.1)	(0.1)	-	(0.5)	(0.1)	0.1	(0.8)
Total Related Entity Activity	-	-	(0.1)	(0.5)	(2.1)	(5.5)	(18.3)	(40.8)	(67.3)
Ending Cash Balance	\$ -	\$ 0.1	\$ 0.2	\$ 0.7	\$ 2.3	\$ 10.3	\$ 10.2	\$ 44.8	\$ 44.8

^[1] The other related entity activity reflects the beneficiary of the cash receipts and disbursements as reflected in CBSG's accounting records, and not necessarily the payer or payee. For example, in 2019, there were several disbursements to First Platinum Abstract LLC apparently relating to McElhone properties, as well disbursements to Eagle Six Consultants. CBSG booked these disbursements as distributions to LME 2017 Family Trust. Therefore, those transactions are reflected in the McElhone/LME Trust line item.

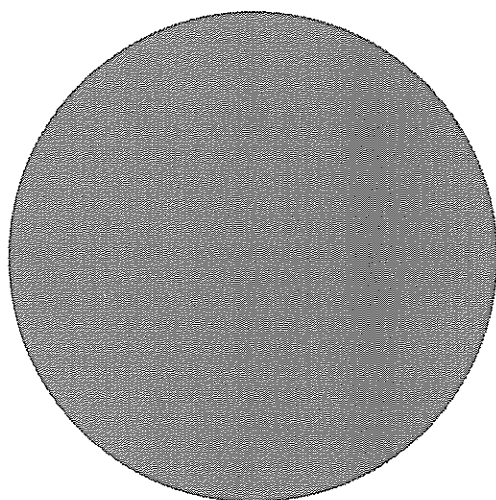
Exhibit “3”

005007 MCELHONE, LISAStatement of Assets
As Of August 3, 2020

Symbol	Asset Description	Maturity Date	Units/Shares or Face Value	Total Cost	Market Price	Market Value
010	Common Stock					
H10320017	HERITAGE BUS. CONSULT INC. COMMON STOCK		1,000.0000	\$1.00		\$1.00
Total				\$1.00		\$1.00
011	Private Stock					
B39005994	1500 SHARES OF COMPLETE BUSINESS SOLUTIONS		1,500.0000	\$1.00	\$0.00	\$1.00
Total				\$1.00		\$1.00
093	Limited Liability Corp					
118OLIVEP	118 OLIVE PA LLC MEMBERSHIP INTEREST		1.0000	\$1.00		\$1.00
125025LLC	1250 N 25TH ST LLC MEMBERSHIP INTEREST		1.0000	\$1.00		\$1.00
1932SPRUC	1932 SPRUCE ST, LLC MEMBER INTEREST		1.0000	\$1.00		\$1.00
205BARCHS	205 B ARCH STREET MANAGEMENT LLC MEMBER INTEREST		1.0000	\$1.00		\$1.00
4633WALNT	4633 WALNUT ST, LLC MEMBER INTEREST		1.0000	\$1.00		\$1.00
627269EGD	627-269 E GIRARD LLC MEMBERSHIP INTEREST		1.0000	\$1.00		\$1.00
715SANSOM	715 SANSOM ST LLC MEMBERSHIP INTEREST		1.0000	\$1.00		\$1.00
8034STLLC	803 S. 4TH STREET, LLC MEMBERSHIP INTEREST		1.0000	\$1.00		\$1.00
861N3SLLC	861 N. 3rd ST LLC MEMBERSHIP INTEREST		1.0000	\$1.00		\$1.00
BLUEVHLLC	BLUE VALLEY HOLDINGS, LLC MEMBERSHIP INTEREST		1.0000	\$1.00		\$1.00
LLC001317	TRADEWINDS SOUTH LLC MEMBERSHIP INTEREST		1.0000	\$1.00		\$1.00
LLC100812	LWP NORTH LLC MEMBERSHIP INTEREST		1.0000	\$1.00		\$1.00
LLC1223NS	1223 NORTH 25TH STREET, LLC MEMBERSHIP INTEREST		1.0000	\$1.00		\$1.00
LLC163118	1635 EAST PASSYUNK, LLC MEMBERSHIP INTEREST		1.0000	\$1.00		\$1.00
LLC236017	20 NORTH 3RD STREET LIMITED MEMBERSHIP INTEREST		1.0000	\$1.00		\$1.00
LLC242017	242 S. 21ST STREET, LLC MEMBERSHIP INTEREST		1.0000	\$1.00		\$1.00
LLC300MST	300 MARKET STREET, LLC MEMBERSHIP INTEREST		1.0000	\$1.00		\$1.00
LLC500FAI	500 FAIRMOUNT AVENUE, LLC MEMBERSHIP INTEREST		1.0000	\$1.00		\$1.00
LLCESCHOL	EAGLE SIX CONSULTANTS HOLDING, LLC MEMBERSHIP INTEREST		1.0000	\$1.00		\$1.00
LLCLME137	135-137 N. 3RD. ST, LLC MEMBERSHIP INTEREST		1.0000	\$1.00		\$1.00
MELON1427	1427 MELON ST LLC MEMBERSHIP INTEREST		1.0000	\$1.00		\$1.00
Total				\$21.00		\$21.00
503	BANK DEPOSIT PROGRAM					
BKDEPP001	BANK DEPOSIT PROGRAM		115,845.5000	\$115,845.50	\$1.00	\$115,845.50

005007 MCELHONE, LISAStatement of Assets
As Of August 3, 2020

Symbol	Asset Description	Maturity Date	Units/Shares or Face Value	Total Cost	Market Price	Market Value
Total				\$115,845.50		\$115,845.50
700	Other Assets					
1530CHRST	1530 CHRISTIAN STREET, LLC MEMBERSHIP INTEREST		1.0000	\$1.00		\$1.00
91517SH11	915-17 SOUTH 11TH, LLC MEMBERSHIP INTEREST		1.0000	\$1.00		\$1.00
Total				\$2.00		\$2.00
Grand Total				\$115,870.50		\$115,870.50

Market Value by Portfolio Report Category

- BANK DEPOSIT PROGRAM - 99.98 %
- Limited Liability Corp - 0.02 %
- Other Assets - 0.00 %
- Private Stock - 0.00 %
- Common Stock - 0.00 %

Exhibit “4”

Property Summary as of
January 31, 2021

#	Property Address	Receiver Entity Owner	Transfer Price	Transfer Date	Property Manager	Monthly Revenue*	Lis Pends
1	20-22 North 3rd Street Units 102 & 202 Philadelphia, PA	20 N. 3rd Street, Limited, a PA LLC	\$1,485,000	July 10, 2017	None, Par Funding Offices	TBD	Filed and Indexed 1/11/2021 Philadelphia Court of Common Pleas Case ID 210100688
	20-22 North 3rd Street Unit 101 Philadelphia, PA	20 N. 3rd Street, Limited, a PA LLC	\$835,000	November 20, 2017	None, Par Funding Offices	TBD	Filed and Indexed 1/11/2021 Philadelphia Court of Common Pleas Case ID 210100688
	20-22 North 3rd Street Unit 201 Philadelphia, PA	20 North 3rd Street Limited	\$645,000	July 3, 2018	None, Par Funding Offices	TBD	Filed and Indexed 1/11/2021 Philadelphia Court of Common Pleas Case ID 210100688
2	118 Olive Street Philadelphia, PA 1 Unit/Residential	118 Olive PA LLC	\$740,000	April 1, 2019	OCF Realty	\$4,000*	Filed and Indexed 1/8/2021 Philadelphia Court of Common Pleas Case ID 210100552
3	135-137 North 3rd Street Philadelphia, PA 18 Units/Residential	135-137 N 3rd St LLC	\$6,575,000	July 7, 2019	OCF Realty	\$40,055*	Filed and Indexed 1/8/2021 Philadelphia Court of Common Pleas Case ID 210100515
4	104 N. 2nd Street Unit 205 Philadelphia, PA	205 B. Arch Street Management LLC	\$260,000	April 27, 2017	None, Par Funding Offices	TBD	Filed and Indexed 12/23/2020 Philadelphia Court of Common Pleas Case ID 201201630
5	242 S. 21st Street Philadelphia, PA 4 Units/Residential	242 S. 21st Street LLC	\$1,025,000	August 30, 2017	OCF Realty	\$5,670*	Filed and Indexed 12/23/2020 Philadelphia Court of Common Pleas Case ID 201201629
6	300 Market Street Philadelphia, PA 13 Units/Residential	300 Market Street LLC	\$4,400,000	August 15, 2018	OCF Realty	\$21,164*	Filed and Indexed 1/5/2021 Philadelphia Court of Common Pleas Case ID 210100225
7	627-629 E. Girard Avenue Philadelphia, PA 10 Units/Residential	627-629 E. Girard LLC	\$2,950,000	March 15, 2019	OCF Realty	\$16,298*	Filed and Indexed 1/5/2021 Philadelphia Court of Common Pleas Case ID 210100306
8	715 Sansom Street Philadelphia, PA 8 Units/Residential	715 Sansom Street LLC	\$2,885,000	February 12, 2019	OCF Realty	\$7,580*	Filed and Indexed 1/5/2021 Philadelphia Court of Common Pleas Case ID 210100266
9	142 N. 2nd Street Unit 1A Philadelphia, PA	803 S. 4th Street, LLC	\$170,000	February 12, 2016	OCF Realty	\$1,700*	Filed and Indexed 1/6/2021 Philadelphia Court of Common Pleas Case ID 210100378

*Based upon financial report provided by OCF Realty and PAR Funding Records
#5989288/6

#	Property Address	Receiver Entity Owner	Transfer Price	Transfer Date	Property Manager	Monthly Revenue*	Lis Pendens
10	803 South 4th Street Philadelphia, PA 2 Units/Residential	803 S. 4th Street, LLC	\$349,000	February 18, 2017	OCF Realty	\$2,965*	Filed and Indexed 1/6/2021 Philadelphia Court of Common Pleas Case ID 210100379
11	861 N. 3 rd Street Philadelphia, PA 4 Units/Residential	861 N. 3 rd Street LLC	\$1,800,000	April 30, 2019	OCF Realty	\$10,629*	Filed and Indexed 1/6/2021 Philadelphia Court of Common Pleas Case ID 210100380
12	915-917 S. 11th Street Philadelphia, PA 6 Units/Residential	915-17 South 11th LLC Error on Deed: Indicates 915 SOUTH 11TH LLC but LLC is legally 915-17 SOUTH 11TH LLC	\$1,860,000	September 13, 2018	OCF Realty	\$9,795*	Filed and Indexed 1/6/2021 Philadelphia Court of Common Pleas Case ID 210100382
13	1250 N. 25th St. Units A, B, C Philadelphia, PA 3 Units/Residential	1250 N. 25th St. LLC	\$600,000	August 3, 2018	OCF Realty	\$4,690*	Filed and Indexed 1/6/2021 Philadelphia Court of Common Pleas Case ID 210100387
14	1427-35 Melon Street Philadelphia, PA 24 Units/Residential	1427 Melon St LLC	\$7,600,000	August 10, 2018	OCF Realty	\$36,950*	Filed and Indexed 1/7/2021 Philadelphia Court of Common Pleas Case ID 210100388
15	1530 Christian Street Philadelphia, PA 3 Units/Residential	1530 Christian Street LLC	T/P \$870,000 AV \$367,000	October 3, 2018	OCF Realty	\$5,620*	Filed and Indexed 1/5/2021 Philadelphia Court of Common Pleas Case ID 210100406
16	1635 East Passyunk Philadelphia, PA 6 Units	1635 East Passyunk LLC	\$825,000	February 1, 2018	OCF Realty	\$5,165*	Filed and Indexed 1/7/2021 Philadelphia Court of Common Pleas Case ID 210100408
17	1932 Spruce Street Philadelphia, PA 6 Units/Residential	1932 Spruce St LLC	\$2,125,000	April 30, 2018	OCF Realty	\$11,485*	Filed and Indexed 1/7/2021 Philadelphia Court of Common Pleas Case ID 210100414

*Based upon financial report provided by OCF Realty and PAR Funding Records

#	Property Address	Receiver Entity Owner	Transfer Price	Transfer Date	Property Manager	Monthly Revenue*	Lis Pendens
18	4633 Walnut Street Philadelphia, PA 4 Units/Residential	4633 Walnut St LLC	\$650,000	May 2, 2018	OCF Realty	\$3,765*	Filed and Indexed 1/7/2021 Philadelphia Court of Common Pleas Case ID 210100435
19	4309 Old Decatur Road, Fort Worth, TX A/K/A: 3950 Angle Avenue, Fort Worth, Texas 76106 property described in the attached Deed is made up of the following tax parcels: 42501863 - Angle Avenue 42501880 - Angle Avenue 42501855 - Angle Avenue 42501871 - Angle Avenue 41621875 - 3950 Angle Avenue	Liberty Eighth Ave, LLC (DE) OUT-CONVEYANCE on 9/30/2020 To KINGDOM LOGISTICS, LLC, a Wyoming LLC	\$4,600,000	April 19, 2019	Pending		Determination to proceed after competition of investigation of improper transfers of title
20	568 Femdale Lane Haverford, PA	Blue Valley Holdings, LLC, a DE llc	\$2,445,000	August 22, 2016	TBD	TBD Residential Lease \$10,000 monthly submitted to McElhone /LaForte	Filed with Montgomery County Court of Common Pleas 1/12/21 Waiting Acceptance
21	105 Rebecca Court Paupack, PA	LWP North LLC	\$2,600,000	August 15, 2017	TBD	TBD	Filed in Pike County Prothonotary 1/21/2021
22	107 Quayside Dr. Jupiter, FL	Lisa McElhone	\$5,800,000	December 2019	TBD		Prepared awaiting filing
23	1223 N. 25 th Street Units A/B/C Philadelphia, PA 3 Units/Residential	1223 North 25 th Street, LLC	A: \$366,667 B: \$366,666 C: \$366,666	April 3, 2018	OCF Realty	\$4,760*	Filed and Indexed 1/11/2021 Philadelphia Court of Common Pleas Case ID 210100687

*Based upon financial report provided by OCF Realty and PAR Funding Records