

Joe Cole
CFO



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[REDACTED]



[REDACTED]



Month	Year	Funding Count	Funded Total	AVG Funding	Factoring AVG ¹	Avg Term	Monthly Factor% ²	New AR	AR Total ³	AR Change	Factoring Losses ⁴	Funding Exposure ⁵	Exposure % ⁴	ACH Payment Total	Daily ACH Average	Returned ACH Total	Return %
TOTAL	2013	356	\$ 13,455,766.30	\$ 37,797.10	1.35	123	5.9%	\$ 19,064,984.47	\$ 5,688,670.71	\$ 5,688,670.71	\$ 1,264,465.50	\$ 502,296.51	3.7%	\$ 7,774,763.57	\$ 31,099.05	\$ 501,380.77	6.4%
TOTAL	2014	978	\$ 16,932,688.07	\$ 17,313.59	1.33	94	7.4%	\$ 31,951,849.33	\$ 9,778,474.37	\$ 4,089,803.66	\$ 1,622,534.64	\$ 331,947.39	2.0%	\$ 14,900,902.48	\$ 59,603.61	\$ 1,073,079.75	7.2%
TOTAL	2015	703	\$ 28,741,086.51	\$ 40,883.48	1.35	116	6.3%	\$ 50,316,486.89	\$ 17,615,473.88	\$ 7,836,999.51	\$ 3,059,835.62	\$ (153,741.39)	-0.5%	\$ 25,248,409.50	\$ 100,993.64	\$ 993,864.43	3.9%
TOTAL	2016	1087	\$ 68,065,864.62	\$ 62,618.09	1.34	132	5.4%	\$ 138,236,034.04	\$ 59,067,326.39	\$ 51,230,326.88	\$ 5,409,620.98	\$ 210,069.88	0.3%	\$ 54,943,260.82	\$ 219,773.04	\$ 1,795,928.41	3.3%
TOTAL	2017	2036	\$ 191,048,079.69	\$ 93,835.01	1.38	139	5.7%	\$ 367,440,333.29	\$ 177,067,138.86	\$ 125,836,811.98	\$ 12,624,610.06	\$ 2,459,220.87	1.3%	\$ 135,869,631.33	\$ 543,478.53	\$ 6,750,035.98	5.0%
JAN	2018	231	\$ 25,988,471.90	\$ 112,504.21	1.41	142	6.0%	\$ 48,104,018.86	\$ 187,396,402.53	\$ 10,329,263.67	\$ 2,376,917.79	\$ 699,722.31	2.7%	\$ 18,209,788.82	\$ 874,071.26	\$ 1,279,477.19	7.0%
FEB	2018	218	\$ 24,276,743.91	\$ 111,361.21	1.41	136	6.3%	\$ 39,129,821.11	\$ 198,819,962.87	\$ 11,423,560.34	\$ 2,877,370.80	\$ 882,822.57	3.6%	\$ 17,757,186.64	\$ 852,346.32	\$ 971,328.94	5.5%
MAR	2018	239	\$ 26,088,554.89	\$ 109,157.13	1.37	137	5.6%	\$ 47,248,625.92	\$ 210,865,640.94	\$ 12,045,678.07	\$ 976,039.57	\$ 216,191.67	0.8%	\$ 21,738,686.87	\$ 1,043,458.64	\$ 1,551,282.09	7.1%
APR	2018	214	\$ 22,293,014.29	\$ 104,172.96	1.40	126	6.6%	\$ 38,713,809.32	\$ 210,788,464.90	\$ (77,176.04)	\$ 1,940,365.33	\$ 70,120.21	0.3%	\$ 19,415,234.31	\$ 931,932.74	\$ 1,550,157.48	8.0%
MAY	2018	226	\$ 28,196,013.40	\$ 124,761.12	1.41	126	6.8%	\$ 51,725,063.24	\$ 219,860,570.97	\$ 9,072,106.07	\$ 3,917,991.69	\$ 1,210,953.52	4.3%	\$ 22,321,058.85	\$ 1,071,412.54	\$ 1,034,268.08	4.6%
JUN	2018	278	\$ 24,265,627.39	\$ 87,286.43	1.33	105	6.6%	\$ 57,743,223.33	\$ 228,603,052.43	\$ 8,742,481.46	\$ 2,360,474.56	\$ 599,378.52	2.5%	\$ 21,298,523.92	\$ 1,022,330.78	\$ 1,661,168.34	7.8%
JUL	2018	257	\$ 23,200,148.31	\$ 90,272.95	1.39	114	7.1%	\$ 50,897,768.69	\$ 230,605,287.36	\$ 2,002,234.93	\$ 3,173,773.12	\$ 582,393.32	2.5%	\$ 20,051,462.89	\$ 962,471.76	\$ 1,245,988.98	6.2%
AUG	2018	408	\$ 34,912,139.25	\$ 85,568.97	1.32	109	6.1%	\$ 61,449,697.26	\$ 250,379,216.52	\$ 19,773,929.16	\$ 3,572,333.66	\$ 233,965.21	0.7%	\$ 22,923,321.69	\$ 1,100,321.20	\$ 1,191,525.88	5.2%
SEP	2018	304	\$ 22,402,215.62	\$ 73,691.50	1.36	105	7.1%	\$ 37,342,245.12	\$ 249,177,561.96	\$ (1,201,654.56)	\$ 2,806,469.73	\$ 822,437.97	3.7%	\$ 20,728,934.14	\$ 994,990.43	\$ 1,302,057.62	6.3%
OCT	2018	346	\$ 34,412,857.49	\$ 99,459.13	1.35	114	6.4%	\$ 57,844,155.75	\$ 263,001,794.25	\$ 13,824,232.29	\$ 3,084,482.70	\$ 161,907.14	0.5%	\$ 23,810,504.32	\$ 1,082,295.65	\$ 1,552,130.98	6.5%
NOV	2018	325	\$ 27,643,297.78	\$ 85,056.30	1.34	123	5.8%	\$ 50,488,891.00	\$ 269,456,842.34	\$ 6,455,048.09	\$ 3,487,104.81	\$ 405,889.69	1.5%	\$ 21,152,936.16	\$ 1,057,646.81	\$ 1,163,409.25	5.5%
DEC	2018	338	\$ 46,987,002.49	\$ 139,014.80	1.33	148	4.6%	\$ 101,471,225.87	\$ 305,910,444.75	\$ 36,453,602.41	\$ 3,411,944.18	\$ 304,994.02	0.6%	\$ 21,766,263.06	\$ 1,088,313.15	\$ 1,232,557.83	5.7%
JAN	2019	334	\$ 25,864,256.02	\$ 77,437.89	1.34	144	4.9%	\$ 48,385,444.62	\$ 313,546,855.41	\$ 7,636,410.66	\$ 1,864,994.92	\$ 214,907.86	0.8%	\$ 23,643,851.53	\$ 1,125,897.69	\$ 1,409,298.88	6.0%
FEB	2019	294	\$ 28,284,259.08	\$ 96,204.96	1.30	120	5.2%	\$ 47,635,034.67	\$ 327,228,270.63	\$ 13,681,415.22	\$ 1,081,775.31	\$ (108,665.48)	-0.4%	\$ 21,480,118.89	\$ 1,130,532.57	\$ 1,331,454.65	6.2%
MAR	2019	369	\$ 28,542,761.29	\$ 77,351.66	1.34	107	6.6%	\$ 43,376,748.13	\$ 332,807,366.10	\$ 5,579,095.47	\$ 2,281,428.31	\$ (34,302.71)	-0.1%	\$ 24,841,630.20	\$ 1,182,934.77	\$ 1,233,001.38	5.0%
APR	2019	382	\$ 24,892,280.30	\$ 65,163.04	1.36	107	7.0%	\$ 78,605,907.84	\$ 341,468,253.32	\$ 8,660,887.22	\$ 991,621.12	\$ 149,370.36	0.6%	\$ 27,039,451.52	\$ 1,126,643.81	\$ 1,171,326.27	4.3%
MAY	2019	358	\$ 30,286,186.06	\$ 84,598.29	1.31	105	6.2%	\$ 45,342,925.10	\$ 344,013,271.95	\$ 2,545,018.63	\$ 2,553,917.12	\$ (14,262.84)	-0.1%	\$ 28,004,677.68	\$ 1,272,939.89	\$ 1,273,984.50	4.5%
		10281	\$ 796,779,314.66	\$ 77,500.18	1.36	120	6.2%	\$ 1,512,514,293.85			\$ 66,740,071.52	\$ 9,747,616.60	1.2%	\$ 614,920,599.19	\$ 427,047.52	\$ 33,268,707.68	5.4%

¹ Weighted average of factor rate in respective month based on total funding commitment per transaction.

² The proportionate monthly factor rate average in respective month based on AVG Funding divided by AVG Term.

³ Reflects month end AR balance not including outstanding funding liabilities or deferral of revenue.

⁴ Factoring Losses realized in respective month equal to total AR balance for transactions written off against Factoring Loss reserve.

⁵ Cumulative exposure, as determined by funding amount minus collected payments, at the time that transactions were written off in the respective month to Factoring Losses.

EXHIBIT 3

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

SECURITIES AND EXCHANGE)	
COMMISSION,)	
)	
Plaintiff,)	
)	
v.	)	Case No.
	)	20-CV-81205-RAR
COMPLETE BUSINESS SOLUTIONS)	
GROUP, INC. d/b/a PAR)	
FUNDING, et al.,)	
)	
Defendants, and)	
)	
L.M.E. 2017 FAMILY TRUST,)	
)	
Relief Defendant.)	
_____)	

REMOTE VIDEOTAPED DEPOSITION OF JOSEPH COLE BARLETA,
called by the Plaintiffs for examination, taken by
and before Ann Medis, Registered Professional
Reporter and Notary Public in and for the
Commonwealth of Pennsylvania, via Webex
videoconference, on Wednesday, June 2, 2021,
commencing at 10:09 a.m.

EXHIBIT 4

1 A. No, I am not.

2 Q. Were you employed by a company called
3 Complete Business Solutions Group previously?

4 A. Yes, I was.

5 Q. During what time period were you employed
6 by Complete Business Solutions Group?

7 A. I was employed from October of 2012 until
8 December 31st of 2016.

9 Q. Okay. And then in December of 2016, why
10 did you stop working for Complete Business Solutions
11 Group?

12 A. I started working the following day or
13 month in Full Spectrum Processing in Philadelphia.

14 Q. And why was your employment changed from
15 Complete Business Solutions Group to Full Spectrum
16 Processing?

17 A. There was a restructure in the company per
18 guidance of our tax accountants and starting in
19 2017, Philadelphia operations would operate out of
20 an entity Full Spectrum Processing. So I was then
21 employed into that entity.

22 Q. And beginning in 2017, Full Spectrum was
23 operating Complete Business Solutions Group; is that
24 right?

25 A. That's right. They were providing

1 Q. Okay. So from 2012 through 2020, her
2 title was president?

3 MR. SOTO: Objection to form.

4 THE WITNESS: Yes, I believe so.

5 BY MS. BERLIN:

6 Q. Okay. And of what company?

7 A. You're referring to Complete Business
8 Solutions Group; right?

9 Q. I'm just asking. You said her title was
10 president. So I'm asking of what company?

11 A. It's Complete Business Solutions Group.

12 Q. Okay. And was she running the day-to-day
13 operations of Complete Business Solutions Group
14 during the entirety of your work, so from 2012
15 through 2020?

16 A. No. In 2012 to 2016 operations were ran
17 by Lisa and other employees and myself in the
18 company. From 2017 onward, we had Full Spectrum
19 Processing running the day-to-day operations in
20 conjunction with sales entities that we worked with.

21 If you're referring to corporate affairs,
22 Lisa has always handled that, which means executive
23 management of the business.

24 Q. So from 2012 through 2016, who in addition
25 to Lisa McElhone was managing Complete Business

1 record.

2 THE VIDEOGRAPHER: We're going off the
3 record at 11:42 a.m.

4 (Recess from 11:42 a.m. to 11:52 a.m.)

5 THE VIDEOGRAPHER: And we're back on the
6 record at 11:52 a.m.

7 BY MS. BERLIN:

8 Q. Mr. Cole, when you testified about
9 Mr. LaForte and you mentioned sales, were those
10 sales of merchant cash advance loans?

11 A. The merchant cash advance -- the merchant
12 cash advance that CBSG provides are not loans. They
13 are factoring agreements. And, yes, I'm talking
14 about as an ISO, an independent sales organization.

15 ISOs that CBSG works with all have the
16 task of providing merchants interested in working
17 with the company to do these merchant cash advance
18 factoring agreements for receiving operating capital
19 to the respective businesses.

20 Q. You testified about the credit committee.
21 What was the credit committee in connection with
22 Complete Business Solutions Group?

23 A. So the credit committee that Lisa started
24 consists of senior underwriters and people taking a
25 look at the deal one last time to determine whether

1 information to Dean Vagnozzi either directly or
2 through his counsel?

3 A. No, we did not. The only thing we
4 provided to noteholders on a regular basis is our
5 monthly KPI report. It's titled The Funding
6 Analysis. But this does not include company
7 financials.

8 Q. Did Complete Business Solutions Group
9 provide any sort of financial statement to Dean
10 Vagnozzi or his counsel in connection with the
11 exchange offering in 2020?

12 A. Not that I know of.

13 Q. Did Complete Business Solutions Group
14 prepare any sort of financial spreadsheet or
15 financial statement or financial report of any kind
16 to provide to Dean Vagnozzi or his counsel in
17 connection with the exchange offering?

18 A. No, it did not.

19 Q. So if Mr. Vagnozzi told investors that
20 Complete Business Solutions Group was insolvent, do
21 you know where he would have obtained that
22 understanding?

23 MR. SOTO: Objection to form.

24 MR. MILLER: Mr. Miller. I join.

25 THE WITNESS: No, I do not.

1 connection with Complete Business Solutions Group in
2 2016 and 2017?

3 A. I kept track of all the fees. So I would
4 do the calculations and follow up with these
5 individuals, also for remittance information, you
6 know, wire address, the 1099s we had to have them
7 fill out. So in regards to that, I was in charge of
8 it.

9 Perry also spoke with these guys being
10 that a lot of these were from his connections in his
11 network. So there was a couple of different people
12 discussing the finder's fees and keeping track of
13 all of them. It was group effort.

14 Q. Did Complete Business Solutions Group
15 provide any information about Complete Business
16 Solutions Group to the finders to assist them in
17 locating investors or potential investors?

18 A. Yes. The big piece that we used
19 consistently to keep everyone abreast on how the
20 company is performing is that KPI report I would
21 issue every month. I would prepare this typically
22 in the first two weeks of the month for the prior
23 month's period and then subsequently email it to
24 some of these noteholders, including Perry, who, to
25 my understanding, would further distribute that

1 Q. Okay. So in addition to the consulting
2 fees, what about all of the other like operating
3 expenses of Complete Business Solutions Group, what
4 was the source of money used to pay all of the
5 operating expenses?

6 A. It also came from merchant MCA deposits.

7 Q. So is it your testimony that investor
8 money was used solely for funding MCA agreements?

9 A. Yes.

10 Q. Excuse me?

11 A. Yes.

12 Q. Who prepared the Complete Business
13 Solutions Group tax returns?

14 A. It depends on the period of time, but from
15 2014 onward, the firm we worked with was Rod Ermel
16 Associates out of Colorado Springs.

17 Q. And who was the main contact at CBSG for
18 Rod Ermel?

19 A. I was the main point of contact along with
20 Lisa.

21 Q. Were the tax returns that CBSG had filed
22 with the IRS like ultimately approved by anyone at
23 CBSG before filing?

24 A. I believe Lisa discussed this with the
25 accountants before the final decision was made to

1 A. I didn't review tax returns prior to Rod
2 Ermel's involvement. From 2012 to 2014 I had very
3 limited review or analysis of those tax returns.
4 For the ones I did review prepared by Rod Ermel
5 Associates subsequent 2014, I believe that they were
6 done correctly and accurately per the discussions I
7 had with our tax accountants and my own knowledge of
8 tying out the information provided from our
9 accounting system.

10 Q. As part of the materials that CBSG
11 provided to noteholders or potential noteholders,
12 there was financial information that was provided
13 about the merchant cash advance returns. Is that
14 true?

15 A. I don't know what you mean by merchant
16 cash advance return.

17 Q. So as part of the information that was
18 provided to investors and potential investors of
19 Complete Business Solutions Group, there was a chart
20 that was specifically called CBSG Funding Analysis.
21 Would you agree with me?

22 A. Yes. You're referring to the monthly KPI
23 report that we would send out.

24 Q. And what did KPI stand for?

25 A. That's key performing indicators.

1 Q. Who would prepare the CBSG funding
2 analysis?

3 A. That would be prepared by members of my
4 accounting staff and reviewed by me before being
5 sent out.

6 Q. Okay. Did you have the final say on the
7 CBSG funding analysis document before it was
8 finalized?

9 A. Yes.

10 Q. Mr. Cole, if you answered, I didn't hear
11 you.

12 A. Yes. I said, "Yes."

13 Q. Okay. Thank you. I didn't hear it.

14 So what was the purpose of the CBSG
15 funding analysis? Like why was that prepared each
16 month?

17 A. The funding analysis, as you would
18 anticipate from key performing indicators, would
19 select the metrics that we felt most pertinent in
20 keeping track of the performance of the company's
21 portfolio.

22 So the Full Spectrum accountants would put
23 together the numbers for the amount wired, the
24 number of deals for every month or year, the total
25 amount of receivables that we had at the end of the

1 Q. Is that the only thing that wasn't
2 reflected in the tax returns that was on the funding
3 analysis?

4 MR. FUTERFAS: Object to the form.

5 THE WITNESS: Well, if you think about it,
6 very minimal would be reflected on the tax returns
7 from the funding analysis. The IRS doesn't care how
8 many deposits we had or the return payments from our
9 ACH processors. They will care about the defaults
10 and the recognition of bad debts under GAAP. But
11 they won't care about the exposure, for example, and
12 the amount of cash loss from those deals.

13 I think they're going to be a lot more
14 concerned on the revenue side. And as part of your
15 schedule A or M-3 schedule on the 1120 tax return,
16 you may have a consideration for the amount on the
17 balance sheet. And as a part of the balance sheet,
18 you have the AR total from the respective period
19 you're reporting for.

20 So when you're doing the final tax returns
21 or having your CPA prepare the tax returns, you'll
22 want to sign off on that being an accurate total as
23 reported for the 1120s.

24 Q. Did you provide the funding analysis, the
25 monthly funding analysis documents to Rod Ermel for

1 preparation of the tax returns?

2 A. Yes. I regularly provided this every
3 month to Rod Ermel Associates for review.

4 Q. Did you ask them to -- did you ask Rod
5 Ermel to review the CBSG funding analysis each
6 month?

7 A. That's right. In addition, Lisa hired
8 them in 2016 to perform an audit on that specific
9 report. They issued an agreed upon letter procedure
10 where they verified for a week. Two of their CPAs
11 flew out to the office. They verified the deals we
12 had reported on the report were accurate and that
13 they were indeed funded per the terms of the
14 agreement.

15 And they would also contact our merchants
16 to verify the terms to issue that letter verifying
17 that the information provided on the KPI report was
18 indeed factual as stated.

19 Q. So my question was a little different.
20 Did you ask like -- you said you sent or you
21 testified that you sent the CBSG funding analysis to
22 Rod Ermel each month; correct?

23 A. That's right.

24 Q. Okay. When you sent Rod Ermel the funding
25 analysis, were you asking Rod Ermel each month to

1 verify whether or not the information in the funding
2 analysis was accurate?

3 A. Are you asking if I asked them to verify
4 it each month?

5 Q. Yes.

6 A. No. I did not ask them to verify it each
7 month.

8 Q. Okay. So did you tell Rod Ermel that CBSG
9 was distributing the funding analysis document to
10 potential investors of promissory notes in
11 connection with Complete Business Solutions Group?

12 A. No. I didn't tell them that.

13 Q. Did there come a time when you learned
14 that Complete Business Solutions Group provided the
15 CBSG funding analysis document to potential
16 investors in connection with the CBSG-related
17 promissory notes?

18 A. Yes. I believe this was reviewed by
19 potential noteholders. And I remember on occasions
20 speaking about this report with anyone that would
21 ask about it.

22 Q. Did you sometimes have phone calls with
23 potential investors about the funding analysis?

24 A. Yes. I would occasionally have phone
25 calls about that report.

1 Q. Okay. And what types of questions were
2 they asking about it?

3 A. Can you explain the metrics on the report?
4 Can you explain your historic trends and projected
5 trends going forward? What are the methodologies
6 used to determine the various columns, the
7 calculations, and explaining the footnotes on how
8 these numbers were derived.

9 There's a lot of information on there, and
10 there were a lot of different questions.

11 Q. Okay. Would you sometimes explain to the
12 potential investors what the exposure percentage
13 meant?

14 A. Yes, absolutely.

15 Q. Okay. And how would you explain that?

16 A. The exposure percentage is a dynamic
17 number that's calculated each month. It reflects
18 the cash-over-cash exposure for deals that were
19 written off for that respective period of time in
20 proportion to the amount of funding for that
21 respective period of time.

22 Q. So was it sort of like the amount that
23 Complete Business Solutions Group had funded? Like
24 was it based on the amount that Complete Business
25 Solutions Group had funded minus the amount that it

1 had collected on those merchant cash advances?

2 A. No.

3 Q. How was it calculated? Can you explain it
4 to me?

5 A. Sure. So let's say, for example, in a
6 given month you have a blend of merchants that you
7 are writing off in default. There's a blend of a
8 receivables total and then there's the exposure on
9 those receivables. Your receivables is going to be
10 the amount that was provided to the merchant plus
11 revenue minus repayments.

12 So let's say we wired out half a million
13 dollars and we had a 130 factor rate attached to
14 that. Well, we would have \$650,000 repayable from
15 that \$500,000 in total RTR. And let's say that
16 blend of merchants repays back \$250,000.

17 Well, from that example, I would have a
18 total of \$400,000 in receivable left to collect just
19 for that group of deals, but I would have an
20 exposure of \$250,000 because I would receive 250,000
21 against the 500,000 originally provided for the
22 transaction.

23 So your two columns, your AR that's
24 totally being written off for that month would be
25 400,000. But your exposure for those deals would

1 only be a quarter million dollars. And then in
2 proportion to that amount, that quarter million
3 dollars, that would be the numerator over the
4 funding total for the month. That would be your
5 denominator.

6 So that let's say you only funded
7 \$25 million for that month. \$250,000 over \$25
8 million would reflect a 1 percent ratio for your
9 exposure in proportion to your funding. I would
10 explain this to anyone that asked me a question
11 regarding the calculation.

12 Q. Okay. And is that how you would explain
13 it to the potential investors, the way you just
14 explained it to me in your testimony?

15 A. The operative word there is always
16 cash-over-cash losses.

17 Q. And did the rate take into consideration
18 like -- let me back up for a second. In your
19 testimony you mentioned defaults.

20 How did Complete Business Solutions Group
21 identify or define a merchant cash advance that was
22 in default?

23 A. It depends on the period of time.

24 Q. Okay. So when you first started at the
25 company in 2012, how did it determine default?

1 A. Yes. There's a policy in place --

2 Q. Go ahead.

3 A. Are you done?

4 Q. Yes.

5 A. The policies were put into place after our
6 2017 audit under GAAP and further refined to reflect
7 the actual flow of the defaults going into
8 receivables.

9 Q. And who put the policy into place?

10 A. The policy was put into place with
11 cooperation from the auditing firm, Friedman, LLP,
12 rod Ermel Associates who would take that information
13 to use for the tax returns, and legal, in-house
14 legal which drafted some of the language as part of
15 that policy.

16 Q. Who specifically drafted the language that
17 was part of the policy?

18 A. I don't remember whom. We had Cynthia
19 working there before and Norm. It was likely one of
20 them, but I'm not going to make assumptions or
21 guesses.

22 Q. Okay. And so the policy on when to deem a
23 merchant cash advance in default, that was actually
24 written into a policy somewhere?

25 A. It was described as part of the piece that

1 Jim Klenk ended up finalizing and working with our
2 accountants. That's the official policy that Full
3 Spectrum followed for the determinations of CBSG's
4 losses.

5 Q. What's the name of the policy?

6 A. I don't know if it has a proper name. I
7 would describe it as the audit work papers or just
8 the methodologies or policies from the audit. I'm
9 sure it has a proper file name and they refer it. I
10 just don't recall what they called it. It might be
11 accounting policies and procedures or something to
12 that effect.

13 Q. What exactly were the guidelines like for
14 determining whether or not a merchant cash advance
15 was in default?

16 A. That's the thing that I was describing,
17 yeah.

18 Q. Well, what I understood you to say is that
19 if someone didn't pay a dollar on a \$1,000 loan,
20 after six weeks, it would be deemed in default and
21 that there was no set percentage of how much someone
22 would have to pay on a merchant cash advance to
23 determine whether or not they were in default and
24 that the lawyers together with collections had a
25 sense from their interactions as to whether or not

Message

From: Joe Cole [jocole@parfunding.com]
Sent: 6/10/2019 10:22:00 PM
To: undisclosed-recipients:
BCC: James Klenk [james@parfunding.com]; JoJo Chehebar [REDACTED]; chuckfrei [REDACTED]; Perry Abbonizio [perry@parfunding.com]; Isaac Klein [REDACTED]; Rod Ermel [REDACTED]; Ken Bacon [REDACTED]; Matt Milstead [REDACTED]; Scott [REDACTED]; Cohen, Stephen M. [SMCohen@foxrothschild.com]
Subject: CBSG Funding Analysis - 05/31/19
Attachments: image.png; CBSG Funding Analysis - 0519.pdf

Please see our updated funding analysis report through May attached.

Let me know if you have any questions. Thanks.

Joe Cole
CFO



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Philadelphia, PA 19106



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jocole@parfunding.com

EXHIBIT 5

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA

-----X
SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

CASE NO. 20-CV-81205-RAR

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

Defendants.

-----X

DECLARATION OF DAN CISTONE

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

1. My name is Dan Cistone. I am a 74-year-old retiree and an investor in Complete Business Solutions Group, Inc., d/b/a Par Funding (“Par”), and I make this declaration from personal knowledge.

2. I graduated from Villanova University with a BS in Business Administration and Accounting in 1968. I spent most of my career, approximately 40 years, at a company called M & C Specialties — a global converter, contract manufacturer and fabricator of adhesive tapes, components, and finished products. I was the company’s CFO for most of those years, and I also had a stint as CEO when the company was acquired by a Fortune 200 company in 2007. I retired in 2011.

3. Perry Abbonizio was my broker when he worked at Oppenheimer. I considered him an important part of my investing experience and I trusted him, so when he left Oppenheimer, I was interested in hearing about what he was up to professionally. I followed up with him, and that is how I came to learn about Par.

4. I did not know anything about the merchant cash advance business when Perry explained it to me. But at a high level the business made sense to me, and I was interested in learning more, so I arranged to visit Par’s office in downtown Philadelphia.

5. I saw Par’s operation first-hand and gained a comfort level with the business from meeting and talking with Joe Cole, and from reviewing statements that were shared with me at the time, which included detailed historical key performance metrics for Par. Some of these documents were referred to as “CBSG Funding Analysis.” I decided to invest in Par, but it was

EXHIBIT 6

not until I had conducted my own diligence and satisfied myself that I understood the factoring model, the default rate, and other key aspects of the business.

6. I started by investing approximately \$200,000 in 2016, and thereafter I would typically increase my position each year. I ultimately ended up with an investment of approximately \$1,050,000.

7. Far from giving an aggressive sales pitch to get me to invest in the company, Perry's advice to me from the outset was that I should not put all my eggs in one basket. He advised me to diversify my investments, saying I should start small and see how the company worked. In fact, he advised me to keep my portfolio at Oppenheimer.

8. In my experience, Par was extremely reliable until the COVID-19 pandemic hit. They made timely payments, and they kept me well-informed with monthly statements. I was comfortable with the management team that was in place. I saw the business grow over time and, in short, I was impressed by the company and was happy to be invested in it. I even recommended the investment to my daughter and my late brother.

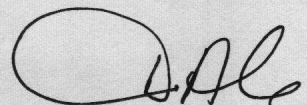
9. I am aware of the allegations in this case that Par's management was not forthcoming with investors. Those allegations are not consistent with my experience. As one example, I had at least a dozen conversations with Joe Cole over the years in which he would answer any questions I had about the company and its performance. As another, Perry disclosed to me his FINRA issue in advance, and it was not something that changed my view of him or the investment opportunity with Par.

10. I did not know about Joe LaForte's criminal background when I invested, but even upon learning about his background I can say it is not something that changes or would have changed my opinion about the business. My understanding is that Mr. LaForte did his time. My concern as an investor was on the business, itself, and how it was being run, and to that end I have never heard anything — then or now — to change my impression that Par was anything other than a well-run, legitimate, profitable and self-sustaining operation.

11. I do not say this lightly, but my impression is that Par has since been destroyed *not* because of the defendants in this case, but because of the Receiver and its mishandling of the business.

12. I declare under penalty of perjury that the foregoing is true and correct.

Executed on: 8-26-21



Dan Cistone

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA

-----X
SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

CASE NO. 20-CV-81205-RAR

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

Defendants.

-----X

DECLARATION OF DILIP LIMAYE

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

1. My name is Dilip Limaye. I am over the age of 18 and I make this declaration from personal knowledge about my experience as an investor in Complete Business Solutions Group, Inc. d/b/a Par Funding (“Par”).

2. I am an international consultant and entrepreneur in the energy services sector. I work with agencies such as the World Bank, the United Nations, and international financial institutions to help finance and implement energy efficient, renewable energy, and climate change mitigation strategies. I am also working to develop solar projects in the United States.

3. In 2017, I approached Dean Vagnozzi of A Better Financial Plan about alternative investment opportunities. Dean mentioned a merchant cash advance opportunity with Par, which was the first I had ever heard of the company. Dean provided me with some information about the company and I was interested, so he then made an introduction to Perry Abbonizio.

4. I met with Perry several times before investing. The first time I met with Perry was with Dean in Dean’s office, but I then attended an informal dinner meeting with Perry, along with several others who were also interesting in learning about the company.

5. I was told about Par’s business model and how it operated, and I was told about the opportunities for different rates of return based on the amount invested. I also received a brochure about the company, one component of which was a detailed spreadsheet containing historical performance data from 2013 through the present about amounts advanced and amounts collected on a monthly basis, including default rates. This document was titled the CBSG Funding Analysis.

My overall impression was that the company was well-managed, and from what I could tell it had grown very profitably since 2013.

6. In May 2017, I invested \$200,000 from my personal account in CBSG (Complete Business Solutions Group). That investment matured in May 2018. Then, in May 2018, I invested \$601,000 from the Sharon H. Limaye Foundation (for which I am a Trustee) through ABFP Income Fund.

7. I visited Par's office several times, the first time coming in 2018, after my initial investment but before my second. Perry gave me a tour of Par's office and I was introduced to Joe Cole, who told me about himself and gave me an overview of recent developments at the company. The office visit validated my favorable impression of the company, as I was able to see the different departments at work and get a feel for Par's operations, including how it was evaluating, selecting and monitoring MCA opportunities.

8. I was quite happy with my investment until the pandemic hit, which nobody could have foreseen. Until the pandemic I had received regular interest payments every month. Also, Par provided to me detailed monthly statements about the company's performance, which updated the spreadsheet I had been provided when I was first introduced to the company in 2017 before investing.

9. There was never a question in my mind about whether Perry, Dean, Joe Cole, or any other representative of Par was being fully transparent or straightforward with me about the company. No pressure tactics or deception were used to get me to invest. I believed then, and notwithstanding the allegations that are being made in this case it remains my view, that the company has a sound business model and was being run professionally.

10. I declare under penalty of perjury that the foregoing is true and correct.

Executed on: August 28, 2021



Dilip Limaye

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA

-----X
SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.
RAR

CASE NO. 20-CV-81205-

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

Defendants.

-----X

DECLARATION OF JOSE ALVES

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

- My name is Jose Alves. I am over the age of 18 and I make this declaration from personal knowledge about my experience as an investor in Complete Business Solutions Group, Inc. d/b/a Par Funding (“Par”).

- I am an electrician by training and have worked in the Philadelphia area for decades.

- In 2016, I met Dean Vagnozzi of A Better Financial Plan. Dean explained to me that he had an alternative investment opportunity with a merchant cash advance company called Par Funding. I had never heard of merchant cash advance companies before, but I was interested in the opportunity. Dean introduced me to Perry Abbonizio who further explained the Par Funding model to me.

- I met with Perry several times before investing. Perry took my wife and I on a tour of Par Funding’s offices in Philadelphia.

- During this tour, Perry told me about Par Funding's business. He provided me a brochure. He also gave me a detailed spreadsheet, a CBSG Funding Analysis, that contained historical performance data from 2013 through the present about amounts advanced and amounts collected on a monthly basis, including default rates. I also met Joe Cole, the CFO of Par Funding, during this tour.

- After reviewing the materials provided by Perry and speaking with Perry and Joe Cole, I felt confident that Par Funding was a terrific investment opportunity. I was attracted to the investment opportunity because of the company's historical growth and the steady income that it promised. I was also attracted to the investment opportunity because, in my opinion, Par Funding had a stable model. Par Funding's average loans to merchants was low, meaning that if any one merchant defaulted, there would not be problems for investors. Par Funding also lent money to a diverse group of merchants, so if one segment of the economy failed, Par Funding would not be at a risk of defaulting on payments to investors.

- In 2016, I invested approximately \$100,000. From 2017 onward, I increased my investment to \$650,000. I also encouraged my friends and family to invest with Par Funding. Many of them did.

- Perry never pressured me to invest. I felt that Perry was always truthful and candid with me. He answered all of my questions. Additionally, I wanted to invest even more money in Par, but Perry advised me that it is better to diversify instead of putting all my eggs in one basket. It was my impression that Perry was always looking out for my financial well-being.

- After I invested, I would receive the company's monthly performance reports every single month. I always felt like Perry and the company were trying their best to keep me updated. Perry first gave me the monthly performance before I invested. I considered it a useful tool for keeping track of the company's performance.


- I thought Par handled the COVID pandemic well. I do not have any problems with the re-structuring of the notes. The Pandemic presented a once-in-a-century crisis, and I felt that Par was doing everything in its power to protect my principal and the principal of all the investors.

- I am aware of the allegations in this case that Par's management was not transparent with investors. I disagree with those allegations. I always felt that Perry was completely transparent with me.

- None of the allegations in the case have changed my positive opinion about Par. As an investor, I was always concerned about how business the business itself was being run. Perry always provided me information to make an assessment about the health of the business. I have not heard anything to change my opinion that Par was anything other than a well-run, legitimate business. In fact, if the company re-opened tomorrow with the same management team running the company before, I would re-invest with Par Funding.

- I declare under penalty of perjury that the foregoing is true and correct.

Executed on: 8/26/21


Jose Alves

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA

-----X
SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

CASE NO. 20-CV-81205-RAR

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

Defendants.
-----X

DECLARATION OF STEVE WITTMER

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

1. My name is Steve Wittmer. I am over the age of 18 and I make this declaration from personal knowledge about my experience as an investor in Complete Business Solutions Group, Inc. d/b/a Par Funding (“Par”).

2. I first learned about Par in or around October 2016, when Dean Vagnozzi introduced me to Perry Abbonizio at an investment dinner in Philadelphia. I had a life settlement investment with Dean at the time. I was intrigued by Par, so I coordinated with Perry to visit Par’s offices and learn more about their business.

3. I retired in 2017 after more than 40 years working in different engineering roles. But in one of my first jobs out of college I had worked at a consulting firm that was growing exponentially, and from the outset there were aspects of Par that reminded me of that firm — for example, being a small company that needed to perform quickly, the undesirability of keeping cash on hand, and so forth. I felt that I understood Par’s model well because I had lived it.

4. I was drawn to the investment opportunity with Par because of the company’s growth potential and the attractive steady income that it promised. I felt it was something more tangible than betting on fluctuations in the stock market. After visiting Par, I made an initial investment with the company of approximately \$300,000 in or around November 2016, and over the years I increased my investment several times.

5. Perry did not use high-pressure sales tactics. He would listen, ask questions about my investment objectives, and stress the benefits of diversifying my investments. I always felt he was direct and honest with me. After I invested, I would catch up with Perry for drinks every few

months and he would update me about recent developments or changes at the company. I would also receive the company's monthly performance reports, and so I always felt I was being kept up to date. The performance report, which was called the CBSG Funding Analysis, was first shared with me before I invested but when I was learning about the company, and I considered it a useful tool for keeping track of how the company was doing.

6. What impressed me most about Par, however, was Joe Cole. I met Joe during my initial visit to Par in 2016. He explained the details of the factoring model to me and answered my questions. He was very sharp, very polite, and had a "no BS" demeanor; it was clear to me that he lived and breathed the business. I re-visited Par's offices annually after my initial visit, and each time Joe would take the time to answer questions and discuss the business with me.


7. I was also impressed by the quality of the company's underwriting. I knew that Joe was proud of Par's on-site verification process for merchants. He insisted that this be part of the process even though it added a premium to the cost of the operation, because it weeded out merchants who may otherwise have been able to fake their way through the paper qualifications.

8. I did not have any issues with the way Par handled the re-structuring of notes during the pandemic. It was a crisis, and my impression was that the company was doing everything it could to protect investor principal given the inevitability of merchants not being able to pay their advances back.

9. In short, contrary to the characterizations of the company and its principals and agents that I have read in filings and heard throughout this lawsuit, my experience with Par was a positive one. It was clear to me, as somebody who had conducted numerous due diligence investigations over the years, that behind this business was an intelligent management team and employees that were working around the clock to make it successful. I have not read or heard anything from the Securities & Exchange Commission or the Receiver that has altered my impression of the company.

10. I declare under penalty of perjury that the foregoing is true and correct.

Executed on: 9/2/2021


Steve Wittmer

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

SECURITIES AND EXCHANGE)	
COMMISSION,)	
)	
Plaintiff,)	
)	
vs.	)	CASE NO.
	)	20-CV-81205-RAR
COMPLETE BUSINESS SOLUTIONS)	
GROUP, INC. d/b/a PAR FUNDING,)	
et al.,)	
)	
Defendants, and)	
)	
L.M.E. 2017 FAMILY TRUST,)	
)	
Relief Defendant.)	
_____)	

REMOTE VIDEOTAPED DEPOSITION OF PERRY S. ABBONIZIO
Thursday, June 10, 2021

Reported by:
Denise Sankary,
RPR, RMR, CRR
Job No. 210610DSA

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

SECURITIES AND EXCHANGE)	
COMMISSION,)	
)	
Plaintiff,)	
)	
vs.	)	CASE NO.
	)	20-CV-81205-RAR
COMPLETE BUSINESS SOLUTIONS)	
GROUP, INC. d/b/a PAR FUNDING,)	
et al.,)	
)	
Defendants, and)	
)	
L.M.E. 2017 FAMILY TRUST,)	
)	
Relief Defendant.)	
_____)	

Remote videotaped deposition of PERRY S. ABBONIZIO, taken on behalf of Plaintiff, all parties appearing remotely, beginning at 10:07 a.m. and ending at 6:17 p.m., on Thursday, June 10, 2021, before Denise Sankary, RPR, RMR, CRR.

16:56 1 BY MS. BERLIN:

2 Q. You testified earlier about, generally
3 about telling the potential investors and investors
4 about the default rate associated with the merchant
16:56 5 cash advances. Do you recall that?

6 A. Yes, I do.

7 Q. Okay. And I wonder if you could tell us,
8 how did you describe what the default rate was?
9 Like, how did you describe the default rate to
16:56 10 potential investors?

11 A. Well, first and foremost, I utilized that
12 KPI form for various metrics, default being one of
13 them. And simply put, Ms. Berlin, dealing with
14 investors who were obtaining a fixed return for
16:57 15 their investment, capital preservation of capital
16 was paramount, at least in my eyes, and I
17 represented default in simplest terms to that which
18 my grandfather and perhaps yours advocated as well
19 that don't tell me how much money you make, tell me
16:57 20 how much you saved. That's what I'm interested in,
21 Perry.

22 So as I looked at money being wired out
23 and/or money being funded prior to that wired out
24 category on that form, the numbers were impressive
16:57 25 each and every month in an aspiring ascending curve,

16:58 1 but I would encourage investors as appealing as it
2 is and great to see a company that's doing the right
3 things mechanically, don't get too enthralled with
4 the big numbers. Focus on the little number. How
16:58 5 much of that money being funded to merchants and
6 being wired out by Par Funding is actually being
7 lost given weak infrastructure, underwriting,
8 collection, so on and so forth. And happily the net
9 of our money going out and money post being declared
16:58 10 a loss, okay, was 1.2 percent over an eight-year
11 period.

12 Q. Okay. So is that -- oh, I'm sorry.

13 A. No, that's all.

14 Q. So is -- are you referring to the amount
16:59 15 of principal, 1.2 percent of the principal that went
16 out was declared as a loss?

17 A. I'm referring to cash on cash protection
18 of money. So money was taken from investors. It
19 was appropriated to merchants that signed a
16:59 20 factoring agreement with our company and had terms
21 associated with that agreement, that the progression
22 from wire out to respective default suggests that
23 with a 1.2 percent default, the vast majority lived
24 up to their obligations as promised.

17:00 25 Q. So is the 1.2 percent default, is that

17:00 1 1.2 percent of the MCAs went into default or 1.2?
2 Like, what does the 1.2 percent correlate to? Are
3 you talking about the deals, the number of deals or
4 the amount loaned out that's just principal, or the
17:00 5 amount of principal plus interest expected to come
6 back?

7 A. It's of the money that was wired out, the
8 percentage, the net effect of the money being wired
9 out and written off as a loss that continues to get
17:00 10 collected, what is the difference between that
11 category. Did we make money on that which is
12 declared a loss or did we lose money.

13 Q. So the 1.2 percent is -- I'm so sorry, I'm
14 confused -- is the amount -- I just don't
17:01 15 understand.

16 A. Okay. If we're wiring out money to
17 merchants, the merchants have an obligation to pay.
18 If we loan out a hundred and the merchants agree to
19 pay 135 to 140 back, and they end up paying 120 to
17:01 20 us, some of it goes into default. We continue to
21 collect and we end up getting 10 of the 120 back.
22 Theoretically on that 130, we would lose \$10,000 per
23 my math. A very, very small percentage of that
24 which we wire out inclusive of the fees that they're
17:02 25 to pay is retained by the company.

17:02 1 Q. So in other words, if the 1.2 percent is
2 equal to the amount that the merchant is supposed --
3 the percentage is the percentage that merchants have
4 not paid back out of the total amount that they were
17:02 5 supposed to pay back in principal plus interest.

6 A. Pretty much denotes that 98.8 percent of
7 the time they're living up to their obligation, and
8 we're doing a great job of adhering to that. That's
9 the other way of looking at it.

17:02 10 Q. But is it 98.8 percent of the merchant
11 cash -- of the merchants live up to it, or is it
12 that out of all the money that's due back from
13 merchants, the company is receiving 98 percent of
14 the amount that their merchants are under a
17:03 15 contractual obligation to pay?

16 A. Well, without getting specific, because
17 I'm not a math teacher, but yes, you're close to it
18 I would say with that last categorization.

19 Q. Okay. So meaning there's a number out
17:03 20 there of the full amount that CBSG loaned out which
21 would be like the principal plus the amount paid
22 back already in interest plus the accounts
23 receivable.

24 A. Right.

17:03 25 Q. And that out of that total, meaning the

17:03 1 amount that they contracted to receive with a
2 merchant, that merchants are paying back
3 98.8 percent of what's owed to CBSG?

4 A. Yes, that would seem right, yes.

17:03 5 Q. Okay. And did you ever tell any potential
6 investors that only 1.2 percent of the merchants
7 weren't paying back or that were in default?

8 A. No, I typically would put it that we have
9 a 1.2 percent cash on cash default rate. We protect
17:04 10 the money that we're entrusted extremely well.

11 Q. And then what about -- what was your
12 understanding of how -- you talked about earlier
13 about how certain merchant cash advances would be
14 modified sometimes so that merchants would instead
17:04 15 of owing what they initially contracted to pay on
16 the merchant cash advance they received, they would
17 pay like a modified and lower sum to settle, you
18 know, the fact that they hadn't paid. Did the
19 default percentage, the default rate take that into
17:05 20 consideration, as far as you know?

21 A. No. It's my understanding that once we
22 categorize something into default, it continues to
23 be collected, and after that six-week period and
24 it's placed into that, it continues to be collected.
17:05 25 And should no collection be made, let me if I could,

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 20-CV-81205-RAR

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

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

Defendants.

DECLARATION OF JOEL D. GLICK

1. Pursuant to 28 U.S.C. Section 1746, the undersigned states as follows:
2. My name is Joel Glick. I am over the age of 18 years and I make this declaration based upon my personal knowledge of the facts set forth herein.
3. I practice in the areas of forensic accounting and economic damages.
4. I have testified as an expert witness in both State and Federal courts. See attached Exhibit 1.
5. I am a Certified Public Accountant licensed in Florida, since 1994, and Certified in Financial Forensics, since 2008. Both credentials are through the American Institute of Certified Public Accountants.
6. I am a Certified Fraud Examiner credentialed through the Association of Certified Fraud Examiners since 2010.
7. I am a Director of Forensic and Advisory Services at Berkowitz Pollack Brant Advisors

EXHIBIT 11

+ CPA's ("BPB").

8. BPB was retained by the law firm of Fridman Fels & Soto, PLLC to assist with their representation of Complete Business Solutions Group, Inc., d/b/a Par Funding ("CBSG").
9. I have supervised and been extensively involved in the analysis to date of CBSG's books and records.
10. No statements in this declaration are intended to render any legal opinions or conclusions.
11. The goal of the Court was *"that every piece of data that Mr. Sharp used to prepare this affidavit¹ be provided, pursuant to the guidelines [it] put in place, to a defense expert."2 As of the signing of this declaration, it is unclear what the entirety of the data DSI reviewed and relied on to prepare their declaration is and, therefore, it is unclear whether they complied with the Court's wishes.*
12. We understand that most of the activity from January 1, 2020 through July 27, 2020 had been entered into QuickBooks however, as of the filing of this Declaration, we have not received reconciled QuickBooks. As such, it is unclear whether they have yet to be fully reconciled by the Receiver.
13. Based on the foregoing, and as discovery is ongoing, I reserve the right to update this declaration as more data becomes available.
14. I have reviewed the following information:
 - a. CBSG bank statements and ACH vendor statements from January 2013 to July 2020.

¹ DECLARATION OF BRADLEY D. SHARP (DE 426-1)

² Transcript of the December 15, 2020 Status Videoconference Before The Honorable Rodolfo A. Ruiz, II 60:18-21.

- b. CBSG accounting records maintained in QuickBooks (inception to July 27, 2020). As indicated above, the records in our possession have not been fully reconciled through the date of the Receivership.
- c. CBSG contemporaneously prepared spreadsheets maintained by accounting personnel. These spreadsheets constitute an integral portion of CBSG's accounting process.
 - i. Daily Deposit Logs
 - ii. Bank Activity Log
- d. CBSG Funding Analysis, also known as the Key Performance Indicators (hereinafter "KPI Report") for the following cumulative periods from January 1, 2013 to:
 - i. September 2018
 - ii. May 2019
 - iii. June 2019
 - iv. February 2020
 - v. June 2020

Data Analysis

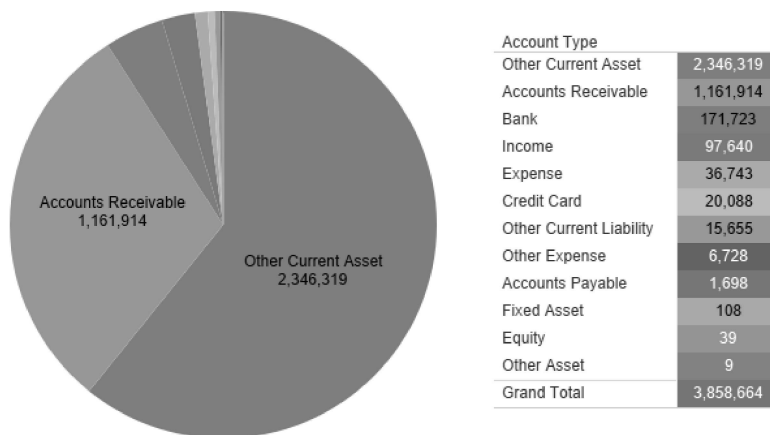
15. BPB has analyzed information for the same approximate eight-year period from January 2013 to June 2020, as reflected in the KPI Report.

16. BPB has reviewed and consolidated the following:

- a. Using the CBSG Daily Deposit Logs ("Deposit Logs"), BPB created a transaction database that contains approximately 1M records. The Deposit Logs are spreadsheets that were created and maintained, in the ordinary course of business, by CBSG on a monthly basis for the purpose of tracking merchant funding activity, merchant defaults, and daily merchant repayments.
 - i. The Funding tab was maintained from March 2012 through the date of the Receivership (July 27, 2020) and contains all information regarding the actual merchant deals. It is cumulative and rolled forward to the next consecutive month. Through the date of the Receivership, it contained 17,432 record entries.

- ii. The Default tab was maintained from January 2013 through the date of the Receivership (July 27, 2020) and contains all information regarding merchant defaults. It is cumulative and rolled forward to the next consecutive month. Through the date of the Receivership, it contained 1,883 record entries.
 - iii. A daily tab was created for each business day beginning January 2016 through the date of the Receivership to track the daily scheduled ACH draws from merchant accounts, wires and other deposits. Individual wires and deposits were deposited directly into CBSG bank accounts and then recorded in QuickBooks whereas the individual ACH debits were processed each day by the third-party ACH processor then, within four to five days, were transferred to CBSG bank accounts in batches. These batches were then recorded in QuickBooks. Through the date of the Receivership, the daily logs contained 1,035,087 record entries.
- b. Using specialized software, BPB created an ACH vendor transaction database containing approximately one million records.
 - c. Using specialized software, BPB created a bank account transaction database containing approximately 96,000 records.
 - d. Using Microsoft Excel, Alteryx and Tableau, BPB created a transaction database of QuickBooks data containing approximately 3.8 million records.

QuickBooks Number of Records



17. CBSG provided noteholders³ with an updated KPI Report every month. The KPI Report summarized, on a month-by-month and then consolidated annual basis, certain financial metrics such as:

- a. Number of merchant cash advance (“MCA”) deals funded in a given month and/or year, referred to in the KPI as “Funding Count.”
- b. Average amount funded per MCA deal for a given month and/or year, referred to in the KPI as “AVG Funding.”
- c. Average factor rate⁴ per MCA deal for a given month and/or year, referred to in the KPI as “Factor Rate AVG.”
- d. Average term of each MCA deal for a given month and/or year, referred to in the KPI as “Avg Term.”
- e. Monthly factor percentage⁵ for a given month and/or year, referred to in the KPI as “Monthly Factor %.”
- f. Funds wired to merchant—the cash actually funded to the merchant per the agreed commitment, referred to in the KPI as “Wire Total.”
- g. Funds committed to merchants – the total amount CBSG agreed to fund, referred to in the KPI as “Funded Total.” Funds were sometimes disbursed by CBSG in installments rather than in full. Because of this and other, initial fees CBSG charged the merchants, the Funded Total differs from the Wired Total.
- h. The amount of the total committed funds for the period plus the corresponding factor fees, referred to in the KPI as “New AR” (“Accounts Receivable”). This is synonymous with the term Right to Receivable (“RTR”) reflected in other client records.
- i. “Factoring Losses”⁶ in the KPI refer to the full amount of Accounts Receivable relating to written-off deals.⁷

³ I am generally aware that one of the issues in this case is whether the promissory notes issued by CBSG in this case constitute securities. As explained above, no statements in this declaration are intended to render any legal opinions or conclusions, and none are intended by my use of the term “investor” as opposed to “noteholder.”

⁴ As defined in the KPI Report, the average factor rate is the “*Weighted average of factor rate in respective month based on total funding commitment per transaction.*”

⁵ As defined in the KPI Report, “*The proportionate monthly factor rate average in respective month based on AVG Funding divided by AVG Term.*”

⁶ As defined in the KPI Report, “*Factoring Losses realized in respective month equal to total AR balance for transactions written off against Factoring Loss reserve.*”

⁷ I am not rendering any opinion on management decisions regarding factoring losses.

- j. “Funding Exposure”⁸ in the KPI refers to the cash portion of deals that are written off net of recoveries from previously written off deals. Written off deals are also referred to as deals in default as reflected in the Default Tab of CBSG’s Deposit Log.
- k. “Total Deposits” in the KPI refer to cash deposits received from merchants, whether from ACH payments, or other means (checks or cash deposits).
- l. Gross ACH payments (a subset of Total Deposits), referred to in the KPI as “Total ACH Payment.”
- m. “Returned ACH Payment Total” in the KPI refers to the total dollar amount of ACH payments CBSG was unable to withdraw during the period per a merchant agreement.
- n. “Return %” in the KPI Report refers to the returned ACH payments as a percentage of the total ACH payments debited in a given period.

18. We are not rendering any opinion as to management’s decision regarding what information was provided to note-holders or the presentation of such information.

19. The KPI Report calculates the Exposure % by dividing Funding Exposure by the funds wired to merchants. The KPI Report reflects this amount on a period-by-period basis. We have prepared the following tables that reflect the cumulative Funding Exposure from 01/01/2013 – 06/30/2020. Table 1 below is a cumulative analysis prepared using the CBSG KPI Report. Table 2 below is a cumulative analysis prepared using the CBSG Deposit Logs:

⁸ As defined in the KPI Report, “Cumulative exposure, as determined by funding amount minus collected payments, at the time that transactions were written off in the respective month to Factoring Losses.”

Table 1.

Based on CBSG Funding Analysis			
Year	Wire Total	Cumulative	
		Funding Exposure	Exposure %
2013	\$ 10,573,755	\$ 468,013	4.426%
2014	27,508,501	822,887	2.991%
2015	56,146,068	653,083	1.163%
2016	124,211,932	856,355	0.689%
2017	315,267,992	3,213,406	1.019%
2018	655,850,437	7,959,252	1.214%
2019	1,051,946,128	9,105,980	0.866%
2020 (Jan - June)	\$ 1,231,298,330	\$ 14,285,812	1.160%

Table 2.

Based on CBSG Deposit Log			
Year	Wire Total	Cumulative	
		Funding Exposure	Exposure %
2013	\$ 10,584,848	\$ 503,931	4.761%
2014	27,533,686	851,740	3.093%
2015	56,171,253	207,097	0.369%
2016	124,225,458	410,369	0.330%
2017	315,283,386	2,767,420	0.878%
2018	655,865,830	7,704,084	1.175%
2019	1,051,930,639	8,850,812	0.841%
2020 (Jan - June)	\$ 1,231,279,740	\$ 14,051,811	1.141%

20. Using the transaction database created from the CBSG Deposit Logs, we recreated a KPI Report. The top half of the attached exhibit reflects CBSG's KPI Report⁹ which can be compared to the totals from our recreated KPI Report reflected on the bottom half of the exhibit.

21. Using the transaction database created from the CBSG QuickBooks, we quantified the amounts corresponding to certain requested CBSG KPI Report columns. The top half of the attached exhibit reflects CBSG's KPI Report which can then be compared to the totals from our analysis of the CBSG's QuickBooks as reflected on the bottom.

⁹ As noted in the schedule, the KPI reflects certain information dating back to 01/01/2013; however, the daily tabs from the Deposit Logs only begin as of 01/01/2016.

22. Both the CBSG Deposit Logs and QuickBooks referenced in this Declaration are the same as those used to prepare my Declaration dated April 15, 2021.

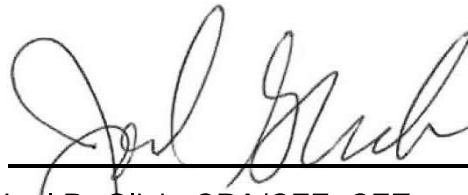
23. The CBSG Deposit Logs were separately maintained Excel spreadsheets, which tracked merchant repayments and were, subsequently reconciled, by CBSG accounting personnel, to the QuickBooks.

24. DSI indicated it independently reconciled the QuickBooks to bank statements and then relied upon the QuickBooks to issue its Declaration dated December 13, 2020.

EXPERT COMPENSATION

25. I am being compensated at my standard rate of \$495 per hour, while other members of our firm who worked on this engagement are compensated at \$85 to \$480 per hour. Neither my compensation nor the compensation of the other BPB personnel who worked on this assignment is contingent on the outcome of this litigation.

26. I declare under penalty of perjury that the foregoing is true and correct, and made in good faith. Executed this 13th day of July 2021.



Joel D. Glick, CPA/CFF, CFE
Berkowitz Pollack Brant Accountants and
Advisors LLP
200 South Biscayne Boulevard, Seventh Floor
Miami, Florida 33131

CBSG Funding Analysis
01/01/13 - 06/30/20⁶

Period	Funding Count	AVG Funding	Rate	Avg Term	Monthly Factor %	Wire Total	Funded Total	New AR	AR Total ³	Factoring Losses ⁴	Funding Exposure ⁵	Exposure % ⁴	Total Deposits	Average Daily Deposit	Total ACH Payment	Returned ACH Total	Return %
2013	358	\$29,535.63	1.35	120	6.1%	\$ 10,573,755.28	\$ 13,881,429.51	\$ 18,799,487.42	\$ 5,688,870.71	\$ 1,300,265.50	\$ 468,013.05	4.4%	\$ 10,144,412.62	\$ 40,519.15	\$ 7,774,763.57	\$ 501,380.77	6.4%
2014	979	17,298.00	1.33	94	7.4%	16,834,746.07	23,943,076.36	31,918,202.93	9,778,474.37	1,622,534.74	364,874.39	2.1%	21,657,990.43	84,225.44	14,900,902.48	1,073,079.75	7.2%
2015	703	40,736.23	1.35	115	6.3%	28,637,566.39	36,979,392.91	49,800,669.92	17,615,473.88	3,041,476.26	(169,804.75)	-0.6%	33,579,213.04	133,316.47	25,248,409.50	993,864.43	3.9%
2016	1,087	62,618.09	1.34	132	5.4%	68,065,864.62	97,740,554.02	130,981,255.68	59,067,326.39	5,541,535.34	203,272.18	0.3%	64,548,823.71	257,306.77	54,943,260.82	1,795,928.41	3.3%
2017	2,036	93,838.93	1.36	139	5.4%	191,056,059.69	271,633,681.34	370,302,596.53	177,067,138.86	12,564,294.70	2,357,051.07	1.2%	174,600,565.32	700,045.64	133,869,631.33	6,750,035.98	5.0%
2018	3,383	100,674.68	1.36	124	6.1%	340,582,444.82	471,403,953.34	642,192,480.47	305,910,444.75	33,534,406.50	4,745,845.88	1.4%	350,666,989.25	1,397,436.51	251,173,901.67	15,735,352.66	6.3%
2019 - Jan	334	77,437.29	1.34	144	4.9%	25,864,055.52	36,176,265.15	48,385,444.62	313,546,655.41	1,864,894.92	335,018.71	1.3%	27,552,044.52	1,312,002.12	23,643,851.53	1,409,298.88	6.0%
2019 - Feb	293	96,440.57	1.30	120	5.2%	28,257,068.80	36,598,668.58	47,631,070.64	327,228,270.63	1,081,775.31	(93,232.22)	-0.3%	28,197,661.19	1,326,192.89	21,480,118.89	1,331,454.65	6.2%
2019 - Mar	403	80,812.97	1.31	108	5.9%	28,537,625.10	35,395,487.45	46,298,554.32	332,808,186.10	2,271,698.46	9,610.72	0.0%	29,145,670.64	1,377,889.08	24,841,630.20	1,233,001.38	5.0%
2019 - Apr	382	65,177.23	1.38	107	7.4%	24,897,703.18	54,790,870.81	75,593,816.52	342,465,691.48	991,621.12	154,659.34	0.6%	30,296,449.40	1,377,111.34	27,039,451.52	1,171,326.27	4.3%
2019 - May	358	84,598.29	1.31	105	6.2%	30,286,186.06	34,549,293.21	45,242,925.10	344,000,270.70	2,553,917.12	(14,262.84)	0.0%	31,515,625.52	1,432,528.43	28,004,677.68	1,273,984.50	4.5%
2019 - Jun	448	66,554.38	1.32	107	6.2%	29,816,960.59	50,272,326.63	66,205,402.20	350,253,767.37	1,585,887.15	26,413.85	0.1%	27,039,054.73	1,351,952.74	25,344,984.02	1,544,254.31	6.1%
2019 - Jul	414	78,423.95	1.32	104	6.4%	32,467,514.92	40,589,278.65	53,466,821.19	361,976,660.11	2,591,860.57	537,395.64	1.7%	30,292,477.42	1,376,930.79	28,290,298.08	1,239,976.80	4.4%
2019 - Aug	393	92,023.94	1.29	106	5.7%	36,165,409.59	86,508,636.22	111,391,920.86	382,030,257.80	9,033,837.09	718,053.01	2.0%	28,588,170.57	1,299,462.30	31,513,628.86	1,757,649.67	5.6%
2019 - Sep	457	107,197.00	1.34	108	6.5%	48,989,028.80	101,415,205.39	135,772,548.34	412,789,245.16	5,870,130.67	(1,946,110.49)	-4.0%	42,784,608.28	2,139,230.41	29,856,760.48	1,798,086.15	6.0%
2019 - Oct	497	80,794.42	1.33	101	6.8%	40,154,829.14	52,551,508.23	69,935,149.43	423,514,559.10	2,222,330.76	167,075.96	0.4%	40,807,674.25	1,854,894.28	35,711,367.09	1,813,977.58	5.1%
2019 - Nov	527	56,885.40	1.34	97	7.2%	29,978,607.59	63,663,091.09	85,000,457.22	432,400,304.26	5,222,938.48	1,015,324.01	3.4%	37,278,536.15	1,962,028.22	33,548,315.34	2,171,390.47	6.5%
2019 - Dec	585	69,540.66	1.32	95	7.1%	40,681,284.12	51,067,496.28	67,633,578.32	441,728,644.35	3,442,462.16	236,782.49	0.6%	42,717,695.90	2,034,176.00	37,092,765.53	2,154,560.69	5.8%
2020 - Jan	885	61,504.04	1.32	98	6.8%	54,431,075.98	62,940,210.05	83,016,014.59	470,676,883.52	2,113,642.73	(329,616.49)	-0.6%	40,179,540.45	1,913,311.45	35,696,117.94	2,236,913.14	6.3%
2020 - Feb	945	51,126.14	1.32	94	7.0%	48,314,206.31	71,565,901.30	94,196,717.52	486,804,522.38	2,520,421.33	34,942.92	0.1%	41,528,592.00	2,165,715.37	35,689,927.33	1,768,645.73	5.0%
2020 - Mar	476	60,799.24	1.31	93	6.9%	28,940,439.63	42,189,095.57	55,116,974.54	478,940,624.39	3,471,926.32	(275,770.90)	-1.0%	41,636,586.48	1,892,572.11	38,800,651.12	3,349,551.51	8.6%
2020 - Apr	92	122,080.11	1.34	88	8.0%	11,231,369.75	27,277,893.61	33,745,378.17	412,669,652.16	39,588,501.59	4,565,355.67	40.6%	29,155,289.98	1,325,240.45	25,509,683.25	2,037,300.66	8.0%
2020 - May	250	48,416.34	1.33	86	8.0%	12,104,083.89	17,495,968.95	22,802,422.29	400,221,204.89	2,203,312.74	614,491.01	5.1%	27,500,491.83	1,375,024.59	23,377,450.34	711,564.10	3.0%
2020 - June	407	59,781.39	1.32	92	7.2%	24,331,025.68	37,524,490.25	46,395,307.03	402,382,550.85	1,940,496.65	570,429.30	2.3%	29,420,598.68	1,337,299.94	25,978,802.62	1,838,687.42	7.1%
16,692	73,765,78	1.33	107	6.5%	\$1,231,298,329.52	\$1,818,163,980.90	\$2,431,947,195.85			\$148,177,270.21	\$14,285,811.51	1.2%	\$1,257,834,762.35		\$ 1,021,331,341.19	\$57,691,265.91	5.6%

CBSG Funding Analysis 01/01/16 - 06/30/20^{6,1}

\$1,192,453,146.27

\$ 973,407,265.64 **\$55,122,940.96** **5.7%**

¹ Weighted average of factor rate in respective month based on total funding commitment per transaction.
² The proportionate monthly factor rate average in respective month based on AVG Funding divided by AVG Term.
³ Reflects month end AR balance not including outstanding funding liabilities or deferral of revenue.
⁴ Factoring Losses realized in respective month equal to total AR balance for transactions written off against Factoring Loss reserve.
⁵ Cumulative exposure, as determined by funding amount minus collected payments, at the time that transactions were written off in the respective month to Factoring Losses.

CBSG Deposit Logs ⁷	Factor		Factor		Factor		Factor		Factor		Factor		Factor		Factor		Factor	
	Count	AVG Funding	Rate	Avg Term	Monthly Factor %	Wire Total	Funded Total	New AR	AR Total	Factoring Losses	Funding Exposure	Exposure %	Total Deposits	Total ACH Payment	Returned ACH Total	Return %		
16,804	Not Calculated	\$1,231,279,739.93	\$1,839,227,431.25	\$2,453,300,627.35	Not Calculated	\$1,181,262,221.58	Not Calculated	Not Calculated	Not Calculated	\$14,051,810.75	1.1%	Not Available for 01/01/13 - 12/31/15 ^{1,1}	Not Available	Not Available	Not Available	Not Available		
CBSG Daily Deposit Logs 01/01/16 - 06/30/20 ^{7,1}																		
QuickBooks Data ⁸																		
Not Maintained in QuickBooks \$1,181,262,221.58																		
QuickBooks data 01/01/16 - 06/30/20																		
Not Calculated \$14,051,810.75 1.2% \$1,252,636,219.60																		
QuickBooks data 01/01/16 - 06/30/20																		
Not Calculated \$1,191,302,390.82																		
Not Calculated \$969,300,562.67																		
Not Available																		

BPB Footnotes:
 6 - CBSG Funding Analysis KPI June2020.pdf
 6.1 - Daily deposit tabs do not start until January 1, 2016. BPB calculated the total deposits from these daily deposit logs in order to compare to the KPI
 7 - Source: Deposit Log 0720 b CBSG-Receiver-00000048.xlsx. Deposit log is a contemporaneous document maintained by CBSG on a daily basis and on an individual Client/Deal level information is added in the Funding and Default Tab
 7.1 - Funding and Default tabs from Deposit Log information begins in January 2013 however the daily deposit tabs begin with the first full month of January 2016.
 8 - Based on the QuickBook data received through and as of July 27, 2020, not yet reconciled by the Receiver.

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

SECURITIES AND EXCHANGE)	
COMMISSION,)	
)	
Plaintiff,)	
)	
vs.	)	CASE NO.
	)	20-CV-81205-RAR
COMPLETE BUSINESS SOLUTIONS)	
GROUP, INC. D/B/A PAR)	
FUNDING ET AL.,)	
)	
Defendants, and)	
)	
L.M.E. 2017 FAMILY TRUST,)	
)	
Relief Defendant.)	
_____)	

REMOTE VIDEOTAPED DEPOSITION OF
JOEL GLICK, CPA, CFF, CFE
Thursday, September 2, 2021

Reported by:
Denise Sankary,
RPR, RMR, CRR
Job No. 210902DSA

05:36 1 merchant cash advance deals, would you agree with me
2 that that doesn't reflect a default rate of
3 1 percent?

4 A. Well, again, it depends --

05:36 5 MR. SOTO: Objection to form. Sorry.

6 A. It depends on the -- the basis on how
7 they're calculating here. I -- I know by the number
8 that you're referring to that you're referring to
9 the KPI report, and that report is -- is a cash over
05:36 10 cash determination, it's not a -- it's not done on
11 an accrual recording of receivables which would be
12 the -- including the total amount due including the
13 income.

14 BY MS. BERLIN:

05:37 15 Q. So if the company has -- so is it your
16 opinion that -- well, I guess you've answered it.

17 You don't -- you don't have enough
18 knowledge and you haven't assessed whether or not
19 the overdue amounts or anything in Exhibit 104, you
05:37 20 haven't reviewed this, and you don't have any
21 opinions on it, correct?

22 A. That is correct.

23 MR. SOTO: Objection to form.

24 BY MS. BERLIN:

05:37 25 Q. Okay. Then I will move on.

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

Case 9:20-cv-81205

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

COMPLETE BUSINESS SOLUTIONS GROUP,

INC. d/b/a/ PAR FUNDING, et al.

Defendants, and

L.M.E. 2017 FAMILY TRUST,

Relief Defendant.

REPORT OF EXPERT

Submitted by

Melissa Davis, CPA, CIRA, CFE

August 13, 2021

EXHIBIT 13

merchant and received back \$70,000 and did not anticipate receiving any additional funds from the Merchant and recognized a Factoring Loss, the cash exposure is \$30,000 or 30%.

b. GAAP default– this represented the Factoring Losses reported in financial statements. Assuming that Par Funding made a determination to write off the accounts receivable as uncollectible and recognized a Factoring Loss, it would recognize a reduction to Merchant Advance Receivables of \$60,000 and a Factoring Loss of \$60,000.

63. My hypothetical example assumes that Par Funding made the decision that this Merchant Advance Receivable was no longer collectible. However, Par Funding recognized Factoring Losses only if a Merchant had not made a payment in six weeks unless there were ongoing negotiations with the Merchant or other reasons at Par Funding's discretion. This means that even if a Merchant had not made any payments for more than a year if there were ongoing negotiations with the Merchant, the Merchant Advance Receivable may remain at \$60,000 and no factoring loss was reported.

CBSG Funding Analysis - KPI Reports

64. The KPI Reports prepared by Par Funding purport to identify key metrics summarizing the actual cash and accrual performance of the MCA Portfolio including:

a. Wire Total – The alleged amount of cash funded to the merchant per the factoring agreement.

b. Factoring Losses – The amounts of Merchant Advance receivables Par Funding deemed to be uncollectible and recognized as Factoring Losses.

c. Funding Exposure - The difference between the Advance Amount and the actual repayments received from the Merchant encompassing all deals of a merchant.

d. Exposure % - Calculated as the Funding Exposure (¶64c) divided by the Wire Total (¶64a). This metric identifies the amount of principal loss on each deal.

65. The amounts in the KPI report are not accurate and may present a misleading picture of the key performance indicators for the following reasons⁵⁷:

a. Wire Total – This amount is overstated in the KPI report due to the following:

i. The wire total is overstated because Merchants are not always fully funded based on the funding amount in the factoring agreement. The merchant may not be fully funded if they fail to honor the repayment terms of the Factoring Agreement with several funding tranches or the full funding may not have been consummated due to the Receiver ceasing fundings upon commencement of the Receivership. The Deposit Log reflects approximately 1,700 Wire Totals were overstated.

⁵⁷ James Klenk deposition testimony July 26, 2021, pages 260 to 263.

- ii. Joint funders may participate in deal sourced by Par Funding. If Par Funding sent \$100,00 to a merchant, and \$50,000 was sourced from a Joint Funder, the Deposit Log would reflect a disbursement of \$100,000 without consideration the \$50,000 paid by the Joint Funder.
- b. Factoring Losses – The Merchant Advance receivables considered uncollectible by Par Funding are judgmentally determined by management as opposed to uniform policies regarding collectability in accordance with the terms of the Factoring Agreement. The Factoring Losses are understated because they do not include Merchant Advance Receivables with historical cash losses and millions of dollars in Merchant Advance Receivables remaining to be collected. See ¶’s 58-60 for additional discussion.
- c. Funding Exposure – this amount is understated for the same reasons as Factoring losses because it only includes the Merchant Advance Receivables that Par Funding deemed to be uncollectible.
- d. Exposure % - Funding Exposure (the numerator in the calculation) is understated as discussed in ¶65c. Wire total (the denominator in the calculation) is overstated as discussed in ¶65a. Adjusting these calculations would result in an increase to the Exposure %.

CASH FLOW ANALYSIS

Cash Flow is Correct Method of Analysis

66. Par Funding’s business model was to raise funds from Investors to fund the Merchant Advance Receivable transactions. The cash flow generated from the

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 20-cv-81205-RAR

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

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

Defendant.

_____ /

VOLUME II

DEPOSITION OF JAMES KLENK

TAKEN ON BEHALF OF THE DEFENDANT

JULY 26, 2021
9:30 A.M. TO 6:55 P.M.

ALL PARTIES APPEARED REMOTELY
PURSUANT TO
FLORIDA SUPREME COURT ORDER AOSC20-23

EXHIBIT 14

REPORTED BY:
GABRIELA ARGENAL, COURT REPORTER
NOTARY PUBLIC, STATE OF FLORIDA



UNIVERSAL
COURT REPORTING

877.291.3376
www.UCRinc.com

<p style="text-align: right;">260</p> <p>1 when you began that he followed that same methodology</p> <p>2 every single month when he created the funding analysis?</p> <p>3 A Yes.</p> <p>4 Q Okay. Thank you.</p> <p>5 A That's my understanding.</p> <p>6 Q Did you ever go back and check to see if the</p> <p>7 funding analysis matched up with what was in the funding</p> <p>8 tab?</p> <p>9 A I had spot checked it a long time ago and it's</p> <p>10 tied out.</p> <p>11 Q Okay. And when you do spot check it?</p> <p>12 A It was in 2018, I spot checked in a couple of</p> <p>13 months.</p> <p>14 Q Okay. And after that was -- I'm sorry, was</p> <p>15 that the only time that you spot checked it?</p> <p>16 A I didn't spot check in '19 or '20, no.</p> <p>17 Q Okay. So, thank you. And then turning to</p> <p>18 Exhibit 7, we're just going to talk about it briefly and</p> <p>19 then I'll be finished.</p> <p>20 Okay. So, do you see the column for the wired</p> <p>21 total?</p> <p>22 A Yes.</p> <p>23 Q Okay. Is that figure accurate?</p> <p>24 A I think it's misleading.</p> <p>25 Q Okay. And why is that?</p>	<p style="text-align: right;">262</p> <p>1 going to say, let's go off the record, if we were</p> <p>2 off the record.</p> <p>3 MR. FUTERFAS: Are we going to go back on the</p> <p>4 record and have the Witness repeat his answer?</p> <p>5 MS. BERLIN: We don't need him to do it on the</p> <p>6 record. That's why I was just asking before we go</p> <p>7 back on the record, can I just -- can someone just</p> <p>8 advise me what he said? We don't need to have him</p> <p>9 repeat on the record.</p> <p>10 (Thereupon, a short discussion was held off</p> <p>11 record.)</p> <p>12 (Deposition resumed.)</p> <p>13 Q (By Ms. Berlin) Okay. Great. And then what</p> <p>14 about the column that you see for funded total? Is that</p> <p>15 misleading as well?</p> <p>16 A It includes the consolidation product, yes.</p> <p>17 Q Okay. So, the funding total column is --</p> <p>18 those figures are also misleading?</p> <p>19 A Yes.</p> <p>20 Q Okay. And for the same reason that you</p> <p>21 explained the wire total was misleading?</p> <p>22 A Yes.</p> <p>23 Q Okay. And what about the RTR? Is that figure</p> <p>24 accurate? Was that misleading?</p> <p>25 A The RTR would be the new AR number on here --</p>
<p style="text-align: right;">261</p> <p>1 A The wire total. As I mentioned earlier, this</p> <p>2 is static documents. So, for example, November of 2019,</p> <p>3 was this completed for November.</p> <p>4 It showed the wire total \$29.9 million. That</p> <p>5 included our consolidation program where that money may</p> <p>6 not have gone out the door yet.</p> <p>7 MR. ALFANO: I'm not certain that she dropped</p> <p>8 off.</p> <p>9 MR. FUTERFAS: Yeah, she looks to be</p> <p>10 disconnected.</p> <p>11 MR. ALFANO: All right. Why don't we give her</p> <p>12 a minute to -- we're going to reconnect. Did you</p> <p>13 do that, Alan?</p> <p>14 (Thereupon, a short discussion was held off</p> <p>15 record.)</p> <p>16 (Deposition resumed.)</p> <p>17 MS. BERLIN: Can we -- did you finish your</p> <p>18 answer?</p> <p>19 THE WITNESS: I can repeat it if you like.</p> <p>20 MS. BERLIN: No -- yeah, I mean before we're</p> <p>21 on the -- let's -- are we on the record or not?</p> <p>22 I'm just asking, are we on the record?</p> <p>23 THE COURT REPORTER: Yes, we're back on the</p> <p>24 record.</p> <p>25 MS. BERLIN: Okay. I would -- yeah, I was</p>	<p style="text-align: right;">263</p> <p>1 on this form and that does also include the</p> <p>2 consolidation product, which all the funds may not have</p> <p>3 been sent out the door, yes.</p> <p>4 Q Okay. So, that it is also misleading?</p> <p>5 A Yes.</p> <p>6 Q Okay. And then where we see exposure rate, do</p> <p>7 you see that -- do you see that column right?</p> <p>8 A Exposure?</p> <p>9 Q Yes.</p> <p>10 A Yes, fund exposure. Go ahead.</p> <p>11 Q Yes. Is that figure also accurate or is it</p> <p>12 misleading?</p> <p>13 A No, the funding exposure is the exposure.</p> <p>14 That's the amount of principal that you lost or they</p> <p>15 recovered. So, that's not misleading.</p> <p>16 Q Okay. And so is the exposure figures shown</p> <p>17 there, is that an accurate reflection of the loan</p> <p>18 default rate?</p> <p>19 A The run default rate?</p> <p>20 Q The MCA loan default rate?</p> <p>21 A So -- and which number are you talking about,</p> <p>22 \$14,285,000?</p> <p>23 Q No, the exposure percentage?</p> <p>24 A Of the 1.2%?</p> <p>25 Q Yes.</p>

DECLARATION OF VICTORIA JACOMEIN

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

1. My name is Victoria Jacqmein. I am over twenty-one years of age and have personal knowledge of the matters set forth herein.

2. I am a Paralegal Specialist at the U.S. Securities and Exchange Commission (the "Commission").

3. Attached as Exhibit A is a true and correct copy of a document that appears in the Commission records and that was produced to the Commission by A Better Financial Plan in response to a subpoena in the Commission matter *In re A Better Financial Plan* (NY-9593).

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

Executed on this 21st day of July 2020.

Victoria A. Jacqmein
VICTORIA JACOMEIN

From: Alexis Abbonizio [alexis@parfunding.com]
Sent: Monday, April 02, 2018 3:39:56 PM
To: Dean Vagnozzi
Subject: Marketing Material
Attachments: CBSG Corporate Overview.pdf; CBSG Promissory Note - Sample.pdf; CBSG Security Agreement - Sample.pdf; CBSG Sample Advance.pdf; CBSG Funding Analysis - 0218.pdf; image001.png; image002.png; image003.png; image004.png

Please see attached.

Alexis Abbonizio
Investor Relations



20 N. 3rd Street
Philadelphia, PA 19106



Cell: (215) 740-9258



alexis@parfunding.com



SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("**Security Agreement**") is made as of January 1, 2018, by COMPLETE BUSINESS SOLUTIONS GROUP INC., a Delaware corporation ("**Debtor**"), with an address of 20 N. 3rd Street, Philadelphia, PA 19106, and [] ("**Secured Party**") with an address of [] or such other place as Payee may designate to Maker in writing.

WHEREAS, in order to secure loans made by Secured Party to Debtor and to induce Secured Party to revise the terms of such loans, Debtor wishes to grant a security interest in substantially all of its assets, including, without limitation, its inventory, accounts receivable and general intangibles, to Secured Party, all as more fully set forth herein;

NOW, THEREFORE, in consideration of the premises and mutual promises and covenants contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Definitions. As used herein the following terms have the meanings indicated:

(a) The term "**Collateral**" means all tangible and intangible personal property of Debtor, wherever located and whether now owned or hereafter acquired, including but not limited to, all accounts, contracts rights, general intangibles, chattel paper, machinery, equipment, goods, inventory, fixtures, investment property, letter of credit rights, supporting obligations, books and records, deposit accounts, bank accounts, documents and instruments, together with all proceeds thereof. Any term used in the Pennsylvania Uniform Commercial Code (as amended from time to time, the "UCC") and not defined in this Security Agreement shall have the meaning given to the term in the UCC. In addition, the term "proceeds" shall have the meaning given to it in the UCC and shall additionally include but not be limited to, whatever is realized upon the use, sale, exchange, license, or other utilization of or any disposition of the Collateral, rights arising out of the Collateral and collections and distributions on the Collateral, whether cash or non-cash, and all proceeds of the foregoing.

(b) The term "**Obligations**" means all indebtedness, obligations and liabilities of any kind of Debtor to Secured Party now existing or hereafter arising, and whether direct or indirect, acquired outright, conditional or as a collateral security from another, absolute or contingent, joint or several, secured or unsecured, due or not due, arising before or after the filing of a petition by or against Debtor under the United States Bankruptcy Code or any applicable federal, state or foreign bankruptcy or other similar law, contractual or tortious, liquidated or unliquidated or arising by operation of law or otherwise, including without limitation all liabilities of Debtor to Secured Party under (i) the Credit Note dated as of the date hereof in the principal amount of \$250,000.00 payable by Debtor in favor of Secured Party (the "**Existing Note**"), (ii) this Security Agreement and (iii) any future promissory note, loan agreement, security agreement, pledge agreement, guaranty or other agreement or instrument representing indebtedness or financial obligation of Debtor to Secured Party (collectively, "**Future Loan Documents**").

(c) The term "**Loan Documents**" means the Existing Note, this Security Agreement, any Future Loan Documents, and all other agreements, documents, instruments and certificates collateral to any of the foregoing, as the same may be amended, restated, modified or supplemented.

2. Grant of Security Interest. In consideration of the loan made by Secured Party to Debtor, Debtor hereby pledges, transfers and assigns to Secured Party, and grants to Secured Party and agrees that Secured Party shall have a general continuing lien upon and security interest in, all of the Collateral.

3. Representations, Warranties and Covenants. Debtor represents, warrants and covenants to Secured Party as follows with respect to itself:

(a) Debtor will not dispose of the Collateral or any interest therein, except in the normal course of its trade or business, without Secured Party's consent.

(b) Debtor authorizes the filing of any financing statement and will execute alone or with Secured Party any other document, or will procure any other document, necessary to protect the security interest under this Security Agreement against the interests of third persons.

(c) The information in any financial, credit or accounting statement furnished in connection with this Security Agreement or the other Loan Documents is or will be correct and complete.

(d) Debtor has taken all necessary action to authorize it to execute and deliver this Security Agreement and the other Loan Documents to which it is a party. This Security Agreement and each of the other Loan Documents to which Debtor is a party has been duly executed and delivered by duly authorized officers of the Debtor and constitutes a legal, valid and binding obligation of Debtor, enforceable in accordance with its terms. The execution and delivery of this Security Agreement, the other Loan Documents and any other document or documents accompanying this Security Agreement to which Debtor is a party will not (i) require any consent or approval of the stockholders of Debtor, (ii) violate any applicable law, (iii) conflict with, result in a breach of or constitute a default under the certificate of incorporation, bylaws or other organizational documents of Debtor (as applicable), or any indenture, contract, agreement or other instrument to which Debtor is a party or by which any of its properties may be bound or (iv) result in or require the creation or imposition of any lien upon, or with respect to, any property now or to be hereafter acquired by the Debtor, other than as created or imposed in favor of the Secured Party hereunder.

(e) The security interest granted by Debtor to Secured Party herein is a valid and perfected security interest in the Collateral and is enforceable according to its terms.

(f) Except as required by applicable law or regulation, Debtor covenants that it will keep confidential and not disclose to any third party the identity of Secured Party or the terms of any of the transactions contemplated by the Existing Note, this Security Agreement or any of the other Loan Documents. Upon the consummation of the transactions contemplated by any such document, Debtor covenants that it shall return to Secured Party all originals and copies thereof received or obtained by it, without retaining any copies, in connection with such transactions.

4. Default. The occurrence of any one or more of the following events will constitute an "**Event of Default**" under this Security Agreement:

(a) Debtor fails to pay on or before the date due any amount payable on any of the Obligations, there occurs any Event of Default under the Existing Note or Debtor fails to observe or perform any covenant or agreement made in any of the Loan Documents to which it is a party.

(b) Debtor becomes insolvent, makes an assignment for the benefit of creditors or calls a meeting of creditors, or any petition is filed by or against Debtor under any provision of any bankruptcy or other law alleging that Debtor is insolvent or unable to pay its debts as they mature.

(c) Any judgment against Debtor shall be entered, or any attachment or garnishment against any property of Debtor is issued, in an amount in excess of \$250,000.00, or if the total of all judgment(s), attachment(s) and/or garnishment(s) against Debtor or any of Debtor's property at any time hereafter exceeds \$250,000.00.

(d) Debtor is a party to a merger, consolidation or sale of greater than fifty percent (50%) of its assets as of the date of such sale, or is dissolved or reorganized.

(e) Any representation, warranty or information furnished to Secured Party by Debtor in connection with any of the Obligations, or in connection with this Security Agreement or any other Loan Document, including any warranty made by Debtor through the submission of any schedule or statement, certificate or other document pursuant to or in connection with any Loan Document, is incorrect in any respect.

(f) Debtor makes or gives notice of any intention to make a bulk sale.

(g) Debtor fails to promptly furnish such financial and other information as Secured Party may reasonably request.

5. Remedies on Default. Upon the occurrence of any Event of Default, Secured Party will have the following remedies:

(a) Unless Secured Party elects otherwise, the entire unpaid amount of such of the Obligations as are not then otherwise due and payable will become immediately due and payable without notice to or demand on Debtor or any other obligor or guarantor.

(b) Secured Party may, at its option, exercise from time to time any and all rights and remedies available to it under the Pennsylvania Uniform Commercial Code or

otherwise, including the right to assemble, receipt for, adjust, modify, repair, refurbish or refurbish (but without any obligation to do so) or foreclose or otherwise realize upon any of the Collateral and to dispose of any of the Collateral at one or more public or private sales or other proceedings, and Debtor agrees that Secured Party or its nominee may become the purchaser at any such sale or sales. Debtor agrees that ten (10) days will be reasonable prior notice of the date of any public sale or other disposition of all or any part of the Collateral, or of the date on or after which any private sale or other disposition of the same may be made.

6. Covenant Against Further Encumbrances. Debtor will not permit anything to be done that might in any way impair the value of any of the Collateral or any of the security intended to be afforded by this Security Agreement. Debtor shall not pledge, assign or otherwise further encumber, or permit any liens or security interests (other than those in favor of Secured Party) to attach to any of the Collateral, nor permit any of the Collateral to be levied upon under any legal process, except with the express written consent of Secured Party. Upon any breach of the foregoing covenant against further encumbrances, Secured Party may, at its sole election but without obligation to do so, and without limiting Secured Party's other remedies (including without limitation declaring a default), discharge the encumbrance for the account of and without notice to Debtor, and all expenses incurred by Secured Party in so doing shall be added to the Obligations and shall be payable by Debtor upon demand.

7. Remedies Cumulative. All rights and remedies of Secured Party under this or any other agreement between Debtor and Secured Party and under applicable law shall be deemed concurrent and cumulative and not alternative, and Secured Party may proceed with any number of remedies at the same time or at different times until all Obligations are fully satisfied. Debtor shall be liable to pay to Secured Party on demand any and all expenses, including reasonable attorneys' fees and legal expenses which may have been incurred by Secured Party related to:

(a) the enforcement of Secured Party's rights under this Security Agreement or any of the other Loan Documents; or

(b) the custody, preservation, protection, use, operation, preparation for sale or sale of any Collateral, the incurring of all of which are hereby authorized to the extent Secured Party deems the same advisable.

8. Modification. No modification or waiver of any provision(s) herein will be effective unless the same is in writing signed by the party against whom its enforcement is sought.

9. Notices. All notices, demands and other communications which are required to be given to or made by any party to the others in connection with this Security Agreement or in connection with the Existing Notes will be in writing and will be deemed to have been given when hand delivered or posted by certified or registered mail, or via overnight courier, to the address of each party set forth in the first paragraph of this Security Agreement. If notice is personally delivered, the individual accepting such notice, if requested, will sign a duplicate of the notice to evidence receipt thereof.



Corporate Overview

Who we are

Par Funding is a direct provider of merchant cash advances.



Par Funding was founded in 2012 and is headquartered in Philadelphia, PA.



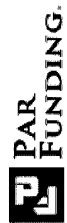
We provide cash management solutions to help companies grow.



We have provided more than \$220M in business funding since inception.



We service a niche market currently overlooked by conventional financing.



Industry Overview

Traditional small business lending has decreased dramatically since the collapse of the U.S. banking industry in 2008.

The number of small business advances peaked at 14 billion in 2007 and declined to less than 5 billion in 2010.¹

While the TARP program sanctioned more than \$30 billion to banks to provide small business advances, however, only about \$4 billion was actually loaned.²

A recent survey conducted by Pepperdine University revealed that 67% of those who applied for a traditional business loan were unsuccessful.



Source: 1. Sourced from Federal Financial Institutions Examination Council data.
2. Sourced from U.S. Small Business Administration

Industry Overview

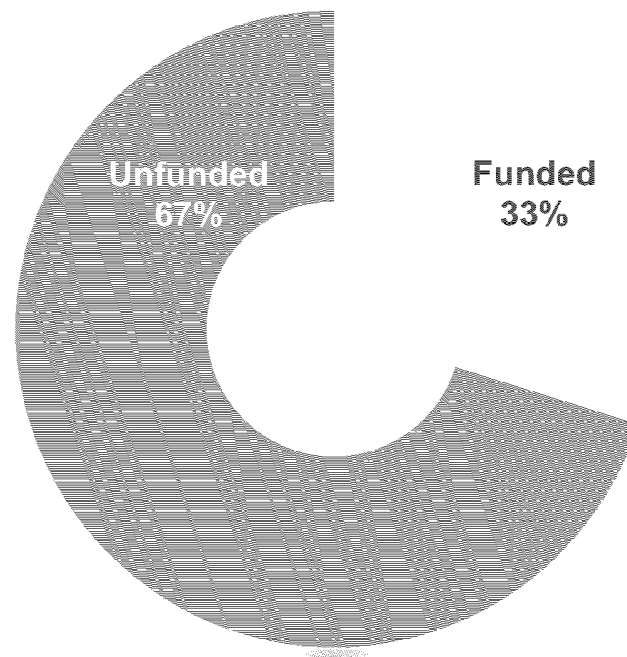
Why do billions of dollars in Small Business loan applications go unfunded each year?



Many banks have legacy portfolios of non-performing loans and higher reserve requirements making them reluctant to lend money in this category.

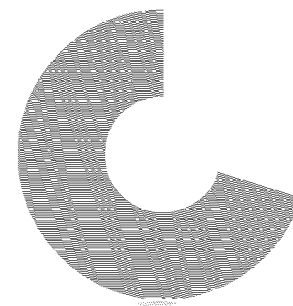
Additionally, traditional lending institutions have employed stricter underwriting guidelines further limiting the amount of small business funding.

Small Business Funding Volume



Industry Overview

What is the alternative for many of these businesses left under serviced in a post-banking crises U.S.?



Merchant Cash Advance Programs

- MCA's provide a viable alternative to banks.¹
- MCA's enable businesses to leverage cash flow when needed to uplift their business.¹
- MCA payback systems based on a percentage of business receipts is a major advantage to the small business borrower.¹



Why Par Funding?

Par Funding is uniquely positioned to capitalize in this multi-billion segment of small business funding through MCA's.

Our MCA's provide high rates of return and continuous daily cash flow beginning the day after initial funding.

We have provided over \$220 million in MCA's and maintained a below industry bad debt funding.

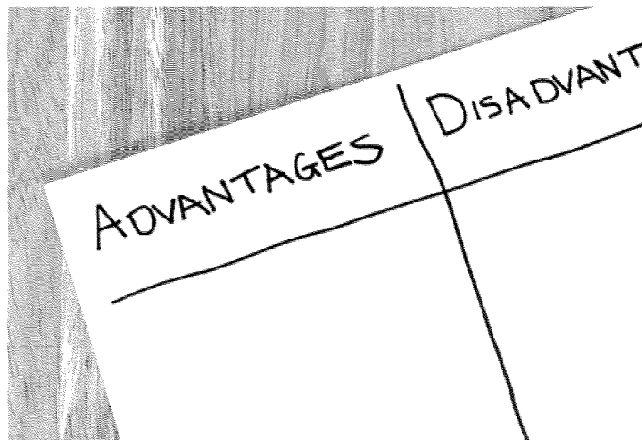
Through our customer acquisition methods, we have generated a diversified pool of qualified merchants seeking opportunistic capital.

Our staff manages the business relationship from underwriting through repayment to reduce non-performance to the lowest possible levels.



The Par Funding Advantage

Once an MCA is approved and funded it begins to generate cash flow the next day.



We provide cash advances that range for \$5,000.00 to \$500,000.00, with an average funding size of \$50,000.00.

Funding terms are typically given for a period of 100 business days, or 5 to 6 months, based on 22 business days per month.

We collect remittances directly via automated clearing house (ACH) debits from client bank accounts.

The average payback is based on a factor rate of 1.35 -1.40.



How Our Model Works

It all starts with underwriting.

Par Funding uses a financial matrix for our underwriting which evaluates clients with an emphasis based on cash flow rather than traditional credit metrics.

We investigate numerous sources in addition to credit scores to screen applicants including:

- MCA Industry databases
- Background checks
- On-Site inspections

We complete the underwriting process to reach a decision in 48-72 hours.

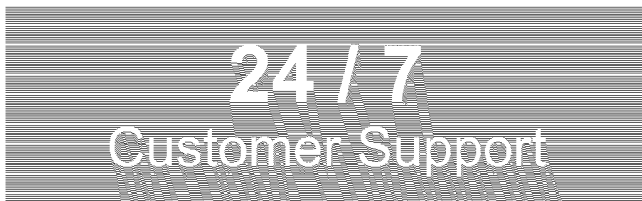


Our Funding Process



Exceptional Client Service Leads to Better Performance

In addition to quick funding decisions we offer additional services to help clients manage their cash.



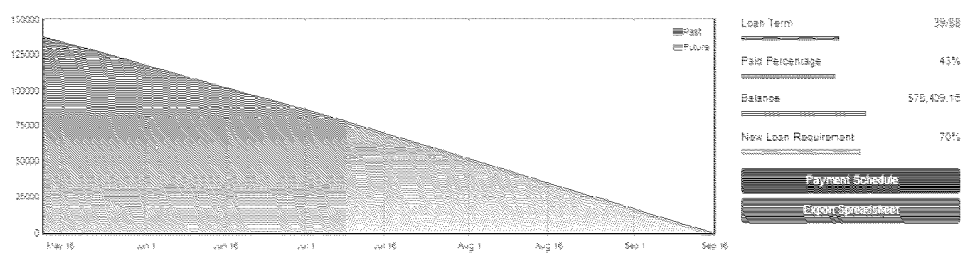
Client web portal for account management and payment tracking



Dashboard | The information contained on this website is intended, but not promised or guaranteed to be current, complete or up-to-date. While every effort is made to assure accuracy, the provider makes no warranty about the accuracy or completeness of any information, and may not reflect the most current information available to update data for account status and balance. For additional information, please contact Par Funding's accounting department at 214.411.4126 during normal business hours.

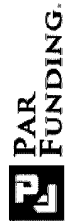
TOTAL PAYBACK **\$137,999.84**
NEXT PAYMENT **07/09/2013**
REMAINING PAYMENTS **49**
CURRENT BALANCE **\$78,409.16**

Live Stats



ParFunding Sample Advance

Funding Amount	\$50,000.00
Factor (Percent)	1.35
Payback Total	\$67,500.00
Term (Business Days)	100
ACH Payment Increment	\$675.00
Revenue	\$17,500.00



Revenue Acceleration through Cash Flow Reinvestment

As our daily cash flow grows so does our rate of return.

Daily ACH payments collected from clients are pooled together and used to fund new clients to accelerate returns.

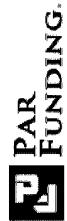
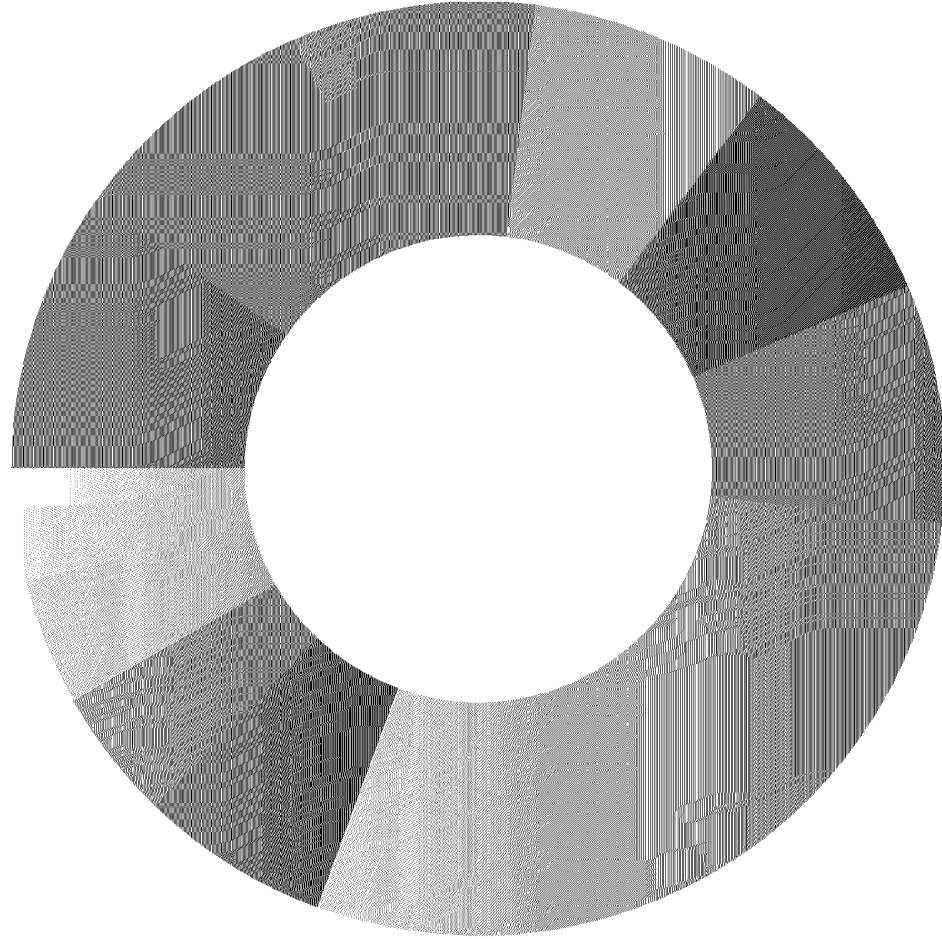
Compounding effect more than mitigates percentage of non-performance.

Model of Compounding Effect

	1 st Funding	2 nd Funding	3 rd Funding
Amount	\$30,000	\$42,000	\$58,800
Payback	\$42,000	\$58,800	\$82,320
Term	88	88	88
Revenue	\$12,000	\$28,800	\$52,320

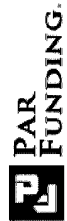


Risk Mitigation Through Diversification



Projected Growth with \$1 Million Cash Infusion

	1st Funding	2nd Funding	3rd Funding
Amount	\$1,000,000	\$1,400,000	\$1,960,000
Payback @ 14	\$1,400,000	\$1,960,000	\$2,744,000
Term	88	88	88
Revenue	\$400,000	\$960,000	\$1,744,000



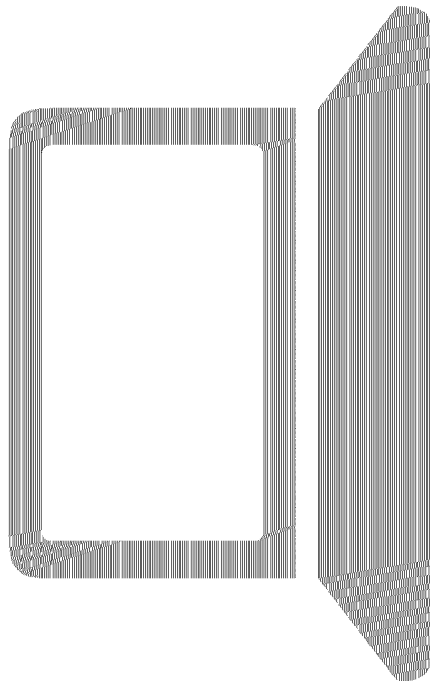
Debt Terms

We offer a unique debt opportunity, providing healthy capital returns in the growing alternative finance industry.

Summary terms and conditions:

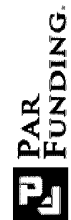
- Capital: \$200,000.00 minimum
- Collateral: General Security Agreement evidenced by UCC liens on all CBSG assets
- Term of agreement: 1 year minimum





For more information,
please visit:

www.parfunding.com



CBSG Sample Advance

Funding Amount:	\$50,000.00
Factor (percent):	1.35
Term (business days):	100
Payback Total:	\$67,500.00
ACH Payment Increment:	\$675.00
Fee Portion:	\$175.00
Principal Portion:	\$500.00
Revenue:	\$17,500.00

- 1-3 day attainment of cash
- We provide cash advances that range from \$5,000.00 to \$500,000.00, with an average funding size of \$50,000.00
- Funding terms are typically given for a period of 100 business days, or 5 to 6 months, based on a 22 business days cycle per month
- We collect remittances directly via automated clearing house (ACH) debits from client bank accounts
- The average payback is based on a factor rate of 1.35-1.40

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THIS NOTE MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT PERTAINING TO THIS NOTE UNDER SUCH LAWS, OR IF SUCH REGISTRATION IS NOT REQUIRED TO EFFECT SUCH SALE OR OFFER.

NON-NEGOTIABLE TERM PROMISSORY NOTE

\$250,000.00

Dated as of January 1, 2017

FOR VALUE RECEIVED, COMPLETE BUSINESS SOLUTIONS GROUP INC., a Delaware corporation ("Maker"), with an address of 141 N 2nd Street, Philadelphia, PA 19106, promises to pay, without rights of set-off, to the order of [], AND NOMINEE OF ENTITY of their heirs, successors or assigns (hereinafter called "Payee") with an address [] or such other place as Payee may designate to Maker in writing the principal sum of Two Hundred Fifty Thousand Dollars (\$250,000.00) lawful money of the United States of America, together with interest on the outstanding balance thereof, as provided herein.

1. Interest shall accrue on the outstanding principal amount hereunder at the rate of 12.5% (monthly distribution payment \$2,604.17). Accrued interest shall be paid in arrears on Mondays (or if such day is not a business day, on the immediately following business day) during the term of this Note until the principal amount of this Note and all accrued interest is paid in full, subject to acceleration and payment in full in accordance with Sections 6 and 7 below. All interest shall be calculated based upon the actual number of days elapsed.
2. REPAYMENT.
 - (a) Commencing on February 1, 2017 and continuing on the 1st day of each month thereafter up to and including January 1, 2018;
 - (b) The Principal Amount and any accrued interest shall be paid in full on or before January 1, 2018.
 - (c) A MONTHLY DISTRIBUTION OF \$2,604.17 MADE PAYABLE TO "Payee" [] and Nominee of Entity or their heirs, successors or assigns)
3. To secure the obligations of Maker under this Note, Maker has entered into a Security Agreement with Payee, dated as of the date hereof (the "**Security Agreement**").
4. Each of the following shall constitute an "**Event of Default**" hereunder:

(a) (i) Maker fails to make any required payment of principal, accrued interest or any other amount under this Note on or before the date on which it shall fall due hereunder, or (ii) Maker breaches or violates any of the other representations, warranties, terms, provisions or covenants of this Note, the Security Agreement, or any future promissory note, loan agreement, security agreement, pledge agreement, guaranty or other agreement or instrument representing indebtedness or financial obligation of Debtor to Secured Party (hereinafter collectively referred to as the "**Loan Documents**");

(b) a final judgment or judgments in any court or arbitration proceedings are entered against Maker after the date hereof aggregating greater than \$250,000.00;

(c) any material adverse change occurs with respect to the business, assets or financial condition of Maker, as determined in the sole discretion of Payee;

(d) (i) Maker files a voluntary petition in bankruptcy or a voluntary petition or any answer seeking reorganization, arrangement, readjustment of Maker's debts or for any other relief under the Federal bankruptcy code, or under any other existing or future federal or state insolvency act or law, (ii) the application by Maker for, or the appointment by consent or acquiescence of, a receiver or trustee of Maker or for all or a substantial part of Maker's property, or (iii) the making by Maker of an assignment for the benefit of creditors; or

(e) (i) the filing of any involuntary petition against Maker in bankruptcy or seeking reorganization, arrangement, or readjustment of Maker's debts or for any other relief under the Federal bankruptcy code, or under any other existing or future federal or state insolvency act or law, or (ii) the involuntary appointment of a receiver or trustee of Maker or for all or a substantial part of Maker's property, and a continuance of any such events for a period of thirty (30) days undismissed, unbonded or undischarged.

5. Upon the occurrence of any Event of Default under paragraph 4(a), (b),(c), Payee may, at Payee's option, declare the unpaid principal balance of, all accrued and unpaid interest on, and all other sums payable with regard to this Note to be immediately due and payable, and demand payment therefor, and may exercise any of Payee's rights and remedies for collection of this Note whether set forth herein or otherwise available under law.

6. Upon the occurrence of an Event of Default under paragraph 4(d) or (e), the unpaid principal balance of, all accrued, unpaid interest on, and all other sums payable with regard to, this Note shall automatically and immediately become due and payable, without any further action on the part of Payee.

7. Upon the occurrence and continuance of an Event of Default hereunder and the acceleration of all amounts due and payable hereunder as provided herein, Payee may also recover all costs of suit and other expenses in connection therewith, including reasonable attorneys' fees and costs, for collection of the total amount then due by Maker to Payee under this Note.

8. The remedies of Payee as provided herein and under applicable law shall be cumulative and concurrent, and may be pursued singly, successively, or together against Maker at the sole discretion of the Payee, and such remedies shall not be exhausted by any exercise thereof but may

be exercised as often as occasion therefor shall occur. Any failure of Payee to exercise any right hereunder at any time shall not be construed as a waiver of the right to exercise the same or any other right at any other time.

9. Maker waives presentment for payment, notice of dishonor and nonpayment, notice of protest, and protest of this Note, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note, and Maker agrees that Maker's liability shall be unconditional without regard to the liability of any other party and shall not be in any manner affected by any indulgence, extension of time, renewal, waiver or modification granted or consented to by Payee; and Maker consents to any and all extensions of time, renewals, waivers, or modifications that may be granted by Payee with respect to the payment or other provisions of this Note.

10. This Note may be assigned or pledged by Payee, without restriction. This Note may not be assigned by Maker without the prior written consent of Payee, which may be withheld for no reason or any reason whatsoever. The words "Payee" and "Maker" whenever occurring herein shall be deemed and construed to include the respective successors and assigns of Payee and the respective successors and permitted assigns of Maker. This instrument shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to principles of conflicts of laws.

11. In no event shall charges constituting interest exceed the rate permitted under any applicable law or regulation. If any provision of this Note is determined by a court of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions hereof, other than those to which it is held invalid or unenforceable, and this Note will be construed and enforced as if such invalid or unenforceable provisions had never been inserted.

IN WITNESS WHEREOF, Maker has executed this Note on the date and year first above written, WITH THE INTENT TO BE LEGALLY BOUND HEREBY.

COMPLETE BUSINESS SOLUTIONS GROUP INC.

By _____

Name: Joseph Cole

Title: CFO

Acknowledged and Agreed by Payee:

Name: []

CBSG Funding Analysis
January 2013 through February 2018

Month	Year	Number of				New AR	AR Total ¹	AR Change	Bad Debt ²	Bad Debt Exposure ³	Bad Debt Ratio ⁴	ACH Batch Total	ACH Deposit Average	ACH Return Total	Returns To Deposit %
		Advances	Funded	Avg Funding	Avg Factor										
JAN	2013	21	\$ 374,229.00	\$ 17,820.43	1.38	\$ 485,450.00	\$ 1,697,545.09	-	\$ 134,914.25	\$ 78,411.58	20.95%	\$ 13,415.48	\$ 13,415.48	\$ -	0.00%
FEB	2013	11	\$ 328,434.78	\$ 29,857.71	1.42	\$ 547,502.95	\$ 1,757,111.07	\$ 59,565.98	\$ 68,037.22	\$ 42,446.26	12.92%	\$ 278,262.66	\$ 14,645.40	\$ 22,949.39	8.25%
MAR	2013	22	\$ 520,500.00	\$ 23,659.09	1.39	\$ 735,866.72	\$ 2,028,649.15	\$ 281,538.08	\$ 20,929.21	\$ 8,719.21	1.68%	\$ 338,973.54	\$ 16,141.60	\$ 23,343.64	6.89%
APR	2013	17	\$ 559,000.00	\$ 32,882.35	1.38	\$ 791,310.81	\$ 2,260,569.43	\$ 221,920.28	\$ 15,000.00	\$ 15,000.00	2.68%	\$ 408,055.50	\$ 18,547.98	\$ 22,050.44	5.02%
MAY	2013	29	\$ 929,634.59	\$ 32,063.26	1.31	\$ 1,307,349.74	\$ 2,833,482.45	\$ 572,913.02	\$ 97,210.73	\$ 54,850.04	5.90%	\$ 463,218.34	\$ 21,055.38	\$ 11,208.59	2.42%
JUN	2013	40	\$ 1,413,151.53	\$ 35,328.79	1.36	\$ 1,911,769.19	\$ 3,353,209.83	\$ 519,727.38	\$ 119,148.34	\$ 76,106.83	5.39%	\$ 506,325.84	\$ 25,316.29	\$ 28,108.21	5.55%
JUL	2013	24	\$ 872,437.00	\$ 36,351.54	1.39	\$ 1,187,894.55	\$ 3,744,266.94	\$ 391,057.11	-	-	0.00%	\$ 699,516.39	\$ 31,796.20	\$ 31,691.90	4.53%
AUG	2013	39	\$ 2,009,503.45	\$ 51,525.73	1.39	\$ 2,684,126.30	\$ 4,875,248.45	\$ 1,130,981.51	\$ 322,206.80	\$ 68,578.46	3.42%	\$ 929,885.25	\$ 44,280.25	\$ 58,604.51	6.30%
SEP	2013	38	\$ 1,954,394.00	\$ 51,431.42	1.39	\$ 2,423,957.30	\$ 5,388,910.84	\$ 513,662.39	\$ 53,163.44	\$ 32,704.44	1.67%	\$ 933,747.25	\$ 46,687.37	\$ 48,545.91	5.20%
OCT	2013	40	\$ 1,269,460.87	\$ 31,736.52	1.36	\$ 2,112,490.49	\$ 5,648,199.28	\$ 259,288.44	\$ 185,395.23	\$ 32,378.45	2.55%	\$ 1,110,928.30	\$ 50,549.74	\$ 85,579.73	7.70%
NOV	2013	42	\$ 1,648,334.54	\$ 39,246.06	1.40	\$ 2,357,969.54	\$ 6,197,109.50	\$ 548,910.22	\$ 42,158.28	\$ 188.38	0.01%	\$ 1,004,181.74	\$ 50,209.09	\$ 87,990.95	8.76%
DEC	2013	36	\$ 1,977,327.54	\$ 54,925.77	1.37	\$ 2,517,276.88	\$ 6,669,269.41	\$ 472,159.91	\$ 204,802.00	\$ 92,812.86	4.69%	\$ 1,088,253.18	\$ 51,821.58	\$ 81,307.50	7.47%
JAN	2014	63	\$ 1,147,393.43	\$ 18,212.59	1.31	\$ 2,757,748.74	\$ 6,604,720.58	\$ (64,548.84)	-	-	0.00%	\$ 1,068,834.18	\$ 50,896.87	\$ 98,108.86	9.18%
FEB	2014	63	\$ 868,085.00	\$ 13,779.13	1.31	\$ 2,173,902.12	\$ 6,729,185.83	\$ 124,465.25	\$ 161,085.56	\$ 16,809.26	1.94%	\$ 913,806.04	\$ 45,690.30	\$ 64,892.65	7.10%
MAR	2014	91	\$ 1,263,625.25	\$ 13,886.00	1.30	\$ 1,987,342.12	\$ 6,984,143.55	\$ 234,957.52	\$ 93,095.00	\$ (94,697.62)	-7.49%	\$ 1,057,564.83	\$ 48,071.13	\$ 65,619.76	6.02%
APR	2014	73	\$ 1,326,791.00	\$ 18,175.22	1.32	\$ 2,658,160.36	\$ 7,326,089.73	\$ 341,946.38	\$ 28,300.00	\$ 24,373.79	1.84%	\$ 1,150,977.44	\$ 52,317.16	\$ 78,684.10	6.84%
MAY	2014	99	\$ 1,594,222.85	\$ 16,109.26	1.33	\$ 2,500,383.87	\$ 7,956,375.00	\$ 630,285.27	-	-	0.00%	\$ 1,208,653.67	\$ 57,594.94	\$ 69,714.40	5.77%
JUN	2014	97	\$ 1,522,151.91	\$ 15,692.29	1.32	\$ 2,878,399.08	\$ 8,664,591.74	\$ 708,216.74	\$ 12,150.00	\$ 12,715.00	0.84%	\$ 1,266,345.55	\$ 60,302.17	\$ 101,195.18	7.99%
JUL	2014	110	\$ 1,778,297.37	\$ 16,166.34	1.32	\$ 3,201,435.31	\$ 9,403,755.86	\$ 739,164.13	\$ 306,013.36	\$ 41,125.67	2.31%	\$ 1,436,866.51	\$ 63,312.11	\$ 100,318.25	6.98%
AUG	2014	83	\$ 1,636,470.50	\$ 19,716.51	1.32	\$ 3,270,797.74	\$ 9,715,743.97	\$ 311,988.10	\$ 181,746.26	\$ 78,696.00	4.81%	\$ 1,483,896.94	\$ 70,623.33	\$ 111,829.76	7.54%
SEP	2014	90	\$ 1,438,748.20	\$ 15,986.09	1.31	\$ 2,871,966.08	\$ 9,728,344.08	\$ 12,600.11	\$ 16,002.80	\$ 7,853.80	0.55%	\$ 1,376,262.23	\$ 65,536.30	\$ 119,834.63	8.71%
OCT	2014	103	\$ 1,890,949.77	\$ 18,358.74	1.31	\$ 2,969,788.46	\$ 10,334,386.97	\$ 606,042.89	\$ 109,665.23	\$ 7,681.83	0.41%	\$ 1,433,250.85	\$ 65,147.77	\$ 89,878.42	6.27%
NOV	2014	64	\$ 1,037,000.00	\$ 16,203.17	1.29	\$ 1,968,675.13	\$ 10,294,109.05	\$ (40,277.92)	\$ 80,406.80	\$ 54,613.80	5.27%	\$ 1,104,306.64	\$ 61,350.37	\$ 90,621.57	8.21%
DEC	2014	43	\$ 1,428,949.00	\$ 33,231.37	1.33	\$ 2,714,250.32	\$ 10,072,284.06	\$ (221,824.99)	\$ 634,069.61	\$ 182,775.86	12.79%	\$ 1,400,944.60	\$ 63,679.30	\$ 84,382.17	6.02%
JAN	2015	31	\$ 1,448,181.00	\$ 46,715.52	1.36	\$ 2,734,569.20	\$ 10,300,887.24	\$ 228,603.18	\$ 23,309.94	\$ (35,927.13)	-2.55%	\$ 1,318,679.68	\$ 62,794.05	\$ 110,991.95	8.42%
FEB	2015	38	\$ 1,323,857.00	\$ 34,838.34	1.38	\$ 2,171,453.83	\$ 10,665,700.97	\$ 364,813.73	\$ 10,083.44	\$ (5,284.56)	-0.40%	\$ 1,229,079.02	\$ 61,453.95	\$ 59,808.14	4.87%
MAR	2015	56	\$ 1,961,319.15	\$ 35,023.56	1.38	\$ 3,678,882.06	\$ 13,319,713.33	\$ 654,012.36	\$ 112,647.70	\$ (29,267.49)	-1.49%	\$ 1,506,121.00	\$ 62,483.86	\$ 40,448.16	2.69%
APR	2015	68	\$ 2,172,434.26	\$ 31,947.56	1.40	\$ 4,135,156.19	\$ 12,598,897.06	\$ 1,279,183.73	\$ 18,359.36	\$ (105,353.82)	-4.85%	\$ 1,805,138.32	\$ 75,214.10	\$ 30,710.39	1.70%
MAY	2015	59	\$ 2,590,016.72	\$ 43,898.59	1.37	\$ 4,295,252.35	\$ 13,501,401.10	\$ 902,504.04	\$ 25,618.15	\$ (83,040.34)	-3.21%	\$ 1,866,591.34	\$ 87,456.73	\$ 66,797.69	3.64%
JUN	2015	58	\$ 2,134,801.50	\$ 36,806.92	1.36	\$ 3,474,015.68	\$ 14,675,871.32	\$ 1,174,470.22	-	-	0.00%	\$ 2,434,643.69	\$ 105,854.07	\$ 87,513.95	3.59%
JUL	2015	63	\$ 2,891,357.82	\$ 45,894.57	1.38	\$ 4,993,519.57	\$ 15,812,514.47	\$ 1,136,643.15	\$ 97,728.56	\$ (139,335.84)	-4.82%	\$ 2,662,620.07	\$ 110,942.50	\$ 98,130.69	3.69%
AUG	2015	51	\$ 2,423,848.20	\$ 47,526.44	1.37	\$ 4,049,577.44	\$ 16,109,272.85	\$ 296,758.37	\$ 7,152.84	\$ (29,611.78)	-1.22%	\$ 2,405,935.02	\$ 109,360.68	\$ 110,768.94	4.60%
SEP	2015	68	\$ 2,887,711.37	\$ 42,466.34	1.36	\$ 4,578,891.57	\$ 16,852,089.00	\$ 742,816.15	\$ 11,777.41	\$ (349.68)	-0.01%	\$ 2,440,848.28	\$ 114,802.30	\$ 76,141.56	3.16%
OCT	2015	67	\$ 3,085,121.41	\$ 46,046.59	1.34	\$ 5,274,065.96	\$ 18,338,305.84	\$ 1,486,216.84	\$ 76,796.62	\$ 6,029.94	0.20%	\$ 2,522,103.46	\$ 120,100.16	\$ 101,221.32	4.01%
NOV	2015	67	\$ 2,566,709.24	\$ 38,309.09	1.37	\$ 4,760,354.32	\$ 19,455,150.99	\$ 1,096,845.15	\$ 21,275.04	\$ 11,657.04	0.45%	\$ 2,255,768.86	\$ 118,724.68	\$ 116,496.43	5.16%
DEC	2015	81	\$ 3,533,017.81	\$ 43,617.50	1.34	\$ 6,170,748.72	\$ 17,985,706.27	\$ (1,449,444.72)	\$ 2,655,086.56	\$ 257,742.27	7.30%	\$ 2,860,882.36	\$ 130,040.11	\$ 94,853.21	3.31%
JAN	2016	81	\$ 3,628,192.23	\$ 44,792.50	1.36	\$ 6,976,300.77	\$ 20,672,772.41	\$ 2,687,066.14	\$ 177,837.58	\$ (86,475.22)	-2.38%	\$ 2,716,950.57	\$ 142,997.40	\$ 81,265.05	2.99%
FEB	2016	70	\$ 4,037,132.46	\$ 57,673.32	1.36	\$ 7,250,029.78	\$ 22,787,674.34	\$ 2,114,901.39	\$ 446,820.26	\$ 11,965.55	0.30%	\$ 3,075,275.28	\$ 153,763.91	\$ 67,578.10	2.20%
MAR	2016	85	\$ 4,318,943.17	\$ 50,811.10	1.36	\$ 8,550,710.90	\$ 24,927,113.29	\$ 2,139,438.95	\$ 119,240.54	\$ (125,430.28)	-2.50%	\$ 3,945,773.36	\$ 171,555.36	\$ 118,057.44	2.99%
APR	2016	87	\$ 4,601,081.74	\$ 52,886.00	1.36	\$ 8,585,788.38	\$ 27,265,630.96	\$ 2,338,517.67	\$ 387,333.29	\$ (208,945.37)	-4.54%	\$ 3,605,328.93	\$ 171,682.33	\$ 132,731.28	3.68%
MAY	2016	96	\$ 4,914,104.45	\$ 51,188.59	1.35	\$ 9,466,969.18	\$ 27,970,306.58	\$ 704,675.62	\$ 1,365,798.09	\$ (97,478.59)	-1.98%	\$ 3,934,368.90	\$ 187,350.90	\$ 159,482.13	4.05%
JUN	2016	91	\$ 5,943,026.39	\$ 60,912.38	1.35	\$ 9,702,300.30	\$ 30,333,472.89	\$ 2,363,166.31	\$ 673,921.27	\$ 101,760.78	1.84%	\$ 4,267,890.84	\$ 193,995.04	\$ 122,226.70	2.86%
JUL	2016	93	\$ 5,026,880.97	\$ 54,052.43	1.37	\$ 9,882,883.17	\$ 32,816,010.41	\$ 2,482,537.52	\$ 160,308.50	\$ 50,503.74	1.00%	\$ 4,241,911.73	\$ 212,095.59	\$ 195,635.98	4.61%
AUG	2016	106	\$ 5,302,823.74	\$ 50,026.64	1.38	\$ 12,025,820.51	\$ 35,441,890.68	\$ 2,625,880.27	\$ 370,118.50	\$ 12,439.46	0.23%	\$ 5,262,175.41	\$ 228,790.24	\$ 141,849.16	2.70%
SEP	2016	120	\$ 6,798,741.98	\$ 56,656.18	1.41	\$ 11,913,916.32	\$ 39,633,260.75	\$ 4,191,370.07	\$ 360,638.72	\$ 65,273.17	0.96%	\$ 5,190,865.85	\$ 247,184.09	\$ 184,670.99	3.56%
OCT	2016	104	\$ 6,622,722.07	\$ 63,680.02	1.38	\$ 15,483,262.41	\$ 43,617,710.37	\$ 3,984,449.62	\$ 282,400.59	\$ 103,353.06	1.56%	\$ 5,438,333.56	\$ 271,926.68	\$ 201,239.67	3.70%
NOV	2016	109	\$ 9,495,706.35	\$ 87,116.57	1.38	\$ 17,083,041.65	\$ 50,213,209.48	\$ 6,595,499.11	\$ 471,231.24	\$ 147,250.13	1.55%	\$ 6,051,134.10	\$ 302,556.71	\$ 181,567.91	3.00%
DEC	2016	117	\$ 12,398,334.28	\$ 105,968.67	1.39	\$ 21,362,010.67	\$ 59,985,997.36	\$ 9,773,787.88	\$ 593,942.40	\$ 235,855.45	1.90%	\$ 7,213,052.29	\$ 343,478.68	\$ 209,624.00	2.91%
JAN	2017	134	\$ 10,800,498.25	\$ 80,600.73	1.38	\$ 21,694,463.61	\$ 66,272,275.48	\$ 6,285,278.12	\$ 566,876.18	\$ 211,139.52	1.95%	\$ 7,613,348.99	\$ 380,667.45	\$ 224,304.05	2.95%
FEB	2017	128	\$ 12,525,612.73	\$ 97,856.35	1.38	\$ 23,449,636.08	\$ 76,111,307.21	\$ 9,839,031.73	\$ 949,652.32	\$ 578,047.94	4.61%	\$ 8,106,842.88	\$ 426,675.94	\$ 408,937.62	5.04%
MAR	2017	142	\$ 12,587,815.09	\$ 88,646.59	1.38	\$ 25,891,272.89	\$ 82,055,875.55	\$ 5,944,566.34	\$ 849,319.92	\$ 162,840.04	1.29%	\$ 10,016,639.61	\$ 435,506.07	\$ 489,160.08	4.88%
APR	2017	121	\$ 12,339,017.86	\$ 101,975.35	1.41	\$ 21,464,602.65	\$ 88,641,541.41	\$ 6,585,667.86	\$ 636,990.71	\$ 127,027.44	1.03%	\$ 8,565,932.18	\$ 428,296.61	\$ 486,065.21	5.67%
MAY	2017	148	\$ 10,410,320.81	\$ 70,340.01	1.41	\$ 22,569,822.72	\$ 95,081,121.23	\$ 6,435,579.82	\$ 400,428.98	\$ 85,203.53	0.82%	\$ 9,528,831.48	\$ 433,128.70	\$ 276,663.61	2.90%
JUN	2017	189	\$ 13,965,563.34	\$ 73,891.87	1.40	\$ 24,603,899.84	\$ 102,543,144.40	\$ 7,462,023.17	\$ 442,988.22	\$ (24,499.92)	-0.18%	\$ 10,176,925.07	\$ 462,587.50	\$ 365,762.18	3.59%
JUL	2017	179	\$ 16,881,384.75	\$ 94,309.41	1.42	\$ 27,661,587.66	\$ 117,177,051.49	\$ 14,633,907.09	\$ 404,711.86	\$ 122,104.18	0.72%	\$ 10,019,246.68	\$ 500,669.33		

VI. Accounts Receivable

D. Collections

Policy:

- I. The Collections Manager shall be responsible for monitoring the timely collection of accounts receivable balances.

Procedures:

- I. The Collections Manager will coordinate with the Accounting Manager in updating the Daily Deposit Log report which reflects the current day balances for all clients and status under collections.
1. An aged Accounts Receivable Report will be prepared and distributed to the Director by the end of each business day.
 2. The Financial Controller will prepare a returned payment report and distribute via email after review by the CFO to the collections and accounting departments.
 3. The Collections Manager and the Accounting Manager will review the report and determine those receivable balances which should be collected on during the start of each day.
 4. The following procedures will be followed for all clients with delinquent balances of 5 business days or more:
 - a.) The Collections Department will send reminder letters to the delinquent clients, as discussed with the Accounting Department.
 - b.) Client responses to the notice of delinquency will be brought to the Collection Manager's attention, including reasons for delinquency and payment commitments obtained.
 - c.) Disposition will be provided each day by 5p to the Accounting Department by the Collections Manager to determine whether payments should be processed.
 - d.) The CFO and Accounting Manager will review the disposition provided and schedule payments accordingly for clients with delinquencies.

- e.) Any Clients with continuing delinquencies in excess of 5 business days will be considered in Default status and forwarded over to the Legal Department for review and follow up.

5. The Accounting Manager will note the affiliate Fund's commitment date and amount. If the affiliate Fund does not uphold the payment commitment or if there are any material discrepancies in the payment amount, the affiliate Fund will be telephoned in an attempt to resolve the matter. All problems experienced will immediately be reported to the Director for resolution.

6. The Collections Manager will report any major problems with receivable collections to the Accounting Manager, CFO, and General Counsel. They may also forward delinquent Clients to third party collections companies for retrieval of Accounts Receivable balances.

7. Clients in Default Status will be contacted by General Counsel and the Legal Department to negotiate and determine the best course of action for retrievable of Accounts Receivable balances. They may utilize any and all collections procedures as outlined by the Factoring Agreement executed by the Client.

E. Write Off & Factoring Losses

Policy:

- I. The CFO and Collections Manager shall be responsible for reviewing and determining which clients under Default status shall be written off as part of company policy within 5 business days after each month being applied against Factoring Loss Reserve liability accrued.
- II. Factoring Losses for the company will be determined based on precedent losses the company realizes within a 24-month period, reviewed at the end of each fiscal period, and accrual of losses will be based on a percentage of total Accounts Receivable balances at the end of each month proportionate to prior losses as detailed under company policy.

Procedures:

- I. The CFO will confirm with the Accounting Manager each month for the accruals to book as well as write offs to apply against Client Accounts Receivable balances.
1. At the end of each fiscal year, the CFO and Financial Controller will review factoring losses realized for the past 24-month period and determine the percentage of monthly factoring loss accrual based on the average for the past 24-month period.

2. A journal entry to debit Factoring Loss liability reserve and credit to Factoring Loss expense will be booked by the Accounting Department within 5 business days of each month end based on the percentage determined at the end of each fiscal year.
3. The Accounting Manager will review with the CFO all clients which have paid less than 2.0% of current balances within the last 6-week period. These client's balances will be written off Accounts Receivable and applied against the Factoring Loss liability reserve.
4. For the sake of reporting, at the end of each month, clients which have less than 5.0% of payments in arrears based on the terms of their factoring agreement will be considered Performing. Clients which have made payments but have more than 5.0% of their balances in arrears and have made more than 5% of their monthly balance in payments will be considered Underperforming. Clients who are not making payments but have not yet exceeded a period of six weeks of paying less than 2.0% of current balances will be considered Non-Performing.
5. The Accounting Manager will coordinate with the Accounting Department on preparation of Client Performance and Write Offs within 5 business days of each month to prepare a report detailing Factoring Losses for the month and the performance of client's Accounts Receivable balances.

Independent Accountant's Report on Applying Agreed Upon Procedures

To the Management of Complete Business Solutions Group, Inc. dba Par Funding:

We have performed the procedures enumerated below, which were agreed to by the management of Complete Business Solutions Group, Inc. (CBSG) dba Par Funding, solely to assist you in evaluating the accompanying *CBSG Funding Analysis* for the years 2013, 2014, and 2015. CBSG's management is responsible for the preparation of the *CBSG Funding Analysis*. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the *American Institute of Certified Public Accountants*. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The Procedures and the associated findings are as follows:

Population and Sample

CBSG provided us with the *Funding Analysis* for the years 2013, 2014, and 2015 and the detail of all of the funding engagements for those years. The population consisted of the contracts during the thirty six month period and the sample size was 53 individual contracts. The individual contracts were selected at random by the accounting firm Rod Ermel Associates, Inc.

Procedures

We performed the following:

- Traced the transferred outbound funds from CBSG's bank statements
- Agreed the amounts of the transfers with the amounts in the contracts
- Verified a sample of payments made to CBSG from those funded
- Computed the actual factor for the advances in the sample
- Verified a sample of the ACH batch totals deposited

Findings

Outbound Funds

All advances in the sample were found to be funded through CBSG.

Amount of Transferred Funds

All outbound transfers in the sample were in the amount stated in the contract.

Payments to CBSG

Payments were received by CBSG on all advances that were in the sample.

Calculated Factor

Only one exception was found in the calculation of the factor. It was caused by an administrative data entry error and was .01 lower than reported on the detail of the *Funding Analysis*. It had no impact on the average factor of the *Funding Analysis*.

ACH Batch Totals

A sample of the ACH batch totals was totaled. The amounts calculated were consistent with the amounts reported.

Conclusion

Based on our procedures, we did not discover anything that would affect the accuracy of the *CBSG Funding Analysis*.

We were not engaged to and did not conduct an audit or any other examination, the objective of which would be the expression of an opinion on the accompanying *CBSG Funding Analysis*. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report is intended solely for the information and use of the management of CBSG.

Rod Ermel Associates, Inc.

January 27, 2016

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 20-cv-81205-RAR

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

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

Defendant.

_____ /

VOLUME I

DEPOSITION OF JAMES KLENK

TAKEN ON BEHALF OF THE DEFENDANT

JULY 26, 2021
9:30 A.M. TO 6:55 P.M.

ALL PARTIES APPEARED REMOTELY
PURSUANT TO
FLORIDA SUPREME COURT ORDER AOSC20-23

REPORTED BY:
GABRIELA ARGENAL, COURT REPORTER
NOTARY PUBLIC, STATE OF FLORIDA

EXHIBIT 18



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<p style="text-align: right;">6</p> <p>1 was called as a witness, and after having been first 2 duly sworn, testified as follows: 3 DIRECT EXAMINATION 4 BY MR. FUTERFAS: 5 Q Mr. Klenk, good morning. Thank you for -- 6 A Good morning. 7 Q -- joining us this morning. My name is Alan 8 Futerfas. I'm the Lawyer for Lisa McElhone and I'll be 9 asking you some questions today. 10 If there's at any point, you don't understand 11 a question that I ask, please feel free to communicate 12 that to me and ask me to rephrase it, you know, that 13 sort of thing. 14 We're striving for, you know, clarity here, 15 and again, if there's anything -- if there's any -- 16 anything else that you don't understand, you either -- 17 obviously, you have Counsel next to you or you could ask 18 me to rephrase the question or something like that. You 19 understand all that? 20 A Yes, sir. 21 Q Okay. Thank you. So, I just want to start 22 with you -- what's your educational background? 23 A I have a BBA from Temple University and I'm a 24 CPA. 25 Q And when did you graduate that university?</p>	<p style="text-align: right;">8</p> <p>1 in Corporation Service Company until September of 2008. 2 From there, I left and went to a company called Numoda 3 and I was a Manager there of clinical project 4 accountants for two years -- for a year and a half, 5 excuse me. 6 After working in Numoda, I went to work for a 7 company called Elsevier as a business controller on a 8 contract position. I worked there from roughly February 9 of 2011 through November 2011. 10 I left that company to become the controller 11 at a company called General Flange & Forge from November 12 2011 through February of -- excuse me, December of 2014 13 and from General Flange -- excuse me, from General 14 Flange & Forge with a company called CompuData. 15 I worked at CompuData until February of 2018 16 as their business controller and I came on to work for 17 Full Spectrum Processing in February of '18 as 18 controller there and been working since. 19 Q Okay. So, what was you -- when you came on 20 to, were you hired by CBSG or you were hired by Full 21 Spectrum Processing? 22 A I was hired by Full Spectrum Processing. 23 Q Okay. And what was your -- you might have 24 given -- what was your official title there? 25 A I was the financial controller.</p>
<p style="text-align: right;">7</p> <p>1 A Graduated from Temple May of 1989. 2 Q Okay. And did you go directly into your CPA 3 studies? 4 A Meaning did I study for the CPA exam then? 5 Q Yes? 6 A Yes. 7 Q Okay. And once you got your CPA, what was, 8 just give me -- give us a brief sketch of your 9 employment till you got to CBSG? 10 A Sure. No problem. I worked for seven years 11 in public accounting for a company in Huntington Valley, 12 Pennsylvania. 13 I started there as a staff accountant maybe 14 all the way up to senior accountant. Worked on both 15 personal, corporate, individual taxes, lower financials, 16 audit, compilation and reviews. 17 I left public accounting roughly in November - 18 - October, November of 1997 to work for a startup 19 company in Delaware. That startup company I worked 20 there until December of 1999 and I left that company to 21 work at a company called Corporation Service Company. 22 Q And -- go ahead. 23 A That's fine. I started Corporation Service 24 Company as a senior accountant and after a year was -- I 25 was promoted to Manager of business analysis. I stayed</p>	<p style="text-align: right;">9</p> <p>1 Q And give us an idea of just what were your 2 duties and responsibilities there? 3 A When it first started or currently? 4 MR. ALFANO: We're not going to talk about 5 currently, it's post receivership -- 6 THE WITNESS: Okay. 7 MR. FUTERFAS: Yeah. 8 MR. ALFANO: -- so, we can talk up until July 9 of 2020. 10 Q (By Mr. Futerfas) Yeah, just take as sort of 11 give us a kind of when you started at FSP in February of 12 2018, what did you do, if your duties or 13 responsibilities evolved in any way. Just give us a 14 description, if you don't mind up until July 30th -- 15 July 28th, let's say of 2020? 16 A Sure. No problem. When I first came on 17 board, my first official duties were to get the CBSG and 18 some of the other MCA companies GAAP compliant, which is 19 Generally Accepted Accounting Principles. 20 The companies we're working off of a modified 21 cash basis where they had accounts receivable, but they 22 didn't defer any revenue for any of their current jobs. 23 They didn't defer any acquisition costs. 24 They weren't really accruing for expenses that 25 the purpose of me getting into GAAP compliant was to</p>

<p style="text-align: right;">34</p> <p>1 financial statements are done and as well they're 2 generally accepted accounting principles so doing the 3 same standards, everyone's looking the same type of 4 thing. 5 Q Okay. And -- 6 A It was consistent. 7 Q I'm sorry. Say that, again? 8 A Consistent. It's a consistent set of rules, 9 consistent set of rules that financial statements are 10 put together. 11 So, if you look at an order for GM versus 12 CBSG, they were put together in the same way, the same 13 type of information was looked at. 14 Q Okay. And what is an auditing firm, how do 15 they verify information? How do they get information? 16 How do they make sure that what they're seeing is 17 accurate? 18 MR. ALFANO: Object to the form of the 19 question. There's three of them in there. 20 Q (By Mr. Futerfas) You may answer. 21 A CPA firm, what they do is they come up -- they 22 create -- they look at a company, they come open audit 23 program and the audit program is designed to verify 24 estimates and other numbers that are on the books, 25 actual numbers and estimates.</p>	<p style="text-align: right;">36</p> <p>1 look at the deals. 2 They do -- so, I pulled the deals for them, 3 they looked at them. They also asked for addresses of 4 different firms that we had accounts receivable for and 5 they reached out confirmations to them to confirm that 6 the balances were what they said they were, what we said 7 they were in the books. 8 As I said, they also did the same thing. 9 Q Did they look at your QuickBooks or financial 10 statements of the company? 11 MS. BERLIN: Objection -- excuse me. 12 Objection. Lack of foundation and seeks -- it 13 calls for speculation and hearsay. 14 A They looked at our QuickBooks. 15 Q (By Mr. Futerfas) You may answer, Mr. Klenk? 16 A They took a copy of our QuickBooks and 17 downloaded the general ledger. 18 Q Okay. And do you know if they also looked at 19 bank statements, like, third party bank statements? 20 A They tested our bank confirmations. Correct. 21 They looked at bank statements and they confirmed that 22 we do reconciliations. 23 Q By the way, just off topic for one second. 24 Were you aware that the Ermel firm had a portal -- a 25 live portal into the records of CBSG?</p>
<p style="text-align: right;">35</p> <p>1 Q And -- 2 A So, they try and do -- they do samples. 3 Q Okay. Did Friedman seek documents -- did the 4 Friedman firm seek documents from CBSG? 5 MS. BERLIN: Objection. Hearsay and lack of 6 foundation. 7 Q (By Mr. Futerfas) You may answer. 8 A I don't understand the question. 9 Q I'm sorry. 10 A What type of documents you're referring to? 11 Q Well, they certainly sought different kinds of 12 documents to do their audit. Right? 13 A Correct. 14 Q So, why -- can you tell us -- you're the 15 Witness, tell us what kind of documents did they seek to 16 conduct their audit? 17 MS. BERLIN: Objection. Calls -- 18 MR. ALFANO: Objection to form. He's already 19 testified to that. 20 A As I'm saying I provided -- 21 MS. BERLIN: Objection. Calls for hearsay. 22 Q (By Mr. Futerfas) Go ahead. You may answer, 23 Mr. Klenk? 24 A As already mentioned, they had asked for 25 certain accounts receivable bills, they wanted to take a</p>	<p style="text-align: right;">37</p> <p>1 MR. ALFANO: I'm going to object to the form. 2 At what time? 3 MR. FUTERFAS: At any time. 4 A Rod Ermel Associates, we went on a platform 5 called Right Networks and I believe it was roughly 6 August, September timeframe of 2018 and all of our 7 QuickBooks data were moved on to that portal and Rod 8 Ermel Associates did have access to that portal. 9 Q (By Mr. Futerfas) Okay. And do you know how 10 often they would utilize that portal to look at the 11 books and records of CBSG? 12 A I don't have access to their logins, no. I 13 can't tell you, but I know that they use them for tax 14 return purposes and also they reviewed a lot -- they 15 interviewed a lot of the property information I know 16 because I would get calls from Ken Bacon asking if the 17 information was up to date. 18 Q Okay. Going back -- thank you. Going back to 19 the treatment audit, let me show you, see if this works, 20 a document called the -- so we've called the Friedman 21 Audit Worksheet identified as CBSG receiver native 22 000463485 and we find out what exhibit number we're 23 going to put on this? 24 MR. FLOCH: You see that? 25 MR. ALFANO: I can't see it. No. Alan, we're</p>

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<p style="text-align: right;">98</p> <p>1 the course of three meetings attended by dozens of 2 people over the course of three meetings that lasted an 3 hour each, your testimony is today, you don't recall any 4 communications whatsoever about the profitability of the 5 merchant portfolio in 2018 or 2019 of CBSG? 6 MS. BERLIN: Objection, asked and answered. 7 MR. ALFANO: Same objection. Asked and 8 answered. 9 A I think I've already answered it three or four 10 times to you. 11 Q (By Mr. Futerfas) So, the answer is -- 12 A My answer has not -- my answer hasn't changed. 13 That no, they didn't talk about profitability when it 14 came down to it. 15 Q (By Mr. Futerfas) In this e-mail, the middle 16 of this e-mail, that's in front of you Exhibit 35, there 17 it says from Mr. Cole to Ben Porter that was almost -- 18 MR. ALFANO: I'm sorry, Alan. May we ask if 19 you could expand that slightly on the screen? 20 MR. FUTERFAS: Yeah. Can we make it bigger? 21 MR. ALFANO: Yes. Right at the bottom, yeah. 22 MR. FUTERFAS: There you go, right there. 23 MR. ALFANO: Thank you. 24 MR. FUTERFAS: Is that better? 25 MR. ALFANO: That's like, okay.</p>	<p style="text-align: right;">100</p> <p>1 Q Okay. 2 A Whether he shared with investors or not, I 3 have no idea. But it showed a history of the company 4 month by month, the deals -- number of deals done, the 5 average return on a deal. 6 It also gave a default number on there, and 7 rolling AR and collections. 8 Q Okay. And do you know where the data came 9 from to populate the funding analysis? 10 A The number of deals would come from the daily 11 deposit log, which was an AR Roll Forward. We also kept 12 the tab on there for a history of number of deals done. 13 Q Okay. And what about the other numbers such 14 as wire totals, funded totals, factoring losses, funding 15 exposure. Do you know where those numbers came from? 16 A They came from a multitude of areas. I can 17 break down each one if you like. 18 Q Sure. So, if we go to -- let's say, if we 19 talk about wire total, where would that number come 20 from? 21 A The wire total would have come from a daily 22 deposit log on the funding tab of the amount of wire, 23 the wires that were supposed to go out the door. 24 Q Okay. And then there was a column called 25 funding total. Where would that -- where would those</p>
<p style="text-align: right;">99</p> <p>1 Q (By Mr. Futerfas) So, in the middle of that e- 2 mail, it says, "Hi, Ben," on the second line, "I have -- 3 also have our most current KPI report attached to detail 4 the current metrics of the business." 5 Do you see that? 6 A Yes, I see it. 7 Q What is a KPI report? 8 A KPI reports were indicators of the company 9 itself. Joe Cole did his own KPI's. 10 Q Okay. Did you ever look -- you're the 11 financial controller of this business. Did you ever see 12 a KPI? 13 A For the business itself, I have seen certain 14 documents that had indicators on it, yes. 15 Q Well, let's break that down. I saw certain 16 documents that had indicators on it. 17 Did you ever see the KPI reports that were 18 sent out to note holders? 19 A To note holders? No. 20 Q So, did you ever see a document called a 21 funding analysis? 22 A I did see the funding analysis, yes. 23 Q Okay. So, and could you describe a funding 24 analysis? 25 A Funding analysis is put together by Mr. Cole.</p>	<p style="text-align: right;">101</p> <p>1 numbers come from? 2 A Again, daily deposit log. 3 Q Okay. Then there was a column called new AR. 4 Where would those numbers come from? 5 A Daily deposit log. 6 Q Okay. What is AR? 7 A Account receivable. 8 Q Okay. And there was a column called AR total. 9 Where is that -- where do those numbers come from? 10 A That would have come from our daily deposit 11 log and it should tie back to QuickBooks or -- 12 Q Okay. 13 A -- book of records. 14 Q And then there was a column called factoring 15 losses. Where do those numbers come from? 16 A That would have come from QuickBooks and also 17 the daily deposit log. 18 Q All right. And then there was a category, a 19 column called funding exposure. Where would those 20 numbers have come from? 21 A The exposure would have been -- was a manual 22 calculation that was done on each customer. They kept 23 the total that also in the daily deposit log of the 24 exposure number. 25 Q Okay. And then there was a category called</p>

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<p style="text-align: right;">162</p> <p>1 methodology should be?</p> <p>2 A No. There is no back and forth on that.</p> <p>3 Q Okay. All right. And so, if I ask you if you</p> <p>4 agreed with their methodology, would your answer be "I</p> <p>5 don't know," because they didn't present a methodology</p> <p>6 to me yet?</p> <p>7 A Correct.</p> <p>8 Q Okay. This audit, where was -- as of July</p> <p>9 1st, 2020, have you heard of something called Quality</p> <p>10 Control?</p> <p>11 A Yes.</p> <p>12 Q What is the -- what is the quality control</p> <p>13 part of the process in an audit?</p> <p>14 A Each accounting firm is different, but quality</p> <p>15 control they submit their work papers to be reviewed</p> <p>16 internally.</p> <p>17 Q Okay. Is that a kind of a more of a tail end</p> <p>18 step or is that a beginning step?</p> <p>19 MS. BERLIN: Objection, lack of foundation.</p> <p>20 A It normally happens near the end of an audit.</p> <p>21 You can still have a good bit of time before the end of</p> <p>22 the audit, but it typically happens near the end.</p> <p>23 Q (By Mr. Futerfas) Okay. Let me see. Oh, let</p> <p>24 me then show you -- I'm going to take this document off.</p> <p>25 And I'm going to show you Exhibit 44, which is described</p>	<p style="text-align: right;">164</p> <p>1 accounts. And actually, let me back up there. I</p> <p>2 created this in -- it would have been April 2019. I'm</p> <p>3 sorry.</p> <p>4 Q Okay.</p> <p>5 A And we were looking at the history of actual</p> <p>6 factoring losses, what the write offs were and the</p> <p>7 amounts funded on the funding total for each month. And</p> <p>8 trying to come up with a ballpark percentage of what our</p> <p>9 allowance needed to be or in that area.</p> <p>10 Q I see. So, you -- and again, I'm going to use</p> <p>11 layman's terms and correct me if I'm wrong. But we</p> <p>12 looked at a funding analysis before, right? That had</p> <p>13 all these categories across the top.</p> <p>14 And I guess what were you -- were you trying</p> <p>15 to express a question in non-accounting terms of what</p> <p>16 you were trying to accomplish. But if this were</p> <p>17 withdrawn, let me start at another place.</p> <p>18 This document obviously looks like the</p> <p>19 document that we saw an hour ago or so of a funding</p> <p>20 analysis, right?</p> <p>21 A I think this one actually cuts off. Yeah,</p> <p>22 this was as of March.</p> <p>23 Q Okay.</p> <p>24 A Yeah, I don't think it's the same columns that</p> <p>25 we used.</p>
<p style="text-align: right;">163</p> <p>1 as the CLA Funding Analysis.</p> <p>2 Now, this document, Mr. Klenk, which is an</p> <p>3 Excel spreadsheet, I'm not sure if you can determine it.</p> <p>4 It might be 900 pages long. I'm not sure. But it's</p> <p>5 getting close to a 1000 pages.</p> <p>6 In any event, did you understand that CLA</p> <p>7 verified the various funding analysis reports that CBSG</p> <p>8 had prepared?</p> <p>9 A My understanding they didn't verify anything.</p> <p>10 This was a document --</p> <p>11 MS. BERLIN: Object.</p> <p>12 A --I create.</p> <p>13 Q (By Mr. Futerfas) Sorry. Say that again?</p> <p>14 A I wasn't aware of them verifying anything.</p> <p>15 This is document I created.</p> <p>16 Q You send this document to CLA?</p> <p>17 A Correct. I created this.</p> <p>18 Q Okay. And what did you -- when you -- when</p> <p>19 did you create this document?</p> <p>20 A My recollection would be sometime in late</p> <p>21 2019, beginning of 2020.</p> <p>22 Q And what did you draw upon to create this</p> <p>23 document? It's a pretty substantial document.</p> <p>24 A This document itself what we're trying to do</p> <p>25 is come up with an estimate for allowance for doubtful</p>	<p style="text-align: right;">165</p> <p>1 Q Well, some of the columns are different. But</p> <p>2 some of the columns are the same. There's a funding</p> <p>3 exposure column. There's an ACH total payment column.</p> <p>4 There's an AR charge payment column. There's a</p> <p>5 factoring losses column, right? There are columns like</p> <p>6 that on this document, right?</p> <p>7 A Correct.</p> <p>8 Q So, in this massive spreadsheet, were you --</p> <p>9 what were you trying to accomplish by sending this</p> <p>10 message spreadsheet to CLA?</p> <p>11 A I think it's been asked and answered, but I'll</p> <p>12 try it again.</p> <p>13 That 10.4% that you're seeing in the one</p> <p>14 column between factoring losses and funding exposure,</p> <p>15 that was just a ballpark estimate of where we need to</p> <p>16 have our allowance for doubtful accounts at the end of</p> <p>17 2018.</p> <p>18 Q I see. And two columns over it says, "Funding</p> <p>19 exposure, exposure ratio," I think it says. I don't</p> <p>20 know if you can expand. It looks like 1.3%. You see</p> <p>21 that number?</p> <p>22 A Yes.</p> <p>23 Q Okay. Is that a number that you derive from</p> <p>24 the books or records of the company?</p> <p>25 A That's not a number from me. That was a</p>

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166	<p>1 number off of the funding analysis form, which I took to 2 do my limited analysis. 3 Q Okay. But the backup, there's a backup here 4 for every month. The -- what is the backup. There are 5 hundreds of pages of backup here. What is that backup? 6 A I haven't seen the backup. I'm only looking 7 at this one sheet. 8 Q Didn't we send -- oh, can you open the Excel 9 file that we sent you? The actual file, the Excel file 10 we sent you is Exhibit 44. 11 A Okay. I -- that was my question earlier, 12 whether you wanted us to print all of that. Now you 13 want us to -- 14 Q I think we can -- I can only have a question 15 or two with them. That's all on this. 16 A Do you want to open it up and put on the 17 screen? I can take a look. 18 Q Is there a way to scroll through the -- what 19 I'm -- I want to put a question on the tape. The -- you 20 have the spreadsheet. I sent you the entire 21 spreadsheet. There's many cells and it comprises 22 hundreds and hundreds of pages. 23 My question for you is those spreadsheets and 24 the information behind this analysis is that information 25 derived from the books and records of the company?</p>	168	<p>1 projected default amount or this -- would this be actual 2 default amount? What you're trying to come up with? 3 A Can you rephrase? 4 Q Were you trying to come up with -- you had 5 said before that, for example, when -- back in -- when 6 Friedman was doing the audit of 2017 that they had 7 created like an estimated default amount, right? 8 Because you don't know what the number is 9 going to be until the year is over. And a lot of time 10 has to go by to calculate the numbers, do you remember 11 that testimony earlier this morning? 12 MR. ALFANO: I'm not sure if that's exactly 13 what he said. 14 MS. BERLIN: Yeah. I was -- objection, 15 misstates the testimony. 16 MR. ALFANO: Well, the Witness' response is 17 "That's not what I said." 18 MR. FUTERFAS: Okay. I heard that. 19 Q (By Mr. Futerfas) Well, I'll just ask you 20 this 10.4% column that you're trying to create here and 21 that you send to CLA, CliftonLarsonAllen. What is that 22 purporting to represent? 23 MS. BERLIN: Mr. Futerfas, I apologize. Which 24 -- can you direct me to which column it is? 25 MR. FUTERFAS: It's in the document on the</p>
167	<p>1 A Again, without seeing that -- 2 MS. BERLIN: I'm sorry. Object -- just a 3 moment. Objection, asked and answered. 4 A Without seeing the supporting documentation, 5 but what I can tell you is, I limited two -- I only do 6 one thing on here. 7 If we look at the factoring losses, I added a 8 column in. I took the actual factoring losses and I 9 believe it was the company's prior ban to write off 10 policy was six weeks. It was changed after the Friedman 11 audit. 12 So, if a customer hasn't paid in 8 weeks, that 13 deal would be written off at that point. Eight weeks 14 without payments. 15 What Mr. Cole and I tried to do is we tried to 16 backtrack and say, "Hey, if you see here in July of 2018 17 those deals" -- or excuse me. 18 It's August of 2018, that \$3.5 million that 19 was written off, would have been roughly about three or 20 four months prior. 21 So, we divided the amount written off by the 22 funded total. They come up with 16%. And we follow 23 that formula down to come up with a ballpark estimate of 24 a high-level default amount to go into financials. 25 Q (By Mr. Futerfas) Okay, okay. And is this a</p>	169	<p>1 screen about 1, 2, 3, 4, 5, 6, 7. It was just 2 highlighted. 3 MS. BERLIN: Oh, thank you. 4 MR. FUTERFAS: You're welcome. 5 A What we're trying to express here was, we had 6 write offs, for example, in March of 2019. It's \$2.2 7 million. 8 Those deals are the deals that get written 9 off, theoretically would have been originated about 5 10 months prior. 11 So, we were looking at the percentage of what 12 was written off towards what was funded during that time 13 period, five months prior to see what the percentage was 14 when we backtracked it. 15 Q (By Mr. Futerfas) Okay. 16 A We're trying to use that as a ballpark figure 17 for allowance on the balance sheet. 18 Q Okay. The allowance on the balance sheet. 19 That's what I wanted -- okay. That's the -- 20 A Correct. 21 Q What is -- and what is the allowance on the 22 balance sheet represent? What does that word mean, 23 Allowance on the balance sheet? 24 A As I stated earlier, at the end of a period 25 the accounts receivable. What you're looking at is,</p>

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170	<p>1 you're not going to collect all that money, how much</p> <p>2 that possibly will go bad in the future.</p> <p>3 So, this was just an estimate which Friedman</p> <p>4 was going to look or excuse me, which CliftonLarson was</p> <p>5 going to look at, and they were going to determine if</p> <p>6 this was an adequate estimate at that time period.</p> <p>7 Q Understood. Got you. Thank you. Sorry for</p> <p>8 the difficulty. I'm not a CPA, but I'm -- I understand</p> <p>9 that answer. Thank you.</p> <p>10 Did there -- okay. We're done with that</p> <p>11 exhibit. Let me see here. Did -- during the audit by</p> <p>12 CLA, did they visit CBSG or FSP offices in Philadelphia?</p> <p>13 A Yes.</p> <p>14 Q How many times did they do that?</p> <p>15 A I don't recall that the audit team coming to</p> <p>16 our office once.</p> <p>17 Q And how long did they stay when they came</p> <p>18 there?</p> <p>19 A Off the top of my head, I would say maybe 8</p> <p>20 business days at most.</p> <p>21 Q Okay.</p> <p>22 A Most of it was done remotely.</p> <p>23 Q All right. Well, they did some work once</p> <p>24 COVID hit, right?</p> <p>25 MS. BERLIN: Objection.</p>	172
171	<p>1 A Say again?</p> <p>2 MS. BERLIN: Lack of foundation.</p> <p>3 Q (By Mr. Futerfas) So, CLA -- the CLA</p> <p>4 accountants did work when COVID hit in February, March</p> <p>5 of 2020, correct?</p> <p>6 A Remotely, yes.</p> <p>7 Q Right. So, when they came to visit for those</p> <p>8 eight days that would be -- am I correct to assume that</p> <p>9 would have been pre-COVID?</p> <p>10 A Pre-COVID.</p> <p>11 Q Okay. And when they -- what did they do when</p> <p>12 they got to -- when they got to CBSG, this audit team?</p> <p>13 A They sat down -- at that point they sat down</p> <p>14 with our members of our deposit law team to find out</p> <p>15 what they did day in and day out as far as recording</p> <p>16 deals.</p> <p>17 Q Yes.</p> <p>18 A That was the bulk of what they were trying to</p> <p>19 verify deals then.</p> <p>20 Q And would they from time to time ask for</p> <p>21 documents as they're going through their -- as they're</p> <p>22 kind of in residence for eight days, did they ask you</p> <p>23 for documents, was to call for documents?</p> <p>24 A Yes.</p> <p>25 Q Okay. And your assistant Ms. Lou?</p>	173

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From: Jeffrey Kaufman [mailto: [REDACTED]]
Sent: Fri, 7 Oct 2016 13:48:20 -0400
Subject: Re: Follow Up
To: joecole@parfunding.com
Cc: Joe Mack <joe@parfunding.com>, JoJo Chehebar [REDACTED], Chuck Frei [REDACTED]

Thank you Joe, I am sure that it will all work out nicely in the end. I would like to have a call sometime between now and then to discuss some of things I would like to do so it can be done to your specifications and to maintain the proper confidentiality and respect for your customers.

Jeffrey Kaufman CPA
[REDACTED]
[REDACTED]

On Fri, Oct 7, 2016 at 1:39 PM, Joe Cole <joecole@parfunding.com> wrote:

Jeffrey,

Thanks for the clarification and understanding our frustrations with the audit process thus far.

We want to provide you with the items you need to complete your assessment and feel that an on-site visit would be the most efficient method to do so. I have added the dates you have noted to our calendar and apportion time as needed for you to complete your audit.

I am sending out the invite for the drop box momentarily.

Joe Cole

From: Jeffrey Kaufman [mailto: [REDACTED]]
Sent: Friday, October 7, 2016 1:32 PM
To: Joe Mack <joe@parfunding.com>; joecole@parfunding.com
Cc: JoJo Chehebar [REDACTED]; Chuck Frei [REDACTED]
Subject: Follow Up

Gentlemen,

EXHIBIT 19

I wanted to apologize for any aggravation and confusion my actions may have caused for you. I understand that the smoothest way to deal with what should be a very easy task is for me to come to your offices. I was only trying to help the process go quicker since my schedule to come down to you was limited and I did not want any delay to be due to my scheduling issues. However, I understand that it can not work that way. I made the time on October 26-28 to come to your offices. If this is good for you please confirm and if not please let me as soon as possible so I can make other arrangements. I am not available prior to the 26th.

I do have one request to facilitate the process to go as fast as possible I would like access to the Dropbox folder again, I would not need other documents just what was already there, so I can create my work papers and do some of the work before I get to you. To be clear this access is for me alone in accordance with NDA I signed.

Thank you for your patience and understanding.

Jeffrey Kaufman CPA

[REDACTED]

[REDACTED]

From: "Joe Cole" <joe@parfunding.com>

To: "JoJo Chehebar" [redacted]; "Chuck Frei" [redacted]; <joe@parfunding.com>; "Zacko Shehebar" [redacted]

Subject: RE: Jeffrey Kaufman Investment

Sent: Wed, 1 Mar 2017 11:53:16 -0500

Good morning Jojo,

We're good for the 25.0% family rate for Jeffrey and appreciate the validation from someone who's really gone through our records.

I'll just need a W9 completed and to confirm the duration of the note he'd like.

I can have documents ready by end of day.

Let me know if you have any questions, thank you.

Joe Cole

From: JoJo Chehebar [mailto:[redacted]]

Sent: Wednesday, March 1, 2017 11:10 AM

To: Chuck Frei [redacted]; Joe Cole <joe@parfunding.com>; joe@parfunding.com; Zacko Shehebar <[redacted]>

Subject: Jeffrey Kaufman Investment

Hi Joe,

I spoke to Chuck last week about this, and today I'm asking you, because the accountant we hired to audit your company, Jeffrey Kaufman, who is now our in-house CFO & CPA (for Gideon Asset Management) would like to participate in lending to CBSG, needless to say on my part, this is obviously very comforting that the CPA we sent to audit CBSG now wants to invest in CBSG lol. As a Chehebar company man, he is now hoping to get a "Chehebar" rate? please let me know what you can do. he doesnt have a large amount of excess capital, he wanted to put in \$50,000 of his own, but he wanted to make a single entity with his family and put in \$250,000 if that was ok with you.

please let me know,

Thank You

JoJo Chehebar

[redacted]
[redacted]

[redacted]
[redacted]

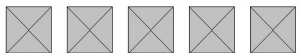


EXHIBIT 20

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

SECURITIES AND EXCHANGE)	
COMMISSION,)	
)	
Plaintiff,)	
)	
vs.	)	CASE NO.
	)	20-CV-81205-RAR
COMPLETE BUSINESS SOLUTIONS)	
GROUP, INC. D/B/A PAR)	
FUNDING ET AL.,)	
)	
Defendants, and)	
)	
L.M.E. 2017 FAMILY TRUST,)	
)	
Relief Defendant.)	
)	

REMOTE DEPOSITION OF
VICTORIA VILLAROSE
Tuesday, August 31, 2021

Reported by:
Denise Sankary,
RPR, RMR, CRR
Job No. 210831DSA

10:14 1 Funding and Full Spectrum?

2 A. I reported to Joe, I guess.

3 Q. Joe LaForte?

4 A. Yes.

10:14 5 Q. And was his office at Par Funding/Full
6 Spectrum's offices in Philadelphia?

7 A. Was -- I'm sorry, what was that?

8 Q. I'm sorry.

9 Was Mr. LaForte's office space, like his
10:14 10 desk and where he -- where he worked physically, was
11 that located in the same office as you in
12 Philadelphia?

13 A. Yes, I sat in the same office as Joe
14 LaForte.

10:14 15 Q. And that's at the Full Spectrum offices in
16 Philadelphia?

17 A. Yes, on Third Street.

18 Q. And was Mr. LaForte in the office almost
19 like nearly every day or every day?

10:15 20 A. Yes, regularly.

21 Q. And what was his role at the company?

22 A. He was a member of credit committee, and
23 he worked with sales. He was a -- he would sell
24 deals individually, but he would also help work with
10:15 25 the sales side of the other side of the office, and

10:15 1 he also helped with underwriting and processing and,
2 you know, adjustments to our process and monthly
3 goals expected of the teams.

4 Q. When you say "sales," do you mean the
10:16 5 merchant cash advance deals with merchants, or are
6 you talking about another kind of sale -- another
7 product that was being sold?

8 A. No, just merchant cash advances.

9 Q. Okay. So who is -- who was running the
10:16 10 day-to-day operations at Par Funding and Full
11 Spectrum while you were working there?

12 A. Honestly, me. I -- truthfully, I ran most
13 of the departments by myself.

14 Q. And what about Lisa McElhone? What was
10:16 15 her role at the company?

16 A. She was the big boss.

17 Q. Okay. And how often was she in the
18 office?

19 A. Pretty regularly. Not all the time she
10:17 20 was busy, but a lot.

21 Q. Daily?

22 A. No, not daily.

23 Q. Was she there at least every -- once a
24 week?

10:17 25 A. I would say several times a month.

10:22 1 So I'm just asking about prior to 2018,
2 did you or did you not consider Joseph LaForte to be
3 your boss?

4 MR. SOTO: Objection to form. Asked and
10:22 5 answered.

6 A. Not my boss.

7 BY MS. BERLIN:

8 Q. Go ahead.

9 A. My boss was Susan Graeser.

10:23 10 Q. Okay. And so your testimony is your boss
11 was not Joseph LaForte prior to 2018; is that
12 correct?

13 MR. SOTO: Objection to form. Asked and
14 answered.

10:23 15 A. Right. Susan Graeser.

16 BY MS. BERLIN:

17 Q. Only Susan Graeser, is that your answer?

18 A. That is correct, only Susan Graeser.

19 Q. Oh, okay. At a certain point did you
10:23 20 create a processing department at Par Funding and
21 Full Spectrum?

22 A. Yes.

23 Q. And that was a subset of the underwriting
24 department?

10:23 25 A. Yes.

10:23 1 Q. Can you explain what the processing
2 department did and when you started it?

3 A. So I started that probably in 2016, I want
4 to say, probably fall of 2016. So pretty much the
10:24 5 process at that time, because underwriting was so
6 small, was the underwriters would process the files
7 initially. They would be preapproved for an offer.
8 Then once the contract went out and got signed, they
9 would finish the underwriting on the file, and then
10:24 10 it would get approved for funding after we collected
11 our stips, did log-in, et cetera.

12 So processing was an attempt to stretch
13 out the process to alleviate some of the pressure on
14 underwriting. So processing would receive the
10:24 15 application and the bank statements. They would run
16 two types of reports. So New York court systems and
17 data merchant for -- to see if there were any
18 defaults or any, you know, indication of fraud on
19 the file at any point within the industry. That's
10:25 20 data merchant.

21 Judgments were on UniCourt. We would run
22 CLEAR, Thompson Reuters as a background check, check
23 for bankruptcy history, any liens or judgments and
24 criminal history. We would run personal and
10:25 25 business credit, and we would do a financial

10:25 1 analysis of the three months of bank statements. We
2 called it a matrix. That would be --

3 Q. I apologize, I didn't mean to cut you off.

4 A. Okay. So that would be approved for an
10:25 5 offer. And then from there, if the offer was
6 accepted, they would get a contract, and then it
7 would go through the back end of underwriting.

8 Q. Okay. And so during what years were you
9 working in the -- with the processing department
10:26 10 that you just described?

11 A. I can't say definitely, but I want to say
12 2018 because I took over underwriting. I worked
13 directly with both departments, but I took over
14 underwriting as well, I believe, in 2018.

10:26 15 Q. So after you took over underwriting in
16 2018, did you continue to work in the processing
17 department?

18 A. Yes.

19 Q. Okay. So you worked in the processing
10:26 20 department from 2016 until August 2020?

21 A. Yes.

22 Q. And was one of the -- was the processing
23 department started to speed up the process of
24 getting deals done for Par Funding and Full
10:27 25 Spectrum?

10:27 1 MR. SOTO: Objection to form.

2 A. No, it was to alleviate pressure from
3 underwriting. It needed to be split up into two
4 sides to create quicker pre-approvals so that we
10:27 5 could become more competitive with other funders, so
6 our offers would get out faster, but it wasn't to
7 get more deals done.

8 BY MS. BERLIN:

9 Q. I understand.
10:27 10 Was the processing department then created
11 to speed up the process and make it go faster?

12 MR. SOTO: Objection to form.

13 A. No. It was made to alleviate the pressure
14 from underwriting, and it was made to -- it was made
10:28 15 to separate that process. It was made to get
16 quicker pre-approvals because it was less work on
17 the underwriters. They could focus on the contracts
18 that came back signed, they could work on those
19 underwrites, and processing could take care of the
10:28 20 front end.

21 BY MS. BERLIN:

22 Q. Understood.

23 So I just want to make sure that this is
24 clear.

10:28 25 Your testimony is that the processing

10:28 1 department was not started to speed up the process
2 of the -- getting the deals approved through the
3 process of Par Funding and Full Spectrum; is that
4 right?

10:28 5 MR. SOTO: Objection to form.

6 A. For a pre-approval, yes.

7 BY MS. BERLIN:

8 Q. So it was created to speed up the process
9 for the pre-approvals; is that correct?

10:28 10 MR. SOTO: Objection to form. Asked and
11 answered.

12 A. Yes.

13 BY MS. BERLIN:

14 Q. Okay. Before testifying today, did you
10:29 15 speak with anyone about your testimony?

16 A. Yes and no. I didn't talk to anybody
17 about my testimony, but I did talk to Alex Soto and
18 Dave Ferguson.

19 Q. When did that happen?

10:29 20 A. That happened -- I talked to them
21 yesterday because -- well, do you want to know why?

22 Q. Yeah.

23 A. Okay. I was uncomfortable with your
24 request to talk off record. That made me nervous,
10:29 25 so I wanted to consult with somebody that could, you

12:04 1 Q. Okay. And can you explain the difference
2 to me? Like, how -- if someone was receiving a
3 reload, how was it different -- how was the review
4 and approval process different than it would be for
12:04 5 an applicant from a merchant who was making their
6 first submission to Par Funding?

7 A. Okay. So for the processing side, we do
8 not require a new application unless a merchant has
9 been paid off for like six months to a year. If
12:04 10 they are currently remitting for Par Funding, we
11 only pull their credit every three months so it's
12 not a constant pull for their credit. We require
13 the three months of bank statements, and that's all
14 we need for processing.

12:05 15 Q. So if someone wants to do a reload,
16 meaning they want to do -- they want to get more
17 money through a new agreement with Par Funding, is
18 there an on-site inspection that's done when they
19 seek an additional MCA from Par Funding?

12:05 20 A. No, because they already have it. We
21 don't require documents that we already have. So a
22 voided check, an on-site, a driver's license, we
23 have those on file already.

24 Q. Well, there wasn't an on-site inspection
12:05 25 for every merchant applicant, correct?

12:05 1 A. There was an on-site for most files that
2 it was deemed necessary. You know, for maybe
3 smaller files, we wouldn't need one, or we could
4 verify the business through Google, or we would
12:06 5 request pictures to verify the business.

6 Q. Okay. So the -- just a second here.
7 So when you said if there was a reload,
8 you wouldn't seek an on-site inspection because you
9 would have already had one, would you agree with me
12:06 10 that not every merchant who sought an additional MCA
11 from Par Funding or reload had already had an actual
12 on-site inspection?

13 A. It's possible that we accepted a different
14 form of validation.

12:06 15 Q. Okay. And that could be a Google search,
16 that could be having an entity send you pictures
17 themselves, correct?

18 A. Correct.

19 Q. Okay. So for -- was there a threshold
12:07 20 under which there was no on-site inspections -- so
21 let me ask that a better way.

22 Were on-site inspections ever waived if
23 the MCA funding was going to be less than \$25,000?

24 A. That was put into process. It wasn't
12:07 25 always that way. There was a certain point in time

12:12 1 A. Well, underwriting and processing was
2 always made aware of new programs.

3 Q. And how would you all -- how would
4 underwriting and processing learn about new
12:13 5 programs?

6 A. Through Joe and Alex.

7 Q. Joe LaForte and Alex Schlepin?

8 A. Uh-huh.

9 Q. That's yes, right?

12:13 10 A. Yes.

11 Q. Okay. Sorry. When the court reporter
12 writes down uh-huh --

13 A. Yes.

14 Q. Sorry.

12:13 15 A. Yes.

16 Q. Okay. And for the on-site inspection --
17 oh, were there any other times -- we talked about
18 like the waiver for the on-site inspection if the
19 deal was less than a certain threshold and that
12:13 20 on-site inspections weren't required where a deal
21 was short-term.

22 Were there any other sort of rules or
23 guidelines like that that would cause an application
24 not to warrant an on-site inspection?

12:13 25 A. There were merchants that were

12:13 1 uncomfortable with an on-site, and we would request
2 pictures of the business and we would also check for
3 signage and whatever we could see on Google. If
4 it's a restaurant, there's obviously pictures of the
12:14 5 restaurant, signage out front. But if it's some guy
6 with a home office, we might just ask for a picture
7 of the workplace or a picture. If it's a trucking
8 company, we might ask for a picture of their truck
9 with the DOT number on there.

12:14 10 Q. Okay. And you would ask the -- when you
11 said you would request pictures, you would ask the
12 merchant applicant to send the pictures to Par
13 Funding?

14 MR. SOTO: Objection to form.

12:14 15 A. Depending on the deal channel. So we
16 might request it from their ISO representative.

17 BY MS. BERLIN:

18 Q. Okay. And so the merchant would -- the
19 applicant would take the pictures him or herself and
12:14 20 then send them to Par Funding either directly or
21 through their independent sales agent; is that
22 correct?

23 MR. SOTO: Objection to form.

24 A. Yes.

25

12:16 1 they just sent us random stuff, you know, we would
2 want something more specific, and we would use
3 Google to the best of our abilities and other, you
4 know, search engines to try to validate the business
12:16 5 through there.

6 Q. Okay. And so for merchants who were
7 coming back to Par Funding seeking reloads or
8 seeking like additional merchant cash advances,
9 if -- if they sent their own photos in the first
12:17 10 time when they applied or there was an on-site
11 inspection the first time, would you have those
12 applicants send photos again when they applied for
13 additional funding?

14 A. No, unless there was some kind of natural
12:17 15 disaster that swept through their town and we needed
16 to make sure that they weren't like physically under
17 water, we wouldn't need that, no.

18 Q. Okay. And Metro Inspection was a company
19 who did the -- the inspections of some of the
12:17 20 merchants?

21 A. Up to January of 2020, yes.

22 Q. Okay. And then why did that stop in 2020,
23 in January 2020?

24 A. Because we found a new product called
12:18 25 Truepic.

12:29 1 actually occurred?

2 A. Well, it's a two-part process. If they
3 are preapproved with the offer, that gets sent out,
4 and then once they accept that pre-approval, that's
12:30 5 when we send the contract out and the list of stips
6 required. So after that, after we get all that
7 information and do a funding call, then they are
8 approved for funding and can receive their wire.

9 Q. And that's when you send a welcome letter?

12:30 10 A. I don't know when the welcome letters are
11 sent out. I know we sent a wire.

12 Q. You've never seen a welcome letter from
13 Par Funding to a merchant telling them welcome and
14 telling them they've been approved?

12:30 15 A. I've seen them. I don't know when they
16 get sent out, though.

17 Q. Oh, okay. And so you said that the stips
18 that were requested from the applicants, what were
19 the stips? You mean stipulations or --

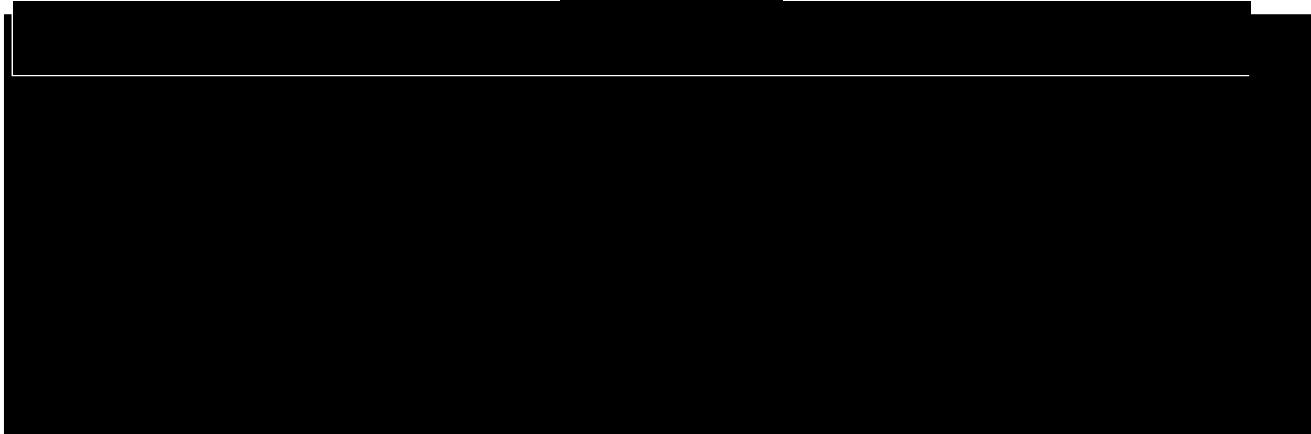
12:31 20 A. Yes, stipulations. So we would request a
21 driver's license and a voided check, manual bank
22 verification or decision logic, a signed contract,
23 pictures of the business. Special stipulations
24 would be payback months. So if it was a somewhat
12:31 25 seasonal business, we would request statements from

6:31 PM

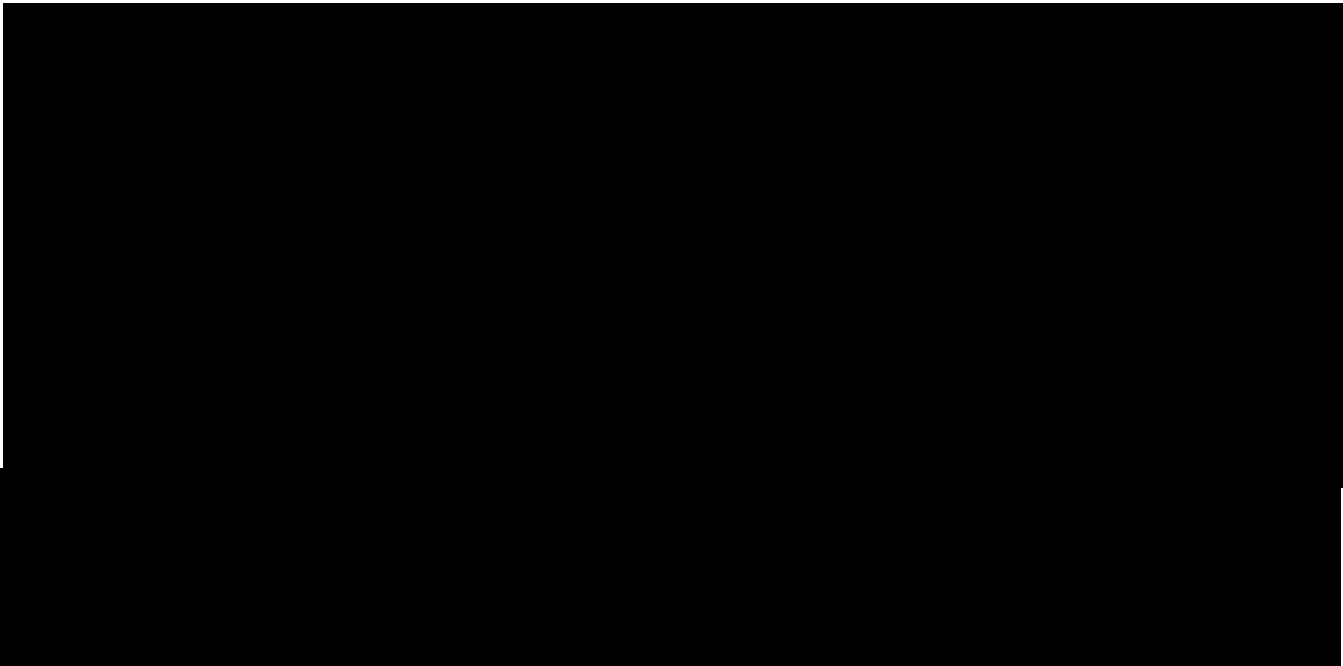
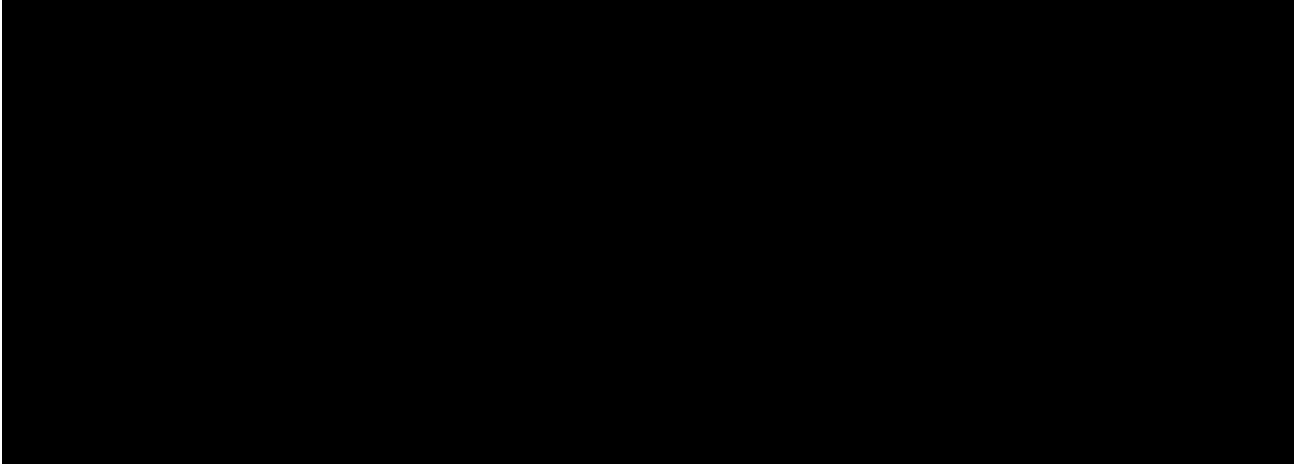
08/16/21

Complete Business Solutions Group Inc.
All Transactions for FLEE002
All Transactions

Type	Num	Date	Account	Amount
Check		01/09/2017	[REDACTED]	-100,000.00
Check		01/13/2017	[REDACTED]	-33,335.00



Payment		01/09/2017	Undeposited Funds	5,000.25
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6:31 PM

08/16/21

Complete Business Solutions Group Inc.

All Transactions for FLEE002

All Transactions

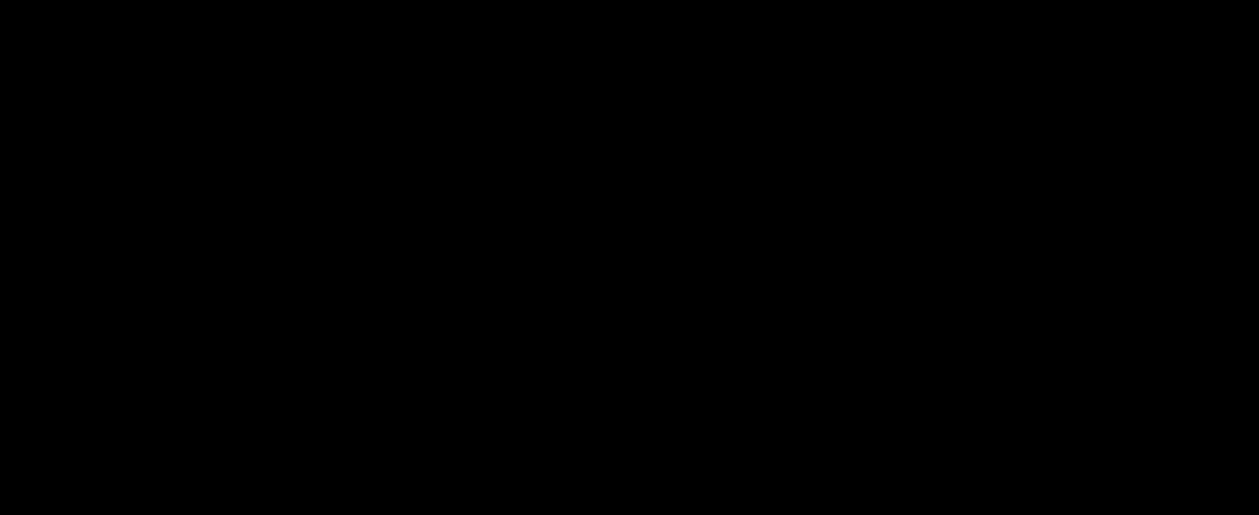
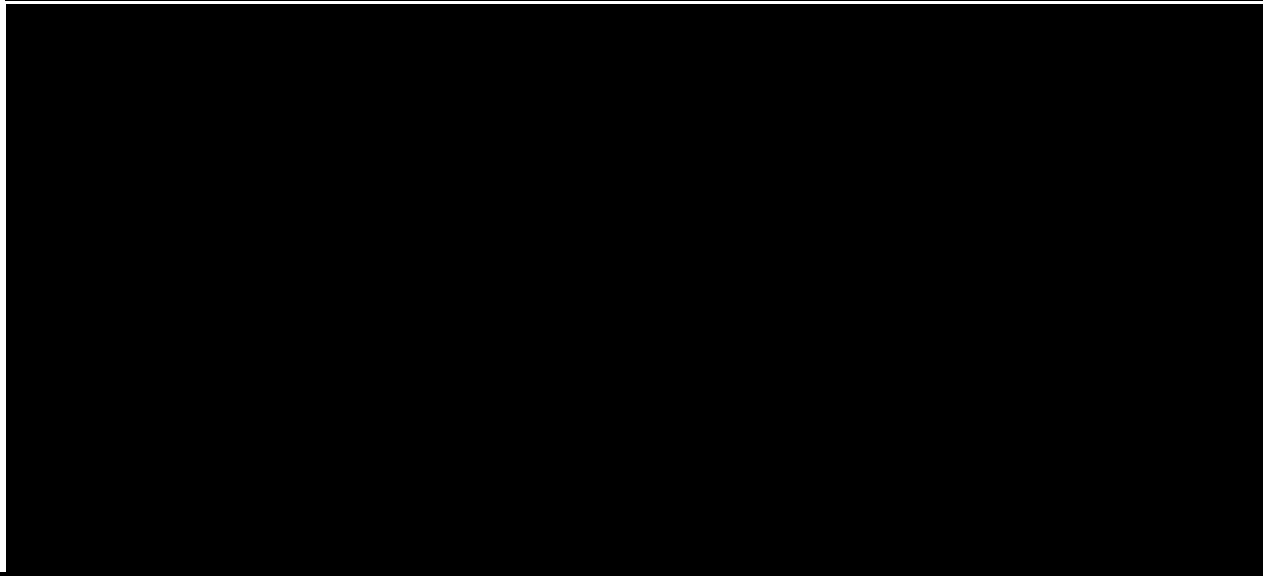
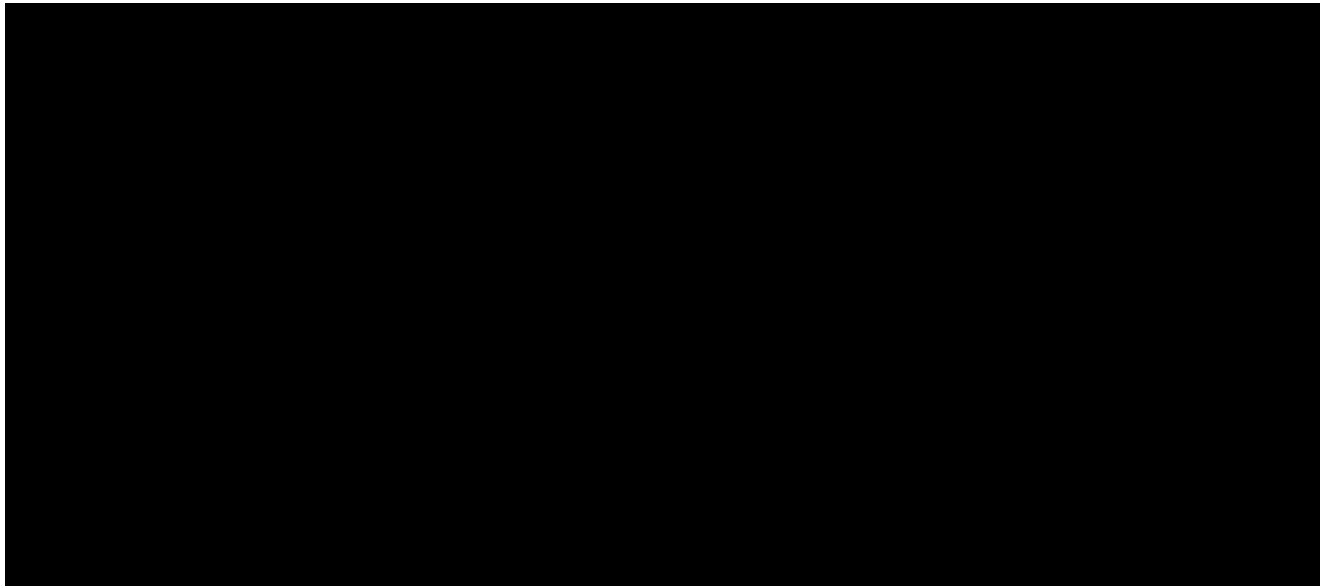
Type

Num

Date

Account

Amount



6:31 PM

08/16/21

Complete Business Solutions Group Inc.

All Transactions for FLEE002

All Transactions

Type

Num

Date

Account

Amount





ONE WORLD FUNDING
Merchant Pre-Qualification Form

John Cima
 Tel: (347) 507-8847
 Fax: (347) 630-0548

Business Legal Name: Capital Jet, Inc.		Business DBA Name: CAPJET		
Type of Business Entity (Check One)	<input checked="" type="checkbox"/> Corporation	<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Partnership	
	<input type="checkbox"/> Limited Partnership	<input type="checkbox"/> Limited Liability Partnership	<input type="checkbox"/> Sole Proprietor	
Does the Merchant currently have any loans or advances for working capital? (Check one)		Business Federal Tax ID:	State of Incorporation or Formation:	
[REDACTED]		[REDACTED]	TX	
Use of Proceeds:				
Physical Street Address:		City:	State:	
[REDACTED]		[REDACTED]	[REDACTED]	
Billing Street Address (If different than above):		City:	State:	
[REDACTED]		[REDACTED]	[REDACTED]	
Physical Location Phone #:	Billing Phone #:	Preferred Contact #:	Business Fax #:	
Industry Type (Sic Code or Description):	Business Start Date:	Business Website:		
aircraft services, private jets, flight school	[REDACTED]	[REDACTED]		
<input type="checkbox"/> Rented	Monthly Payment:	Landlord Name:		
<input type="checkbox"/> Mortgaged	[REDACTED]	Landlord Phone #:		
Any Judgments / Liens?	Any Open Bankruptcies?	Is your business Seasonal?	If yes, what are the peak months?	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
Gross Annual sales (Previous year's tax return):	Current Credit Card Processor:	Average Monthly Credit Card Volume:		
[REDACTED]	[REDACTED]	[REDACTED]		
List the Total Business Bank Deposits and # of Days with a Negative Balance	Last Month: Total Bus. Bank Deposits:	Two Months Ago: Total Bus. Bank Deposits:	Three Months Ago: Total Bus. Bank Deposits:	Four Months Ago: Total Bus. Bank Deposits:
	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
List the total Credit Card processing volumes from previous four months:	Last Month: \$ [REDACTED] # Tickets: [REDACTED]	Two Months Ago: \$ [REDACTED] # Tickets: [REDACTED]	Three Months Ago: \$ [REDACTED] # Tickets: [REDACTED]	Four Months Ago: \$ [REDACTED] # Tickets: [REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Owner / Officer Information (1)	Job Title:	Ownership %:	Last Name:	First Name:
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	SS#:	Date of Birth:	Email:	
	[REDACTED]	[REDACTED]	[REDACTED]	
Owner / Officer Information (2)	Job Title:	Ownership %:	Last Name:	First Name:
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	SS#:	Date of Birth:	Email:	
	[REDACTED]	[REDACTED]	[REDACTED]	

Authorizations
 By signing below, each of the above listed business and business owner/officer (individually and collectively, "you") authorize One World Funding LLC ("OW") and each of its representatives, successors, assigns and designees ("Recipients") that may be involved with or acquire commercial loans having daily repayment features or purchases of future receivables including Merchant Cash Advance transactions, including without limitation the application thereof (collectively, "Transactions") to obtain consumer or personal, business and investigative reports and other information about you, including credit card processor statements and bank statements, from one or more consumer reporting agencies, such as TransUnion, Experian and Equifax, and from other credit bureaus, banks, creditors and other third parties. You also authorize OW to transmit this application form, along with any of the foregoing information obtained in connection with this application, to any or all of the Recipients for the foregoing purposes. You also consent to the release, by any creditor or financial institution, of any information relating to any of you, to OW and to each of the Recipients, on its own behalf. This application is not valid unless submitted under an existing ISO agreement with OW.

Owner / Officer's Name (Print) : [REDACTED] _____
 Owner / Officer's Signature : [REDACTED] _____ Date: [REDACTED] _____
 Owner / Officer's Name (Print) : [REDACTED] _____
 Owner / Officer's Signature : [REDACTED] _____ Date: [REDACTED] _____

One World Funding

EXHIBIT 23

CONVERGEHUB000107



PTF Fax-856-823-5071

- If you are applying for individual credit in your name and are relying on your own income or assets and not the income of assets of another person as the basis for repayment complete Owner Information (1) and omit Owner Information (2).
- If this is an application for joint credit with another person, complete Owner Information (1) and (2).

Date: 12/29/16
 Intended Use of Funds:
 [Redacted]

> COMPANY INFORMATION

Legal Company Name: <u>Fleetwood Services</u> Doing Business As (DBA): State of Incorporation: <u>Texas</u> Tax ID: [Redacted] Physical Address (no PO Boxes): [Redacted] City: [Redacted] State: [Redacted] Zip Code: [Redacted] Company Phone: [Redacted] Business Inception Date: [Redacted]	Legal Entity: <input type="radio"/> Corporation <input checked="" type="radio"/> LLC <input type="radio"/> General Partnership <input type="radio"/> LLP <input type="radio"/> Other	Do you have an outstanding merchant cash advance? <input type="checkbox"/> Yes, it's \$ _____ <input checked="" type="checkbox"/> No
Rent or own: [Redacted] Landlord name: [Redacted] Landlord phone: [Redacted]	Company Type / Industry: [Redacted]	
Does the merchant have a separate business bank account? <input type="checkbox"/> Yes <input type="checkbox"/> No	Has the merchant accepted credit cards for at least 3 months? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

REQUIRED FOR RECOMMENDED CASH AMOUNT

Annual business revenue* [Redacted] Average bank balance [Redacted] Monthly credit card volume [Redacted] Cash amount requested: [Redacted] Desired pay term: [Redacted]

> OWNER INFORMATION

First name: [Redacted] MI: A
 Last name: [Redacted]
 Email: [Redacted]
 Home Phone: 116
 Cell phone: [Redacted]
 SSI Number: [Redacted]
 Date of birth: [Redacted]
 Annual income: [Redacted]
 Home address (no PO Boxes): [Redacted]
 City: [Redacted] State: [Redacted]
 Zip Code: [Redacted]
 Business ownership %: [Redacted]

> OWNER INFORMATION

First name: [Redacted] MI: L
 Last name: [Redacted]
 Email: [Redacted]
 Home Phone: [Redacted]
 Cell phone: [Redacted]
 SSI Number: [Redacted]
 Date of birth: [Redacted]
 Annual income: [Redacted]
 Home address (no PO Boxes): [Redacted]
 City: [Redacted] State: [Redacted]
 Zip Code: [Redacted]
 Business ownership %: [Redacted]

By signing & faxing or emailing us your application, you certify that (i) you are authorized to apply on behalf of the Company whose full legal name appears above under the Company Information portion of the Merchant Cash Advance for a business advance from us and (ii) all information you provide within the Cash Advance Application and other supporting documents is true and complete and that you will notify us of material changes to such information. You understand & agree that we and our agents and assignees are authorized to contact 3rd parties to make inquiries in evaluating your Cash Advance Application (including requesting business & personal credit bureau reports from credit reporting agencies and other sources) or for any update, renewal, extension of credit bureau name and address. You understand and agree that we may provide credit & other information from the Cash Advance Application and on the signing individual(s) & the company with 3rd parties who may use the information any lawful purpose, including for the purpose of offering credit and/or other products & services to the signing individual(s) and/or the company.

Signature (1): [Redacted]
 Signature (2): [Redacted]



141 N. 2nd Street Philadelphia, Pa 19106
Phone: 215-922-2636 Fax: 888-305-7562

MCA CONSOLIDATION REQUEST FORM

Merchant Name: Fleetwood Services

Date requested: 12/29/16

Please enter the existing balance

MCA COMPANY	Payment	Term	Balance
