

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
WEST PALM BEACH DIVISION

CASE NO.: 20-cv-81205-RAR

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

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**DEFENDANTS' REPLY TO THE RECEIVER'S RESPONSE TO  
PLAINTIFFS' MOTION TO DISCHARGE THE RECEIVER**

Defendants Joseph W. LaForte, Lisa McElhone, and Joseph Cole Barleta, by and through their attorneys, respectfully submit this Joint Reply in Support of their motion seeking discharge of the Receiver for breach of his fiduciary duties to the estate and to CBSG's note holders, and state the following:

As shown in the Motion, the Receiver promoted a now fully discredited narrative about CBSG's financial condition to negatively influence this Court's view of CBSG and the Defendants, while simultaneously neglecting and allowing to rot the core of a once profitable and self-sustaining business. Rather than substantively respond to these serious allegations, the Receiver responded saying:

1. The Court has previously advised that the Receiver need not respond to every motion or response to the Receiver's status reports that the Defendants file in this case, as requiring the Receiver to expend resources on these sorts of filings would result in nothing more than depleting the assets of the Receivership Estate.
2. Accordingly, the Receiver does not intend to file a substantive response to the Defendants' Motion, but states unequivocally that the Receiver disputes the factual premise and legal arguments the Defendants advance in the Motion.

(DE # 661 at 2). However, the Receiver has previously responded in detail to prior defense motions and filings, including an Answer Brief in the Appeal of the Order expanding the receivership, which was duplicative of the brief filed by the SEC, and a Response in opposition to the motion to prohibit him from selling the vehicles and watercraft. While the Receiver saw fit to respond so that he can expend the receivership and liquidate assets, he does not see any point to address the serious allegations that the receivership has promoted a biased false narrative and that he has breached his fiduciary duty to the Receivership Estate. He should have responded and addressed the serious issues pointed out. The motion should be granted.<sup>1</sup>

Dated: August 4, 2021

**KOPELOWITZ OSTROW  
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<sup>1</sup> The SEC did file a Response (DE 662) in opposition to the Motion and Defendants will be filing a separate Reply to that Response.

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that on August 4, 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