

**UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF FLORIDA  
CASE NO.: 20-CV-81205-RAR**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

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**RECEIVER, RYAN K. STUMPHAUZER'S MOTION  
TO EXPAND THE RECEIVERSHIP TO INCLUDE  
THE SEP IRA ACCOUNT OF LISA M. MCELHONE**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver (“Receiver”) of the Receivership Entities,<sup>1</sup> by and through undersigned counsel, hereby files this Motion to Expand the Receivership

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<sup>1</sup> The “Receivership Entities” are Complete Business Solutions Group, Inc. d/b/a Par Funding (“Par Funding”); Full Spectrum Processing, Inc.; ABetterFinancialPlan.com LLC d/b/a A Better Financial Plan; ABFP Management Company, LLC f/k/a Pillar Life Settlement Management Company, LLC; ABFP Income Fund, LLC; ABFP Income Fund 2, L.P.; United Fidelis Group Corp.; Fidelis Financial Planning LLC; Retirement Evolution Group, LLC; RE Income Fund LLC; RE Income Fund 2 LLC; ABFP Income Fund 3, LLC; ABFP Income Fund 4, LLC; ABFP Income Fund 6, LLC; ABFP Income Fund Parallel LLC; ABFP Income Fund 2 Parallel; ABFP Income Fund 3 Parallel; ABFP Income Fund 4 Parallel; and ABFP Income Fund 6 Parallel; ABFP Multi-Strategy Investment Fund LP; ABFP Multi-Strategy Fund 2 LP; MK Corporate Debt Investment Company LLC; Capital Source 2000, Inc.; Fast Advance Funding LLC; Beta Abigail, LLC; New Field Ventures, LLC; Heritage Business Consulting, Inc.; Eagle Six Consulting, Inc.; 20 N. 3rd St. Ltd.; 118 Olive PA LLC; 135-137 N. 3rd St. LLC; 205 B Arch St Management LLC; 242 S. 21st St. LLC; 300 Market St. LLC; 627-629 E. Girard LLC; 715 Sansom St. LLC; 803 S. 4th St. LLC; 861 N. 3rd St. LLC; 915-917 S. 11th LLC; 1250 N. 25th St. LLC; 1427 Melon St. LLC; 1530 Christian St. LLC; 1635 East Passyunk LLC; 1932 Spruce St. LLC; 4633 Walnut St. LLC; 1223 N. 25th St. LLC; 500 Fairmount Avenue, LLC; Liberty Eighth Avenue LLC; Blue Valley Holdings, LLC; LWP North LLC; The LME 2017 Family Trust; Recruiting and Marketing Resources, Inc.; Contract Financing Solutions, Inc.; Stone Harbor Processing LLC; and LM Property Management LLC, and the receivership also includes the properties located at 568 Ferndale Lane, Haverford PA 19041; 105 Rebecca Court, Paupack, PA 18451; 107 Quayside Dr., Jupiter FL 33477; and 2413 Roma Drive, Philadelphia, PA 19145.

to include Lisa M. McElhone's Axos Advisor Services ("Axos") Simplified Employee Pension IRA, with an account number ending in 3264 (the "SEP IRA"). As demonstrated below, Lisa M. McElhone ("McElhone") partially funded the SEP IRA with commingled investor funds. For the reasons set forth below, expansion of the Receivership Estate over the SEP IRA is "necessary and appropriate for the purpose of marshaling and preserving the assets of the Defendants . . . that . . . are attributable to funds derived from investors or clients of the Defendants" and/or "may otherwise be includable as assets of the estates of the Defendants." Amended Order Appointing Receiver (the "Amended Order") (ECF No. 141) ¶ 1.

### **The SEP IRA Account**

1. On or about August 24, 2018, McElhone opened the SEP IRA with E-Trade Advisor Services.<sup>2</sup>

2. On August 24, 2018, the SEP IRA received a contribution of \$55,000.00 through a check from a bank account in the name of Heritage Business Consulting Inc. ("Heritage" or "HBC"), a "consulting company" controlled by McElhone and Joseph LaForte. A true and correct copy of the bank statement from HBC's Bank of America account ending in 3939 evidencing this transaction is attached hereto as Exhibit 1.

3. On March 25, 2019, the SEP IRA received a roll-over contribution of \$82,611.97. The roll-over contribution was recorded as a "check from client." The Receiver is in the process of determining the source of these funds.

4. On December 31, 2019, the SEP IRA received a second contribution through a check from a bank account in the name of HBC, this time in the amount of \$38,000.00. A true and correct copy of the bank statement from HBC's Bank of San Juan account ending in 2233

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<sup>2</sup> E-Trade Advisor Services was purchased by Axos on or about August 2, 2021.

evidencing this transaction is attached hereto as Exhibit 2.

5. No other contributions have been made to the SEP IRA.

6. In total, the SEP IRA received \$93,000.00 in contributions from HBC bank accounts.

7. This Court previously expanded the Receivership to include HBC as one of the Receivership Entities because it received commingled investor funds. ECF No. 436. Indeed, the Receiver presented proof that Par Funding transferred \$42,334,600 in commingled investor funds to HBC between July 2015 and July 2020, including into the HBC checking account at Bank of America ending in 3939. *See* ECF No. 357, p. 9; ECF No. 177-50, Melissa Davis Declaration, Aug. 4, 2020.

8. As of November 1, 2021, the SEP IRA has a total balance of \$237,533.77.

#### **LEGAL ARGUMENT**

9. For the sake of brevity, the Receiver will not repeat all of the case law and arguments summarized in his initial Motion to Expand the Receivership. Suffice it to say that Courts have broad discretion to expand receiverships to include assets funded with “scheme proceeds.” *SEC v. Nadel*, No. 8:09-cv-87-T-26TBM, 2013 WL 2291871, at \*2 (M.D. Fla. May 24, 2013) (citing cases). Under such circumstances, expansion of a receivership is necessary so that ill-gotten assets will not “be subject to diversion and waste to the detriment of those who were induced to invest in the corporate scheme.” *SEC v. First Fin. Grp. of Tex.*, 645 F.2d 429, 438 (5th Cir. 1981).

10. It is not necessary that these assets be funded exclusively with monies from Receivership Entities to warrant their inclusion in this Receivership. Because “money is fungible” it is “impossible to differentiate between ‘tainted’ and ‘untainted’ dollars. . . .” *S.E.C. v. Lauer*,

2009 WL 812719, \*4-5 (S.D. Fla. 2009). Indeed, courts have held that “*any* commingling is enough to warrant treating all the funds as tainted.” *S.E.C. v. Byers*, 637 F. Supp. 2d 166, 177 (S.D.N.Y. 2009) (emphasis in original). “Once proceeds become tainted, they cannot become untainted.” *United States v. Ward*, 197 F.3d 1076, 1083 (11th Cir. 1999); *c.f. Lauer*, 2009 WL 812719 at \*3 (holding that “when tainted funds are used to pay costs associated with maintaining ownership of [a] property, the property itself and its proceeds are tainted by the fraud”).

11. Here, the majority of the funds McElhone contributed to the SEP IRA—and possibly more—were commingled investor funds from HBC bank accounts.

12. Based on the facts of this case, including the Defendants’ actions before and after the SEC filed this action, the Receiver believes it is necessary to include the SEP IRA within the Receivership to preserve these assets as part of the Receivership Estate.

13. A proposed Order granting this Motion is attached as Exhibit 3.

**CERTIFICATION REGARDING PRE-FILING CONFERENCE**

The undersigned counsel has conferred with the SEC and with counsel for Joseph LaForte and Lisa McElhone regarding the relief sought through this Motion. The SEC agrees with the relief requested in the Motion. Counsel for McElhone and LaForte advised the undersigned that McElhone and LaForte oppose the relief requested in this Motion.

Dated: November 9, 2021

Respectfully Submitted,

**STUMPHAUZER FOSLID SLOMAN  
ROSS & KOLAYA, PLLC**  
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*Co-Counsel for Receiver*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on November 9, 2021, I electronically filed the foregoing document with the clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on counsel of record via transmission of Notices of Electronic Filing generated by CM/ECF.

/s/ Timothy A. Kolaya  
Timothy A. Kolaya

# EXHIBIT 1



P.O. Box 15284  
Wilmington, DE 19850

**Customer service information**

Customer service: 1.888.400.9009

bankofamerica.com

Bank of America, N.A.  
P.O. Box 25118  
Tampa, Florida 33622-5118

HERITAGE BUSINESS CONSULTING, INC.  
17121 COLLINS AVE APT 1806  
SUNNY ISL BCH, FL 33160-4348

Please see the **Important Messages - Please Read** section of your statement for important details that could impact you.

## Your Business Advantage Checking

for August 1, 2018 to August 31, 2018

Account number: XXXXXXXXXX 3939

**HERITAGE BUSINESS CONSULTING, INC.**

### Account summary

Beginning balance on August 1, 2018	\$765,622.08
Deposits and other credits	856,314.87
Withdrawals and other debits	-1,331,289.30
Checks	-114,436.72
Service fees	-150.00
<b>Ending balance on August 31, 2018</b>	<b>\$176,060.93</b>

# of deposits/credits: 22

# of withdrawals/debits: 25

# of items-previous cycle<sup>1</sup>: 31

# of days in cycle: 31

Average ledger balance: \$203,367.38

<sup>1</sup>Includes checks paid, deposited items & other debits

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Inclusion on the Advisory Panel subject to qualifications.

SSM-04-18-0052.D1 | ARHKGJ65





## Your checking account

HERITAGE BUSINESS CONSULTING, INC. | Account # [REDACTED] 3939 | August 1, 2018 to August 31, 2018

### Withdrawals and other debits - continued

Date	Description	Amount
08/17/18	[REDACTED]	[REDACTED]
08/24/18	[REDACTED]	[REDACTED]
08/31/18	[REDACTED]	[REDACTED]
<b>Total withdrawals and other debits</b>		<b>-\$1,331,289.30</b>

### Checks

Date	Check #	Amount	Date	Check #	Amount
08/07/18	1211	-140.00	08/07/18	1226	-2,571.95
08/07/18	1220*	-140.00	08/13/18	1227	-2,307.69
08/02/18	1223*	-10,770.00	08/24/18	1228	-55,000.00
08/03/18	1224	-2,307.69	08/17/18	1229	-7,307.69
08/06/18	1225	-31,584.01	08/24/18	1230	-2,307.69
<b>Total checks</b>				<b>-\$114,436.72</b>	
<b>Total # of checks</b>				<b>10</b>	

\* There is a gap in sequential check numbers

### Service fees

Date	Transaction description	Amount
08/02/18	Wire Transfer Fee	-30.00
08/16/18	Wire Transfer Fee	-30.00
08/17/18	Wire Transfer Fee	-30.00
08/17/18	Wire Transfer Fee	-30.00
08/31/18	Wire Transfer Fee	-30.00
<b>Total service fees</b>		<b>-\$150.00</b>

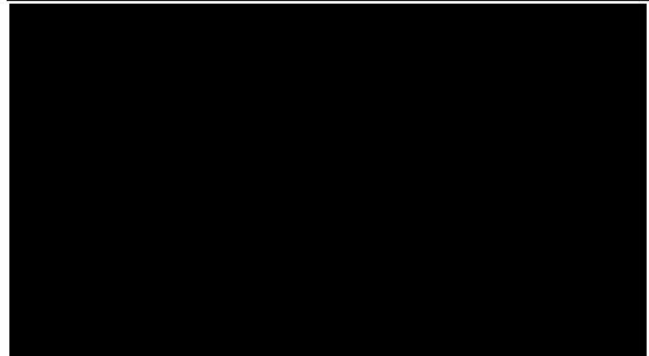
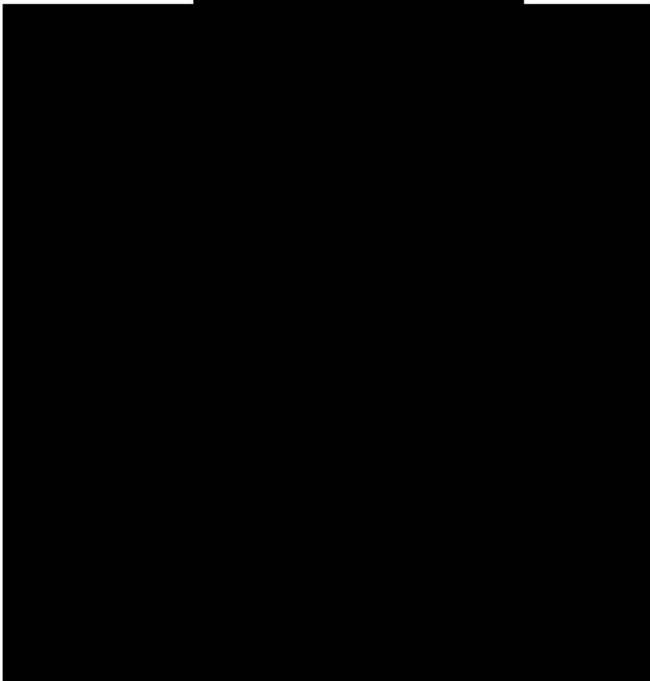
Note your Ending Balance already reflects the subtraction of Service Fees.



HERITAGE BUSINESS CONSULTING, INC. | Account # [REDACTED] 3939 | August 1, 2018 to August 31, 2018

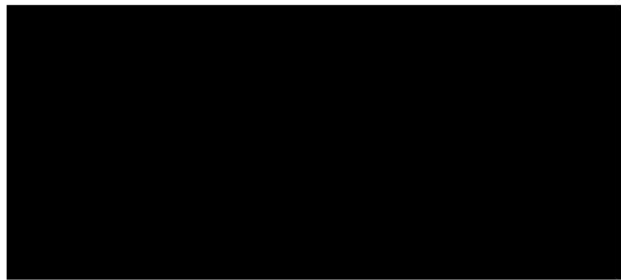
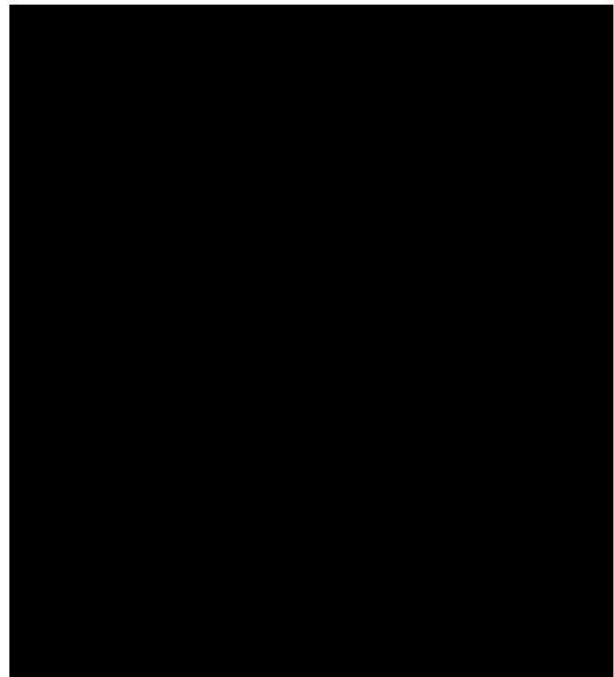
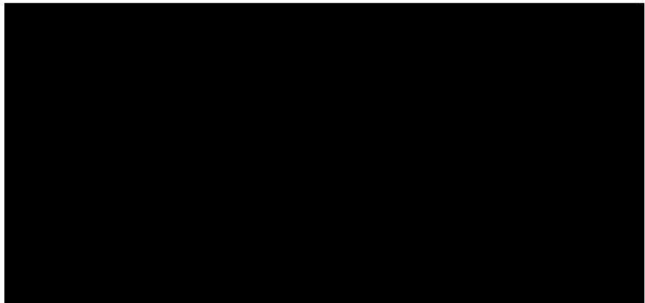
### Check images

Account number: [REDACTED] 3939  
Check number: [REDACTED]



Check number: 1228 | Amount: \$55,000.00

Heritage Business Consulting, Inc.		<b>Bank of America</b>	1228
ACCOUNT # 62-27 831		08/23/18	
PAY TO THE ORDER OF	TCA by E-Trade	\$ 55,000.00	
Fifty Five Thousand and 00/100			DOLLARS
TCA by E-Trade 2711 Nevada Ave., Suite 1403 Colorado Springs, CO 80903			
MEMO			
⑈001228⑈ ⑈063400299⑈ [REDACTED] 3939⑈			



# EXHIBIT 2

Date 12/31/19 Page 1  
 Primary Account @XXXXXXXXXX@2233

HERITAGE BUSINESS CONSULTING INC  
 205-B ARCH STREET 2ND FLOOR  
 PHILADELPHIA PA 19106

\*\*\*\*\* CHECKING ACCOUNTS \*\*\*\*\*

Account Title: HERITAGE BUSINESS CONSULTING INC

TOTALLY FREE BUSINESS CHECKING		Number of Enclosures	9
Account Number	@XXXXXXXXXX@2233	Statement Dates	12/02/19 thru 12/31/19
Previous Balance	396,087.25	Days in the statement period	30
33 Deposits/Credits	2,169,888.96	Average Ledger	1,508,116.48
28 Checks/Debits	2,220,861.17	Average Collected	1,508,116.48
Service Charge	.00		
Interest Paid	.00		
Ending Balance	345,115.04		

----- Activity in Date Order -----				
Date	Description	Withdrawals	Deposits	Balance
12/03	Wire Transfer Credit			
	[REDACTED]			
	[REDACTED]			
12/03	Wire Transfer Credit			
	[REDACTED]			
	[REDACTED]			
12/03	Wire Transfer Debit			
	Lisa McElhone			
	[REDACTED]			
	[REDACTED]			

TOTALLY FREE BUSINESS CHECKING @XXXXXXXXXX@2233 (Continued)

----- Activity in Date Order -----				
Date	Description	Withdrawals	Deposits	Balance
12/31	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
12/31	CHECK 2025	38,000.00-	.00	454,755.04
12/31	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
12/31	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
12/31	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

----- Summary by Check Number -----					
Date	Check No	Amount	Date	Check No	Amount
12/06	[REDACTED]	[REDACTED]	12/31	2025	38,000.00
12/09	[REDACTED]	[REDACTED]			[REDACTED]
12/17	[REDACTED]	[REDACTED]			[REDACTED]

\* Denotes missing check numbers

# EXHIBIT 3

**UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF FLORIDA  
CASE NO.: 20-CV-81205-RAR**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

COMPLETE BUSINESS SOLUTIONS GROUP, INC.

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

Defendants.

---

**ORDER GRANTING RECEIVER RYAN K. STUMPHAUZER'S  
MOTION TO EXPAND THE RECEIVERSHIP ESTATE TO  
INCLUDE THE SEP IRA ACCOUNT OF LISA M. MCELHONE**

**THIS CAUSE** comes before the Court upon the Receiver's Motion to Expand the Receivership Estate to Include the SEP IRA Account of Lisa M. McElhone (the "Motion to Expand") [ECF No. \_\_\_\_], filed on November 9, 2021. In the Motion, the Receiver seeks to expand the scope of the Court's Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141] ("Receivership Order"), to include Lisa M. McElhone's Axos Advisor Services ("Axos") Simplified Employee Pension IRA, with an account number ending in 3264 (the "SEP IRA").

The Court finds that the Receiver has made a sufficient and proper showing in support of the relief requested. Accordingly, it is hereby

**ORDERED AND ADJUDGED** that the Receiver's Motion to Expand is **GRANTED** as follows:

1. For the same reasons articulated in the Order on Motion to Expand [ECF No. 436], the scope of the Receivership created in this case is expanded to include the SEP IRA.

2. The Court finds that based upon the Securities and Exchange Commission's previous filings and the information the Receiver has supplied in the Motion, the same findings and conclusions that led the Court to expand the Receivership to include the other Receivership Entities and Receivership Assets apply equally to the aforementioned SEP IRA. The scope of the receivership in this case is expanded such that Ryan K. Stumphauzer is Receiver over the SEP IRA. The Receivership Order shall apply with equal force and effect to the SEP IRA as it applies to the other Receivership Entities and Receivership Assets. The terms and provisions of the operative Receivership Order are incorporated by reference herein.

**DONE AND ORDERED** Fort Lauderdale, Florida, this \_\_\_ day of \_\_\_\_\_, 2021.

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**RODOLFO A. RUIZ II**  
**UNITED STATES DISTRICT JUDGE**

Copies to: Counsel of Record