

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

Case No. 20-CIV-81205-RAR

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

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

Defendants.

**MOTION TO PREVENT RECEIVER FROM SELLING VEHICLES AND
WATERCRAFT**

The Receiver should not be allowed to sell these personal vehicles and watercraft because he sought to expand the Receivership Estate over them for the purposes of bringing them “within the receivership to preserve these assets as part of the Receivership Estate,” and represented to this Court that he could maintain the status quo. Only weeks later, he now seeks to liquidate the assets that he represented he would maintain. Contrary to the statement in his Notice of Intent to Sell Watercraft and Vehicles (DE 622), he is not authorized to liquidate them by simple notice. Furthermore, this notice shows exactly why the Receivership Estate should not have been expanded in the first place. This Court should hold the Receiver to his word and not let him liquidate personal assets before a judgment that are well protected and do not diminish the Receivership Estate in any way. Therefore, Defendant, Joseph Laforte (“Laforte”), hereby moves for an order precluding the Receiver from selling the personal vehicles and watercraft referenced in his Notice of Intent to Sell Watercraft and Vehicles (DE 622).

The Receiver Should Not Be allowed To Liquidate the Personal Vehicles and Watercraft

- a) The Receiver Promised to Maintain the Status Quo and Store and Preserve the Watercraft Until a Final Resolution of This Case

In his Motion to Expand the Receivership over the watercraft (DE 508) at paragraph 11 the Receiver made the following commitment to induce the Court to grant the motion:

11. The Receiver also has verified that the Manitou boat and the Waverunners are located at The Boat Shop in Tafton, Pennsylvania. The Receiver has also confirmed that he can maintain the “status quo” until resolution of this matter, as the Receiver can continue to safely store and maintain the Manitou boat and Waverunners at The Boat Shop at minimal cost.

Now the Receiver wants to alter the status quo and liquidate the watercraft **before** resolution of this lawsuit because of the minimal storage and maintenance costs that he confirmed he could maintain when he moved to expand to include the watercraft. To be clear, the storage costs are minimal and can and should be maintained.

b) The Receiver Also Promised to Preserve the Vehicles

In very first paragraph of his Motion to Expand the receivership over the 2016 Tahoe and 2020 Range Rover (DE 513), the Receiver committed to “preserve these [vehicles] as part of the Receivership Estate:

... the Receiver believes it is necessary to include ... the 2016 Chevrolet Tahoe, [and] the 2020 Range Rover ... within the receivership *to preserve these assets* as part of the Receivership Estate (emphasis added). *See* (DE 513) at p. 2.

Now, before any trial or judgment, the Receiver gives notice he intends to liquidate the same vehicles he committed to “preserve.”

c) The Amended Receivership Order Does Not Permit the Receiver to Liquidate the Watercraft and Vehicles Because This Is Not in the Ordinary Course of Business

In his Notice of Intent to Sell Watercraft and Vehicles (DE 622), the Receiver takes the position that he can liquidate these watercraft and vehicles without Court order. The Receiver’s reading of the Amended Receivership Order is flawed and does not permit him to do so. The Amended Receivership Order states in relevant part:

The Receiver may, without further Order of this Court, transfer, compromise, or otherwise dispose of any Receivership Property, other than real estate, ***in the ordinary course of business***, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such Receivership Property.

(DE 141 ¶ 37) (emphasis added). The Receiver reads the order allows him to liquidate anything other than real property, ignoring the “in the ordinary course of business” limitation.

Black's Law Dictionary defines the phrase "ordinary course of business" as "any matter which transpires as a matter of daily custom in business." *Caradon Doors & Windows, Inc. v. Eagle-Picher Indus., Inc. (In re Eagle-Picher Indus.)*, 447 F.3d 461, 465-66 (6th Cir. 2006). However, none of the Receivership Entities were in the business of buying or selling vehicles or watercraft. Moreover, these were not vehicles and watercraft used in the ordinary business of the Receivership Entities, which they would periodically sell or replace from time to time as business needs dictated. Rather, they were for personal use by the Defendants. The Receiver's proposed sale is nothing more than a liquidation of the Defendants' personal property. This Court has stated that liquidation is not proper at this time, which makes sense given that there is no judgment against the Defendants.

The Receiver Should Not Have Sought to Expand the Receivership Over Assets That Were Safely Stored at Little or No Cost and This Proposed Liquidation Was the Predicable Outcome of Doing So

Despite the fact that the trial in this case is coming up in December, and there is no judgment against the Defendants, the Receiver wants to sell Defendants' personal vehicles and watercraft. The Receiver's rationale for doing so only shows why the Receivership should not have been expanded over these vehicles in the first place. As a preliminary matter, Defendants remind the Court that there is no judgment against the Defendants yet, and there should be a presumption against liquidating the personal property of the Defendants to satisfy a potential judgment. Furthermore, if the Receiver spent his efforts properly running Par and collecting merchant debt as well as preserving the income producing properties that he has control over, there may be sufficient assets in the Receivership Estate to satisfy any potential judgment. The Defendants are defending themselves and the Court and Receiver should not assume they cannot prevail. It would be contrary to the Defendants' due process rights to liquidate their personal assets as if there was a judgment against them when there is not.

Rather, the Receiver is going after low hanging but low yield fruit, by seizing personal vehicles and watercraft that were in no danger of going anywhere, and then after spending tens of thousands of dollars on motions to expand the Receivership over them and seizing them from places where they were being safely and properly stored for free or a minimal amount to purportedly "preserve" them, claims that the storage costs are too high, and wants to liquidate. The

following chart shows where the vehicles and watercraft were being stored and the costs to store them.

Manitou Pontoon Boat	Dry Docked at The Boat Shop- storage \$69 per month
Wave Runner 1	Dry Docked at The Boat Shop- storage \$69 per month
Wave Runner 2	Dry Docked at The Boat Shop- storage \$69 per month
2020 Range Rover	Haverford – In Defendants Driveway- FREE
2016 Chevrolet Tahoe	Haverford – In Defendants Driveway- FREE
2016 Bentley Mulsanne	Jupiter FL- In Defendants Garages. The defendants are paying to maintain the property and denied any access- FREE
2020 Mercedes G Class	Jupiter FL- In Defendants Garages. The defendants are paying to maintain the property and denied any access- FREE
Wave Runner 3	Jupiter FL- In Defendants Garages. The defendants are paying to maintain the property and denied any access- FREE
Wave Runner 4	Jupiter FL- In Defendants Garages. The defendants are paying to maintain the property and denied any access- FREE
Cherubini Boat	Located in NJ Storage- Storage Free \$100 per month

The Receiver states that he “deems it most beneficial to the Receivership Estate to sell the Watercraft and the Vehicles, as the sales of these depreciating assets and the associated elimination of any continuing storage and maintenance costs will maximize the value of the Receivership Estate.” (DE 622 at ¶ 8). This is entirely disingenuous as the Receiver has spent approximately \$24,000.00 “investigating” and moving to expand the Receivership over the vehicles and watercraft. This represents a multiple of 126 the total amount of the monthly storage costs for the 2 Boats and Wave Runners 1 and 2 (\$290), which were the only ones of this group that had any storage costs prior to the expansion of the Receivership.

The Range Rover and Tahoe were being maintained by Defendants without any storage costs at their home in Pennsylvania prior to being seized by the Receiver. The Bentley, Mercedes G Class, and 2 Wave Runners in Florida are being stored safely without any storage costs in the Defendants’ garages at their home in Florida that they continue to pay to maintain by paying property taxes, insurance, utilities, and maintenance. Furthermore, Defendants could not sell any

of these vehicles or watercraft because the government is in possession of the original titles and there has been a freeze order in place since July 2020.

In sum, but for the Receiver's actions expanding the Receivership, the Receivership Estate would have been paying only \$290 per month to store the boat and 2 wave runners, and the remaining vehicles and wave runners would be safely stored for free. There would have been no risk that the Defendants would have sold any of them because they did not have title and the freeze order would further prevent the sale. Instead, the Receiver has spent of 126 times the amount of the monthly storage fees seeking to obtain control over the vehicles, and now complains that the storage fees are excessive. However, it is the Receiver who has acted in a manner detrimental to the Receivership Estate, wasting \$24,000.00 of Receivership assets to get control over vehicles and watercraft that were not going anywhere.¹

Finally, the Receiver's statement that the vehicles and watercraft are depreciating assets is technically true, but inaccurate in this context. Due to the expansion of the Receivership, they are not being used at all, and no miles are being added to the vehicles and no hours are being added to the watercraft engines. Given that the trial in this matter is less than six months away, any depreciation that occur in six months without any usage would be *de minimis* at most. The only real reason for the Receiver to liquidate these assets is so he can bring more cash into the Receivership Estate than he wasted seeking to expand the Receivership over these assets.

The Receiver Should Focus on Acting in the Regular Course of Business of the Receivership Entities Rather than Worrying About Prematurely Selling the Defendants' Personal Vehicles and Watercraft

While the Receiver is now focusing on selling the Defendant's personal cars, 2 lake boats, and 4 wave runners, he is failing to focus on the regular and ordinary course of business of the original and expanded receivership entities entrusted to him to the detriment of the receivership, the Defendants, and the investors. After spending time and money moving to include these cars and watercraft in the receivership for the purported purpose of "preserving" them, which was

¹ The Receiver disingenuously lumps all the vehicles and watercraft together, failing to differentiate between the four watercraft that had a storage fee prior to the expansion of the Receivership, albeit a minimal one, and those that had no storage costs prior to the Receiver seizing them, or continue to have no storage costs because they are maintained at the Defendants' Florida home.

unnecessary because they were already being preserved² the Receiver spent time and money on the notice and is now going to spend time and money to sell them, even though there has been no judgment entered against the Defendants, while ignoring important ordinary course of business responsibilities of the receivership entities, like taking care of actual business vehicles and equipment (property management vans and equipment inside them) and the \$13.9M owed by merchants to CFS, as discussed below.

The Missing Property Management Vans and Equipment

Apparently, the Receiver lost valuable vans and equipment used to maintain the rental income producing real estate that was included in the receivership by the order (DE 436) granting his motion to expand the receivership to include, among other entities, nineteen (19) Real Estate Entities that own twenty-six income producing rental properties, and the LME Trust (DE 357). *See* Receiver's Motion to Expand (DE 357) at p. 11 through 15. Twenty-five (25) of the rental properties are located in Philadelphia, Pennsylvania. Prior to the receivership being expanded to include the Real Estate Entities the income producing properties they owned in Philadelphia were being impeccably maintained. The maintenance crew also had full time cleaning service to make sure all lobbies and common areas were immaculate. Further, there was no need to spend the time or money to expand the receivership to include these entities and 26 rental properties because they were all disclosed, the Defendants were prohibited from and had taken no effort to transfer them, and the properties were obviously not going anywhere. When discussing this motion to expand at the December 15, 2020, Status Conference, the Receiver argued that expanding the receivership to include the Real Estate Entities and particularly the twenty-five Philadelphia rental properties would be easy, a no-brainer, and cost effective because there was:

one property management group that handles everything. As it just so happens, Mr. Alfano knows the person that runs the property management group. We have been in touch. We plug and play. There will be no additional expenses from what I can tell, and we will have the security knowing that tens of millions of dollars of investor money will be protected.

² As discussed above: the 4 personal vehicles were being economically, responsibly, properly, and safely preserved for free at the Defendants' residences in Pennsylvania and Florida; 2 of the wave runners were stored for free in the garages at the Florida residence; the pontoon boat and other 2 wave runners were being professionally stored in drydock at the Boat Shop in Haverford, Pennsylvania for \$190 a month; and the other boat was being professionally stored in New Jersey for \$100 per month.

See Transcript of December 15, 2020, Status Conference, the relevant portion of which is attached as Exhibit A, at p. 104, lines 4 through 14. Laforte’s lawyer attempted to explain to the Court that putting the Receiver in charge of the rental properties “is not going to be plug and play” and the Court informed him that if he deemed it necessary, he would hear argument from Defense counsel on this topic at a later date. *Id.* at p. 105, lines 4 through 20. However, no subsequent argument was permitted, and the Court granted the motion to expand. *See* DE 436. Notably, the Court was glad to hear about the purported “one property management group” because it did not want the Receiver “to be playing landlord” and “spending that time and money.” Exhibit A at p. 104, lines 15 through 20. It would stand to reason that if the Court does not want the Receiver and his staff spending time and money collecting rent, it certainly should not want them spending time and money playing used car and watercraft storage and salesman. Unfortunately, the Receiver did not understand how the rental income producing real estate was actually being maintained and “plug and play” turned into “plug and malfunction.”

What the Receiver failed to understand is that the purported “one property management group,” OCF Property Management (“OCF”), did not take care of the day-to-day maintenance of the numerous rental properties. Instead, OCF was responsible for collecting rent and keeping vacancy rates as low as possible. The Defendants’ company, LM Properties, had a crew of fulltime salaried employees who were highly skilled in HVAC, plumping, electrical, and water mitigation, among many other things, who handled the day-to-day maintenance. To be clear, the Defendants did not use OCF to handle day-to-day maintenance or repairs in order to keep costs down. The maintenance staff used 2 vans full of valuable equipment to maintain the properties. Prior to his motion to expand, the Receiver never bothered to attempt to confer with Defendants through their counsel about how the properties were actually being maintained any more than he did about how Par was run prior to taking it over.

Once the Receiver got control of these twenty-five rental properties in Pennsylvania, he apparently immediately fired all of the employees who were maintaining the properties, similar to how he immediately fired all Par employees and counsel when he took over Par. It appears that when he did so, he failed to have the maintenance employees return the 2 vans and valuable equipment inside them. Recently, the Receiver’s counsel contacted counsel for Laforte and asked what happened to the vans and equipment, where are they. The Receiver’s counsel asked Laforte’s counsel how to contact the employees the Receiver fired, but Laforte’s phone was taken and has

not been given back to him, so he does not have their phone numbers or direct contact information. The Defendants do not know what happened to the vans and equipment but are disappointed to hear they are or were (if they have been recovered as of this filing) missing. Further, while the Defendants have no way to know how the twenty-five rental properties are being maintained on a day-to-day basis since the Receiver took over, they suspect that OCF or some other entity is being paid to do so and would wager that the maintenance is more expensive now and not as good as it was before the Receiver took over.

The Receiver never should have been put in charge of these properties, but once he was, he should have handled the situation better. Firing the day-to-day maintenance staff was a bad idea and unnecessary. However, if he was determined to fire them, he should have done so in a more professional manner, including conducting exit interviews to identify any open items and issues that need to be addressed and making sure all company equipment and vehicles were returned.

The \$13.9M Owed to CFS the Receiver Apparently Is Lost or Imperiled

Rather than focusing on selling personal vehicles and 2 lake boats and 4 wave runners, the Receiver should be focused on meaningful ordinary course of business tasks, like collecting the \$13.9M owed by merchants to CFS. However, it may very well be too late. CFS was a separate merchant cash advance business³ that at the time of the Receiver's appointment was owed \$13.9M by 360 merchants and was collecting \$125,000.00 daily in ACH payments. When the Receiver took over on July 27, 2020, although CFS was originally a non-receivership entity, he took charge of and shutdown CFS's ACH processing platform. The Defendants were locked out of the CFS ACH platform. As has been discussed before, when he took over the Receiver inexplicably shut down CBSG/Par's ACH merchant payments and did not attempt to run any payments for 44 days, thereby vapor locking Par's entire operation. When the Receiver later tried to restart Par's ACH payments, apparently Par's ACH processor, ACH.com (a very conservative and respected platform), for some reason refused to allow Par to process payments. Defendants can only

³ CFS had no investors/investor debt and was funded by money made by Defendants. The Receiver may very well try to claim that the money used by CFS to advance to merchants was investor money because he apparently is taking the specious position that the entire operation was illegitimate (despite having audited financials from CLA and the Glick Report (DE 535-1) that prove otherwise) and Defendants were not entitled to make a penny for any of the work they did. Resolving that dispute is not necessary for the purposes of this motion because either way there is simply no excuse for the Receiver bungling and/or ignoring the collection of \$13.9M owed to a now receivership entity.

speculate why ACH.com refused to let Par process ACH payments under the Receiver and have no way to know whether the plug was pulled because mistakes were made when the Receiver and DSI tried to restart the payments, or the mere existence of the receivership cause ACH.com to refuse to process, or some other factor/s were contributing causes. *See* Account Suspension Notification from Jonathan Maloy, attached as Exhibit B. Whatever the reason for ACH.com's refusal to process Par's ACH payments, what the Receiver and DSI did next was unacceptable and detrimental to Par and CFS.

After ACH.com apparently refused to restart Par's ACH payments, the Receiver and DSI apparently tried to process Par's ACH merchant payments by improperly using CFS's ACH platform. Apparently, when Par merchants and their banks saw a different company name, CFS instead of Par, taking money from merchants' accounts, some ACH payments were rejected, and merchant accounts were shut down for suspected fraud. There can be no doubt that this situation was severely detrimental to Par, particularly after the Receiver stopped processing all merchant ACH payments after he took over Par. In the merchant cash advance business anything that interferes with payments or gives merchants any excuse not to pay is extremely problematic.

In one particularly disturbing exchange, a DSI employee, Matthew Velahos, sent an email on September 22, 2020, from a "parfunding.com" email address to a Par merchant client, Dayne Property Management Group, Inc. ("DPMG"), attempting to get the merchant representative to sign ACH authorizations in the name of CFS and Fast Advance Funding ("FAF") although the merchant's contract was with Par. *See* Email Exchange with Matthew Velahos, attached as Exhibit C. Apparently, at this point the Receiver and DSI were unable to process DPMG's ACH payments using the ACH.com platform. The merchant questioned Mr. Velahos: "Also, I see the attachment you sent-ach forms- but I don't know those companies⁴????? My advance was with CBSG/ Par Funding." *See id.*, email from DPMG to Mr. Velahos/DSI, sent on September 22 at 4:56PM. In attempt to trick the merchant to go along with the scheme, Mr. Velahos/DSI responded falsely that "Par/CBSG are the parent companies and those forms are just payment processors they use."⁵ *See*

⁴ The ACH forms attached by Mr. Velahos/DSI were in the name of CFS and FAF. *See* ACH Form, attached as Exhibit D.

⁵ Mr. Velahos/DSI's statement was untrue because CBSG is NOT the "parent company" of CFS or FAF those two companies were NOT "payment processors" and were NOT used by Par to process ACH payments. To be clear, there can be no legitimate dispute that CFS and FAF were separate merchant cash advance companies that used their own ACH payment platforms.

id., email from Mr. Velahos/DSI to DPMG, sent on September 22, 2020, at 5:01PM. The merchant questioned Mr. Velahos/DSI further and asked him to confirm that CFS and FAF “are just processors and are the same as CBSG?” *See id.*, email from DPMG to Mr. Velahos/DSI, sent on September 24 at 12:10PM. Mr. Velahos/DSI doubled down on the lie and said: “Yeah those are just the processors we use.” *Id.*, email from Mr. Velahos/DSI to DPMG, sent on September 22, 2020, at 5:01PM. This email exchange is troubling and evidences a complete lack of candor with the merchant and a total lack of understanding of ACH processing and the sensitive nature of Par’s business.

On April 28, 2021, the Receiver filed his Motion to Expand (DE 560) that was granted (DE 579), thereby expanding the receivership to include CFS. Based upon his filings, reports, and presentations, it does not appear that the Receiver has ever processed CFS’s ACH payments, despite taking control of its ACH platform and subsequently throwing his net over CFS. The Defendants are shocked to learn that apparently the Receiver and DSI have not focused on collecting the \$125,000.00 daily payments previously being collected by and the \$13.9M owed to CFS.

It is unbelievable that the Receiver is now focusing on selling personal vehicles and watercraft, which he induced the Court to add to the receivership so he could “preserve” them, and is complaining about minimal storage costs, thereby running up his fees, instead of focusing on pursuing the \$13.9M owed by 360 merchants to CFS. The Receiver’s business judgment and priorities appear to not be in line with the best interest of the receivership and he should focus on the ordinary course of business of the receivership entities, like collecting money owed by merchants, instead of constantly harassing the Defendants and attempting to sell their personal property prior to trial and a final judgment.

Conclusion

Allowing the Receiver to liquidate the personal watercraft and vehicles would be the opposite of maintaining the status quo, the stated purpose for his motion to expand the Receivership Estate over these assets. As stated above, the watercraft were well-maintained and stored before the expansion order for a de minimis cost, and there was no cost to store the vehicles. This Court should not presume that the SEC will prevail in this action and allow the Receiver to liquidate assets before a judgment is entered. Thus, this Court should enter an order prohibiting the Receiver from selling the watercraft and vehicles.

Southern District Rule 7.1

Given that the Receiver has already noticed his intent to sell the watercraft and vehicles, any further attempt to confer would be futile.

Dated: June 25, 2021

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on June 25, 2021, I electronically filed the forgoing 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 transmissions of Notices of Electronic Filing generated by CM/ECF.

By: /s/ David L. Ferguson
DAVID L. FERGUSON



The Boat Shop
 125 Boat Shop Rd, PO Box 223
 Tafton PA 18464
 570-226-4062
 Fax 570-226-4700
 info@paboatshop.com
 www.paboatshop.com

Sold To: LISA MCELHONE
 568 FERNDAL LANE
 HAVERFORD PA 19041

Invoice # 01-6991
 2019 Manitou Xplode XT
 TII48245D919
 Suzuki DF350ATX2 911176, 911079

Promised Date

HP 2158208206 lisa.mcelhone@gmail.com

Invoice	Salesperson	Customer	Tax Number	Date	Charge	PO Number
01-6991	BW	1109		01/08/2021	N	

Task #4
 STORAGE 1/12 TO 2/12

SKU	Description	Qty	Retail	Price	Extended
STGTOONID	Indoor Storage Pontoon 24' and up	1	190.00	190.00	190.00
	Parts		190.00		
	Labor		0.00		
	Other		0.00		

I hereby authorize the above repair work to be done along with necessary materials. It is distinctly understood that all labor and materials so used shall be charged to this job at current billing rates. You and your employees may operate above equipment for purpose of testing, inspecting or delivering at my risk. An express mechanic's lien is acknowledged to secure the amount of repairs thereto. It is understood that this company assumes no responsibility for loss or damage by fire or theft or weather hazards incidental to equipment or materials placed with them for sale, repair or testing. If legal action is necessary to enforce this contract I will pay all reasonable attorney's fees and other costs incurred. All payments are C.O.D. unless prior arrangements are made. If equipment is not removed within 10 days after completion of service, storage charges will accrue at \$15 per day.

Sale Total	190.00
Shop Supplies	0.00
Tax	0.00
Grand Total	190.00
Deposits	0.00
Amount Due	190.00

X _____

EXHIBIT A

Keyword Search for Watercraft and Vehicles**2nd Receiverbill****Page 53/668**

12/18/2020 Phone call with JAckie Der'Ovanesian later joined by R. Christie DSI Consulting regarding efforts to secure home and vehicles owned by HBC. Discussed efforts to resume ADT or other security home minder.

RKS 0.6 \$ 237.00

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DKR 11/7/2020 REVIEWING ANONYMOUS LETTER RECEIVED CA / T 0.10 395.00 39.50
REGARDING PROPERTIES AND VEHICLES
PURCHASED BY OWNERS OF PAR FUNDING

3rd Receiver Bill**Page 126/892**

Service RKS 02/11/2021 Asset Analysis and Recovery: Review of 0.20 \$395.00 \$79.00
HD Investigative emails re: yachts held in
the name of Receivership entity, the
location where same are stored,
communication with Boat Shop re:
Receivership Order.

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Service RKS 02/11/2021 Asset Analysis and Recovery: Review of 1.10 \$395.00 \$434.50
documents from REA, ABFP privileged log,
various versions of LME Trust asset list
including version from June 2020 reflecting
additional yachts, cars, update valuations.

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Service RKS 02/12/2021 Case Administration: Review email from 0.10 \$395.00 \$39.50
Rosenblum re: phone call with Merchant
whop provided sports car, luxury watches.
as collateral, information re: LaForte.

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Service RKS 02/17/2021 Asset Analysis and Recovery: Review of 0.20 \$395.00 \$79.00
two Alfano emails to Defense counsel
requesting information re: Ferrari
automobile taken as security for Code
Green loan, Tradewinds account, Paupack,
as well as proposed settlements re: condo
assessment, Jupiter home, Haverford
home.

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Service	RKS	02/17/2021	Asset Analysis and Recovery: Email correspondence with HD Investigative, Pietragallo re: Ferrari taken as security, re: efforts to locate custom yacht.	0.20	\$395.00	\$79.00
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Service	RKS	02/22/2021	Asset Analysis and Recovery: Review email correspondence from Rosenblum, DSI re: location of Cherunbi yacht, status of title / hull number; drafted response email with questions re: same.	0.20	\$395.00	\$79.00
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Service	RKS	02/23/2021	Case Administration: Draft motion to expand the receivership to include Cherubini Yacht. Located emails and bank statements to be attached as exhibits thereto.	0.80	\$395.00	\$316.00
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Service	RKS	02/23/2021	Asset Analysis and Recovery: Phone call with Gaetan Alfano re: negotiations with Frocarro re: Haverford, Admiral's Cove, Paupack. Discussed potential avenues to resolve disputes re: same. Further discussed LaForte yacht issues.	0.50	\$395.00	\$197.50
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Service	RKS	02/23/2021	Asset Analysis and Recovery: Review of Zingarelli, LaForte, Klenk emails re: Cherubini yachts; review of Rosenblum emails re: yacht hull number, title, storage location; review of HBC records re: Cherubini yacht.	0.70	\$395.00	\$276.50
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Service	RKS	02/24/2021	Asset Analysis and Recovery: Review email correspondence and attachments re: source of funds to purchase pontoon boats, jet skis, etc. Review of 4th Draft Motion to expand adding information re: pontoon boat and waverunners. Review 4 exhibits to be attached to motion.	0.20	\$395.00	\$79.00
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Service	TAK	02/25/2021	Asset Analysis and Recovery: Review and edits/revisions to motion to include watercraft within scope of receivership, review of supporting documents and prepare exhibits for filing.	1.40	\$395.00	\$553.00
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Service	RKS	02/25/2021	Case Administration: Phone call with Gaetan Alfano re: motion to expand re: watercraft and other issues.	0.30	\$395.00	\$118.50
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Service	RKS	02/26/2021	Asset Analysis and Recovery: Phone call with Jacobs re: Cherubini yacht and other assets, re: Big Red Trucking and Kingdom Logistics, Colorado / Mocevic entities.	0.70	\$395.00	\$276.50
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Service	TAK	03/01/2021	Case Administration: Finalize and file motion to expand receivership to include watercraft, and emails with G. Alfano re same, and submit proposed order to the court.	1.90	\$395.00	\$750.50
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Service	TB	03/03/2021	Case Administration: Reviewing court filings - Receiver's Motion to Expand to include boats and Defendant's response to Receiver's December Status Report.	0.60	\$100.00	\$60.00
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Service	RKS	03/08/2021	Case Administration: Review of court orders re: evidentiary hearing on motion for show cause order, re: motion to expand re: watercraft.	0.20	\$395.00	\$79.00
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Service	JD	03/10/2021	Asset Analysis and Recovery: Continue work on procedure for acquiring title in New Jersey to a vehicle repossessed.	0.80	\$250.00	\$200.00
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Service	TAK	03/10/2021	Asset Analysis and Recovery: Review of documentation regarding tracing of source of funds for purchase of automobiles and follow up regarding preparing of motion to expand.	0.30	\$395.00	\$118.50
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Service	RKS	03/10/2021	Asset Analysis and Recovery: Review of information from DSI (Trosczik) re: source of funds used to purchase Range Rover, Porsche 911, and Chevy Tahoe, including attached emails and evidence. Drafted email to receivership team re: adding to motion to expand re: artwork.	0.30	\$395.00	\$118.50
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Page 176/892

Service	JA	03/11/2021	Case Administration: Began drafting Motion to Expand Receivership to include Art and Cars.	0.40	\$250.00	\$100.00
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Page 176/892

Service	TAK	03/11/2021	Asset Analysis and Recovery: Confer with R. Stumphauzer and J. Albert regarding preparation of motion to expand with respect to artwork and automobiles .	0.30	\$395.00	\$118.50
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Page 179/892

Service	RKS	03/13/2021	Business Operations: Review of extensive weekly email correspondence from Alfano, Sterner, Troszak, Parks, Sharpe, Ibert re: several; pending settlements, motion to expand re: artwork and vehicles , Javig Holdings.	1.20	\$395.00	\$474.00
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Page 180/892

Service	JA	03/15/2021	Case Administration: Drafted Motion to Expand the Receivership to include a 2016 Trailblazer, a 2020 Range Rover , and Art purchased on January 2, 2020 and January 27, 2020.	3.80	\$250.00	\$950.00
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Page 182/892

Service	RKS	03/15/2021	Asset Analysis and Recovery: Editing and review of motion to expand receivership to include Opera Gallery art purchases and vehicles .	0.30	\$395.00	\$118.50
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Page 183/892

Service	RKS	03/16/2021	Business Operations: Receivership call with Alfano Sharp, Bogen, Kolaya, HD to discuss Zingarelli settlement proposal, California doctor settlement, settlement discussions re: artwork and automobiles , efforts to resolve city fines for construction on Receivership property site.	0.90	\$395.00	\$355.50
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Page 183-184/892

Service	TAK	03/16/2021	Business Operations: Zoom call with receivership team to discuss Zingarelli settlement proposal, other merchant settlement discussions, expansion of receivership to include artwork and automobiles , new litigation in Philadelphia regarding fines in connection with receivership entity property, and other pending issues.	0.90	\$395.00	\$355.50
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Page 186/892

Service	TAK	03/17/2021	Asset Analysis and Recovery: Review of draft of motion to expand receivership regarding Roma property, cars , and artwork, and initial edits and revisions re same.	0.50	\$395.00	\$197.50
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Page 187/892

Service	TAK	03/18/2021	Asset Analysis and Recovery: Revisions and edits to motion to expand receivership to include Roma Property, cars, and artwork, finalize and file motion, and prepare and submit proposed order to the court.	2.20	\$395.00	\$869.00
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Page 189/892

Service	JD	03/22/2021	Asset Analysis and Recovery: Look into New Jersey car title issue for recovery of Ferrari.	0.50	\$250.00	\$125.00
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Page 190/892

Service	RKS	03/23/2021	Asset Analysis and Recovery: Call with Alfano, Sharp, Bogen, Kolaya to discuss several pending issues, including efforts to collect receivables from ESC and HBC; secure storage and insurance for artwork, boat and other issues; potential sale of depreciating personal assets.	1.90	\$395.00	\$750.50
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Page 196/892

Service	TAK	03/26/2021	Asset Analysis and Recovery: Emails and follow up regarding recovery of automobiles from Defendants and strategy regarding disposition and potential next steps.	0.20	\$395.00	\$79.00
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Page 371/892

2/11/21	DKR		AAR / T	0.30	\$395.00	\$118.50
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CORRESPONDENCE RE: MULTIPLE BOATS AND OTHER WATERCRAFTS POTENTIALLY WITHIN RECEIVERSHIP

Page 375/892

2/12/21	DKR		AAR / T	0.40	\$395.00	\$158.00
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CONFERRING WITH RECEIVER'S INVESTIGATORS RE: BOATS AND OTHER WATERCRAFTS POTENTIALLY WITHIN THE RECEIVERSHIP

Page 379/892

2/14/21	GJA		AAR / T	0.40	\$395.00	\$158.00
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MULTIPLE EMAILS WITH HDL, T. WILLIAMS, AND DKRRE: BOATS PURCHASED WITH INVESTOR FUNDS

Page 380/892

2/15/21	DKR		AAR / T	1.50	\$395.00	\$592.50
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MULTIPLE CORRESPONDENCE WITH CAROL BIASOTTO AT THE BOAT SHOP RE: ADDITIONAL ASSETS POTENTIALLY SUBJECT TO RECEIVERSHIP; CONFERRING WITH RECEIVERSHIP TEAM RE: SAME

Page 390/892

2/17/21	DKR		AAR / T	1.00	\$395.00	\$395.00
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MULTIPLE CORRESPONDENCE WITH INVESTIGATORS, RECEIVER, AND BOAT STORAGE FACILITY RE: WHEREABOUTS OF YACHT TO BE TAKEN INTO CUSTODY BY RECEIVER

Page 399/892

2/19/21	DKR		AAR / T	0.50	\$395.00	\$197.50
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TELEPHONE CONFERENCE WITH FBI RE: RECEIVERSHIP ASSETS (FERRARI AND BOATS)

2/19/21	DKR		AAR / T	0.20	\$395.00	\$79.00
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TELEPHONE CONFERENCE WITH GJA RE: RECEIVERSHIP ASSETS (FERRARI AND BOATS)

Page 401/892

2/19/21	GJA		AAR / T	0.20	\$395.00	\$79.00
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TELEPHONE CONFERENCE WITH DKR RE: RECEIVERSHIP ASSETS (FERRARI AND BOATS)

Page 406/892

2/22/21	DKR		AAR / T	0.40	\$395.00	\$158.00
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CORRESPONDENCE WITH C. BIASOTTO AT THE BOAT SHOP RE: WATERCRAFT SUBJECT TO RECEIVERSHIP; DRAFTING CORRESPONDENCE TO RECEIVERSHIP TEAM RE: SAME

2/22/21	DKR		AAR / T	1.00	\$395.00	\$395.00
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CORRESPONDENCE WITH MANAGER LOU AT A TO Z MARINE RE: YACHT SUBJECT TO RECEIVERSHIP EXPANSION; CORRESPONDENCE WITH RECEIVERSHIP TEAM RE: SAME

Page 412/892

2/23/21	DKR	AAR / T	0.50	\$395.00	\$197.50
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MULTIPLE CORRESPONDENCE RE: CHERUBINI YACHT AND MOTION TO EXPAND RECEIVERSHIP OVER MULTIPLE WATERCRAFTS

Page 418/892

2/24/21	DKR	AAR / T	1.00	\$395.00	\$395.00
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MULTIPLE DETAILED CORRESPONDENCE RE: WATERCRAFTS SUBJECT TO MOTION TO EXPAND RECEIVERSHIP

Page 420/892

2/24/21	GJA	AAR / T	2.70	\$395.00	\$1,066.50
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REVIEWING, REVISING MOTION TO EXPAND RE: YACHT, PONTOON BOAT AND WAVE RUNNERS; CORRESPONDENCE WITH DEFENDANTS COUNSEL AND SEC RE: OPPOSITION.

Page 423/892

2/25/21	DKR	AAR / T	0.60	\$395.00	\$237.00
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REVIEWING AND DRAFTING MULTIPLE CORRESPONDENCE RE: MOTION TO EXPAND RECEIVERSHIP TO INCLUDE MULTIPLE BOATS AND JET SKIS

Page 429/892

2/26/21	GJA	AAR / T	0.20	\$395.00	\$79.00
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MEET AND CONFER RE: MOTION TO EXPAND RECEIVERSHIP RE: YACHT, ETC.; REVIEWING RESPONSES FROM DEFENDANTS.

Page 432/892

3/1/21	DKR	AAR / T	0.40	\$395.00	\$158.00
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RESEARCHING HULL NUMBERS FOR MOTION TO EXPAND RECEIVERSHIP OVER BOATS; DRAFTING CORRESPONDENCE RE: SAME

Page 433/892

3/1/21	DKR	AAR / T	0.10	\$395.00	\$39.50
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REVIEWING CERTAIN DEFENDANTS' OPPOSITION TO MOTION TO BRING **BOATS** AND JET SKIS INTO RECEIVERSHIP

Page 435/892

3/1/21	GJA	AAR / T	0.30	\$395.00	\$118.50
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FINALIZE MOTION TO EXPAND RECEIVERSHIP TO INCLUDE **YACHT**, ETC.

Page 460/892

3/6/21	DKR	AAR / T	0.10	\$395.00	\$39.50
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REVIEWING AND REPLYING TO CORRESPONDENCE FROM THE **BOAT** SHOP RE: STORAGE AND DOCUMENTATION FOR **BOAT** AND JET SKIS SUBJECT TO RECEIVER'S MOST RECENT MOTION TO EXPAND

Page 461/892

3/7/21	DKR	AAR / T	0.10	\$395.00	\$39.50
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DRAFTING CORRESPONDENCE RE: STORAGE OF **BOAT** SUBJECT TO RECEIVERSHIP MOTION TO EXPAND

Page 463/892

3/8/21	DKR	AAR / T	0.50	\$395.00	\$197.50
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REVIEWING COURT ORDER EXPANDING RECEIVERSHIP OVER **WATERCRAFTS**; NOTIFYING BOAT STORAGE FACILITIES OF SAME

Page 481/892

3/11/21	GJA	AAR / T	0.60	\$395.00	\$237.00
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ANALYSIS OF PAYMENTS FOR RANGE ROVER, PORSCHE, AND **TAHOE** FOR MOTION TO EXPAND RECEIVERSHIP.

Page 482/892

3/11/21	GJA	AAR / T	0.70	\$395.00	\$276.50
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REVIEWING, REVISING MOTION TO EXPAND OVER ROMA DRIVE, **CARS**, AND ARTWORK.

Page 483/892

3/11/21	LAM	AAR / T	1.40	\$395.00	\$553.00
DRAFTING MOTION TO EXPAND RE: ROMA PROPERTY; CARS					

Page 489/892

3/13/21	GJA	AAR / T	0.20	\$395.00	\$79.00
CORRESPONDENCE TO DEFENDANTS RE: MEET AND CONFER RE: EXPANSION OF RECEIVERSHIP OVER ROMA DRIVE, LAND ROVER, TAHOE, ARTWORK.					

Page 491/892

3/15/21	GJA	AAR / T	0.30	\$395.00	\$118.50
REVIEWING DSI REVISIONS TO MOTIONS TO EXPAND RE: ROMA, CARS AND ART.					

3/15/21	GJA	AAR / T	0.30	\$395.00	\$118.50
REVIEWING EMAIL FROM J. ALBERT RE: TRACING RANGE ROVER PAYMENT; TELEPHONE CALL WITH J. ALBERT RE: SAME.					

Page 496/892

3/16/21	GJA	AAR / T	0.20	\$395.00	\$79.00
MEET AND CONFER WITH COUNSEL FOR LAFORTE RE: MOTION TO EXPAND OVER ROMA DRIVE, CARS, AND ART.					

3/16/21	GJA	AAR / T	0.30	\$395.00	\$118.50
REVISING MOTION TO EXPAND RE: ROMA DRIVE, CARS AND ART.					

Page 499/892

3/16/21	LAM	AAR / T	0.50	\$395.00	\$197.50
REVIEWING MOTION TO EXPAND; INCORPORATING CARS AND ARTICLES; SENDING TO GJA, DSI AND SFS LAW					

Page 502/892

3/17/21 GJA AAR / T 0.20 \$395.00 \$79.00

REVIEWING FURTHER REVISIONS FROM DSI RE: MOTION TO EXPAND RE: ROMA DRIVE, CARS, AND ART.

3/17/21 GJA AAR / T 0.30 \$395.00 \$118.50

REVISING MOTION TO EXPAND RE: ROMA DRIVE, CARS, ART.

Page 511/892

3/19/21 DKR AAR / T 0.30 \$395.00 \$118.50

REVIEWING RECEIVER'S MOTION TO EXPAND OVER 2 VEHICLES AND VOLUMINOUS ARTWORK

Page 518/892

3/22/21 GJA AAR / T 0.40 \$395.00 \$158.00

CORRESPONDENCE WITH COUNSEL FOR DEFENDANTS RE: RESIDENTIAL PROPERTY EXPENSES AND TITLE TO 4 AUTOS IN RECEIVERSHIP.

3/22/21 GJA AAR / T 0.20 \$395.00 \$79.00

CORRESPONDENCE WITH DSI RE: EXPANSION ORDER FOR ROMA DRIVE, CARS AND ART.

Page 533/892

3/25/21 GJA AAR / T 0.20 \$395.00 \$79.00

CORRESPONDENCE WITH OPPOSING COUNSEL RE: PROVISION OF AUTOS TO RECEIVER.

Page 536/892

3/26/21 DKR AAR / T 0.20 \$395.00 \$79.00

MULTIPLE CORRESPONDENCE RE: TAKING POSSESSION OF VEHICLES SUBJECT TO RECEIVERSHIP ORDER

Page 538/892

3/26/21 GJA AAR / T 0.20 \$395.00 \$79.00

TELEPHONE CALL AND FOLLOW UP EMAIL WITH ROB'S TOWING RE: TOWING AND STORAGE OF AUTOS IN RECEIVERSHIP ESTATE.

Page 542/892

3/29/21 GJA AAR / T 0.10 \$395.00 \$39.50

CORRESPONDENCE WITH ROB TOWING RE: RANGE ROVER AND TAHOE.

Page 549/892

3/31/21 DKR AAR / T 0.20 \$395.00 \$79.00

CORRESPONDENCE RE: VEHICLES SUBJECT TO RECEIVERSHIP ORDER

Page 568/892 – 02/23/21 - \$187.50

TJF Download and send Yale Bogen transaction history for Cherubini Yacht's from Heritage's QuickBooks detail. 0.50

Page 610/892 – 02/23/21 - \$339.00

YSB E-mails with Ryan Stumphauzer regarding the analysis of Cherubini Yachts; e-mails with Tom Frey regarding same; research matters as needed. 0.60

Page 627/892 – 02/24/21 - \$75.00

TJF Review Heritage QuickBooks detail and confirm no payments to The Boat Shop. 0.20

Page 640/892 - 02/24/21 - \$169.50

YSB Review e-mail from Doug Rosenblum requesting analysis as to the watercraft; e-mails with Nick Troszak and Richie Twaits regarding same; follow-up e-mails with Doug Rosenblum. 0.30

Page 649/892 – 02/24/21 - \$648.00, \$54.00, \$108.00, \$160.00

NRT Review and analysis of Relativity search results, Heritage Business transactions and bank statements in order to determine purchase price and funds disbursed to purchase Manitou boat and Suzuki wave runners. 1.20

NRT Telephone call with Gaetan Alfano of Pietragallo Gordon Alfano Bosick & Raspanti, LLP regarding the receiver's motion related to watercraft. 0.10

NRT Review of the receiver's motion related to watercraft. 0.20

SGF Review and analyze Heritage Business transactions for possible boat purchase per counsel's request. 0.40

Page 786/892 – 03/11/21 - \$169.50

YSB Review the analysis from Nick Troszak regarding the **automobiles** and follow-up e-mails with Gaetan Alfano and Ryan Stumphauzer regarding RMR. 0.30

Page 788/892 – 03/23/21 - \$56.50

YSB Review the order expanding the receivership to include Roma Drive, **cars** and artwork. 0.10

Page 795/892 – 03/08/21 - \$113.00

YSB E-mails with Doug Rosenblum regarding the service providers for the **watercraft**. 0.20

Page 797/892 – 03/09/21 - \$56.50

YSB Review e-mail for the storage charges for the **watercraft**; e-mail to Rob Jones and Jim Frey to provide the order expanding the receivership and the invoice. 0.10

Page 826/892 – 03/10/21 - \$54.00, \$864.00, \$756.00, \$54.00, \$594.00

NRT Telephone call with investigator regarding funds used to purchase **Range Rover** and Porsche. 0.10

NRT Review and analysis Relativity search results and CBSG, Heritage and Eagle Six transactions in order to locate payments related to the purchase of a 2020 **Range Rover**. 1.60

NRT Review and analysis Relativity search results and CBSG, Heritage and Eagle Six transactions in order to locate payments related to the purchase of a 2019 **Porsche** 911. 1.40

NRT Telephone call with Yale Bogen regarding funds used to purchase **vehicles** referenced in McElhone personal financial statement. 0.10

NRT Review and analysis Relativity search results and CBSG, Heritage and Eagle Six transactions in order to locate payments related to the purchase of a 2016 Chevy **Tahoe**. 1.10

Page 827/892 – 03/10/21 - \$56.50

YSB Telephone call with Nick Troszak regarding funds used to purchase **vehicles** referenced in the McElhone personal financial statement. 0.10

Page 829/892 – 03/17/21 - \$486.00

NRT Review and analysis of support documentation for the purchase of 2413 Roma House, 2020 Range Rover, 2016 Chevrolet Tahoe and Jupiter art, update Receiver's motion and send to counsel. 0.90

Page 828/892 – 03/15/21 - \$378.00

NRT Review and analysis of the receiver's motion to expand ownership of art, automobiles and boats and reply to counsel. 0.70

Page 829/892 – 03/17/21 - \$486.00

NRT Review and analysis of support documentation for the purchase of 2413 Roma House, 2020 Range Rover, 2016 Chevrolet Tahoe and Jupiter art, update Receiver's motion and send to counsel. 0.90

Page 855/892

02/11/21	MJ	Asset Research- Locating Boat and Storage.	2	\$	450
02/17/21	RC/MJ	Asset Research: Cherubini Yacht Storage Contract/Location, AZ Old Case Research.	4	\$	900

Total Billing Summary

Receiver Billing	Page	Amount
2nd Receiver Bill	Page 53/668	\$ 237.00
2nd Receiver Bill	Page 205/668	\$ 39.50
3rd Receiver Bill	Page 126/892	\$ 79.00
3rd Receiver Bill	Page 127/892	\$ 434.50
3rd Receiver Bill	Page 131/892	\$ 39.50
3rd Receiver Bill	Page 138-139/892	\$ 79.00
3rd Receiver Bill	Page 139/892	\$ 79.00
3rd Receiver Bill	Page 146/892	\$ 79.00
3rd Receiver Bill	Page 147/892	\$ 316.00
3rd Receiver Bill	Page 147/892	\$ 197.50
3rd Receiver Bill	Page 147/892	\$ 276.50
3rd Receiver Bill	Page 150/892	\$ 79.00
3rd Receiver Bill	Page 152/892	\$ 553.00
3rd Receiver Bill	Page 153/892	\$ 118.50
3rd Receiver Bill	Page 155/892	\$ 276.50
3rd Receiver Bill	Page 156/892	\$ 750.50
3rd Receiver Bill	Page 159/892	\$ 60.00
3rd Receiver Bill	Page 171/892	\$ 79.00
3rd Receiver Bill	Page 173/892	\$ 200.00
3rd Receiver Bill	Page 175/892	\$ 118.50

Receiver Billing	Page	Amount
3rd Receiver Bill	Page 175/892	\$ 118.50
3rd Receiver Bill	Page 176/892	\$ 100.00
3rd Receiver Bill	Page 176/892	\$ 118.50
3rd Receiver Bill	Page 179/892	\$ 474.00
3rd Receiver Bill	Page 180/892	\$ 950.00
3rd Receiver Bill	Page 182/892	\$ 118.50
3rd Receiver Bill	Page 183/892	\$ 355.50
3rd Receiver Bill	Page 183-184/892	\$ 355.50
3rd Receiver Bill	Page 186/892	\$ 197.50
3rd Receiver Bill	Page 187/892	\$ 869.00
3rd Receiver Bill	Page 189/892	\$ 125.00
3rd Receiver Bill	Page 190/892	\$ 750.50
3rd Receiver Bill	Page 196/892	\$ 79.00
3rd Receiver Bill	Page 371/892	\$ 118.50
3rd Receiver Bill	Page 375/892	\$ 158.00
3rd Receiver Bill	Page 379/892	\$ 158.00
3rd Receiver Bill	Page 380/892	\$ 592.50
3rd Receiver Bill	Page 390/892	\$ 395.00
3rd Receiver Bill	Page 399/892	\$ 197.50
3rd Receiver Bill	Page 399/892	\$ 79.00
3rd Receiver Bill	Page 401/892	\$ 79.00
3rd Receiver Bill	Page 406/892	\$ 158.00
3rd Receiver Bill	Page 406/892	\$ 395.00
3rd Receiver Bill	Page 412/892	\$ 197.50
3rd Receiver Bill	Page 418/892	\$ 395.00
3rd Receiver Bill	Page 420/892	\$ 1,066.50
3rd Receiver Bill	Page 423/892	\$ 237.00
3rd Receiver Bill	Page 429/892	\$ 79.00
3rd Receiver Bill	Page 432/892	\$ 158.00
3rd Receiver Bill	Page 433/892	\$ 39.50
3rd Receiver Bill	Page 435/892	\$ 118.50
3rd Receiver Bill	Page 460/892	\$ 39.50
3rd Receiver Bill	Page 461/892	\$ 39.50
3rd Receiver Bill	Page 463/892	\$ 197.50
3rd Receiver Bill	Page 481/892	\$ 237.00
3rd Receiver Bill	Page 482/892	\$ 276.50
3rd Receiver Bill	Page 483/892	\$ 553.00
3rd Receiver Bill	Page 491/892	\$ 118.50
3rd Receiver Bill	Page 491/892	\$ 118.50
3rd Receiver Bill	Page 496/892	\$ 79.00
3rd Receiver Bill	Page 496/892	\$ 118.50
3rd Receiver Bill	Page 499/892	\$ 197.50
3rd Receiver Bill	Page 502/892	\$ 79.00
3rd Receiver Bill	Page 502/892	\$ 118.50
3rd Receiver Bill	Page 511/892	\$ 118.50
3rd Receiver Bill	Page 518/892	\$ 158.00

Receiver Billing	Page	Amount
3rd Receiver Bill	Page 518/892	\$ 79.00
3rd Receiver Bill	Page 533/892	\$ 79.00
3rd Receiver Bill	Page 536/892	\$ 79.00
3rd Receiver Bill	Page 538/892	\$ 79.00
3rd Receiver Bill	Page 542/892	\$ 39.50
3rd Receiver Bill	Page 549/892	\$ 79.00
3rd Receiver Bill	Page 568/892	\$ 187.50
3rd Receiver Bill	Page 610/892	\$ 339.00
3rd Receiver Bill	Page 627/892	\$ 75.00
3rd Receiver Bill	Page 640/892	\$ 169.50
3rd Receiver Bill	Page 649/892	\$ 648.00
3rd Receiver Bill	Page 649/892	\$ 54.00
3rd Receiver Bill	Page 649/892	\$ 108.00
3rd Receiver Bill	Page 649/892	\$ 160.00
3rd Receiver Bill	Page 786/892	\$ 169.50
3rd Receiver Bill	Page 788/892	\$ 56.50
3rd Receiver Bill	Page 795/892	\$ 113.00
3rd Receiver Bill	Page 797/892	\$ 56.50
3rd Receiver Bill	Page 826/892	\$ 54.00
3rd Receiver Bill	Page 826/892	\$ 864.00
3rd Receiver Bill	Page 826/892	\$ 756.00
3rd Receiver Bill	Page 826/892	\$ 54.00
3rd Receiver Bill	Page 826/892	\$ 594.00
3rd Receiver Bill	Page 827/892	\$ 56.50
3rd Receiver Bill	Page 829/892	\$ 486.00
3rd Receiver Bill	Page 828/892	\$ 378.00
3rd Receiver Bill	Page 829/892	\$ 486.00
3rd Receiver Bill	Page 855/892	\$ 450.00
3rd Receiver Bill	Page 855/892	\$ 900.00
		\$ 23,502.00

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IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH
CASE NO. 20-CV-81205-RAR

**SECURITIES AND EXCHANGE
COMMISSION,**
Plaintiff
vs.
December 15, 2020
**COMPLETE BUSINESS SOLUTIONS
GROUP, INC., ET AL.,**
Defendants.

STATUS VIDEOCONFERENCE
BEFORE THE HONORABLE RODOLFO A. RUIZ, II,
UNITED STATES DISTRICT COURT JUDGE

A P P E A R A N C E S

FOR THE PLAINTIFF: **AMIE RIGGLE BERLIN, ESQ**
SECURITIES AND United States Securities and Exchange
EXCHANGE COMMISSION Commission
801 Brickell Avenue, Suite 1800
Miami, FL 33131
(305) 982-6300
Berlina@sec.gov

FOR THE DEFENDANTS: **(see receiver info)**
Complete Business
Solutions Group, INC.,
ET AL.; Full Spectrum
Processing, INC.

FOR THE DEFENDANTS: **DANIEL I. SMALL, ESQ.**
RETIREMENT EVOLUTION Holland and Knight LLP
GROUP, LLC; RETIREMENT 701 Brickell Avenue, Suite 3000
EVOLUTION INCOME FUND, Miami, FL 33131
LLC; RE INCOME FUND 2, (305) 789-7788
LLC; JOHN GISSAS Dan.small@hklaw.com

1 Was there something else? I do want to wrap up here.
2 Does anybody else need to chime in? But other than what we
3 have discussed, I think we have a game plan for what I'm
4 expecting to see from the parties over the next few days, try
05:19 5 to take care of some these protective order issues, but
6 anything else before we conclude today from any counsel?

7 **MR. FUTERFAS:** Yes, Your Honor, Alan Futerfas. The
8 date of December 22nd, I've got a family member in Miami who is
9 quite ill, I just spent many weeks there. She's quite elderly.
05:20 10 I'm going to be filing a motion if Your Honor, requests that I
11 do to just move our response because I'm going be tied up with
12 that and other --

13 **THE COURT:** That's fine. That's fine. Just file a
14 motion so I know the date range and I can calculate it.

05:20 15 **MR. FUTERFAS:** Just a couple weeks into early January.
16 That's fine.

17 **THE COURT:** That's fine. It will be met with no
18 opposition from the Court. I'd rather give you the time, make
19 sure you have a chance to respond, just let me know how much
05:20 20 time you need.

21 **MR. FUTERFAS:** Thank you. That's it.

22 **THE COURT:** Did the receiver want to add in something?
23 Guys, anything else I may have missed on the receiver's end or
24 anything we have discussed? I have been hearing from
05:20 25 Mr. Alfano. I don't know if you wanted to add anything else to

1 the expansion. I mean, again, I don't want us to argue it, I
2 think you guys explained your reasons for it, but anything else
3 on the receiver's end?

4 **MR. STUMPHAUZER:** Your Honor, I just wanted to make a
05:20 5 practical point. The receivership has admittedly required a
6 lot of hours and is undoubtedly expensive.

7 The main asset we're talking about is the properties.
8 Luckily, they have one property management group that handles
9 everything. As it just so happens, Mr. Alfano knows the person
05:20 10 that runs that property management group. We have been in
11 touch. We plug and play. They will continue to manage the
12 property. There will not be additional expenses from what I
13 can tell, and we will have the security knowing that tens of
14 millions of dollars of investor money will be protected.

05:21 15 **THE COURT:** So what you're telling me is I don't have
16 to worry about Mr. Stumphauzer collecting rent in a
17 condominium, because that was my worry when I read it, the next
18 thing I know is that you guys were going to be playing landlord
19 and I was going to have more costs. And I do not want anybody
05:21 20 to be spending that time and money.

21 **MR. STUMPHAUZER:** There is a property management
22 company in place. I don't think there's just more, but I just
23 wanted to add that practical point and that's it.

24 **THE COURT:** That's useful because it is a concern of
05:21 25 mine, as Mr. Soto pointed out. The costs spiral out of control

1 and make it unmanageable, but if it is plug and play, that will
2 make life a lot easier, I think, for everybody and save time
3 and money.

4 **MR. SOTO:** Your Honor, I don't want to belabor the
05:21 5 point, I sure would appreciate an hour of the Court's time to
6 argue this. This is a significant motion that's being filed.
7 I'd like to be able to explain why this is not going to be plug
8 and play. I don't think it would take a lot of the Court's
9 time. I'll make myself available any time this week. I think
05:22 10 it's worth the time, Your Honor, to talk about this, and I feel
11 like I need to respond every time you give the receiver an
12 opportunity to respond.

13 I don't mean to belabor the point but I would
14 reiterate and ask for that time, Your Honor.

05:22 15 **THE COURT:** Sure, and, again, I will seriously take it
16 under consideration. I can't give you that promise now, but
17 I'm going to go back and look at it again and if it's necessary
18 for the Court, I'll set it. If the Court feels comfortable
19 that I can cobble together an order on my own, then I will do
05:22 20 so.

21 Anybody else that needs to address any points we have
22 made before we conclude today? Any other points? This,
23 obviously, will -- our next step here is to get this discovery
24 issue under control, deal with the expansion, go on from there,
05:22 25 get into next year, and then I anticipate setting a followup

1 status conference with the new parameters in place requested by
2 Mr. Soto and Mr. Futerfas on production of reports, et cetera,
3 at some point in January, early February.

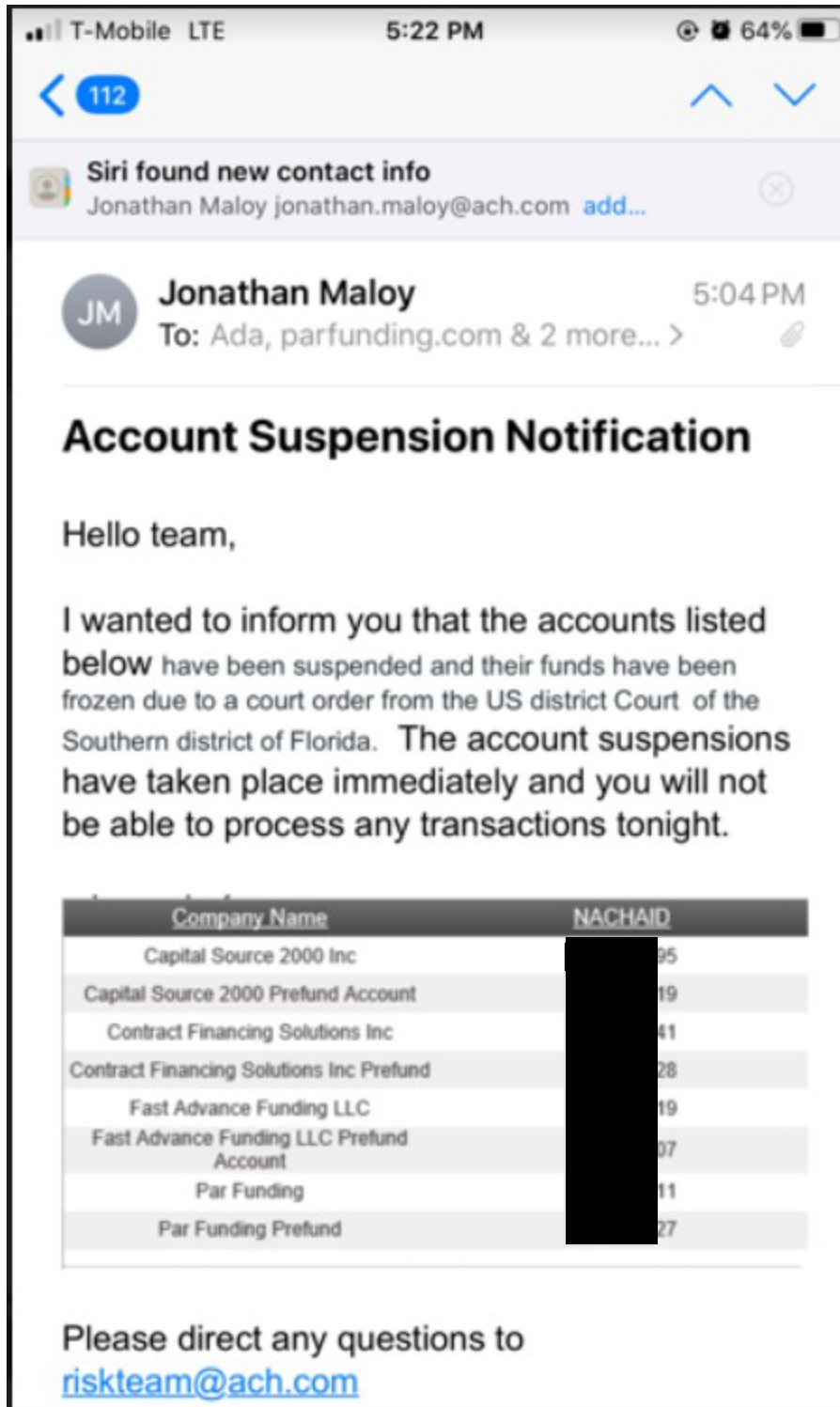
4 So anything else from anybody that I have not touched
05:23 5 on or needs to be heard? Anybody else?

6 **MS. BERLIN:** Your Honor, if I may, one quick thing.
7 Just to remind all defense counsel in case they're not aware, I
8 know we have fresh faces, hearing them argue and talk about
9 their financial documents, any defendant who wants, we have the
05:23 10 financial records, we have our own expert who has analyzed them
11 and done an accounting, and any defendant can have them, you
12 don't even know need to do a Request For Production, you just
13 send me an e-mail, I will tell you size data locker to send,
14 send it to me, you get it back, and you have it within a matter
05:23 15 of days.

16 So I just wanted to, for some of the folks who are new
17 today, I just wanted to sort of restate that on the record.
18 That might also help move things forward.

19 And then, Your Honor, also as to -- I'm not going to
05:23 20 respond to what Mr. Soto stated, I disagree with it. I think
21 the transcript of the hearing speaks for itself about what we
22 stated and demonstrated on the Ponzi scheme before he was on
23 the case.

24 I did just want to offer defendants can contact me for
05:24 25 any documents in the full investigative file and all records at



From: Matthew Velahos <mvelahos@parfunding.com>
Date: Thu, Sep 24, 2020 at 2:40 PM
Subject: Re: Par Funding Account Information
To: Dayne Property Mgt <daynemgt@gmail.com>

<https://parfundingreceivership.com/>

On Thu, Sep 24, 2020 at 2:37 PM Matthew Velahos <mvelahos@parfunding.com> wrote:

On Thu, Sep 24, 2020 at 2:20 PM Dayne Property Mgt <daynemgt@gmail.com> wrote:

just called no answer

Dayne Property Management Group, Inc
44 Center Pl
Staten Island NY 10306
Office: 917-696-8008
Fax 646-365-2629
Cell: 347-593-4333
www.dayneproperty.com

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EXHIBIT E

have received this e-mail in error, please notify us immediately by return e-mail to the sender or by calling our office at (917) 696-8008

On Thu, Sep 24, 2020 at 12:20 PM Matthew Velahos <mvelahos@parfunding.com> wrote:

Yeah those are just the names of the processors we use. I am about to step out but if you want a further explanation please call me at 267-843-4617 around 2 pm est or anytime after that. Thanks

- Matt

On Thu, Sep 24, 2020 at 12:10 PM Dayne Property Mgt <daynemgt@gmail.com> wrote:

Matt -

I am going to call you in 5-10 minutes. I was hoping to get a more clear answer on why you sent me an ach form for two companies that are not CBSG? Just so we are saying the same thing: the two forms that you sent me are just processors and are the same as CBSG? Please clarify, I am sure you understand my concerns. Please get back to me as soon as you can. Thank you.

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On Tue, Sep 22, 2020 at 5:04 PM Dayne Property Mgt <daynemgt@gmail.com> wrote:

11:00 am

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Staten Island NY 10306
Office: 917-696-8008
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Cell: 347-593-4333
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On Tue, Sep 22, 2020 at 5:01 PM Matthew Velahos <mvelahos@parfunding.com> wrote:

Yeah please call Thursday ar 267-843-4617. Par/CBSG are the parent companies and those forms are just payment processors they use. These are all things I can discuss more in depth during our thursday call. What time Thursday should I expect your call?

- Matt

On Tue, Sep 22, 2020 at 4:56 PM Dayne Property Mgt <daynemgt@gmail.com> wrote:

Hi Matt,

Thank you for reaching out- wow this COVID thing has really been a hurdle to get over, especially in New York City.

Our business had dropped over 80% than what we normally do. I am out of town right now dealing with some family issues. Are you a available to talk Thursday morning?

Also, I see the attachment you sent- ach forms- but i don't know those companies?????

My advance was with CBSG/ Par Funding.

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On Tue, Sep 22, 2020 at 3:53 PM <mvelahos@parfunding.com> wrote:

Good afternoon,

This is Matt with CBSG Par Funding, I hope all is well with you and your business. I am not sure if you read any of the recent news articles surrounding CBSG Par Funding and the Federal Government. If you have not already done so, please review the attachment labeled CBSG Receiver Letter.pdf. CBSG Par Funding is under new management/regulations and we are not allowed to be as flexible as we once were as far as how the payments are made towards your balance. You can no longer make payments with a debit/credit card, or cash deposits, to cover your advance. With that being said, I have attached an ACH form for you to complete and return with a voided check. We need this form and voided check returned to us as soon as possible. Failure to respond will put your account in a default status resulting in legal/collection action. We are trying to keep all accounts in a performing status and out of default. If there are any questions, or if you are in need of assistance with the payment amount, please let me know.

Thank you,

Matthew Velahos



20 N. 3rd Street
Philadelphia, PA 19106



Office: (267) 843-4617



Fax: (888) 305-7562

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**CONTRACT
FINANCING SOLUTIONS**

AUTHORIZATION AGREEMENT FOR DIRECT DEPOSIT (ACH CREDIT) AND DIRECT PAYMENTS (ACH DEBITS)

This Authorization Agreement for Direct Deposit (ACH Credit) and Direct Payments (ACH Debits) ("Authorization Agreement") is part of (and incorporated by reference into) the Agreement for the Purchase and Sale of Future Receivables ("Purchase Agreement"). You should keep this important legal document for your records.

DISBURSEMENT OF BUSINESS CASH ADVANCE PROCEEDS: By signing below, Seller/Merchant authorizes Purchaser to disburse the Cash Advance Proceeds less the amount of any applicable fees upon approval by initiating an ACH credit to the checking account indicated below (or a substitute checking account Merchant Seller later identifies and is acceptable to Purchaser) (the "Designated Checking Account") in the disbursement amount set forth in the accompanying documents. This authorization is to remain in full force and effect until Purchaser has received written notification from Seller/Merchant of its termination in such time and in such manner as to afford Purchaser and Merchant Seller's depository bank a reasonable opportunity to act on it.


AUTOMATIC PAYMENT PLAN: Enrollment in Purchaser's Automatic Payment Plan is required for approval. By signing below, Merchant Seller agrees to enroll in the Automatic Payment Plan and authorizes Purchaser to collect payments required under the terms of Purchase Agreement by initiating ACH debit entries to the Designated Checking Account in the amounts and on the dates provided in the payment schedule set forth in the Purchase Agreement. Merchant Seller authorizes Purchaser to increase the amount of any scheduled ACH debit entry or assess multiple ACH debits for the amount of any previously scheduled payment(s) that was(were) not paid as provided in the payment schedule and any unpaid Fees. This authorization is to remain in full force and effect until Purchaser has received written notification from Merchant of its termination in such time and in such manner as to afford Purchaser and Merchant Seller's depository bank a reasonable opportunity to act on it. Purchaser may suspend or terminate Merchant Seller's enrollment in the Automatic Payment Plan immediately if Merchant Seller fails to keep Merchant Seller's designated checking account in good standing or if there are insufficient funds in Merchant Seller's checking account to process any payment.

If Merchant Seller revokes the authorization or if Purchaser suspends or terminates Merchant Seller's enrollment in the Automatic Payment Plan, Merchant Seller still will be responsible for making timely payments pursuant to the alternative payment methods described in the Purchase Agreement.

BUSINESS PURPOSE ACCOUNT: By signing below, Merchant Seller attests that the Designated Checking Account was established and is maintained for business purposes and not primarily for personal, family, or household purposes.

ACCOUNT CHANGES: Merchant Seller agrees promptly to notify Purchaser if there are any changes to the account and/or routing numbers of the Designated Checking Account

MISCELLANEOUS: Purchaser is not responsible for any fees charged by Merchant Seller's bank as the result of credits or debits initiated under this Authorization Agreement. The origination of ACH transactions to Merchant's account must comply with the provisions of U.S. law.

Signature 	Date
Bank Name	
City/State/Zip	
Routing Number	
Account Number	
Business Name on Account	
Address on Account	
Seller/Merchant Phone #	
Tax ID Number	
Email	