

**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.*,

Defendants.

DEFENDANT PERRY ABBONIZIO'S OMNIBUS MOTION IN LIMINE

INTRODUCTION

Perry Abbonizio (“Abbonizio”) brings this omnibus motion *in limine* to exclude evidence regarding: (1) an unrelated Financial Industry Regulatory Authority investigation (“FINRA”) and settlement; (2) a substantially similar lawsuit initiated by the Texas State Securities Board that has been stayed pending the outcome of this litigation; and (3) repayment of a Par promissory note to Mr. Abbonizio’s mother-in law during the height of COVID. Evidence related to each of these categories is irrelevant to this proceeding and far more prejudicial than probative. The Court should exclude evidence related to all three topics for the reasons more fully explained below.

LEGAL STANDARD

The purpose of an *in limine* motion is to resolve evidentiary issues prior to trial to ensure a smooth proceeding free from lengthy objections and interruption. *Palmieri v. Defaria*, 88 F.3d 136, 141 (2d Cir. 1996). The trial court should exclude evidence prior to trial when the evidence is inadmissible under the governing rules. *Id.*

Mr. Abbonizio moves to exclude evidence under Federal Rules of Evidence 401 (relevant evidence), 403 (unfairly prejudicial evidence), and 404(b) (other act evidence).

Relevant Evidence

Under the Federal Rules, evidence is relevant if it has “any tendency to make the existence of any fact that is of consequence to the determination of the action more probable or less probable than it would be without the evidence.” Fed. R. Evid. 401. “Evidence which is not relevant is not admissible.” Fed. R. Evid. 402.

Prejudicial Evidence

Even when evidence is relevant, a court must exclude evidence if its “probative value is substantially outweighed by a danger of ... unfair prejudice, confusing the issues, misleading the jury, undue delay, wasting time, or needlessly presenting cumulative evidence.” Fed. R. Evid. 403. The term “unfair prejudice ... speaks to the capacity of some concededly relevant evidence to lure the factfinder into declaring guilt on a ground different from proof specific to the offense charged.” *Old Chief v. United States*, 519 U.S. 172, 180 (1997). Evidence should be excluded when it unduly inflames the jury or otherwise inappropriately leads them to find a defendant liable based on conduct not at issue in the trial. *Stewart v. Daimler Chrysler Fin. Services America, LLC*, Civil Action No. 07-60510, 2008 WL 11333226, at *3 (S.D. Fla. 2008).

Other Act Evidence

The Government cannot present evidence of other crimes, acts, or prior convictions to attempt to prove liability by suggesting that the defendant exhibits a pattern of “bad” or unlawful behavior. See Fed. R. Evid. 404(b); *United States v. Beechum*, 582 F.2d 898, 910 (5th Cir. 1978) (en banc) (Rule 404(b) “follows the venerable principle that evidence of extrinsic offenses should

not be admitted solely to demonstrate the defendant's bad character," even when the extrinsic evidence is relevant, because such evidence is inherently prejudicial.).

A court can only admit other act evidence if: (1) the evidence is relevant to an issue other than the defendant's character; (2) sufficient evidence is presented to allow the jury to find that the defendant committed the extrinsic act; and (3) its probative value is not substantially outweighed by its possible prejudice. *United States v. Ellisor*, 522 F.3d 1255, 1267 (11th Cir. 2008). Evidence of prior crimes or convictions may be admissible to show "intent, knowledge, identity, or absence of mistake" but not to show character or propensity. *Id.* "Where prior convictions are concerned, the line between intent or knowledge and character or propensity is often a fine one, requiring the thoughtful, focused attention of the district court. The most important reason why this attention is required is that the introduction of prior convictions, unless carefully handled, will undermine the presumption of innocence." *United States v. McCallum*, 584 F.3d 471, 475 (2d Cir. 2009).

ARGUMENT

I. The Court should exclude all evidence related to Abbonizio's FINRA Letter of Acceptance.

Abbonizio believes the SEC intends to introduce evidence of an unrelated, FINRA regulatory investigation and consent order. The Court should exclude all evidence related to the FINRA violation because it is irrelevant, unfairly prejudicial, and improper character evidence.

FINRA is a private corporation that acts as a self-regulatory organization overseeing employees at member brokerage firms. Wells Fargo is one such brokerage firm. Abbonizio worked at Wells Fargo from 2008 to 2011. In 2015, FINRA initiated an investigation into Abbonizio regarding some work he did for an outside firm while he was employed at Wells Fargo. Ex. A. FINRA alleged that in 2011, Abbonizio, while working at Wells Fargo, recommended that ten Wells Fargo customers invest with an outside firm. *Id.* at 2. Further, FINRA alleged that Abbonizio

assisted the outside firm in finding high-level executives. *Id.* at 3. FINRA claimed that Abbonizio violated FINRA rules by doing work for the outside firm without providing adequate notice to his employer, Wells Fargo. *Id.* Without admitting or denying the allegations against him, Abbonizio entered into a Letter of Acceptance, Waiver, and Consent settlement and agreed to a \$10,000 fine and a four-month suspension from associating with any FINRA firms. *Id.* at 4.

Evidence regarding this FINRA violation must be excluded for three independent reasons.

First, the FINRA disciplinary proceeding is irrelevant and does not tend to make the existence of any fact that is of consequence to the determination of this action more probable or less probable than it would be without the evidence. In this case, Abbonizio is accused of violating various securities laws by willfully making misleading or false representations. The conduct at issue in the FINRA case—working with an outside firm while he allegedly owed a duty of loyalty to Wells Fargo—has absolutely nothing to do with proving any of the elements for the securities claims at issue here. In the FINRA matter, there were no allegations of improper disclosures or any harm to Mr. Abbonizio’s investor clients.

Furthermore, the SEC does not allege that Abbonizio’s failure to disclose the FINRA settlement forms the basis of any of the securities claims brought against him. *See* D.E. 119, Amended Complaint, at Section G pp. 29-46 (listing the alleged material misrepresentations and omissions made in connection with the Par offering and failing to reference the FINRA issue).¹ The only reference to Mr. Abbonizio’s FINRA settlement in the SEC’s Amended Complaint appears in a section describing Abbonizio’s background. *Id.* at ¶ 21. Because the allegations of the

¹ Moreover, even if Abbonizio failed to disclose his FINRA issue with every potential investor, this lack of disclosure cannot form the basis of a securities violation because the FINRA settlement was and is public knowledge and easily accessible to any potential investor with access to the internet. *See* https://www.finra.org/sites/default/files/fda_documents/2011028152201_FDA_UMX10341%20%282019-1563032958360%29.pdf

FINRA investigation are wholly irrelevant to proving any of the elements of the causes of actions against Abbonizio, the Court should exclude this evidence under Rules 401 and 402.

Second, evidence regarding the FINRA violation should be excluded because it is improper character evidence in the nature of a prior conviction. Evidence of prior crimes, wrongs, or bad acts are “not admissible to prove a person’s character in order to show that on a particular occasion the person acted in accordance with the character.” Fed. R. Evid. 404(b). A court should exclude the introduction of prior regulatory issues where the evidence is designed to imply to the jury that it should find for the Government because the Defendant makes a practice of engaging in regulatory violations. *Union County, Iowa v. Piper Jaffray & Co., Inc.*, Civil Action No. 06-cv-374, 2010 WL 11468305, at *6-7 (S.D. Iowa Dec. 4, 2010) (excluding evidence connected to unrelated SEC and insurance investigations where evidence related to prior regulatory proceedings was “clearly designed to imply to the jury that it should find in favor of the [Government] because [defendant] makes a practice of misleading its investors or of undertaking shady dealings.”).

Here, there is a real risk the jury will use the FINRA consent settlement as improper evidence of Abbonizio’s character as a rule-breaker and improperly find him liable based on this prior regulatory violation. The FINRA violation is even more prejudicial than just a garden-variety bad act because to a lay audience it looks and smells like a prior conviction for violating securities-type rules. Courts routinely exclude evidence of similar prior convictions because the introduction of such convictions, unless carefully handled, can cause the jury to make liability findings based on improper evidence. *See United States v. Roberts*, 735 Fed. App’x 649, 653 (11th Cir. 2018) (“[D]espite limiting instructions, it is very difficult for juries not to draw propensity inferences when prior convictions are admitted.”). Further, the SEC cannot offer a “proper purpose” for this character evidence such as “intent, knowledge, or opportunity.” *See* Fed. R. Evid. 404(b)(2). And,

even if the SEC could offer a proper purpose, the evidence should still be excluded because the probative value of the evidence is substantially outweighed by its prejudicial effect as described below.

Third, evidence related to the FINRA violation should also be excluded under Rule 403 because even if the FINRA issue were relevant and not impermissible character evidence, the FINRA evidence is far more prejudicial than probative. For decades, courts have recognized the impropriety of the Government using civil regulatory violations to imply or suggest that a defendant should be found liable or guilty in a subsequent criminal or civil regulatory case. *United States v. Christo*, 614 F.2d 486, 490 (5th Cir. 1980) (“The government’s evidence and argument concerning violations of [the civil regulatory provision] impermissibly infected the very purpose for which the trial was being conducted ...”); *United States v. Riddle*, 103 F.3d 423, 431 (5th Cir. 1997) (trial court abused discretion by admitting regulatory report of persistent regulatory violations, effectively allowing jury to equate poor banking practices with criminal intent).

Relatedly, there is a danger that the jury will give undue weight to the FINRA settlement and find that Abbonizio is liable merely because he may have previously violated FINRA rules. In other words, the Letter of Acceptance and other facts related to what is effectively a settlement with FINRA carry an *imprimatur of authority* that the jury is likely to blindly follow. Courts routinely exclude government agency reports or related documents to prevent unfair prejudice. *See United States v. Mirilishvili*, Criminal Action No. 14-810, 2016 WL 751690, at *11 (S.D.N.Y. Feb. 19, 2016) (excluding evidence of regulatory proceeding regarding revocation of defendant’s medical license in criminal case for distribution of narcotics); *Chambers v. Sch. Dist. of Phila Bd. Of Educ.*, 827 F. Supp. 2d 409, 420 (E.D. Pa. 2011) (noting that a “jury could be likely to give undue weight to the decision of a government agency”), *rev’d in part on other grounds*, 537 Fed.

App'x 90 (3d Cir. 2013); *Cambra v. Rest. Sch.*, Civil Action No. 04-2688, 2005 WL 2886220, at *3 (E.D. Pa. Nov. 2, 2005) (excluding EEOC determination letter that drew categorical legal conclusions at the “heart” of the related civil case); *Abramowitz v. Inta-Boro Acres Inc.*, Civil Action No. 98-4139, 1999 WL 1288942, at *7 (E.D.N.Y. Nov. 16, 1999) (excluding related decision by regulatory body where only purpose to be served by admitting report into evidence was to “suggest to jury that it should reach the same conclusion.”).

For the reasons stated above, the Court should exclude references to Abbonizio’s FINRA settlement.

II. The Court should exclude all evidence related to the Texas Securities Action.

The Court should exclude all reference to, and evidence related to a lawsuit initiated by the Texas State Securities Board (“TSSB”) (the “Texas Lawsuit”) against Par Funding and Abbonizio for two reasons. *First*, there is a danger that the jury will give undue weight to the Texas Lawsuit—brought by a state regulator—which contains only allegations against Abbonizio at this point. *Second*, even if the Texas Lawsuit were relevant, it cannot form the basis of the securities violations here because the documentary evidence shows that Par did disclose the Texas Lawsuit.

On February 25, 2020, the TSSB entered Order No. ENF-CDO-20-1798 (the “Emergency Order”) against six parties, including Abbonizio, Complete Business Solutions Group, Inc. dba Par Funding (“Par Funding”), and abetterfinancialplan.com, LLC aka A Better Financial Plan (“A Better Financial Plan”), pursuant to Section 23-2 of the Texas Securities Act (the “TSA”). The TSSB alleged fraud and registration violations. The instant SEC suit was filed just a few months after, making almost identical allegations under the federal securities laws.

Abbonizio moved to stay the Texas Lawsuit, arguing that with respect to the core allegations, both this case and the Texas Lawsuit alleged: that Abbonizio engaged in fraud by

failing to disclose to investors certain regulatory actions against Par Funding; that Abbonizio engaged in fraud by not disclosing to investors the identity of the principals of Par Funding and the business reputation (*i.e.*, criminal history) of a principal of Par Funding; and that Abbonizio engaged in the sale of unregistered securities. *See* Ex. B, Abbonizio’s Motion to Stay Texas Case.

Recognizing the overlap between the two cases, the Administrative Law Judge overseeing the Texas Lawsuit stayed the case pending resolution of the instant action. As of today, the Texas Lawsuit is unadjudicated as against Abbonizio and contains nothing more than allegations. *See* Ex. C, ALJ Order Staying Texas Lawsuit.

The Court should exclude evidence related to the Texas Lawsuit for two independent reasons.

First, courts routinely exclude evidence of other related lawsuits to ensure that the jury does not find a defendant liable merely because he has been sued by other plaintiffs. *See Board of Trustees of Aftra Retirement Fund v. JPMorgan Chase*, 860 F.Supp.2d 251, 254 (S.D.N.Y. 2012) (“Indeed, courts generally exclude evidence of other related lawsuits ... I see little probative value in allegations only. Accordingly, evidence of the existence of similar lawsuits is excluded from this trial.”); *Foster v. Berwind Corp.*, Civil Action No. 90-857, 1991 WL 83090, at *1 (E.D. Pa. May 14, 1991) (excluding evidence of other lawsuits because the “complaints in these other actions are just that: allegations” and “are dispositive of nothing and would confuse the complex issues already present.”).

While courts routinely exclude evidence of related suits brought by *private parties*, there is an even greater need to exclude evidence of the Texas Lawsuit here. The Texas Lawsuit was initiated by a *state regulatory authority* and there is a real danger that the jury will improperly give added credibility and weight to the SEC’s instant case merely because another state regulatory

agency initiated a similar suit and made similar allegations. *See In re Processed Egg Prods. Antitrust Litig.*, Civil Action No. 08-md-2002, 2018 WL 1725802, at *7 (E.D. Pa. April 9, 2018) (excluding complaints, allegations, and filings made on behalf of FTC and Better Business in an antitrust trial between private civil litigants because of the improper “imprimatur of authority” that FTC and BBB filings carried).

Second, the SEC appears to assert that it is not introducing the Texas Lawsuit for an improper use (*i.e.*, Texas sued Defendants too so Defendant must be liable here), but that Defendants violated federal securities lawsuits by not immediately disclosing the Texas Lawsuit. *See* D.E. 119, Amended Complaint, at ¶¶262-67. This argument, if the SEC is making it, ignores the facts. The documentary evidence clearly demonstrates that Par and its agents disclosed the Texas Lawsuit in offering documents almost immediately—within a month of the filing of the Texas Lawsuit and before there had been any final factual findings. For example, in the offering documents prepared by Par in April 2020, the document clearly disclosed the Texas Lawsuit. *See* Ex. D, Exchange Offering Note dated April 8, 2020, at CBSG-Receiver-000119772, 119785 (“Section 4.14. Risks Relating to Exchange Offer ... the Seller has been subject to regulatory orders issued by...the Securities Commission of the State of Texas ... On February 25, 2020, the [TSSB] issued a Cease-and-Desist Order against the Company ... The TX Order did not impose any sanctions or other penalties against the Company. The Company is complying with the TX Order. The Company has engaged Texas counsel and has requested a hearing on the TX Order.”).²

Given the danger that the jury will almost certainly be confused by the introduction of the Texas Lawsuit and the fact that the Texas Lawsuit cannot form the basis of a federal securities

² The investor’s name is not relevant and has been redacted from the filing.

violation because it was disclosed, the Court should exclude all references to the parallel Texas case.

III. The Court should exclude all evidence related to repayment of Par Notes to Abbonizio and his family members.

Abbonizio suspects that the Government intends to introduce evidence that he and his mother-in-law at the height of COVID in the winter of 2020 received their principal back from prior personal investments in Par. Evidence related to repayment of the notes in 2020 is irrelevant to any issue in this case and inadmissible under Rule 403 as its only purpose is to unfairly inflame the jury's emotions.

During Abbonizio's deposition, the SEC asked Abbonizio about the fact that many investors did not receive their interest payments during the height of COVID and were asked to enter into exchange notes that had materially different terms than the original promissory notes. *See* Ex. E, Abbonizio Depo. at 209-10. The SEC asked whether some investors received "preferential treatment" during this time such as Abbonizio's mother-in-law and received their full principal back while other investors—who were not connected to Par—did not receive a return of their funds. *Id.* at 210.

First, this evidence should be excluded under Rules 401 and 402. Evidence regarding the return of principal to Par insiders is irrelevant and does not tend to make the existence of any fact that is of consequence to the determination of the case any more probable or less probable than it would be without the evidence. Whether Par insiders were paid before Par paid other investors does not have any bearing on whether any of the Defendants committed the alleged violations outlined in the SEC's Amended Complaint.

Second, the Court should exclude evidence of repayments of the notes to insiders because this evidence is substantially more prejudicial than probative under Rule 403. Evidence of bad or

corrupt deeds should be excluded where they are not relevant to a lawsuit and are designed to imply “to the jury that it should find in favor of the [Government] because [defendant] makes a practice of misleading its investors or of undertaking in shady dealings.” *Union County, Iowa*, 2010 WL 11468305, at *6-7; *See also Nagy v. United States*, 519 Fed. App’x 137, 143 (4th Cir. 2013) (finding that district court abused its discretion in permitting evidence that defendant failed to pay his taxes where failure to pay taxes was irrelevant to case and defendant’s failure to pay taxes “bears all the indicia of a garden-variety ‘bad acts’ evidence with no other purpose than to emotionally inflame the jury against the defendant.”).

Here, there is a real danger that evidence of the alleged preferential treatment will unfairly inflame juror’s emotions. COVID was a particularly difficult time for many—financially, mentally, and emotionally—and evidence about Par’s alleged preferential treatment of insiders serves no other purpose than to inflame the jury against the Defendants and divert the jury’s attention from the actual issues at contest. The Court should exclude all evidence and references to the alleged insider payments.

CONCLUSION

For the foregoing reasons, Abbonizio requests that the Court grant the motions *in limine*.

Date: November 10, 2021

Respectfully submitted,

/s/ Jeffrey E. Marcus

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CERTIFICATE OF SERVICE

I hereby certify that on November 10, 2021, a true and correct copy of the foregoing was served via CM/ECF on all counsel or parties of record.

By: /s/ Jeffrey E. Marcus
Jeffrey E. Marcus

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2011028152201**

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Perry Stephen Abbonizio, Respondent
General Securities Representative
CRD No. 2787112

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I, Perry Stephen Abbonizio, submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Perry Stephen Abbonizio ("Abbonizio" or "Respondent") entered the securities industry in July 1996 with a FINRA regulated firm. He became registered as a General Securities Representative ("GSR") in October 1996 and continued to be associated with that firm until July 1999. From July 1999 to March 2008, Abbonizio was associated with another FINRA regulated firm as a GSR. From March 2008 to April 2011, Abbonizio was registered as a GSR with Wells Fargo Advisors, LLC ("WFA" or the "Firm"). On April 26, 2011, during WFA's "review of Mr. Abbonizio's involvement with an outside investor relations firm unaffiliated with [WFA] and his recommendations of low-priced securities promoted by the outside relations firm made to [WFA] clients," Abbonizio voluntarily terminated his employment with WFA.

From April 26, 2011 to January 14, 2015, Abbonizio was associated with another FINRA regulated firm as a GSR. Pursuant to Article V, Section 4 of FINRA's

By-Laws, FINRA retains jurisdiction over Abbonizio until January 14, 2017.

RELEVANT DISCIPLINARY HISTORY

Abbonizio has no formal disciplinary history.

OVERVIEW

From in or about March 2008 through in or about April 2011 (the “Relevant Period”), Abbonizio, a former GSR with WFA, participated in private securities transactions by soliciting approximately ten Firm customers to invest in three private placements, without providing notice to WFA in violation of NASD Rules 3040 and 2110 and FINRA Rule 2010.

In addition, Abbonizio engaged in an outside business activity by referring individuals who were hired by a company involved in the private placements and receiving compensation from the company in the form of shares, without providing notice to WFA in violation of NASD Rules 3030 and 2110 and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

1. Private Securities Transactions

NASD Conduct Rule 3040 prohibits an associated person from “participat[ing] in any manner in a private securities transaction” unless, prior to participating in the transaction, the associated person provides “written notice to the member with which he is associated describing in detail the proposed transaction and the person’s proposed role therein and stating whether he has received or may receive selling compensation in connection with the transaction.” A “private securities transaction” is defined in Rule 3040(e)(1) as “any transaction outside the course or scope of an associated person’s employment with a member”

FINRA Rule 2010 and its predecessor rule, NASD Rule 2110,¹ provide that “[a] member, in the conduct of his business, shall observe high standards of commercial honor and just and equitable principles of trade.”

During the Relevant Period, while associated with WFA, Abbonizio solicited approximately ten Firm customers to invest approximately \$625,000 in three private placements. Abbonizio participated in these private securities transactions

¹ See FINRA Regulatory Notice 08-57, which describes certain changes to FINRA’s rules, including the change of NASD Rule 2110 to FINRA Rule 2010, effective December 15, 2008.

without the Firm's knowledge or permission.

WFA policies and procedures prohibited representatives from soliciting customers to participate in any private securities transaction not associated with the Firm, whether or not the representative received compensation for doing so.

Accordingly, Abbonizio violated NASD Rules 3040 and 2110 (for conduct before December 15, 2008) and FINRA Rule 2010 (for conduct after December 14, 2008) because, during his employment with WFA, he participated in private securities transactions by soliciting approximately ten Firm customers to invest in three private placements without the knowledge or consent of WFA.

2. Outside Business Activity

NASD Rule 3030 states that "[n]o person associated with a member in any registered capacity shall be employed by, or accept compensation from, any other person as a result of any business activity, other than a passive investment, outside the scope of his relationship with his employer firm, unless he has provided prompt written notice to his employer."

Between March 2008 and in or about August 2009, while associated with WFA, Abbonizio engaged in an outside business activity with one of the companies involved in the private placements. Specifically, Abbonizio referred individuals who were hired by the company for high-level positions and received compensation from the company in the form of shares. Abbonizio was allocated these shares in 2009 – with a total value of approximately \$100,000 – outside the scope of his relationship with WFA.

WFA policies and procedures prohibited its representatives from participating in an outside business activity without providing prior notice and receiving prior approval from the Firm. Abbonizio never provided WFA with notice of his outside business activity and compensation from the company.

Accordingly, Abbonizio violated NASD Rules 3030 and 2110 (for conduct before December 15, 2008) and FINRA Rule 2010 (for conduct after December 14, 2008) because, during his association with WFA, he received compensation as the result of an outside business activity without providing prior notice to the Firm.

B. I also consent to the imposition of the following sanctions:

- a \$10,000 fine; and
- a four-month suspension from association with any FINRA member in any capacity.

The fine shall be due and payable either immediately upon reassociation with a member firm following the four-month suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

I specifically and voluntarily waive any right to claim that I am unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made, and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive any right to claim bias or prejudice of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of Rule 9144, in connection with such person's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

I understand that:


- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my: (i) testimonial obligations; or (ii) right to take legal or factual

positions in litigation or other legal proceedings in which FINRA is not a party.

- D. I may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. I understand that I may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

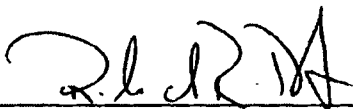
2-23-2015
Date


Respondent
Perry Stephen Abbonizio

Accepted by FINRA:

2.24.15
Date

Signed on behalf of the
Director of ODA, by delegated authority


Richard R. Best, Chief Counsel
FINRA Department of Enforcement
One World Financial Center
200 Liberty Street, 11th Floor
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SOAH DOCKET NO. 312-20-4033

TEXAS STATE SECURITIES BOARD	§	BEFORE THE STATE OFFICE
Petitioner,	§	
	§	
v.	§	OF
	§	
PERRY ABBONIZIO,	§	
Respondent.	§	ADMINISTRATIVE HEARINGS

PERRY ABBONIZIO’S MOTION TO STAY PROCEEDINGS

Respondent Perry Abbonizio (“Abbonizio”) hereby moves the State Office of Administrative Hearings (“SOAH”) and the Administrative Law Judge (“ALJ”) to stay this proceeding as to Abbonizio, pending the resolution of an SEC enforcement action in the U.S. District Court for the Southern District of Florida. In support of this motion, Abbonizio respectfully shows the following:

I. SUMMARY

A stay of this matter is appropriate. The Texas State Securities Board (the “TSSB”) has alleged fraud and registration violations against Abbonizio relating to the offer and sale of promissory notes issued by Par Funding. Similarly, the U.S. Securities and Exchange Commission (the “SEC”) has filed an action in the Southern District of Florida alleging fraud and registration violations against Abbonizio relating to the offer and sale of Par Funding’s promissory notes (the “SEC Action”).

Not only do the legal issues overlap in the two cases, but the facts underlying the alleged violations are also the same. As a result, there is a high likelihood that Abbonizio could face conflicting judgments and duplicative, unnecessary litigation efforts. Expending effort and resources by litigating this case and the SEC Action simultaneously will not only affect

Abbonizio, but could negatively impact any potential recovery by the investors the TSSB and the SEC are seeking to protect.

Because Abbonizio is subject to the Emergency Order during the pendency of this matter, Abbonizio is already subject to all of the cease and desist sanctions the TSSB seeks to finalize through the SOAH hearing. Therefore, the TSSB will not be delayed in pursuing its interests. The only actual effect, even if the TSSB were successful at hearing, would be that Abbonizio would be subject to a “disqualifying event,” which carries significant consequences. Yet because Abbonizio is also currently subject to a Preliminary Injunction Order in the SEC Action, he is *already* subject to disqualifying provisions under the securities laws. In other words, a final Order in the TSSB’s case would not achieve anything more than is already in effect.

Accordingly, this case should be temporarily stayed pending resolution by the U.S. District Court for the Southern District of Florida of the SEC Action.

II. BACKGROUND

A. This Case

On February 25, 2020, the TSSB entered Order No. ENF-CDO-20-1798 (the “Emergency Order”) against six parties, including Abbonizio, Complete Business Solutions Group, Inc. dba Par Funding (“Par Funding”), and abetterfinancialplan.com, LLC aka A Better Financial Plan (“A Better Financial Plan”), pursuant to Section 23-2 of the Texas Securities Act (the “TSA”). The TSSB alleged fraud and registration violations, including that all of the Respondents engaged in fraud based on their failure to disclose to investors certain orders issued by state regulators against Par Funding and court actions filed against Par Funding based on its lending practices. The TSSB specifically alleged fraud violations in connection with the offer and sale of Par Funding promissory notes against Abbonizio.

On April 2, 2020, Abbonizio timely submitted a request for hearing to challenge the application of the Emergency Order. On March 25, 2021, the TSSB filed the formal Notice of Hearing in this matter pursuant to which the TSSB has requested that the ALJ enter a proposal for decision to affirm the Emergency Order. *See* TSSB Notice of Hearing, ¶ 10. The evidentiary hearing in this matter is scheduled to commence before the ALJ on May 27, 2021.

B. The SEC Action

On July 24, 2020, the SEC filed a complaint for injunctive and other relief against multiple defendants, including Respondents Abbonizio, Par Funding, and A Better Business Plan, in the U.S. District Court for the Southern District of Florida in Case No. 9:20-cv-81205-RAR (the “SEC Action”). SEC Complaint, Doc. 1. The SEC amended its complaint on August 10, 2020. SEC Action, Doc. 119, attached hereto as Exhibit A.¹ The SEC’s complaint charged the defendants with violating the antifraud provisions of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and the securities registration provisions of Sections 5(a) and 5(c) of the Securities Act. Like this case, the SEC’s claims revolve around the unregistered offer and sale of Par Funding promissory notes.

The Southern District of Florida granted the SEC’s request for emergency relief. The SEC obtained a temporary restraining order against the defendants, including Abbonizio, an asset freeze against Par Funding and others, and the appointment of a receiver for Par Funding and other entity defendants. *See* SEC Action, Docs. 36, 42, 141. Copies of the Order granting the SEC’s Motion for Apportionment of a Receiver [Doc. 36], and the Amended Order Appointing a

¹ The Amended Complaint corrects a scrivener’s error, to include “The” in the Relief Defendant’s name and identifies the Trustees of the Relief Defendant. “SEC Complaint” in this motion refers to the complaint as amended.

Receiver [Doc. 141] are attached hereto as Exhibits B and C, respectively. On August 20, 2020, the court entered a preliminary injunction against Abbonizio, based on his consent, enjoining him from violating the antifraud and registration provisions of the federal securities laws. *See* SEC Action, Docs. 173-1 & 181, attached hereto as Exhibits D and E, respectively. Abbonizio's consent agreement, which was contemporaneously filed with the SEC's motion for a preliminary injunction, outlines the scope of his asset freeze. *See, e.g.*, Ex. D.

Discovery in the SEC Action is ongoing. The jury trial in the SEC Action is scheduled to commence on August 30, 2021. *See* SEC Action, Doc. 279, attached hereto as Exhibit F.

III. ARGUMENTS

The ALJ has the discretionary authority to stay proceedings, with the exercise of this authority involving the balancing and competing interests and issues. *See, e.g., Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936) (stating that the power to stay "is incidental to the power inherent in every court to control the disposition of the cases on its docket with economy of time and effort for itself, for counsel, and for litigants"); *Soverain Software LLC v. Amazon, Inc.*, 356 F. Supp. 2d 660, 662 (E.D. Tex. 2005) (citations omitted) (*rev'd on other grounds*).

When considering whether to stay a proceeding, Texas courts will typically consider the following factors in making stay determinations: "(1) whether a stay will unduly prejudice or present a clear tactical disadvantage to the nonmoving party, (2) whether a stay will simplify the issues in question and trial of the case, and (3) whether discovery is complete and whether a trial date has been set." *Soverain Software LLC v. Amazon.com*, 356 F. Supp. 2d 660, 662 (E.D. Tex. 2005). Other significant factors for consideration include whether judicial efficiency will be improved by avoiding duplicative litigation, simplifying the issues in question, and reducing the burden of litigation. *See, e.g., Strong v. Livingston*, No. 2:12-CV-106, 2014 U.S. Dist. LEXIS 50081, at *6-*7 (S.D. Tex. Apr. 11, 2014) (finding stay is in "best interests of judicial economy")

where upcoming trial in different district court may streamline case by testing party's best evidence); *Louisiana ex rel. Flores v. Am. Nat'l Prop. & Cas. Co.*, No. 13-3546, 2013 U.S. Dist. LEXIS 139516, at *2-*4 (E.D. La. Sept. 26, 2013) (finding "interests of judicial economy are obviously served by imposing a stay" pending Fifth Circuit's ruling on separate case involving the same threshold issue since "this Court will be bound by the Fifth Circuit's ruling on the issue"); *Johnson v. Canal Barge Co.*, No. G-12-037, 2013 U.S. Dist. LEXIS 127246, at *1-*2 (S.D. Tex. Sept. 6, 2013) (granting stay pending Fifth Circuit's resolution of separate case because judgment there will be on issue "that is necessary to the disposition of these cases"); *U.S. Wolf Designs, Inc. v. Donald McEvoy Ltd.*, 341 F. Supp. 2d 639, 645-46 (N.D. Tex. Oct. 15, 2004) ("Where such substantial similarities [in concurrent cases] exist, the parties and witnesses, the public, and the courts are entitled to be free from the waste of duplicative litigation.").

As discussed below, a combination of these factors supports staying this case in favor of a resolution on the issues that are already before the Southern District of Florida.

A. Without a Stay, Abbonizio Could Be Faced With Conflicting Judgments.

This administrative proceeding should be stayed because it focuses on precisely the same conduct that is the subject of the SEC Action and, therefore, could result in conflicting judgments. *See, e.g., U.S. Wolf Designs, Inc. v. Donald McEvoy Ltd.*, 341 F. Supp. 2d 639, 645 (N.D. Tex. Oct. 15, 2004) (considering the heightened risk of inconsistent rulings in granting a stay); *In re State Farm Mut. Auto Ins. Co.*, 192 S.W. 3d 897, 901 (Tex. App.-Tyler 2006, orig. proceeding) (considering the effect of a judgment in the later action on any order or judgment entered in the prior action); *Crown Leasing Corp. v. Sims*, 92 S.W.3d 924, 927 (Tex. App.-Texarkana 2002, no pet.) (same). Notably, in addition to the core issues discussed below, the overlap between these two cases goes down to even the smallest of details. For example, the TSSB asserts that "Abbonizio [is] claiming that [a total of 45] other parties are raising capital for

Respondent Par Funding.” Emergency Order, ¶ 33. The SEC mirrors this assertion by stating that “[a]ccording to Abbonizio...., there are more than 40 Agent Funds raising investor money for Par Funding.” Ex. A, SEC Complaint, ¶ 78.

With respect to the core allegations, both cases allege that Abbonizio engaged in fraud by failing to disclose to investors certain regulatory actions against Par Funding. *See* Emergency Order, ¶¶ 62-67; Ex. A, SEC Complaint, ¶¶ 227-30. Specifically, both actions require proving that Abbonizio failed to disclose the existence of a previous action by the Pennsylvania securities regulator and the existence of a previous action by the New Jersey securities regulator. More importantly, both the TSSB case and the SEC Action require the respective factfinders to conclude that the existence of these previous actions: (1) were “material facts” and (2) that Abbonizio had a legal duty to disclose the existence of these actions to the investors. These are both legal conclusions that require the application of similar legal standards under both Texas law and the applicable federal laws. *See* Tex. Rev. Civ. Stat. Art. 581-33A(2); 15 U.S.C. §§ 77q(a), 78j(b); 17 C.F.R. § 240.10b-5. Although we believe the law will support Abbonizio, the risk that two jurisdictions could reach inconsistent results on these critical legal issues – based on the same facts (*i.e.*, non-disclosure of the Pennsylvania and New Jersey actions) – would only foster confusion and uncertainty. *See U.S. Wolf Designs, Inc.*, 341 F. Supp. 2d at 645. This risk is compounded because given the Receiver’s appointment in the SEC Action, Abbonizio no longer has unfettered access to Par Funding’s documents that will support his defenses in this matter, other than as requested and received through discovery in the SEC Action which is still ongoing. Thus, the risk of harm to Abbonizio is great, but staying the TSSB action does not present any negative consequences for the TSSB (or the investing public).

Moreover, both the SEC and the TSSB have alleged that Abbonizio engaged in fraud by not disclosing to investors (1) the identity of the principals of Par Funding and (2) the business

reputation (*i.e.*, criminal history) of a principal of Par Funding. *See* Emergency Order, ¶¶ 60-61; Ex. A, SEC Complaint, ¶ 217. Once again, assuming the regulators can establish that these facts were not disclosed in the relevant transactions, the SEC and TSSB would be *concurrently* asking separate factfinders to conclude that (1) these facts were material and (2) Abbonizio had a legal duty to disclose these facts to investors.

Finally, the regulators in both matters assert that Abbonizio engaged in the sale of unregistered securities. To that end, both claims involve assertions that the investments at issue (*i.e.*, the Par Funding promissory notes) have not been filed with the SEC and there was not any applicable exemption from registration. *See* Ex. A, SEC Complaint, Count VII, ¶¶ 286-289; Emergency Order, ¶¶ 51-55, Conclusion of Law 2.

Importantly, as the TSSB itself acknowledges, the federal exemption from securities registration, if applicable as claimed, would preempt the TSSB from requiring registration pursuant to state law. *See* Emergency Order, ¶¶ 53-54. In other words – the TSSB’s ability to prove one of the alleged violations in this case depends entirely on whether an exemption under a *federal* law administered by the SEC was satisfied. This exact issue will be in front of a federal court in the SEC Action at effectively the same time as this case. What happens if the ALJ rules that the exemption under federal law was not available to the securities transactions at issue, yet a federal court rules otherwise? Would the preemption then apply and automatically undo the ALJ’s ruling or would additional litigation become necessary? It is exactly these types of avoidable risks that support Abbonizio’s request that this matter be stayed until the resolution of these parallel issues in the SEC Action.

B. A Stay Will Avoid Duplicative Litigation Efforts and Streamline the Issues.

A stay will promote judicial economy by avoiding duplicative litigation, simplifying the issues in question, and reducing the burden of litigation on Abbonizio and the SOAH. *See, e.g.*,

Strong, 2014 U.S. Dist. LEXIS 50081, at *6-*7; *Louisiana ex rel. Flores*, 2013 U.S. Dist. LEXIS 139516, at *2-*4; *Johnson*, 2013 U.S. Dist. LEXIS 127246, at *1-*2; *U.S. Wolf Designs, Inc.*, 341 F. Supp. 2d at 645-46.

1. *Overlapping Factual and Legal Issues*

The cases share similar fact patterns and central legal issues, documents and other evidence will be germane to both proceedings. The SEC Action will likely address issues such as the extent to which Abbonizio disclosed or failed to disclose to investors certain state regulatory orders and court actions against Par Funding, as well as other representations or omissions to investors relating to the offer and sale of Par Funding promissory notes. Each of these issues will be material to, and potentially dispositive of, the issues raised in this matter. Although the fraud claims in this matter will be analyzed under Texas law, the antifraud provisions of the Texas Securities Act at issue in this case are substantially similar to the antifraud provisions of the federal securities laws at issue in the SEC Action. *See* Tex. Rev. Civ. Stat. Art. 581-33A; 15 U.S.C. §§ 77q, 78j(b); 17 C.F.R. § 240.10b-5. The resolution of the SEC Action will therefore inform the ALJ's decision in this matter and narrow the issues which it must resolve if any issues remain.

2. *All Sanctions and Investor Protection Remedies Achievable through a Final TSSB Order are Already in Place.*

A hearing on the merits in this matter will **not** result in any additional sanctions or investment protections than those already in place during the pendency of this matter and the SEC Action.

The TSSB is not seeking the imposition of any sanctions other than those listed in its Emergency Order. In other words, if the TSSB were successful on all counts at hearing, a final order in this matter would not result in a monetary penalty against Abbonizio or require anything

of Abbonizio other than that what he is already required to do under the Emergency Order. The Emergency Order, while not a final order, is still in effect and Abbonizio remains subject to its provisions until this matter is resolved.

A final order by the TSSB involving findings of fraud would constitute a “disqualifying event” under various securities laws. For example, a person subject to a disqualifying event could have little to no role in securities transactions for exempt offerings relying on fundamental provisions of the securities laws. *See* 17 C.F.R. §§ 230.506(d), 230.262(a). In other words, ordinarily, a final TSSB order involving fraud findings would subject Abbonizio to significant ramifications that would not be implicated during the period in which he is challenging an Emergency Order.

However, Abbonizio has also consented to the entry of an Order by the U.S. District Court for the Southern District of Florida enjoining him from engaging in any conduct in connection with the sale of any security that violates key provisions of the federal securities laws. *See, e.g.,* Ex. E, Order Granting Preliminary Injunction by Consent. This Preliminary Injunction Order in the SEC Action, although preliminary in nature, nonetheless constitutes a “disqualifying event” under Rule 506. *See* 17 C.F.R. § 230.506(d)(1)(ii); Disqualification of Felons and Other “Bad Actors” from Rule 506 Offerings, Securities Act Release No. 9414, pp. 36-38 (Sept. 23, 2013), available at <https://www.sec.gov/rules/final/2013/33-9414.pdf>.

In sum, even if the TSSB were to succeed completely on all of its allegations, a hearing on the merits in this matter will not result in any additional sanctions or restrictions on Abbonizio. All of what the TSSB hopes to accomplish is already in place and will remain so unless and until the SEC Action is unsuccessful in its claims. Of course, for the reasons noted above, such a conclusion in the SEC Action will significantly inform the ALJ’s analysis and decision in this matter if any issues remained outstanding.

C. The TSSB Will Not Be Prejudiced From Staying This Matter.

The TSSB cannot demonstrate any prejudice or hardship from staying this matter. The TSSB has already entered the Emergency Order against Abbonizio. The terms of the Emergency Order, while not final during the pendency of this matter, remain in full effect. Moreover, the TSSB's demand in the present matter is only to make final the findings and sanctions in the Emergency Order. In other words, the TSSB is not seeking any remedy that would not already be in place during a stay of this proceeding. After resolution of the SEC Action, which is scheduled for trial in August 2021, the evidentiary hearing on Abbonizio's challenge to the Emergency Order can resume – should the parties even deem necessary.

On the other hand, forcing Abbonizio to litigate the same issues in the TSSB matter before resolution of the SEC Action could unnecessarily undermine some key relief being sought in the SEC Action. The SEC has requested that Abbonizio be forced to disgorge all ill-gotten gains and pay penalties to the federal government. Requiring Abbonizio to pay for the costs of concurrently defending the same issues in this matter would negatively impact the SEC's ability to recover disgorgement or penalties from Abbonizio. A stay, however, would have no effect on the relief sought by the TSSB, which it has already obtained through the Emergency Order. Accordingly, the equities support only one conclusion – this matter should be stayed.

IV. REQUEST FOR RELIEF

Respondent respectfully requests that the Court enter the attached Proposed Order staying this case as it relates to Perry Abbonizio until the resolution of the SEC Action, and for such further relief, legal or equitable, to which he may be justly entitled.

Respectfully submitted,

WINSTEAD PC

By: /s/ Ronak V. Patel

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**ATTORNEYS FOR RESPONDENT
PERRY ABBONIZIO**

CERTIFICATE OF CONFERENCE

I certify that I conferred in good faith with Jeramy Heintz, counsel for the TSSB, concerning Respondent Abbonizio's request to stay this proceeding. The TSSB opposes the relief requested herein.

/s/ Ronak V. Patel

Ronak V. Patel

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing was forwarded to all counsel of record in this case by electronic mail on April 2, 2021.

/s/ Ronak V. Patel

Ronak V. Patel

ACCEPTED
312-20-4033
04/22/2021 3:29 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Donnie Roland, CLERK

FILED
312-20-4033
4/22/2021 2:58 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Donnie Roland, CLERK

SOAH DOCKET NO. 312-20-4033

TEXAS STATE SECURITIES BOARD,	§	BEFORE THE STATE OFFICE
Petitioner	§	
	§	
v.	§	OF
	§	
PERRY ABBONIZIO,	§	
Respondent	§	ADMINISTRATIVE HEARINGS

**ORDER NO. 7
GRANTING MOTION TO STAY PROCEEDINGS**

On April 2, 2021, Respondent Perry Abbonizio filed a Motion to Stay Proceedings. Although the certificate of conference indicates that the staff (Staff) of the Texas State Securities Board opposed the motion, Staff did not file a response to it. In the motion, Respondent argues that this matter should be stayed because the Securities and Exchange Commission has filed an action against him in the United States District Court for the Southern District of Florida and that action alleges violations based on the same facts pleaded here. The Florida case is set for trial on August 30, 2021. The ALJ will grant the motion.

It is therefore ORDERED that It is therefore **ORDERED** that the Respondent's Motion to Stay Proceedings is **GRANTED**, that the hearing set for May 27, 2021, is **CANCELED**, and that the parties are to file a status report with SOAH within 5 days of judgment being entered. Until that time, the parties are to file status reports every 30 days, beginning **May 21, 2021**.

SIGNED April 22, 2021.


 REBECCA S. SMITH
 ADMINISTRATIVE LAW JUDGE
 STATE OFFICE OF ADMINISTRATIVE HEARINGS

CONFIDENTIAL

Restated Note Amount: \$281,250.00

COMPLETE BUSINESS SOLUTIONS GROUP, INC.

**EXCHANGE OFFER OF OUTSTANDING NOTES FOR
AMENDED AND RESTATED NOTES**

Complete Business Solutions Group, Inc., a Delaware corporation (the "Company") d/b/a PAR Funding, is offering to exchange all issued and outstanding notes to which the Company granted a security interest in the tangible and intangible personal property of the Company (the "Outstanding Notes") for new notes in the amount of the aggregate and outstanding balance of the Outstanding Note as of the Effective Date (as defined herein) (taking into account the moratorium on interest – See Recent Developments) but with a different term, interest rate and repayment schedule that was applicable to the Outstanding Notes and as to which the Company will grant a similar security interest in its tangible and intangible personal property (the "Restated Notes").

The exchange offerees are all persons who are current holders of the Outstanding Notes.

The exchange offer expires at 5:00 pm, Eastern Daylight Time, on April 24, 2020, unless extended in the sole discretion of the Company (the "Expiration Date").

The exchange offer is not conditioned upon the acceptance of the exchange offer by a minimum number of holders of Outstanding Notes or a minimum aggregate principal amount of Outstanding Notes by the Expiration Date.

In all respects, the information contained herein is qualified in its entirety by reference to the Amended and Restated Note Purchase Agreement appearing in Exhibit A hereto (the "Restated Note Purchase Agreement"), the Amended and Restated Non-Negotiable, Non-Transferable Term Promissory Note appearing in Exhibit B hereto (the "Restated Note") and the Amended and Restated Security Agreement appearing in Exhibit C hereto (the "Restated Security Agreement"), all of which are incorporated by reference herein. *Each person receiving this exchange offer is encouraged to read these documents carefully.*

Execution and submission of the above-referenced documents to the Company by the holder of an Outstanding Note constitutes an irrevocable acceptance of the exchange offer and after submitting them to the Company, the holder of the Outstanding Note has no right to withdraw his acceptance of the exchange offer.

Due to the exigencies described under "Recent Developments," the Company intends to counter-sign the Restated Note Purchase Agreement, Restated Note and Restated Security Agreement upon receipt.

Certain risks associated with the exchange offer appear on page 3.

Neither the U.S. Securities and Exchange Commission ("SEC") nor any state securities commission has passed upon the merits of the exchange offer or the accuracy or adequacy of this document or exhibits thereto. It is unlawful to make any representation to the contrary.

The date of this Exchange Offer is April 8, 2020.

109427395.v1

The Restated Notes have not been registered under the Securities Act of 1933, as amended ("1933 Act") or any state securities laws in good faith reliance upon an exemption from registration for offerings made in reliance on Rule 506(b) of SEC Regulation D.

This Exchange Offer does not constitute an offer of securities in any jurisdiction in which, or to any person to whom, it is not permitted.

Neither the delivery of this Exchange Offer nor any sale made pursuant thereto shall create any implication that the information contained herein is correct as of any time subsequent to the date hereof or any supplement thereto.

Exchange offerees are not to construe this Exchange Offer or information provided by professionals who have been engaged by the Company to render professional services in connection with the preparation of this Exchange Offer as constituting legal, tax, accounting or investment advice. Exchange offerees should consult their own legal, tax, accounting and financial advisors with respect to acceptance of the exchange offer.

This Exchange Offer does not address any resales of Restated Notes during or after completion of the exchange offer and no person is authorized to make use of this document in connection with any resale.

FORWARD LOOKING STATEMENTS

This document may contain various forward-looking statements which may include statements about expectations, beliefs, plans, objectives, assumptions or future events which are not historical facts and may be forward-looking. These forward-looking statements often can be, but are not always, identified by the use of words such as "assume," "expect," "intend," "plan," "project," "believe," "estimate," "predict," "anticipate," "may," "might," "should," "could," "goal," "potential" and similar expressions. Should any statement containing these words included herein not materialize or should any or all underlying assumptions prove to be incorrect, actual results or outcomes may vary materially from those described herein as anticipated, believed, estimated, expected or intended. The Company does not promise to update forward looking information to reflect actual results or changes to assumptions or other factors that could affect such information.

THE COMPANY

The Company provides small and mid-size businesses with various financing options to fund their day-to-day operations and growth. A significant service provided by the Company to these customers is an agreement to advance funds to the customer in exchange for an obligation on the customer to sell future receivables to the Company at stated periods which often is referred to as merchant cash advances ("MCA").

Joe Cole is the Chief Financial Officer of the Company and is the person to whom exchange offerees may ask questions or request additional information concerning this exchange offer. No other person is authorized to give information or make any representation not contained herein.

Mr. Cole can be contacted by email at joecole@parfunding.com. The Company's principal office is located at 2000 PGA Blvd., Suite 4440, Palm Beach Gardens, FL 33408.

RECENT DEVELOPMENTS

The COVID-19 pandemic in the United States has resulted in government orders in almost all states for non-essential businesses to close and for the population of those states to isolate themselves at home. These government measures have wiped out the ability of the Company's customer base to satisfy their MCA obligations to the Company.

To address this dramatic loss of revenue to the Company and to preserve its ability to continue as a going concern, the Company has taken several important steps. The first step was to declare a moratorium on payment of interest on all Outstanding Notes with no exceptions, effective March 16, 2020.

The second step is to restructure the terms of the Outstanding Notes through this exchange offer by lowering the interest rate and lengthening the term. Although the Restated Note will mature and be payable on the seventh anniversary of the Effective Date as defined in the Restated Note, it offers holders of the Outstanding Notes the opportunity for the return of principal which opportunity would be lost if the Company were to cease operations and declare bankruptcy. By accepting the exchange offer, the Company believes it will have a path toward repayment of its debt.

The Company's management team remains strong and is committed to continuing the Company as a going concern but this can only happen if the exchange offer is accepted by substantially all of the holders of the Outstanding Notes. The third step being taken by the Company is to identify potential sources of new capital, primarily from institutional investors.

RISKS RELATING TO THE EXCHANGE OFFER

If the exchange offer is not accepted by substantially all of the holders of the Outstanding Notes, the Company likely will not be able to continue as a going concern.

In order to have any reasonable prospect of continuing as a going concern, the Company must restructure its Outstanding Notes to lower the interest rate and lengthen the repayment period as provided in the exchange offer. Failure of holders of substantially all of the Outstanding Notes to accept the exchange offer likely would result in the Company seeking the protection of the bankruptcy courts as it would be unable to meet its obligations under the Outstanding Notes as they become due.

If the Company would file for bankruptcy, holders of the Outstanding Notes most likely would not recover their entire principal amount and interest.

If the Company would file for bankruptcy, any disbursements to holders of the Outstanding Notes would be subject to approval of the bankruptcy court and there is no assurance that the bankruptcy estate will have sufficient assets to permit holders of the Outstanding Notes to recover

either the entire principal amount of the Outstanding Note or any accrued but unpaid interest. In addition, the debt represented by the Restated Notes could be reviewed under the Federal bankruptcy laws and comparable provisions of state fraudulent transfer laws.

A holder of an Outstanding Note may not withdraw from the exchange offer after the holder has executed the Restated Note Purchase Agreement, the Restated Note and the Restated Security Agreement and submitted them to the Company.

Execution and submission of the above-referenced documents to the Company by the holder of an Outstanding Note constitutes an irrevocable acceptance of the exchange offer and after submitting them to the Company, the holder of the Outstanding Note has no right to withdraw his acceptance of the exchange offer.

The exchange offer is not conditioned upon the acceptance of the exchange offer by a minimum number of holders of Outstanding Notes or a minimum aggregate principal amount of Outstanding Notes by the Expiration Date.

Due to the exigencies described under "Recent Developments," the Company intends to counter-sign the Restated Note Purchase Agreement, Restated Note and Restated Security Agreement upon receipt. Therefore, at the time of submission of these documents to the Company which constitutes an irrevocable acceptance of the exchange offer, the holder of the Outstanding Notes accepting the exchange offer will not know how many other holders of Outstanding Notes have accepted the exchange offer or the principal amount of such Outstanding Notes and whether a sufficient number of holders of the Outstanding Notes or a sufficient aggregate principal amount of the Outstanding Notes have accepted or will accept the exchange offer by the Expiration Date, all of which will have a material effect on the Company's ability to continue as a going concern.

The Company may borrow funds from other lenders in the future.

Nothing in the Restated Note Purchase Agreement or the Restated Notes prohibits the Company from borrowing funds from other lenders at any time in the future and in such amounts and on such terms as it deems appropriate. Absent a corresponding increase in the Company's asset base, such borrowings could result in a reduced collateral pool available to existing lenders. *See Description of Restated Notes and the Restated Note Purchase Agreement*

The Restated Notes will be subordinate to any New Senior Indebtedness.

As provided in the Restated Note Purchase Agreement, if the Company enters into a borrowing constituting New Senior Indebtedness, the Restated Notes will be subordinate to any New Senior Indebtedness which is defined generally to include indebtedness incurred for borrowed funds in the amount of \$100 million or more from a single lender or a group of a lender and its affiliates.

In the event the Company enters into other borrowings for an amount that does not constitute New Senior Indebtedness, any security interest granted to such new holder of indebtedness in the collateral, as defined in the Restated Security Agreement (the "Collateral"),

shall be *pari passu* with the security interest in the Collateral granted under the Restated Security Agreements. *See Description of Restated Notes and the Restated Note Purchase Agreement.*

The Restated Notes are non-negotiable and non-transferable.

The Restated Notes cannot be negotiated, transferred, assigned, pledged or hypothecated. *See Description of Restated Notes and the Restated Note*

The Company, in its discretion, may pre-pay a Restated Note at any time.

The Restated Notes do not contain a pre-payment penalty and the Company, in its discretion, may pre-pay a Restated Note at any time. *See Description of Restated Notes and the Restated Note*

The terms of the Restated Notes may be amended or waived upon the approval of the holders of a majority of the then-outstanding balances of the Restated Notes.

The terms of the Restated Note Purchase Agreement, the Restated Note and the Restated Security Agreement may be amended or waived upon written consent of the Company and the holders of a majority of the then-outstanding balances of the Restated Notes, except that the financial terms of a Restated Note may not be amended or waived without the consent of the holder of such Restated Note. *See Description of Restated Notes and the Restated Note.*

The Restated Notes are not guaranteed as to repayment of principal or interest.

Payment of interest and principal when due on the Restated Notes is not guaranteed by any other entity or individual and the holders of the Restated Notes must look to the Company as the sole source for repayment of the Restated Notes. The Restated Notes are secured by a security interest in substantially all of the Company's tangible and intangible assets, which security interest is *pari passu* with the other Restated Notes. *See Description of Restated Notes and the Restated Note Purchase Agreement*

The Restated Notes will not be registered with the SEC or with any state securities commission and will be subject to a restriction on resale.

The Company is undertaking this exchange offer in good faith reliance on the exemption from registration under Rule 506(b) of SEC Regulation D adopted under the 1933 Act and the Restated Notes to be issued in the exchange offer are deemed to be "restricted securities" under federal securities laws. Purchasers of such securities are subject to the holding periods described in SEC Rule 144. Generally, "restricted securities" cannot be resold or transferred for one (1) year from the date of purchase absent compliance with the registration requirements of Section 5 of the 1933 Act or the availability of an exemption from registration. A legend describing these restrictions will be placed on each Restated Note. However, the Restated Notes, pursuant to their terms, are non-transferable.

The Restated Notes are not being issued pursuant to a trust indenture.

The Restated Notes are being issued in reliance on Rule 506(b) of SEC Regulation D and no indenture in respect of the Restated Notes is required to be qualified under the Trust Indenture Act of 1939, as amended. *See Description of Restated Notes and the Restated Note*

The Company has not sought an independent tax opinion on the treatment of the exchange offer under Federal, state or local income tax laws.

The Company has not sought nor will it seek an independent tax opinion on the treatment of the exchange offer under Federal, state or local income tax laws and exchange offerees are encouraged to seek relevant advice in this regard from their accounting, tax and financial advisors. *See Description of Restated Notes*

The nature of its business subjects the Company to litigation.

The Company is in the business of providing MCAs to small and mid-size businesses. In connection with its collection efforts against MCA customers and in other similar contexts involving its MCA customers, the Company has been subject to a substantial number of lawsuits. It is not unusual for MCA customers to resort to litigation against the Company in defense of selling its future receivables when the customer is in default of its MCA obligations and the Company initiates collection efforts. Although the Company believes that lawsuits of this nature are an ordinary and necessary part of the MCA business, the Company cannot assure that these legal proceedings will not singularly, or in the aggregate, have a material adverse effect on the business of the Company. *See Restated Note Purchase Agreement.*

RESTATED NOTE PURCHASE AGREEMENT

To accept the exchange offer, the holders of the Outstanding Notes will be required to execute the Restated Note Purchase Agreement appearing as Exhibit A hereto which contains important information concerning the exchange offer including, without limitation, specific representations, warranties and covenants being made to the Company, certain disclosures, governing law and jurisdiction, provisions relating to subordination and repayment of the Restated Notes, indemnification provisions and a mutual release with respect to any claims arising out of the Outstanding Notes. *Each person receiving this exchange offer is encouraged to read this document carefully.*

DESCRIPTION OF RESTATED NOTES

The information set forth below is qualified in its entirety by the Restated Note Purchase Agreement, the Restated Note and the Restated Security Agreement. In the event that there is any discrepancy between the information set forth herein and the Restated Note Purchase Agreement, the Restated Note and the Restated Security Agreement, the terms and conditions of the Restated Note Purchase Agreement, the Restated Note and the Restated Security Agreement shall govern.

Principal Amount; Interest and Repayment

Each Restated Note to be issued in the exchange offer will be in the amount of the aggregate and outstanding balance of the Outstanding Note as of the Effective Date (as defined herein) (taking into account the moratorium on interest – See Recent Developments) as of the date the Company accepts each exchange offeree's irrevocable acceptance of the exchange offer by counter-signing the Restated Note Purchase Agreement (the "Effective Date"). The Restated Note shall mature and be payable on the seventh anniversary of the Effective Date.

Interest accruing on the principal amount of each Restated Note is five percent (5%) per annum calculated on the actual number of days elapsed. Commencing on the first business day of the month following the Effective Date of the Restated Note, interest will be paid in arrears in eighty-four (84) installments.

Commencing on the first business day of the month following the first anniversary of the Effective Date of the Restated Note, the principal amount shall be paid in seventy-two (72) installments, each in the amounts set forth in in Schedule A to each Restated Note, with the final installment of interest and principal in an amount to fully pay the remaining balance in accordance with the amortization schedule attached as Schedule A to each Restated Note.

All payments made by the Company will be applied first to accrued interest, then to any and all sums, other than principal, due under the Restated Note, and then to principal. In no event shall the charges constituting interest under the Restated Note exceed the rate permitted under any applicable law or regulation.

Subordination

Nothing in the Restated Note Purchase Agreement or the Restated Notes prohibits the Company from borrowing funds from other lenders after the Effective Date and in such amounts and on such terms as it deems appropriate. The Restated Notes will be subordinate to New Senior Indebtedness as defined in the Restated Note Purchase Agreement incurred after the Effective Date. In the event the Company enters into other borrowings after the Effective Date for an amount that is less than \$100 million, any security interest granted to such new holder of indebtedness in the Collateral shall be *pari passu* with the security interest in the Collateral granted under the Restated Security Agreements to holders of the Restated Notes.

Security for the Restated Notes

To secure the obligations of the Company under the Restated Note, the Company will enter into a Restated Security Agreement set forth in Exhibit C hereto. Each Restated Note will be secured by a security interest in substantially all of the tangible and intangible assets of the Company, which security interest will be *pari passu* with the other Restated Notes.

Negotiability, Assignment, Transfer, Pledge, Hypothecation,

The Restated Notes cannot be negotiated, transferred, assigned, pledged or hypothecated.

Restrictions on Resale or Transfer

The Restated Notes are being offered in reliance on an exemption from registration under Section 4(a)(2) of the 1933 Act and Rule 506(b) of SEC Regulation D. Securities sold in reliance on this exemption are deemed to be "restricted securities" under federal securities laws and purchasers of such securities are subject to the holding periods described in SEC Rule 144. Generally, "restricted securities" cannot be resold or transferred for one (1) year from date of purchase absent compliance with the registration requirements of Section 5 of the 1933 Act or the availability of an exemption from registration. A legend to this effect will be placed on each Restated Note. However, the Restated Notes, pursuant to their terms, are non-transferable.

No Guarantee

Payment of interest and principal when due on the Restated Notes is not guaranteed by any other entity or individual and the holders of the Restated Notes must look to the Company as the sole source for repayment of the Notes.

Early Repayment

The Restated Notes do not contain a pre-payment penalty and the Company, in its discretion, may pre-pay a Restated Note at any time.

Rights in Event of Default

The Restated Note sets forth what circumstances constitute an event of default by the Company under the Restated Note. Upon a failure to make any required payment of principal, accrued interest or any other amount under the Restated Note on or before the date on which it shall fall due; or a breach or violation by the Company of any representation, warranty, term, provision or covenant of the Restated Note Purchase Agreement, the Restated Note or the Restated Security Agreement, the holder of the Restated Note, at the holder's option, may declare the unpaid principal balance of, all accrued and unpaid interest on, and all other sums payable with regard to the Restated Note to be immediately due and payable and demand payment therefor, and may exercise any of the holder's rights and remedies for collection of the Restated Note whether set forth in the Restated Note or otherwise.

In the event of filing a voluntary petition in bankruptcy by the Company or the filing of any involuntary petition against the Company in bankruptcy, the unpaid principal balance of, all accrued, unpaid interest on, and all other sums payable with regard to, the Restated Note automatically and immediately become due and payable without any further action by the holder of the Restated Note.

Amendment

The terms of the Restated Note Purchase Agreement, the Restated Note and the Restated Security Agreement may be amended or waived upon the written consent of the Company and the holders of a majority of the then-outstanding balances of the Restated Notes, except that the

financial terms of a Restated Note may not be amended or waived without the consent of the holder of such Restated Note.

THE EXCHANGE OFFER

The Company is offering to exchange each Outstanding Note for a Restated Note in the amount of the aggregate and outstanding balance of the Outstanding Note as of the Effective Date (taking into account the moratorium on interest – See Recent Developments) but with a different term, interest rate and repayment schedule that was applicable to the Outstanding Note and as to which the Company will grant a similar security interest in its tangible and intangible personal property. The exchange offerees are all persons who are current holders of the Outstanding Notes.

The exchange offer expires at 5:00 pm, Eastern Daylight Time, on April 24, 2020, unless extended in the sole discretion of the Company (the “Expiration Date”).

The exchange offer is not conditioned upon the acceptance of the exchange offer by a minimum number of holders of Outstanding Notes or a minimum aggregate principal amount of Outstanding Notes by the Expiration Date.

Execution and submission of the Restated Note Purchase Agreement, the Restated Note and the Restated Security Agreement to the Company by the holder of an Outstanding Note constitutes an irrevocable acceptance of the exchange offer and after submitting them to the Company, the holder of the Outstanding Note has no right to withdraw his acceptance of the exchange offer. Due to the exigencies described under “Recent Developments,” the Company intends to counter-sign the Restated Note Purchase Agreement, Restated Note and Restated Security Agreement upon receipt.

ACCEPTING THE EXCHANGE OFFER

To accept the exchange offer, the holder of the Outstanding Notes should follow the process set forth below.

1. Complete the Purchaser Qualification Supplement to the Signature Page and sign the Restated Note Purchase Agreement which appears as Exhibit A hereto.
2. Sign the acknowledgement and agreement as “Payee” on the Restated Note which appears as Exhibit B hereto.
3. Sign as the “Secured Party” the Restated Security Agreement which appears as Exhibit C hereto.
4. Submit the documents specified in #1-3 to the attention of Joe Cole, Chief Financial Officer, Complete Business Solutions Group, Inc.

BY EMAIL: jocole@parfunding.com
BY OVERNIGHT
COURIER OR US Mail: 205 Arch Street, Floor 2
Philadelphia, PA 19106

Execution and submission of the Restated Note Purchase Agreement, the Restated Note and the Restated Security Agreement to the Company by the holder of an Outstanding Note

constitutes an irrevocable acceptance of the exchange offer and after submitting them to the Company, the holder of the Outstanding Note has no right to withdraw his acceptance of the exchange offer.

The Company intends to counter-sign the Restated Note Purchase Agreement, Restated Note and Restated Security Agreement upon receipt and will return a fully executed copy of the above-referenced documents to the exchange offeree.

PLAN OF DISTRIBUTION

The exchange offer is being undertaken by employees of the Company under the direction of Joe Cole, Chief Financial Officer of the Company. None of these individuals will receive any compensation, directly or indirectly, in connection with soliciting the exchange offer.

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EXHIBIT A

**AMENDED AND RESTATED NOTE
PURCHASE AGREEMENT**

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AMENDED AND RESTATED NOTE PURCHASE AGREEMENT

THIS AMENDED AND RESTATED NOTE PURCHASE AGREEMENT, (the "Agreement") dated as of the Effective Date (as defined below), is between COMPLETE BUSINESS SOLUTIONS GROUP, INC. ("Seller"), a Delaware corporation, and [REDACTED] (the "Purchaser").

RECITALS

WHEREAS, Purchaser and Seller have entered into that certain Note Purchase Agreement (the "Original Note Purchase Agreement") pursuant to which Purchaser purchased those certain non-negotiable term promissory notes identified on Schedule I attached hereto (each, an "Original Note" and collectively, the "Original Notes");

WHEREAS, Seller's obligations under each Original Note are secured by a separate Security Agreement, each of which is identified on Schedule I attached hereto (each, an "Original Security Agreement" and collectively, the "Original Security Agreements");

WHEREAS, the Original Note Purchase Agreement, Original Notes and Original Security Agreements are part of a series of similar loan documents entered into by Seller prior to the date hereof with other lenders;

WHEREAS, the Seller is in the business of providing Merchant Cash Advances (MCAs) principally to a customer base consisting of small businesses;

WHEREAS, over the past several months, Seller, like many other companies across the globe, has been severely impacted by the Covid-19 pandemic; particularly as a substantial portion of its small business customers have been caused to suspend operations as a result of the Covid-19 pandemic, and thus, have been unable to service their payment obligations to the Seller;

WHEREAS, Seller believes that the Covid-19 pandemic will have a material and long-term adverse impact on its ability to currently service its obligations under the terms of the Original Notes, particularly given the long-term adverse impact Covid-19 will have on its MCA customers, most of whom will likely be unable to service their payment obligations to the Seller for the long-term, and certain of whom will likely be unable to sustain their operations as a going concern;

WHEREAS, in recognition of the material and long-term adverse impact of the Covid-19 pandemic on the Seller's business, and in an effort to support the Seller's ability to continue as a going concern and pursue a reasonable plan to repay the Original Notes, the Seller is proposing to exchange Purchaser's Original Notes for a new note that, among others, extends the maturity date and reduces the current debt service obligations on the Seller (the "Exchange Offer");

WHEREAS, in connection with Purchaser's acceptance of the Exchange Offer, the parties have agreed to amend and restate: (i) the Original Note Purchase Agreement, (ii) the Original Notes, and (iii) the Original Security Agreements.

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NOW, THEREFORE, in consideration of the foregoing, intending to be legally bound, Seller and Purchaser hereby agree as follows:

ARTICLE I
RECITALS; DEFINITIONS

Section 1.01 Recitals. The Recitals set forth above are incorporated herein by reference as if set forth in full.

Section 1.02 Definitions. The following terms have the meanings specified or referred to in this Section 1.02:

(a) "Affiliate" means a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Person specified.

(b) "Effective Date" means the date that the Seller accepts the Purchaser's irrevocable acceptance of the Exchange Offer by counter-signing this Agreement.

(c) "Knowledge of Seller" means the actual knowledge of the Seller or any of its Affiliates.

(d) "Knowledge of Purchaser" means the actual knowledge of the Purchaser or any of its Affiliates.

(e) "Other Secured Lenders" means the lenders (including the Purchaser) who are entering into restated note purchase agreements with Seller on similar terms as set forth herein.

(f) "Other Restated Loan Documents" mean the amended and restated note purchase agreements, amended and restated notes and amended and restated security agreements being entered into with the Other Secured Lenders.

(g) "Person" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture, governmental or regulatory authority or other entity of whatever nature.

(h) "Restated Loan Documents" means this Agreement, the Restated Note and the Restated Security Agreement.

(i) "Security Agent" means Albert Vagnozzi, in his capacity as security agent hereunder or any successor Security Agent appointed pursuant to Section 8.01 hereof.

ARTICLE II
RESTATED NOTE

Section 2.01 Original Notes. Purchaser purchased the Original Notes of the Seller pursuant to the Original Note Purchase Agreement. Purchaser and Seller acknowledge and agree that, as of

the Effective Date, the aggregate outstanding amount of the Original Notes is as set forth on Schedule I attached hereto, which shall be deemed to be the original outstanding principal balance of the Restated Note, and which the parties acknowledge totals the aggregate principal, interest and any other amounts outstanding under the Original Notes through the Effective Date, taking into account the moratorium on interest from March 16, 2020 to the Effective Date.

Section 2.02 Restated Note. Seller has duly authorized the issuance, sale and delivery of the Restated Note on the Effective Date, substantially in the form of Exhibit A attached hereto (the "Restated Note"). The Restated Note shall be issued in exchange for all of the Original Notes issued to Purchaser.

Section 2.03 Restated Security Agreement. To secure the obligations of Seller under the Restated Note, on the Effective Date, Seller and Purchaser shall enter into an Amended and Restated Security Agreement, substantially in the form of Exhibit B attached hereto (the "Restated Security Agreement").

Section 2.04 Pari Passu Ranking of Restated Note.

(a) The security interest granted to Purchaser in the Collateral under the Restated Security Agreement shall be, at all times while the Restated Note remains outstanding, *pari passu* with the security interest in the Collateral granted to the Other Secured Lenders under the Other Restated Loan Documents.

(b) To the extent Purchaser previously perfected Purchaser's security interest granted under the Original Security Agreement by filing a UCC-1 Financing Statement, Purchaser shall be deemed to have subordinated its security interest to the *pari passu* security interest granted to Purchaser and the Other Secured Lenders under the Restated Security Agreement and the Other Restated Loan Documents.

Section 2.05 Subordination to New Senior Indebtedness.

(a) "New Senior Indebtedness" shall mean all direct or indirect, contingent or certain indebtedness of any type, kind or nature, created, incurred, assumed or guaranteed by Seller from and after the Effective Date for borrowed funds in the amount of \$100 million or more from a single lender or a group of a lender and its affiliates (and all renewals, extensions or refundings thereof). "New Senior Indebtedness" shall not include accounts payable and trade debt incurred in the day-to-day operations of the business of Seller, the repayment of which does not secure the Seller's obligation under any New Senior Indebtedness.

(b) In the event Seller determines to obtain New Senior Indebtedness in the future, the Purchaser agrees that the Restated Note and all other obligations of Seller under the Other Restated Loan Documents are, and shall at all times be and remain, subordinated and subject in rights of payment to "New Senior Indebtedness" of Seller. Therefore, upon any distribution of Seller's assets in a liquidation or dissolution of Seller, or in bankruptcy, reorganization, insolvency, receivership or similar proceedings relating to Seller, Purchaser and the Other Secured Lenders will not be entitled to receive payment until the holders of New Senior Indebtedness are paid in

full. Upon the occurrence of any Event of Default with respect to any New Senior Indebtedness, as such Event of Default may be defined in such instrument evidencing the New Senior Indebtedness, to the extent such Event of Default permits the holders of such New Senior Indebtedness to accelerate the maturity thereof, then upon written notice thereof given to Purchaser by any holder of such New Senior Indebtedness or his or her representative, no payment shall be made by Seller in respect of the Restated Note until Seller has cured such event of default to the satisfaction of the holders of such New Senior Indebtedness. Any payment received by the Purchaser in contravention of any terms therein shall be held by the Purchase in trust for the holders of New Senior Indebtedness and, upon demand, shall be delivered to the holders of New Senior Indebtedness.

(c) Regardless of any priority otherwise available to the Purchaser by law or by agreement, the holders of New Senior Indebtedness shall hold a first priority lien and security interest in the Collateral (as defined in the Restated Security Agreement), and any lien or security interest claimed therein by the Purchaser shall be and remain fully subordinate for all purposes to the lien and security interest of the holders of the New Senior Indebtedness for all purposes whatsoever. Upon the occurrence of any Event of Default with respect to any New Senior Indebtedness, as such Event of Default may be defined in such instrument evidencing the New Senior Indebtedness, to the extent such Event of Default permits the holders of such New Senior Indebtedness to accelerate the maturity thereof, then upon written notice thereof given to Purchaser by any holder of such New Senior Indebtedness or his or her representative, the Purchaser shall not take possession of, sell, or dispose of any Collateral, or exercise or enforce any right or remedy available to Purchaser with respect to any such Collateral, unless and until all New Senior Indebtedness has been paid in full and the holders of the New Senior Indebtedness release their liens and security interests in the Collateral.

(d) Purchaser agrees to execute, and hereby authorizes Security Agent to execute, on behalf of Purchaser and the Other Secured Lenders, a subordination agreement in favor of any holder of New Senior Indebtedness in such form as is reasonably customary in Seller's industry and reasonably satisfactory to the holder of New Senior Indebtedness, together with any other documentation, and to take any other actions that may be requested by Seller or a holder of New Senior Indebtedness, as necessary or appropriate, to effectuate the foregoing and containing such additional terms and provisions as are customary for subordinated loan transactions, and the failure of Purchaser to execute and deliver such documentation shall constitute a material default by the Purchaser under the terms of this Agreement.

(e) In the event Seller determines to obtain new indebtedness of any type, kind or nature, created, incurred, assumed or guaranteed by Seller from and after the Effective Date for borrowed funds in an amount that is less than \$100 million, any security interest granted to such new holder of indebtedness by Seller in the Collateral shall be, at all times while the Restated Note remains outstanding, *pari passu* with the security interest in the Collateral granted to Purchaser and the Other Secured Lenders under the Security Agreement and the Other Restated Loan Documents. In the event Seller obtains such new indebtedness, the term "Other Secured Lenders" as used herein and in the Other Restated Loan Documents shall be deemed to include the holders of such new indebtedness. Purchaser agrees to execute, and hereby authorizes Security Agent to execute, on behalf of Purchaser and the Other Secured Lenders, an intercreditor agreement with a

holder of such indebtedness in such form as is reasonably customary in Seller's industry and consistent with the terms herein.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE SELLER

Seller hereby makes the following representations and warranties to the Purchaser as of the Effective Date:

Section 3.01 Incorporation, Good Standing and Qualification of Seller. The Seller is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. The Seller has the requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted or as proposed to be conducted.

Section 3.02 Corporate Power and Authority. All corporate action on the part of the Seller necessary to enter into this Agreement, the Restated Note and the Restated Security Agreement and the performance of all obligations of the Seller hereunder and thereunder has been taken or will be taken prior to the Effective Date. This Agreement has been duly executed and delivered by the Seller and constitutes a valid and binding obligation of the Seller enforceable in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights.

Section 3.03 No Conflict. Neither the execution and delivery by the Seller of this Agreement and each other instrument to be executed and delivered by the Seller pursuant to, or as contemplated by, this Agreement nor the performance by the Seller of the Seller's obligations thereunder, (i) violates any laws of the United States or laws of any state or other jurisdiction applicable to the Seller or requires the Seller to obtain any approval, consent or waiver of, or make any filing with, any Person or entity (governmental or otherwise) that has not been obtained or made; (ii) results in the creation or imposition of any lien, pledge, security interest, claim, charge or encumbrance on the Restated Note; (iii) results in any judgment, order or decree of any governmental authority or law or regulation applicable to the Seller or its respective properties or assets; or (iv) violates the Seller's certificate of incorporation or bylaws, as amended, or statute, law, rule, regulation, judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority.

Section 3.04 No Proceedings. There are no outstanding judgments, proceedings, or claims pending against Seller or its Affiliates or, to the Knowledge of Seller, threatened against the Seller or its Affiliates, and no governmental investigation is pending against Seller or its Affiliates or, to the Knowledge of the Seller, is threatened against the Seller or its Affiliates that, in any case, individually or in the aggregate, reasonably would be expected to prevent the Seller from consummating the transactions contemplated by this Agreement.

Section 3.05 Exclusivity of Representations and Warranties. Neither Seller nor any of its Affiliates is making any representation or warranty on behalf of Seller of any kind or nature whatsoever, oral or written, express or implied, except as expressly set forth in this Article III, and Seller hereby disclaims any such other representations or warranties.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

Purchaser hereby makes the following representations and warranties to Seller as of the Effective Date:

Section 4.01 Organization, Good Standing and Qualification of Purchaser. If the Purchaser is an entity, the Purchaser is duly formed, validly existing and in good standing under the laws of its jurisdiction of incorporation or formation. The Purchaser has the requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted or as proposed to be conducted.

Section 4.02 Corporate Power and Authority; Authorization; Enforceability. If the Purchaser is an entity, all corporate or other entity action on the part of the Purchaser necessary to enter into this Agreement, the Restated Note and the Restated Security Agreement and the performance of all obligations of the Purchaser hereunder and thereunder has been taken or will be taken prior to the Effective Date. This Agreement has been duly executed and delivered by the Purchaser and constitutes a valid and binding obligation of the Purchaser enforceable in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights.

Section 4.03 No Conflict. Neither the execution and delivery by the Purchaser of this Agreement and each other instrument to be executed and delivered by the Purchaser pursuant to, or as contemplated by, this Agreement nor the performance by the Purchaser of the Purchaser's obligations thereunder, (i) violates any laws of the United States or laws of any state or other jurisdiction applicable to the Purchaser or requires the Purchaser to obtain any approval, consent or waiver of, or make any filing with, any Person or entity (governmental or otherwise) that has not been obtained or made; (ii) results in any judgment, order or decree of any governmental authority or law or regulation applicable to the Purchaser or its respective properties or assets, or (iii) would violate the Purchaser's certificate of incorporation or bylaws, as amended, or statute, law, rule, regulation, judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority.

Section 4.04 No Proceedings. There are no outstanding judgments, proceedings, or claims pending against the Purchaser or its Affiliates or, to the Knowledge of Purchaser, threatened against the Purchaser or its Affiliates and no governmental investigation is pending against the Purchaser or its Affiliates or, to the Knowledge of Purchaser, threatened against the Purchaser or its Affiliates that, in any case, individually or in the aggregate, reasonably would be expected to prevent the Purchaser from consummating the transactions contemplated by this Agreement.

Section 4.05 Accredited Investor Status. The Purchaser is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the "Securities Act"). Specifically, the Purchaser qualifies as an accredited investor as the result of qualifications under the standards as set forth on the Supplement to Signature Page appended hereto.

Section 4.06 Not a Broker-Dealer. Purchaser is not acting as a broker or dealer as those terms are defined in the Securities Exchange Act of 1934, as amended (the "1934 Act") and is not acting as a broker-dealer under the Pennsylvania Securities Act of 1972, as amended (the "1972 Act") or the securities laws of any other state and is not required to register as a broker or dealer with the United States Securities and Exchange Commission (the "SEC") or as a broker-dealer with the Pennsylvania Department of Banking and Securities (the "PADOBS") or the securities regulatory agency of any other state.

Section 4.07 Not an Investment Adviser. Purchaser is not acting as an investment adviser as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act") or the 1972 Act and is not required to register as an investment adviser with the SEC, the PADOBS or the securities regulatory agency of any other state.

Section 4.08 Not an Investment Company. Purchaser is not acting as an investment company as that term is defined in the Investment Company Act of 1940, as amended ("1940 Act") and is not required to register with the SEC as an investment company thereunder.

Section 4.09 Compliance with Securities Laws; Investment Intent. Purchaser's business as now being conducted is in compliance with all applicable federal and state securities laws and the rules and regulations adopted thereunder. The Restated Note is being acquired for the Purchaser's own account for investment purposes only, not as a nominee or agent and not with a view to the resale or distribution of any part thereof, and the Purchaser has no present intention of selling, granting any participation in or otherwise distributing the same. By executing this Agreement, the Purchaser further represents that the Purchaser does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participation to such person or third person with respect to the Restated Note. Purchaser acknowledges that the Restated Notes are not being issued under a trust indenture qualified under the Trust Indenture Act.

Section 4.10 Compliance with Tax Laws. Purchaser's business as now being conducted is in compliance with all applicable federal, state and local tax laws and the rules and regulations adopted thereunder.

Section 4.11 Finders or Brokers. Purchaser has not paid any fee or commission to any agent, broker, finder or other Person for or on account of services rendered as a broker or finder in connection with this Agreement or the transactions contemplated hereby.

Section 4.12 No Government Review. Purchaser understands that neither the SEC nor any securities commission or other governmental authority of any state, country or other jurisdiction has approved the issuance of the Restated Note or passed upon or endorsed the merits of the Restated Note, or this Agreement or any of the other Restated Loan Documents, or confirmed the accuracy of, determined the adequacy of, or reviewed this Agreement or the other Restated Loan Documents.

Section 4.13 Investment Experience; Entire Agreement. The Purchaser has such knowledge, sophistication and experience in financial, tax and business matters in general, and investments in securities in particular, that it is capable of evaluating the merits and risks of this investment in the

Restated Note, and the Purchaser has made such investigations in connection herewith as it deemed necessary or desirable so as to make an informed investment decision without relying upon Seller for legal, tax or other advice related to this investment. The Purchaser acknowledges and represents that (i) this Note Purchase Agreement and the terms of the Restated Note and Restated Security Agreement constitute the entire agreement and understanding by and between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements between the parties or any prior written agreements between the parties, including any representations and warranties made in the Original Loan Documents; (ii) there are no other oral or written agreements between the parties with respect to the subject matter hereof; (iii) the Seller is making no statement, representation, warranty or claim to the Purchaser except those set forth in Article III of this Agreement; (iv) in making an investment decision, the Purchaser is not relying upon any representation, warranty, statement or claim by the Seller or its officers, directors, agents, or advisors except those set forth in Article III of this Agreement.

Section 4.14 Risks Relating to Exchange Offer. The Purchaser represents and warrants that it is aware of the risk of surrendering the Original Notes in exchange for the Restated Note, and has received and carefully reviewed a copy of the Exchange Offer dated April 8, 2020, including the risk factors set forth therein. In addition to the risk factors set forth within the Exchange Offer, the Purchaser represents and warrants that it is aware of other risks associated with an investment in the Seller, including but not limited to the following risks: (i) that the Restated Notes are not being issued under a trust indenture qualified under the Trust Indenture Act; (ii) that the Seller operates an MCA business whose principal customers are small businesses that have been adversely affected by the Covid-19 pandemic, and, thus, may have difficulty, timely or otherwise, repaying their obligations to the Seller; (iii) in connection with the sale of certain of the Original Notes, that the Seller has been subject to regulatory orders issued by the Pennsylvania Department of Bank and Securities, Bureau of Securities Compliance and Examinations, the New Jersey Bureau of Securities and the Securities Commissioner of the State of Texas, which are summarized on Exhibit C attached hereto; and (iv) that Seller, as a result of the nature of its MCA business, is subject to a substantial number of lawsuits frequently encountered in response to Seller's collection efforts, and is presently subject to a substantial number of lawsuits in which allegations are made against the Seller relating to, among others, the enforceability of the obligations of the MCA customers, that the repayment obligations of the MCA customers are in violation of state usury, lending and other fair practice laws, the legality of the Seller's collection efforts, and the background and business practices of the Seller and/or its Affiliates. Although the Seller believes that lawsuits of this nature are an ordinary and necessary part of the MCA business, Seller cannot make any assurances that that these legal proceedings will not singularly, or in the aggregate, have a material adverse effect on the business of the Seller. Copies of these lawsuits are available upon request.

Section 4.15 Access to Information. In making its decision to acquire the Restated Note, the Purchaser confirms that it has had the opportunity to ask representatives of the Seller certain questions and request certain additional information regarding the terms and conditions of such investment, Seller's financial information and information regarding the Seller's operations and has had any and all such questions and requests answered to its satisfaction; and that it understands the risks and other considerations relating to an investment in the Restated Note. The Purchaser

understands and has independently evaluated the merits and risks of an investment in the Seller and the acquisition of the Restated Note.

ARTICLE V ADDITIONAL COVENANTS

Section 5.01 Notice Required for Governmental Actions. Purchaser shall immediately notify Seller if Purchaser or any of its Affiliates is the subject of any demand, inquiry, investigation, subpoena, civil complaint, criminal complaint or indictment, injunctive action or administrative proceeding by any governmental agency or if, to the Knowledge of Purchaser, any such action is threatened by any governmental agency.

Section 5.02 Notice Required for Civil Suit. Purchaser shall immediately notify Seller if Purchaser or any of its Affiliates is the subject of any demand, inquiry, subpoena, complaint, arbitration, or injunctive action relating to an alleged civil cause of action against Purchaser or any of its Affiliates or if, to the Knowledge of Purchaser, any such action is threatened.

Section 5.03 Confidentiality of Financial and Other Information. Purchaser acknowledges and agrees that the information provided to Purchaser by Seller pursuant to this Agreement shall not, without the prior written consent of the Seller, be disclosed by the Purchaser to any person or entity, other than the Purchaser's personal financial and legal advisors for the sole purpose of evaluating an investment in the Seller, and will not, directly or indirectly, disclose or permit the Purchaser's financial and legal advisors to disclose, any of such information without the prior written consent of the Seller.

ARTICLE VI INDEMNIFICATION

Section 6.01 Indemnification of Seller. Subject to the other terms and conditions of this Article VI and Article VII, Purchaser shall indemnify and defend Seller and its managers, officers, directors, employees, agents, affiliates, successors, and permitted assigns (collectively, the "Seller Indemnitees") against, and shall pay and reimburse each of them for, any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including professional fees and reasonable attorneys' fees (collectively "Losses"), that are Losses incurred or sustained by, or imposed upon, the Seller Indemnitees based upon, arising out of, with respect to or by reason of the following occurring hereafter:

(a) any inaccuracy in or breach of any of the representations or warranties of Purchaser contained in this Agreement on or after the Effective Date;

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Purchaser pursuant to this Agreement;

(c) any claim by a third party based upon any transaction contemplated by this Agreement on or after the Effective Date, including without limitation, any claim based upon an

alleged violation of the 1933 Act, 1934 Act, 1940 Act, Advisers Act, the 1972 Act or the securities laws of any other jurisdiction (a "Third Party Claim"); or

(d) any act or omission of the Purchaser or its Affiliates constituting dishonest, fraudulent, or criminal conduct or gross negligence.

Section 6.02 Indemnification of Purchaser. Subject to the other terms and conditions of Articles VI and VII, Seller shall indemnify and defend Purchaser and its managers, officers, directors, employees, agents, affiliates, successors, and permitted assigns (collectively, the "Purchaser Indemnitees") against and shall pay and reimburse each of them for any and all Losses that are incurred or sustained by, or imposed upon, the Purchaser Indemnitees based upon, arising out of, with respect to or by reason of the following occurring hereafter:

(a) any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement;

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Seller pursuant to this Agreement;

(c) any Third Party Claim on or after the Effective Date; or

(d) any act or omission of the Seller or its Affiliates constituting dishonest, fraudulent or criminal conduct or gross negligence.

Section 6.03 Certain Limitations. The party making a claim under this Article VI is referred to as the "Indemnified Party," and the party against whom such claims are asserted under this Article VI is referred to as the "Indemnifying Party." The indemnification provided for in this Article shall be subject to the following limitations:

(a) The Indemnifying Party shall not be liable to the Indemnified Party for indemnification until the aggregate amount of all Losses in respect of indemnification exceeds \$25,000 (the "Deductible"), in which event the Indemnifying Party shall only be required to pay or be liable for Losses in excess of the Deductible.

(b) Payments by the Indemnifying Party shall be limited to the amount of any liability or damage that remains after deducting therefrom any insurance proceeds and any indemnity, contribution or other similar payment actually received by the Indemnified Party in respect of any such claim. The Indemnified Party shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements for any Losses prior to seeking indemnification under this Agreement.

(c) In no event shall the Indemnifying Party be liable to the Indemnified Party for any punitive, incidental, consequential, multiple, special or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple (other than indemnification for amounts paid or payable to third parties in respect of any

Third Party Claim for which indemnification hereunder is otherwise required).

(d) The Indemnified Party shall take, and cause its Affiliates to take, all reasonable steps to mitigate any Loss upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to such Loss.

Section 6.04 Indemnification Procedures. Whenever any claim shall arise for indemnification hereunder, the Indemnified Party shall promptly provide written notice of such claim to the Indemnifying Party. In connection with any Third Party Claim giving rise to indemnity hereunder, the Indemnifying Party, at its sole cost and expense and upon written notice to the Indemnified Party, may assume the defense of any such action with counsel reasonably satisfactory to the Indemnified Party. The Indemnified Party shall be entitled to participate in the defense of any such action, with its counsel and at its own cost and expense. If the Indemnifying Party does not assume the defense of any such action, the Indemnified Party may, but shall not be obligated to, defend against such action in such manner as it may deem appropriate, including, but not limited to, settling such action, after giving prior written notice to the Indemnifying Party, on such terms as the Indemnified Party may deem appropriate and no action taken by the Indemnified Party in accordance with such defense and settlement shall relieve the Indemnifying Party of its indemnification obligations herein provided. The Indemnifying Party shall not settle any action without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld or delayed).

ARTICLE VII **MUTUAL RELEASE AND WAIVER**

Section 7.01 Release of Seller. For value received, including without limitation the Restated Note and other good and valuable consideration, Purchaser, on behalf of itself and on behalf of its shareholders, officers, directors, employees, agents, affiliates, representatives and its and their representative heirs, executors, administrators, personal representatives, successors and assignors, does hereby release and discharge Seller and its Affiliates and each of their respective shareholders, owners, partners, predecessors, successors, assigns, agents, directors, officers, employees and representatives, and all persons acting by, through, under or in concert with any of them ("Seller Released Parties") of and from any and all claims, causes of action, rights, that the Purchaser may have or had, owned or held, against the Seller Released Parties by reason of any matter, cause, fact, thing, act or omission at any time in the past through the Effective Date, including without limitation any claim with respect to any breach of representations or warranties or covenants contained in the Original Loan Documents or any Event of Default under the Original Loan Documents. The foregoing release does not affect the rights of Purchaser to enforce the terms of this Agreement, the Restated Note or the Restated Security Agreement.

Section 7.02 Release of Purchaser. For value received, including without limitation the Restated Note and other good and valuable consideration, Seller, on behalf of itself and on behalf of its shareholders, officers, directors, employees, agents, affiliates, representatives and its and their representative heirs, executors, administrators, personal representatives, successors and assignors, does hereby release and discharge Purchaser and its Affiliates and each of their

respective shareholders, owners, partners, predecessors, successors, assigns, agents, directors, officers, employees and representatives, and all persons acting by, through, under or in concert with any of them ("Purchaser Released Parties") of and from any and all claims, causes of action, rights, that the Seller may have or had, owned or held, against the Purchaser Released Parties by reason of any matter, cause, fact, thing, act or omission at any time in the past through the Effective Date, including without limitation any claim with respect to any breach of representations or warranties or covenants contained in the Original Loan Documents or any Event of Default under the Original Loan Documents. The foregoing release does not affect the rights of Seller to enforce the terms of this Agreement, the Restated Note or the Restated Security Agreement, or Seller's rights in connection with any Third Party Claims or regulatory actions involving Seller or its Affiliates arising out of an action or omission by any Purchaser Released Parties.

ARTICLE VIII MISCELLANEOUS

Section 8.01 Security Agent.

(a) Appointment of Authority. Purchaser hereby designates and appoints the Security Agent to act as security agent for Purchaser under the Restated Loan Documents to, among other things, execute subordination agreements on behalf of Purchaser with respect to New Senior Indebtedness pursuant to Section 2.05, to act as representative of Purchaser in the filing of the Financing Statement, and any continuations or amendments thereto, pursuant to the Restated Security Agreement, and to take such other actions, from time to time, upon the written instruction of the holders of at least a majority of the then-outstanding balances of the Restated Notes. For the avoidance of doubt, holders of the Restated Notes and/or the Seller shall be responsible for soliciting the approval of the holders of the Restated Notes, and shall then provide written instruction to the Security Agent as to any action to be taken as set forth herein.

(b) Indemnification. The Security Agreement shall be indemnified by the Other Secured Lenders in its capacity as such (to the extent not reimbursed by the Seller and without limiting the obligation of the Seller to do so), ratably according to their respective share of the aggregate outstanding principal amount owed under the Other Restated Loan Documents from and against any and all liabilities, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of the Obligations) be imposed on, incurred by or asserted against the Security Agent in any way relating to or arising out of actions or omissions of the Security Agent specifically required or permitted by this Section 8.01 or by written instructions of the holders of at least a majority of the then-outstanding balances of the Restated Notes, provided that no Other Secured Lender shall be liable for the payment of any portion of such liabilities, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Security Agent's gross negligence or willful misconduct. The agreements in this subsection shall survive the payment of the Obligations.

(c) Successor Security Agent. The Security Agent may resign as Security Agent hereunder upon thirty (30) days' notice to the Seller and the Purchaser and may be removed, in the Seller's discretion, with or without cause, upon thirty (30) days' notice to Purchaser, the

Other Secured Lenders and the Security Agent. If at any time the Security Agent shall resign or be removed as Security Agent under this Section 8.01(b), then the Other Secured Lenders holding at least a majority of the then-outstanding balances of the Restated Notes shall appoint a successor agent for the Other Secured Lenders, whereupon such successor agent shall, following written notice to the Seller, succeed to the rights, powers and duties of the Security Agent. The term "Security Agent" shall mean the successor agent effective upon its appointment and upon its acceptance of such appointment, and the former Security Agent's rights, powers and duties as Security Agent shall be terminated, without any other or further act or deed on the part of such former Security Agent or any of the parties to this Section 8.01(b), and the successor Security Agent shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Security Agent.

(d) Expenses of Release and Reinstatement. The Seller shall pay all costs and expenses of the Security Agent incurred in connection with the negotiation and execution of any subordination agreements with respect to New Senior Indebtedness pursuant to Section 2.05 or in connection with the filing of the Financing Statement, and any continuations or amendments thereto, pursuant to the Restated Security Agreement.

Section 8.02 Amendments and Waivers. Any term of this Agreement or the other Restated Loan Documents may be amended or waived upon written consent of the Seller and the holders of a majority of the then-outstanding balances of the Restated Notes; provided, however, that no such amendment or waiver shall change the financial terms of the Restated Note without the consent of the holder of such Restated Note. By acceptance hereof, the Purchaser acknowledges that in the event the required consent is obtained, any term of this Agreement and the Restated Loan Documents may be amended or waived with or without the consent of the Purchaser, except as set forth in the preceding sentence.

Section 8.03 Successors and Assigns. This Agreement may not be assigned, conveyed or transferred without the prior written consent of the Seller. The rights and obligations of the Seller and Purchaser under this Agreement shall be binding upon and benefit their respective successors, permitted assigns, heirs, administrators and transferees.

Section 8.04 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing, and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or, in the case of electronic mail, when received, or, in the case of a nationally recognized courier service, one business day after delivery to such courier service, addressed as follows or to such other address as may be hereafter notified by the respective parties hereto:

Seller: Complete Business Solutions Group
205 Arch St., Floor 2
Philadelphia, PA 19106
Attn: Joe Cole

With a copy to: Fox Rothschild LLP
2000 Market Street, 20th Floor

Philadelphia, PA 19103
Attn: Brett A. Berman, Esq.

Purchaser: _____ To the address set forth on Schedule I attached hereto

Section 8.05 Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of either party of any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law or in equity.

Section 8.06 Payment of Fees, Expenses. Each of the parties hereto shall bear its own costs and expenses in connection with the transactions contemplated hereunder including, without limitation, any litigation arising under this Agreement.

Section 8.07 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

Section 8.08 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 8.09 Governing Law. This Agreement shall be construed and enforced in accordance with, and governed by, laws of the Commonwealth of Pennsylvania, without giving effect to the conflicts of law principles thereof.

Section 8.10 Jurisdiction and Service of Process. Any legal action or proceeding with respect to this Agreement or the other Restated Loan Documents or arising out of the Purchaser's purchase of the Restated Note and the Seller's sale of the Restated Note shall be brought in the courts of the Commonwealth of Pennsylvania or of the United States of America for the Eastern District of Pennsylvania. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts, irrevocably waives objection to the laying of venue of such claim or cause of action brought in such court, irrevocably waives any claim that any such claim or cause of action brought in such court has been brought in an inconvenient forum, irrevocably waives the right to object, with respect to such claim or cause of action brought in such court that the court does not have jurisdiction over such party, irrevocably agrees that service of process sufficient to confer personal jurisdiction in any such action may be made by any party on the other by courier service, with a copy by regular mail, with service to be made to the addresses set forth in Section 8.04, and irrevocably waives any objection which such party may have to such service of process in any such action.

Section 8.11 Waiver of Class Action; Waiver of Jury Trial.

(a) WAIVER OF CLASS ACTION. EACH PARTY HERETO WAIVES THE RIGHT TO LITIGATE IN COURT OR ARBITRATE ANY CLAIM OR DISPUTE UNDER THIS AGREEMENT OR ANY OF THE OTHER RESTATED LOAN DOCUMENTS AS A CLASS ACTION, EITHER AS A MEMBER OF A CLASS OR AS A REPRESENTATIVE, OR TO ACT AS A PRIVATE ATTORNEY GENERAL.

(b) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER RESTATED LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 8.12 No Third Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto, the holders of New Senior Indebtedness (who are intended beneficiaries of the terms and conditions of this Agreement and the Restated Documents) and their permitted assigns and nothing in this Agreement expressed or implied shall give or be construed to give to any Person, other than the parties hereto, the holders of New Senior Indebtedness and such permitted assigns, any legal or equitable rights under this Agreement.

Section 8.13 Entire Agreement Drafting. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings of the parties, oral and written, with respect to the subject matter hereof. No party shall be liable or bound to any other party in any manner by any representation, warranty or covenant relating to such subject matter except as specifically set forth in this Agreement. No rule of construction shall be applied against the party drafting this Agreement.

Section 8.14 Amendment and Restatement. This Agreement amends, restates and replaces the Original Note Purchase Agreement in its entirety and all terms, provisions, covenants, representations, warranties, rights and remedies contained in such Original Note Purchase Agreement are of no force and effect and are fully replaced by this Agreement.

(Signatures on Following Page)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

SELLER:

COMPLETE BUSINESS SOLUTIONS GROUP INC.

By: 

Name: Joe Love

Title: CEO

PURCHASER:


PATRICK GIBBONS

[Signature Page to Amended and Restated Note Purchase Agreement]

109427395.v1

**SUPPLEMENT TO SIGNATURE PAGE
PURCHASER QUALIFICATION AS ACCREDITED INVESTOR
PLEASE CHECK ONE AS APPROPRIATE**

_____ (1) a bank, insurance company, registered investment company, business development company, or small business investment company;

_____ (2) Any private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940;

_____ (3) Any organization described in section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;

_____ (4) Any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

(5) Any natural person whose individual net worth, or joint net worth with that person's spouse, exceeds \$1,000,000.

(i) Except as provided in paragraph (5)(ii) of this section, for purposes of calculating net worth under this paragraph (5):

(A) The person's primary residence shall not be included as an asset;

(B) Indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and

(C) Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability;

_____ (6) Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

_____ (7) Any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in § 230.506(b)(2)(ii); and

_____ (8) Any entity in which all of the equity owners are accredited investors.

[Supplement to Signature Page to Amended and Restated Note Purchase Agreement]
109427395.v1

SCHEDULE 1

Purchaser Name: Patrick Gibbons

Purchaser Address for Notices: 200 Kensey Road, Plymouth Meeting, PA 19462

Original Notes and Original Security Agreements

- I. Non-Negotiable Term Promissory Note and related Security Agreement, each dated 06/04/17
 - a. Outstanding Principal Balance: \$281,250.00

Total Outstanding Principal Balance of Original Notes as of Effective Date: \$281,250.00

EXHIBIT A

FORM OF RESTATED NOTE

[See attached]

109427395.v1

EXHIBIT B
FORM OF RESTATED SECURITY AGREEMENT

[See attached]

109427395.v1

EXHIBIT C

REGULATORY MATTERS

On November 28, 2018, without or admitting or denying certain allegations of the staff of the Pennsylvania Department of Banking and Securities ("PADOBS"), the Company agreed to issuance of an order wherein PADOBS found that the Company had employed at least one unregistered agent in violation of Section 301(b) of the Pennsylvania Securities Act of 1972 in connection with the offer and sale of its promissory notes in Pennsylvania for which the Company paid a monetary assessment (the "PA Order"). The Company has continued to offer and sell notes in Pennsylvania in compliance with that order. The order can be found at:

www.dobs.pa.gov/Documents/Enforcement%20Orders/2018/112818_CompleteBusinessSolutions.pdf

On December 27, 2018, the New Jersey Bureau of Securities issued a Cease and Desist Order against the Company alleging that the Company sold unregistered securities and employed agents who were not registered under the New Jersey Securities Act (the "NJ Order"). The order did not impose any sanctions or other penalties against the Company. The Company retained New Jersey counsel and made appropriate filings with the New Jersey Bureau of Securities and no further action has been taken against the Company. The order can be found at: www.nj.gov/oag/newsreleases18/CBSG-dba-PAR-Funding-Order.pdf

On February 25, 2020, the Texas State Securities Board ("TSSB") issued a Cease and Desist Order against the Company and several other entities unrelated to the Company alleging that the Company offered and sold unregistered securities, acted as an unregistered dealer and omitted disclosure of the PA Order, the NJ Order and certain information about the Company's ownership and management in violation of the Texas Securities Act. (the "TX Order"). The TX Order did not impose any sanctions or other penalties against the Company. The Company is complying with the TX Order. The Company has engaged Texas counsel and has requested a hearing on the TX Order. The TX Order can be found at:

www.ssb.texas.gov/sites/default/files/Beasley_ENF_CDO_20_1798.pdf

EXHIBIT B

**AMENDED AND RESTATED
PROMISSORY NOTE**

109427395.v1

THIS RESTATED NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR APPLICABLE STATE SECURITIES LAWS. THIS RESTATED 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 RESTATED NOTE UNDER SUCH LAWS, OR IF SUCH REGISTRATION IS NOT REQUIRED TO EFFECT SUCH SALE OR OFFER.

**AMENDED AND RESTATED NON-NEGOTIABLE, NON-TRANSFERABLE
TERM PROMISSORY NOTE**

\$281,250.00

Effective Date: As defined in the Restated Note Purchase Agreement

FOR VALUE RECEIVED, COMPLETE BUSINESS SOLUTIONS GROUP INC., a Delaware corporation ("Maker"), with an address of 2000 PGA Blvd., Suite 4440, Palm Beach Gardens, FL 33408, promises to pay, without rights of set-off, to the order of PATRICK GIBBONS (hereinafter called "Payee") with an address of 200 Kensey Road, Plymouth Meeting, PA 19462 or such other place as Payee may designate to Maker in writing the principal sum of Two Hundred Eighty-One Thousand Two Hundred Fifty Dollars (\$281,250.00) lawful money of the United States of America, together with interest on the outstanding balance thereof, as provided herein. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Amended and Restated Note Purchase Agreement between Maker and Payee of even date herewith (the "Restated Note Purchase Agreement").

THIS RESTATED NOTE AMENDS, RESTATES, SUPERSEDES AND REPLACES IN ITS ENTIRETY EACH OF THE ORIGINAL NOTES ISSUED TO PAYEE BY MAKER, WHICH ARE IDENTIFIED ON SCHEDULE I TO THE RESTATED NOTE PURCHASE AGREEMENT. SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THE RESTATED NOTE PURCHASE AGREEMENT, THE ENTIRE AGGREGATE, OUTSTANDING BALANCE OF THE ORIGINAL NOTES UNDER THE ORIGINAL NOTE PURCHASE AGREEMENT (TAKING INTO ACCOUNT THE MORATORIUM ON INTEREST FROM MARCH 16, 2020 THROUGH THE EFFECTIVE DATE) SHALL BE DEEMED TO BE THE ORIGINAL OUTSTANDING PRINCIPAL BALANCE OF THE RESTATED NOTE AS OF THE EFFECTIVE DATE AS SET FORTH ABOVE.

This Restated Note is one of a series of amended and restated promissory notes issued on substantially similar terms by the Maker to the Other Secured Lenders (collectively referred to herein as the "Restated Notes").

1. INTEREST. Commencing on the Effective Date, interest shall accrue on the outstanding principal amount hereunder at the rate of five percent (5%) per annum during the term of this Restated Note until the principal amount of this Restated Note and all accrued interest is paid in full, subject to acceleration and payment in full in accordance with Sections 7 and 8 below. All interest shall be calculated based upon the actual number of days elapsed.

2. MATURITY DATE. This Restated Note shall mature and be payable on the seventh (7th) anniversary of the Effective Date (the "Maturity Date").
3. REPAYMENT.
 - a. Except to the extent the Maturity Date shall be accelerated as herein provided, (i) commencing on the first Business Day of the month following the Effective Date, interest shall be paid in arrears in eighty-four (84) installments, and (ii) commencing on the first (1st) Business Day of the month following the first (1st) anniversary of the Effective Date, the principal balance shall be paid in seventy-two (72) installments, each in the amounts set forth on Schedule A attached hereto, with the final installment of interest and principal in an amount sufficient to fully pay the remaining balance in accordance with the amortization schedule attached hereto as Schedule A.
 - b. All payments to be made by Maker hereunder shall be paid on or before the first Business Day of each month. For purposes of this Restated Note, the term "Business Day" means a day other than a Saturday, Sunday or legal holiday under the laws of the Commonwealth of Pennsylvania.
 - c. All payments made by Maker hereunder shall be applied first to accrued interest, then to any and all sums, other than principal, due hereunder, and then to principal.
 - d. Maker shall have the right, at its option, to prepay the principal balance of this Restated Note, in whole or in part, at any time and from time to time without premium or penalty.
4. SECURITY. To secure the obligations of Maker under this Restated Note, Maker has entered into an Amended and Restated Security Agreement with Payee, dated as of the date hereof (the "Restated Security Agreement").
5. SUBORDINATION. This Restated Note and the rights and obligations evidenced hereby are subordinate in the manner and to the extent set forth in the Restated Note Purchase Agreement. Notwithstanding anything else to the contrary stated herein, any and all covenants, warranties and representations made herein and any all rights or remedies granted to the Payee herein are subject to the *pari passu* and subordination provisions contained in the Restated Note Purchase Agreement.
6. 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 Restated 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 Restated Note, the Amended and Restated Note Purchase Agreement or the Restated Security Agreement (hereinafter collectively referred to as the "Restated Loan Documents");

- b. (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
 - c. 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.
7. Upon the occurrence of any Event of Default under paragraph 6(a), 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 Restated 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 Restated Note whether set forth herein or otherwise available under law.
8. Upon the occurrence of an Event of Default under paragraph 6(b) or (c), the unpaid principal balance of, all accrued, unpaid interest on, and all other sums payable with regard to, this Restated Note shall automatically and immediately become due and payable, without any further action on the part of Payee.
9. 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 Restated Note.
10. 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.
11. Maker waives presentment for payment, notice of dishonor and nonpayment, notice of protest, and protest of this Restated Note, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Restated 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 Restated Note.

12. This Restated Note may not be assigned, pledged or transferred by any party hereto without the prior written consent of the other party hereto and any attempted assignment without the required consent shall be void; provided, however, that Maker may assign or transfer this Restated Note in connection with a change of control transaction, including a merger, business combination or sale of all or substantially all of the capital stock or assets of the Maker. The words "Payee" and "Maker" whenever occurring herein shall be deemed and construed to include the respective permitted successors and assigns of Payee and the respective permitted successors and permitted assigns of Maker.
13. 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.
14. Any legal action or proceeding with respect to this Restated Note shall be brought in the courts of the Commonwealth of Pennsylvania or of the United States of America for the Eastern District of Pennsylvania. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts, irrevocably waives objection to the laying of venue of such claim or cause of action brought in such court, irrevocably waives any claim that any such claim or cause of action brought in such court has been brought in an inconvenient forum, irrevocably waives the right to object, with respect to such claim or cause of action brought in such court that the court does not have jurisdiction over such party, irrevocably agrees that service of process sufficient to confer personal jurisdiction in any such action may be made by any party on the other by courier service, with a copy by regular mail, with service to be made to the addresses set forth in the Restated Note Purchase Agreement, and irrevocably waives any objection which such party may have to such service of process in any such action.

15. Waiver of Class Action; Waiver of Jury Trial.

- a. WAIVER OF CLASS ACTION. EACH PARTY HERETO WAIVES THE RIGHT TO LITIGATE IN COURT OR ARBITRATE ANY CLAIM OR DISPUTE UNDER THIS RESTATED NOTE OR ANY OF THE OTHER RESTATED LOAN DOCUMENTS AS A CLASS ACTION, EITHER AS A MEMBER OF A CLASS OR AS A REPRESENTATIVE, OR TO ACT AS A PRIVATE ATTORNEY GENERAL.
- b. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS


RESTATED NOTE, THE OTHER RESTATED LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

16. In no event shall charges constituting interest exceed the rate permitted under any applicable law or regulation. If any provision of this Restated 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 Restated Note will be construed and enforced as if such invalid or unenforceable provisions had never been inserted.
17. **Amendment and Restatement**. This Restated Note amends, restates, replaces and consolidates the Original Notes identified on Schedule I to the Restated Note Purchase Agreement in their entirety and all terms, provisions, covenants, representations, warranties, rights and remedies contained in such Original Notes are of no force and effect and are fully replaced by this Restated Note.

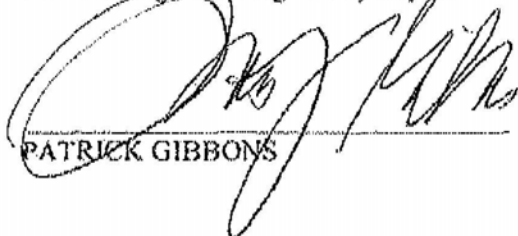
[signatures to follow]

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

COMPLETE BUSINESS SOLUTIONS GROUP INC.

By 
Name: BOE WUE
Title: CEO

Acknowledged and Agreed by Payee:


PATRICK GIBBONS

[Signature Page to Restated Note]

109427395.v1

SCHEDULE A TO RESTATED NOTE

Amortization Schedule

[To be attached]

109427395.v1

Amortization Table

Principal: \$281,250.00

Month	Balance	Interest	Principal	Payment	Month	Balance	Interest	Principal	Payment
1	\$ 281,250.00	\$ 1,171.88	\$ -	\$ 1,171.88	43	\$ 217,968.75	\$ 908.20	\$ 3,515.63	\$ 4,423.83
2	\$ 281,250.00	\$ 1,171.88	\$ -	\$ 1,171.88	44	\$ 214,453.13	\$ 893.55	\$ 3,515.63	\$ 4,409.18
3	\$ 281,250.00	\$ 1,171.88	\$ -	\$ 1,171.88	45	\$ 210,937.50	\$ 878.91	\$ 3,515.63	\$ 4,394.53
4	\$ 281,250.00	\$ 1,171.88	\$ -	\$ 1,171.88	46	\$ 207,421.88	\$ 864.26	\$ 3,515.63	\$ 4,379.88
5	\$ 281,250.00	\$ 1,171.88	\$ -	\$ 1,171.88	47	\$ 203,906.25	\$ 849.61	\$ 3,515.63	\$ 4,365.23
6	\$ 281,250.00	\$ 1,171.88	\$ -	\$ 1,171.88	48	\$ 200,390.63	\$ 834.96	\$ 3,515.63	\$ 4,350.59
7	\$ 281,250.00	\$ 1,171.88	\$ -	\$ 1,171.88	49	\$ 196,875.00	\$ 820.31	\$ 3,515.63	\$ 4,335.94
8	\$ 281,250.00	\$ 1,171.88	\$ -	\$ 1,171.88	50	\$ 192,359.38	\$ 805.66	\$ 3,515.63	\$ 4,321.29
9	\$ 281,250.00	\$ 1,171.88	\$ -	\$ 1,171.88	51	\$ 187,843.75	\$ 791.01	\$ 3,515.63	\$ 4,306.64
10	\$ 281,250.00	\$ 1,171.88	\$ -	\$ 1,171.88	52	\$ 182,328.13	\$ 776.36	\$ 3,515.63	\$ 4,291.99
11	\$ 281,250.00	\$ 1,171.88	\$ -	\$ 1,171.88	53	\$ 177,812.50	\$ 761.71	\$ 3,515.63	\$ 4,277.34
12	\$ 281,250.00	\$ 1,171.88	\$ -	\$ 1,171.88	54	\$ 173,296.88	\$ 747.06	\$ 3,515.63	\$ 4,262.69
13	\$ 281,250.00	\$ 1,171.88	\$ 1,171.88	\$ 2,343.75	55	\$ 168,781.25	\$ 732.41	\$ 3,515.63	\$ 4,248.04
14	\$ 280,078.13	\$ 1,166.99	\$ 1,171.88	\$ 2,338.87	56	\$ 164,265.63	\$ 717.76	\$ 3,515.63	\$ 4,233.39
15	\$ 278,906.25	\$ 1,162.11	\$ 1,171.88	\$ 2,333.98	57	\$ 159,750.00	\$ 703.11	\$ 3,515.63	\$ 4,218.74
16	\$ 277,734.38	\$ 1,157.23	\$ 1,171.88	\$ 2,329.10	58	\$ 155,234.38	\$ 688.46	\$ 3,515.63	\$ 4,204.09
17	\$ 276,562.50	\$ 1,152.34	\$ 1,171.88	\$ 2,324.22	59	\$ 150,718.75	\$ 673.81	\$ 3,515.63	\$ 4,189.44
18	\$ 275,390.63	\$ 1,147.46	\$ 1,171.88	\$ 2,319.34	60	\$ 146,203.13	\$ 659.16	\$ 3,515.63	\$ 4,174.79
19	\$ 274,218.75	\$ 1,142.58	\$ 1,171.88	\$ 2,314.45	61	\$ 141,687.50	\$ 644.51	\$ 3,515.63	\$ 4,160.14
20	\$ 273,046.88	\$ 1,137.70	\$ 1,171.88	\$ 2,309.57	62	\$ 137,171.88	\$ 629.86	\$ 3,515.63	\$ 4,145.49
21	\$ 271,875.00	\$ 1,132.81	\$ 1,171.88	\$ 2,304.69	63	\$ 132,656.25	\$ 615.21	\$ 3,515.63	\$ 4,130.84
22	\$ 270,703.13	\$ 1,127.93	\$ 1,171.88	\$ 2,299.80	64	\$ 128,140.63	\$ 600.56	\$ 3,515.63	\$ 4,116.19
23	\$ 269,531.25	\$ 1,123.05	\$ 1,171.88	\$ 2,294.92	65	\$ 123,625.00	\$ 585.91	\$ 3,515.63	\$ 4,101.54
24	\$ 268,359.38	\$ 1,118.16	\$ 1,171.88	\$ 2,290.04	66	\$ 119,109.38	\$ 571.26	\$ 3,515.63	\$ 4,086.89
25	\$ 267,187.50	\$ 1,113.28	\$ 2,343.75	\$ 3,457.03	67	\$ 114,593.75	\$ 556.61	\$ 3,515.63	\$ 4,072.24
26	\$ 266,015.63	\$ 1,108.39	\$ 2,343.75	\$ 3,447.27	68	\$ 110,078.13	\$ 541.96	\$ 3,515.63	\$ 4,057.59
27	\$ 264,843.75	\$ 1,093.75	\$ 2,343.75	\$ 3,437.50	69	\$ 105,562.50	\$ 527.31	\$ 3,515.63	\$ 4,042.94
28	\$ 263,671.88	\$ 1,083.98	\$ 2,343.75	\$ 3,427.73	70	\$ 101,046.88	\$ 512.66	\$ 3,515.63	\$ 4,028.29
29	\$ 262,500.00	\$ 1,074.22	\$ 2,343.75	\$ 3,417.97	71	\$ 96,531.25	\$ 498.01	\$ 3,515.63	\$ 4,013.64
30	\$ 261,328.13	\$ 1,064.45	\$ 2,343.75	\$ 3,408.20	72	\$ 92,015.63	\$ 483.36	\$ 3,515.63	\$ 3,998.99
31	\$ 260,156.25	\$ 1,054.69	\$ 2,343.75	\$ 3,398.44	73	\$ 87,500.00	\$ 468.71	\$ 3,515.63	\$ 3,984.34
32	\$ 259,043.75	\$ 1,044.92	\$ 2,343.75	\$ 3,388.67	74	\$ 82,984.38	\$ 454.06	\$ 3,515.63	\$ 3,969.69
33	\$ 248,437.50	\$ 1,035.16	\$ 2,343.75	\$ 3,378.91	75	\$ 78,468.75	\$ 439.41	\$ 3,515.63	\$ 3,955.04
34	\$ 246,093.75	\$ 1,025.39	\$ 2,343.75	\$ 3,369.14	76	\$ 73,953.13	\$ 424.76	\$ 3,515.63	\$ 3,940.39
35	\$ 243,750.00	\$ 1,015.63	\$ 2,343.75	\$ 3,359.38	77	\$ 69,437.50	\$ 410.11	\$ 3,515.63	\$ 3,925.74
36	\$ 241,406.25	\$ 1,005.86	\$ 2,343.75	\$ 3,349.61	78	\$ 64,921.88	\$ 395.46	\$ 3,515.63	\$ 3,911.09
37	\$ 239,062.50	\$ 996.09	\$ 3,515.63	\$ 4,511.72	79	\$ 60,406.25	\$ 380.81	\$ 3,515.63	\$ 3,896.44
38	\$ 235,546.88	\$ 981.45	\$ 3,515.63	\$ 4,497.07	80	\$ 55,890.63	\$ 366.16	\$ 3,515.63	\$ 3,881.79
39	\$ 232,031.25	\$ 966.80	\$ 3,515.63	\$ 4,482.42	81	\$ 51,375.00	\$ 351.51	\$ 3,515.63	\$ 3,867.14
40	\$ 228,515.63	\$ 952.15	\$ 3,515.63	\$ 4,467.77	82	\$ 46,859.38	\$ 336.86	\$ 3,515.63	\$ 3,852.49
41	\$ 225,000.00	\$ 937.50	\$ 3,515.63	\$ 4,453.13	83	\$ 42,343.75	\$ 322.21	\$ 3,515.63	\$ 3,837.84
42	\$ 221,484.38	\$ 922.85	\$ 3,515.63	\$ 4,438.48	84	\$ 37,828.13	\$ 307.56	\$ 3,515.63	\$ 3,823.19
						<u>\$ 67,382.81</u>		<u>\$ 281,250.00</u>	

EXHIBIT C

**AMENDED AND RESTATED
SECURITY AGREEMENT**

109427395.v1

AMENDED AND RESTATED SECURITY AGREEMENT

THIS AMENDED AND RESTATED SECURITY AGREEMENT ("Restated Security Agreement") is made as of the Effective Date (as hereinafter defined) by COMPLETE BUSINESS SOLUTIONS GROUP INC. ("Debtor") and [REDACTED] S ("Secured Party"). All capitalized terms used but not otherwise defined herein have the meanings given to them in the Amended and Restated Note Purchase Agreement between Maker and Payee of even date herewith (the "Restated Note Purchase Agreement").

WHEREAS, the parties have entered into the Restated Note Purchase Agreement pursuant to which Debtor is issuing Secured Party an Amended and Restated Note to replace certain Original Notes issued by Debtor to Secured Party which were secured by the Original Security Agreements identified on Schedule I in the Restated Note Purchase Agreement;

WHEREAS, as security for the payment and performance of Debtor's obligations to Secured Party under the Restated Loan Documents, it is the intent of Debtor and Secured Party to amend and restate the Original Security Agreements as hereinafter provided;

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 "**Effective Date**" means the Effective Date of the Restated Note Purchase Agreement.

(c) 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 the Restated Note dated as of the date hereof.

(d) The term “**Restated Loan Documents**” means the Restated Note, this Restated Security Agreement, the Restated Note Purchase Agreement, 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.

(a) 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, to secure the payment of the Obligations.

(b) The security interest granted hereunder shall be *pari passu* with the security interests granted by Debtor to the Other Secured Lenders under the Other Restated Loan Documents.

(c) On or before the Effective Date, the Security Agent, as representative of Secured Party and the Other Secured Lenders, will file a UCC-1 Financing Statement in favor of Secured Party and the Other Secured Lenders as secured parties having equal priority (“Financing Statement”) and the Secured Party will not file a separate financing statement but shall rely solely on the Financing Statement. The Security Agent shall have the authority to file continuations and amendments to the Financing Statement as may be deemed necessary to the Security Agent to preserve the Secured Party’s and the Other Secured Lenders’ security interest hereunder until payment in full of the Obligations.

(d) To the extent Secured Party previously perfected Secured Party’s security interest granted under the Original Security Agreements by filing a UCC-1 Financing Statement, Secured Party shall be deemed to have subordinated its security interest to the *pari passu* security interest granted to Secured Party hereunder and the Other Secured Lenders under the Other Restated Loan Documents

3. Subordination. This Security Agreement and the rights and obligations evidenced hereby are subordinate in the manner and to the extent set forth in the Restated Note Purchase Agreement. Notwithstanding anything else to the contrary stated herein, any and all covenants, warranties and representations made herein and any all rights or remedies granted to the Secured Party herein are subject to the *pari passu* and subordination provisions contained in the Restated Note Purchase Agreement.

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

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

(b) 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.

(c) The security interest granted by Debtor to Secured Party herein is valid and, upon the filing of the Financing Statement shall be a perfected security interest in all Collateral that can be perfected by the filing of a UCC financing statement with the Delaware Department of State and is enforceable according to its terms.

(d) 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. Secured Party consents to the use of Secured Party's name in the filing of any financing statement hereunder. 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.

5. 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 Restated Note or Debtor fails to observe or perform any covenant or agreement made in any of the Restated 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 representation, warranty or information furnished to Secured Party by Debtor in connection with this Security Agreement or any other Restated 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 Restated Loan Document, is incorrect in any respect.

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

6. 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.

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 Restated 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 Restated Note 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 Restated Note Purchase Agreement. If notice is personally delivered, the individual accepting such notice, if requested, will sign a duplicate of the notice to evidence receipt thereof.

10. Successors and Assigns. This Security Agreement and all of the terms and conditions hereof will be binding upon and will inure to the benefit of the parties hereto and their respective successors and assigns but will confer no rights on third persons.

11. Governing Law. This Security Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without reference to conflicts of laws principles.

12. Jurisdiction and Venue. Any legal action or proceeding with respect to this Security Agreement shall be brought in the courts of the Commonwealth of Pennsylvania or of the United States of America for the Eastern District of Pennsylvania. By execution and delivery of this Security Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts, irrevocably waives objection to the laying of venue of such claim or cause of action brought in such court, irrevocably waives any claim that any such claim or cause of action brought in such court has been brought in an inconvenient forum, irrevocably waives the right to object, with respect to such claim or cause of action brought in such court that the court does not have jurisdiction over such party, irrevocably

agrees that service of process sufficient to confer personal jurisdiction in any such action may be made by any party on the other by courier service, with a copy by regular mail, with service to be made to the addresses set forth in the Restated Note Purchase Agreement, and irrevocably waives any objection which such party may have to such service of process in any such action.

13. Waiver of Class Action; Waiver of Jury Trial.

(a) WAIVER OF CLASS ACTION. EACH PARTY HERETO WAIVES THE RIGHT TO LITIGATE IN COURT OR ARBITRATE ANY CLAIM OR DISPUTE UNDER THIS AGREEMENT OR ANY OF THE OTHER RESTATED LOAN DOCUMENTS AS A CLASS ACTION, EITHER AS A MEMBER OF A CLASS OR AS A REPRESENTATIVE, OR TO ACT AS A PRIVATE ATTORNEY GENERAL.

(b) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER RESTATED LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.


14. Amendment and Restatement. This Agreement amends, restates and replaces the Original Security Agreements in their entirety and all terms, provisions, covenants, representations, warranties, rights and remedies contained in such Original Security Agreements are of no force and effect and are fully replaced by this Agreement.

[signatures to follow]

IN WITNESS WHEREOF, the undersigned have executed this Security Agreement as of the date above first written.

DEBTOR:

COMPLETE BUSINESS SOLUTIONS GROUP INC.

By 
Name: Bob Cole
Title: CFO

SECURED PARTY: 


[Signature Page to Restated Security Agreement]

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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.

1 APPEARANCES (All appearing remotely):

2 For the Plaintiff:

3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
4 BY: AMIE RIGGLE BERLIN, ESQUIRE
801 Brickell Avenue, Suite 1800
5 Miami, Florida 33131
Telephone: 305-982-6300
6 Email: berlina@sec.gov

7
8 On behalf of Dean Vagnozzi:

9 AKERMAN, LLP
10 BY: BRIAN P. MILLER, ESQUIRE
98 Southeast Seventh Street, Suite 1100
Miami, Florida 33131
11 Telephone: 305-982-5626
Email: brian.miller@akerman.com

12
13 On behalf of Perry Abbonizio:

14 MARCUS NEIMAN RASHBAUM & PINEIRO, LLP
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18:00 1 Q. Okay. And did you share that information
2 with the agent fund managers or potential -- or
3 investors or both?

4 A. Combination of all the above, yes.

18:00 5 Q. Did you discuss with anyone at Par Funding
6 that you were going to say that to the agent fund
7 managers and investors before you said it or not?

8 A. No. And Ms. Berlin, let me clarify. I
9 didn't make that the thrust of my presentation. It
18:00 10 was a humanitarian time in this country. My voice
11 is as tired today as it was then. Talking around
12 the clock to people that in addition to dealing with
13 the conflict were now dealing with this financial
14 hardship and needing to improvise. And I was simply

18:00 15 trying to be humanitarian and have some foresight
16 based on the little gray hair that I have left and
17 tell people that that would be my hope. But
18 regardless of my hope, the terms that were presented
19 were fortunate terms in light of the many options

18:01 20 that could have surrounded and they lose their
21 principal indefinitely investing in a merchant cash
22 company with small business in the United States,
23 the biggest casualty of COVID.

24 Q. Isn't it true though that some investors
18:01 25 got preferential treatment during this time of the

18:01 1 exchange note offering and received their funds back
2 not -- having nothing to do with the hardship
3 process that you were testifying about?

4 A. Well, I don't know -- I don't know what
18:01 5 you're referring to, Ms. Berlin. My focus was on
6 hardship, but I don't know.

7 Q. Did your mother-in-law get paid back in
8 full on her promissory note at the time of the
9 exchange note offering?

18:02 10 A. My mother-in-law is 87 years old, and yes,
11 she did.

12 Q. Okay. And so did your brother-in-law?

13 A. My brother-in-law?

14 Q. I thought he was your brother-in-law. Do
18:02 15 you have another family member who also got paid on
16 their --

17 A. No.

18 Q. -- during the exchange offering?

19 A. No, another family member, no, I did not.

18:02 20 Q. No other inlaw?

21 A. No, not to my knowledge.

22 MS. BERLIN: I have no further questions.

23 THE WITNESS: Okay.

24 MR. MILLER: This is Brian Miller. I have
18:02 25 a couple of questions. I don't know whether I