

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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

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

Defendants.

**RECEIVER, RYAN K. STUMPHAUZER’S MOTION TO EXPAND
THE RECEIVERSHIP TO INCLUDE ALB MANAGEMENT, INC.**

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

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

to Include ALB Management, Inc. As demonstrated below, ALB Management, Inc. (“ALB Management”) was incorporated by Defendant Joseph Cole Barleta (“Cole”) as a successor to his previous company, Beta Abigail, LLC (“Beta Abigail”), which is already included as a Receivership Entity. Like with Beta Abigail, Cole used ALB Management to take in commingled investor funds from Complete Business Solutions Group, Inc. d/b/a Par Funding (“CBSG”) and related entities. For the reasons set forth below, expansion of the Receivership Estate over ALB Management is “necessary and appropriate for the purpose of marshaling and preserving the assets of the Defendants . . . that . . . are attributable to funds derived from investors or clients of the Defendants” and/or “may otherwise be includable as assets of the estates of the Defendants.” Amended Order Appointing Receiver (the “Amended Order”) (ECF No. 141) ¶ 1.

FACTUAL BACKGROUND

1. On October 30, 2020, this Court expanded the Receivership over Beta Abigail, an entity owned and controlled by Defendant Cole, because it had received approximately \$4.9 million in commingled investor funds from CBSG between July 2016 and April 2019. *See* Motion to Expand p. 9 [ECF No. 357]; Order Granting Motion to Expand p. 3 [ECF No. 436].

2. The final disbursement from CBSG to Beta Abigail occurred on April 5, 2019, in the amount of \$192,667.44. A true and correct copy of a worksheet prepared by the Receiver’s consultants at DSI from a review of CBSG’s books and records, which evidences this and other transactions referenced in this Motion (¶¶ 7-11) is attached hereto as Exhibit “1.”

3. According to the Delaware Secretary of State, ALB Management was incorporated on March 8, 2019.²

4. Upon information and belief, Cole is the owner and president of ALB Management.

² Delaware Secretary of State Entity Details for ALB Management, Inc., *available at* <https://icis.corp.delaware.gov/eCorp/EntitySearch/NameSearch.aspx>

5. On July 5, 2019, Cole sent an email to William Bromley at Capital Source 2000, Inc. (“CS2000”), a Receivership Entity and a related entity to CBSG, explaining that he was “dissolving my old entity this year and using ALB Management going forward.” A true and correct copy of this email is attached hereto as Exhibit “2.”

6. Upon information and belief, Cole was referring to Beta Abigail when he referenced dissolving his “old entity.”

7. On July 8, 2019, CBSG transferred \$776,668.05 of commingled investor funds to ALB Management. *See* Exhibit “1.”

8. On October 3, 2019, CBSG transferred \$982,468.37 of commingled investor funds to ALB Management. *Id.*

9. On January 3, 2020, CBSG transferred \$988,773.13 of commingled investor funds to ALB Management. *Id.*

10. On July 2, 2020, CBSG transferred \$438,387.38 of commingled investor funds to ALB Management. *Id.*

11. In total, between July 2019 and July 2020, CBSG transferred \$3,186,296.93 of commingled investor funds to ALB Management. *Id.*

12. Additionally, during this time period, CS2000 also transferred commingled investor funds to ALB Management. *Id.*

13. On July 5, 2019, CS2000 transferred \$47,803.41 of commingled investor funds to ALB Management. A true and correct copy of a worksheet prepared by the Receiver’s consultants at DSI from a review of CS2000’s books and records, evidencing this and the below transactions (¶¶ 13-17) is attached hereto as Exhibit “3.”

14. On September 13, 2019, CS2000 transferred \$37,500.00 of commingled investor funds to ALB Management. *Id.*

15. On December 20, 2019, CS2000 transferred \$62,250.27 of commingled investor funds to ALB Management. *Id.*

16. On April 7, 2019, CS2000 transferred \$30,000.00 of commingled investor funds to ALB Management. *Id.*

17. In total, between July 2019 and April 2020, CS2000 transferred \$177,553.68 of commingled investor funds to ALB Management. *Id.*

LEGAL ARGUMENT

In this Court's Amended Order, it stated that "the appointment of a receiver in this action is necessary and appropriate for the purposes of marshaling and preserving all assets of the Defendants ("Receivership Assets") and those assets of the Relief Defendant that: (a) are attributable to funds derived from investors or clients of the Defendants; (b) are held in constructive trust for the Defendants; and/or (c) may otherwise be includable as assets of the estates of the Defendants (collectively, "Recoverable Assets"). Amended Order (ECF No. 141) ¶ 1.

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

Here, the Receiver has confirmed from records of the Receivership Entities that, between July 2016 and April 2019, Defendant Joseph Cole Barleta used his company Beta Abigail to take in approximately \$4.9 million in commingled investor funds from CBSG. On July 5, 2019, Cole told William Bromley at CS2000 that he would be dissolving Beta Abigail and "using ALB Management

going forward.” That same day, ALB Management received its first deposit of commingled investor funds from CS2000.

In total, from July 5, 2019 through July 2, 2020, CBSG and its related entity CS2000 transferred \$3,363,850.61 of commingled investor funds to ALB Management. Based on the facts of this case, and the above information regarding the disbursement of commingled investor funds to ALB Management, the Receiver believes it is necessary to include ALB Management within the Receivership to preserve it as part of the Receivership Estate. A proposed Order granting this Motion is attached as Exhibit “4.”

CERTIFICATION REGARDING PRE-FILING CONFERENCE

The undersigned counsel has conferred with the SEC and with counsel for all Defendants regarding the relief sought through this Motion. The SEC agrees with the relief requested in the Motion. Counsel for Joseph Cole Barleta has not responded to the Receiver’s request to meet and confer. Additionally, no other Defendant has stated a position on this Motion.

Dated: February 14, 2022

Respectfully Submitted,

**STUMPHAUZER FOSLID
SLOMANROSS & KOLAYA,
PLLC**

Two South Biscayne Blvd., Suite 1600
Miami, FL 33131
Telephone: (305) 614-1400

By: /s/ Timothy A. Kolaya
TIMOTHY A. KOLAYA
Florida Bar No. 056140
tkolaya@sflaw.com

Co-Counsel for Receiver

**PIETRAGALLO GORDON
ALFANOBOSICK &
RASPANTI, LLP**
1818 Market Street, Suite 3402
Philadelphia, PA 19103
Telephone: (215) 320-6200

By: /s/ Gaetan J. Alfano

GAETAN J. ALFANO
Pennsylvania Bar No. 32971
(Admitted Pro Hac Vice)
GJA@Pietragallo.com
DOUGLAS K. ROSENBLUM
Pennsylvania Bar No. 90989
(Admitted Pro Hac Vice)
DKR@Pietragallo.com

Co-Counsel for Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on February 14, 2022, I electronically filed the foregoing document with the clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on counsel of record via transmission of Notices of Electronic Filing generated by CM/ECF.

/s/ Timothy A. Kolaya
TIMOTHY A. KOLAYA

Exhibit “1”

Par Funding

Sources and Uses Database [1/1/12 to 07/31/2020]

J. Cole and Related Entities

Transaction Type	Date	Check Number	Payee/Payor Name	Memo	QuickBooks Account	Receipts	Disbursements
J. Cole							
Check	02/15/13		Amazon	tax book for joe cole	Office Supplies		(13.11)
Check	04/03/13		BFH Residential Owner	Application / Deposit for Joe Cole Rental Lease	Rent Expense		(550.00)
Check	02/05/15	2189	Joseph C Barleta	investor distribution cut to joe cole for Broadway accounting	Investor - PDE		(10,000.00)
Deposit	06/08/17		BFH Residential Owner	joe cole deposit	Rent Expense	527.59	
					Total	527.59	(10,563.11)
Beta Abigail							
Check	06/24/16	3010	Beta Abigail Inc	dinner in utah with bill, see expense report 06/24/16	Entertainment		(\$209.47)
Check	06/24/16	3010	Beta Abigail Inc	tickets for utah flight, see expense report 06/24/16	Travel Expense		-1,081.58
Check	06/24/16	3010	Beta Abigail Inc	uber to airport, see expense report 06/24/16	Travel Expense		(52.51)
Check	07/01/16		Beta Abigail Inc		Consulting		(139,932.63)
Check	10/07/16		Beta Abigail Inc		Consulting		(161,803.71)
Check	01/13/17		Beta Abigail Inc		Consulting		(111,394.69)
Check	01/19/17		Beta Abigail Inc		Consulting		(111,394.69)
Check	04/03/17		Beta Abigail Inc		Consulting		(339,153.27)
Check	07/03/17		Beta Abigail Inc		Consulting		(366,903.50)
Check	10/03/17		Beta Abigail Inc		Consulting		(455,641.50)
Check	01/02/18		Beta Abigail Inc		Consulting		(531,553.68)
Check	04/03/18		Beta Abigail Inc		Consulting		(237,332.66)
Check	05/08/18		Beta Abigail Inc		Consulting		(237,332.66)
Check	06/11/18		Beta Abigail Inc		Consulting		(237,332.66)
Check	07/05/18		Beta Abigail Inc		Consulting		(232,514.80)
Check	08/03/18		Beta Abigail Inc		Consulting		(232,514.80)
Check	09/07/18		Beta Abigail Inc		Consulting		(232,514.80)
Check	10/05/18		Beta Abigail Inc		Consulting		(157,859.50)
Check	01/04/19		Beta Abigail Inc		Consulting		(299,719.97)
Check	02/05/19		Beta Abigail Inc		Consulting		(299,719.97)
Check	03/15/19		Beta Abigail Inc		Consulting		(299,719.97)
Check	04/05/19		Beta Abigail Inc		Consulting		(192,667.44)
					Total	0.00	(4,878,350.46)
ALB Management							
Check	07/08/19		ALB Management		Consulting		(776,668.05)
Check	10/03/19		ALB Management		Consulting		(982,468.37)
Check	01/03/20		ALB Management		Consulting		(988,773.13)
Check	07/02/20		ALB Management		Consulting		(438,387.38)
					Total	0.00	(3,186,296.93)
					Combined Total	527.59	(8,075,210.50)

Exhibit “2”

From: Bill <[REDACTED]@gmail.com>
Sent: Friday, July 5, 2019 5:11 PM
To: Joe Cole
Subject: Re: CS 2000 Q2 Profit Sharing

Thanks Joe. I will follow up with my accountant and lawyer to see if a greater Delaware presence would be helpful for Pebble Spring .
I get constant advice about changing Capital Source 2000 from a C Corp to an LLC. Something we should discuss further.

Thanks for letting me know what you are doing.

Bill

William Bromley
[REDACTED]
[REDACTED]@gmail.com
Wbromley@capitalsource2000.com

On Jul 5, 2019, at 11:00 AM, Joe Cole <joecole@parfunding.com> wrote:

The main reason I moved mine over to a Delaware financial domicile is because Philadelphia defines place of business as the taxable location regardless of where it was incorporated.

So having a small office in Greenville saves on BRT and there's a slight savings on the state corporate tax rate.

I'm dissolving my old entity this year and using ALB Management going forward.

Joe Cole

On Fri, Jul 5, 2019 at 7:58 AM Bill <whbnew@gmail.com> wrote:

I would like to get clarification on the benefit of what you are doing with DelawAre entries. Pebble Spring Corp is a Delaware sub S corp. but does not have a physical address in Delaware.

Bill

William Bromley
[REDACTED]
[REDACTED]@gmail.com
Wbromley@capitalsource2000.com

On Jul 5, 2019, at 7:29 AM, Joe Cole <joecole@parfunding.com> wrote:

For tax considerations, we're wiring Joe's distributions to Eagle Six and mine to ALB Management, the Delaware entity I recently set up.

I'll work on getting updated operating agreements sorted out to reflect this arrangement.

Joe Cole

On Thu, Jul 4, 2019 at 5:26 PM Joe Mack <joe@parfunding.com> wrote:

Ok pal. Happy 4 th

Sent from my iPhone

> On Jul 4, 2019, at 4:35 PM, Bill <whbnew@gmail.com> wrote:

>

> I ll be pushing to get that new funding!

>

> William Bromley

>

> [REDACTED]
> [\[REDACTED\]@gmail.com](mailto:[REDACTED]@gmail.com)

> Wbromley@capitalsource2000.com

>

>> On Jul 4, 2019, at 2:43 PM, Joe Mack <joe@parfunding.com> wrote:

>>

>> No reason. We have the volume.

>>

>> Sent from my iPhone

>>

>>> On Jul 4, 2019, at 12:32 PM, Bill <whbnew@gmail.com> wrote:

>>>

>>> Guys , if I can get the money in is there any reason we can't do \$15 mm+ for the third quarter ?

>>>

>>> Bill

>>>

>>> William Bromley

>>>

>>> [REDACTED]
>>> [\[REDACTED\]@gmail.com](mailto:[REDACTED]@gmail.com)

>>> Wbromley@capitalsource2000.com

>>>

>>>> On Jul 4, 2019, at 10:45 AM, Joe Mack <joe@parfunding.com> wrote:

>>>>

>>>> That's fine fellas. Good month

>>>>

>>>> Sent from my iPhone

>>>>

>>>>> On Jul 3, 2019, at 5:19 PM, Joe Cole <joecole@parfunding.com> wrote:

>>>>>

>>>>> Please see the following profit sharing breakdown for Q2 at CS 2000:

>>>>>

>>>>> <image.png>

>>>>>

>>>>> As discussed yesterday, we're still at about parity with investor liabilities and doing a 5% or 2.5% calculation from funding would be the most prudent.

>>>>>

>>>>> Please let me know what you think.

>>>>>

>>>>

>>>> <image.png>

Exhibit “3”

Capital Source 2000 Inc**QuickBooks Export****J. Cole and Related Entities**

Transaction Type	Date	Check Number	Name	Memo	Account	Split	Receipts	Disbursements
J. Cole								
Check	11/24/2015	1004	Joseph C Barleta		BOA Operating - 7845	Travel Expense		(428.52)
Check	02/05/2016	1013	Joseph C Barleta	VOID: Expense reimbursement	Republic - Operating 5991	-SPLIT-	-	
Check	02/08/2016	1014	Joseph C Barleta	replaces 1013	Republic - Operating 5991	Travel Expense		(914.18)
Check	07/14/2016	1031	Joseph C Barleta	07/14/16 expense report	Republic - Operating 5991	Travel Expense		(863.75)
							Total	- (2,206.45)

Beta Abigail

Check	04/01/2016		Beta Abigail Inc		Republic - Capital 6017	Consulting Expense		(22,027.91)
Check	10/05/2016		Beta Abigail Inc		Republic - Capital 6017	Consulting Expense		(6,636.53)
Check	01/03/2017		Beta Abigail Inc		Republic - Capital 6017	Consulting Expense		(21,561.52)
Check	10/02/2017		Beta Abigail Inc		Republic - Capital 6017	Consulting Expense		(8,744.92)
Check	01/02/2018		Beta Abigail Inc		Republic - Capital 6017	Consulting Expense		(47,284.03)
Check	04/02/2018		Beta Abigail Inc		Republic - Capital 6017	Consulting Expense		(56,340.91)
Check	07/03/2018		Beta Abigail Inc		Republic - Capital 6017	Consulting Expense		(60,800.00)
Check	10/04/2018		Beta Abigail Inc		Republic - Capital 6017	Consulting Expense		(82,144.50)
Check	01/04/2019		Beta Abigail Inc		Republic - Capital 6017	Consulting Expense		(130,662.32)
							Total	- (436,202.64)

ALB Management Inc.

Check	07/05/2019		ALB Management Inc.		Meridian Capital - 6314	Consulting Expense		(47,803.41)
Check	09/13/2019		ALB Management Inc.		Meridian Capital - 6314	Consulting Expense		(37,500.00)
Check	12/20/2019		ALB Management Inc.		Meridian Capital - 6314	Consulting Expense		(62,250.27)
Check	04/07/2020		ALB Management Inc.	consulting	Meridian Capital - 6314	Consulting Expense		(30,000.00)
							Total	- (177,553.68)
							Combined Total	- (615,962.77)

Exhibit “4”

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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

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

Defendants.

**PROPOSED ORDER GRANTING RECEIVER, RYAN K. STUMPHAUZER'S MOTION
TO EXPAND THE RECEIVERSHIP TO INCLUDE ALB MANAGEMENT, INC.**

THIS CAUSE comes before the Court upon the Receiver's Motion to Expand the Receivership to Include ALB Management, Inc. [ECF No. ____], filed on February 14, 2022 (the "Motion"). In the Motion, the Receiver seeks to expand the scope of the Court's Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141] ("Receivership Order"), to include the entity ALB Management, Inc.

The Court finds that the Receiver has made a sufficient and proper showing in support of the relief requested. Accordingly, it is hereby **ORDERED AND ADJUDGED** that the Receiver's Motion is **GRANTED**, as follows:

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

2. The Court finds that based upon the Securities and Exchange Commission's previous filings and the information the Receiver has supplied in the Motion, the same findings

and conclusions that led the Court to expand the Receivership to include the other Receivership Entities and Receivership Assets apply equally to the aforementioned entity, ALB Management, Inc. Ryan K. Stumphauzer's duties as Receiver are expanded to include ALB Management, Inc. The Receivership Order shall apply with equal force and effect to ALB Management, Inc. as it applies to the other Receivership Entities and Receivership Assets. The terms and provisions of the operative Receivership Order are incorporated by reference herein.

DONE AND ORDERED Fort Lauderdale, Florida, this ___ day of _____, 2022.

RODOLFO A. RUIZ II
UNITED STATES DISTRICT JUDGE

Copies to: Counsel of Record