

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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

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

Defendants.

_____ /

**RECEIVER, RYAN K. STUMPHAUZER AND DEFENDANT LISA
MCELHONE’S JOINT DISCOVERY MEMORANDUM PURSUANT TO ECF NO. 1283**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver (“Receiver”) of the Receivership Entities,¹ and Defendant Lisa McElhone (“McElhone”), by and through their respective undersigned counsel, hereby file this Joint Discovery Memorandum pursuant to ECF No. 1283.

On June 27, 2022, McElhone served a Subpoena² on counsel for the Receiver, which seeks deposition testimony and the production of documents from the Receiver on July 6, 2022. McElhone is pursuing this discovery in connection with her forthcoming response to the SEC’s Amended Omnibus Motion for Final Judgments (ECF No. 1252) (the “Amended Motion”). The Receiver disputes McElhone’s ability to conduct this discovery. Magistrate Judge Reinhart will be conducting a discovery hearing on this issue on Friday, July 1, 2022, at 3:00 p.m.

I. Position of the Receiver

McElhone suggests that she should be entitled to conduct this discovery because: (1) the SEC attaches a declaration by the Receiver (the “Receiver Declaration”) to its Amended Motion and cites the Receiver Declaration as support for its disgorgement calculation;³ (2) the Receiver may have provided other “assistance” to the SEC in connection with the preparation of the Amended Motion; and (3) the Defendants wish to probe the underlying source material for the

¹ The “Receivership Entities” include Complete Business Solutions Group, Inc. (“Par Funding”).

² A copy of the Subpoena is attached as Exhibit “1.”

³ The Receiver Declaration is attached as Exhibit “2.”

information the Receiver has included in the Quarterly Status Reports he has filed with the Court. This discovery is not appropriate because: (a) the Receiver is immune from discovery pursuant to the quasi-judicial immunity afforded to receivers; (b) the discovery would serve no proper purpose related to the remaining issues pending before the Court; and (c) the requested discovery is not proportional to the needs of the case at this late date in the proceedings.

A. The Receiver and his professionals are entitled to quasi-judicial immunity.

On August 15, 2020, the Receiver filed a motion to quash and for protective order regarding a prior subpoena through which the Defendants sought to depose the Receiver. (ECF No. 156.) The Receiver argued that he should not be subjected to discovery because, as an officer and agent of the Court, he is entitled to “absolute immunity,” including “protection from discovery” for all actions he has “taken in good faith and within the scope of the authority granted” to him as the Receiver in this case. (*Id.* (citing *Davis v. Bayless*, 70 F.3d 367, 373 (5th Cir. 1995) and *FTC ex rel. Yost v. Educare Centre Servs., Inc.*, EP 19-CV-196-KC, 2020 WL 4334765, at *1 (W.D. Tex. May 26, 2020).) On August 15, 2020, the Court granted the Receiver’s motion. (ECF No. 157.)

Thus, the Court has already confirmed that judicial immunity applies to the Receiver. It cannot reasonably be argued that the Receiver Declaration, or the information the Receiver has included in his Quarterly Status Reports, constitutes anything other than actions “taken in good faith and within the scope of the authority granted” to the Receiver in this case. *Id.* Given that the requested discovery is directly related to action the Receiver has taken as a “quasi-judicial officer,” the requested discovery “risks impugning [his] integrity and good-faith decision-making because the subpoena implicates [his] quasi-judicial functions.” *Yost*, 2020 WL 4334765, at *3. By contrast, as the custodian of records for Par Funding, the Receiver has responded to requests for production and produced to McElhone and the other Defendants documents he took possession of when he was appointed as Receiver. That sort of discovery does not implicate the Receiver’s quasi-judicial functions. There is no waiver of or exception to the judicial immunity afforded to the Receiver, however, for the additional discovery McElhone now seeks from the Receiver.

B. The requested depositions would serve no proper purpose.

The SEC attached the Receiver Declaration to the Amended Motion. In this declaration, the Receiver declared that, according to Par Funding’s records, Par Funding: (a) raised from investors a total of \$550,325,596; and (b) repaid to investors a total of \$300,108,117. The Receiver Declaration does not include any opinions, analysis, or other matters of discretion. Rather, it is

simply a confirmation of information existing in the records of the Receivership Entities. These same exact figures were included in the expert report of Melissa Davis from Kapila Mukamal, the SEC's expert witness. (ECF No. 843-1 at p. 34.) The Defendants deposed Ms. Davis for a full day and had the opportunity to question her about these numbers. (ECF No. 803-4.)

In addition, undersigned counsel for the Receiver has confirmed that the Receiver did not provide any "assistance" to the SEC in connection with the preparation of the Amended Motion. Rather, he simply drafted and provided the SEC with a copy of the Receiver Declaration, which contains information existing in the records of Par Funding. Moreover, the information in the Receiver's Quarterly Status Reports—for example, detail underlying the amounts the Receiver has collected from Par Funding's merchants and other sources after the receivership was created—has no relevance to the Court's resolution of the Amended Motion. As the SEC has explained, whether funds or assets the Receiver has recovered can be used to satisfy the Judgments the Court will be entering *may* be relevant to the collection and/or satisfaction of those Judgments, but they have no bearing on the Court's determination of the amount of those Judgments. (ECF No. 1252 at 2.)

Finally, Judge Ruiz has already confirmed that he will not be conducting an evidentiary hearing on the Amended Motion. As a result, there is no reason for McElhone to probe behind the Receiver Declaration or other information within the control of the Receiver. McElhone will be filing a response to the Amended Motion on July 8, 2022, and can attach any evidence or other documentation in support of her position. If McElhone believes that the Receiver Declaration does not accurately reflect information contained in Par Funding's financial records, she can simply make these arguments in her opposition to the Amended Motion. But given there will be no evidentiary hearing, there is no reason for McElhone to take a deposition of the Receiver.

C. The discovery is not proportional to the needs of the case at this late date.

The SEC filed its original motion for final judgments on April 15, 2022 (ECF No. 1214), and its Amended Motion on May 20, 2022 (ECF No. 1252).⁴ McElhone was scheduled to respond to the Amended Motion on July 1, 2022. On June 27, 2022—three days ago and the same day she served the Subpoena—McElhone and other Defendants requested an extension of time to respond to the Amended Motion, through July 8, 2022, which the Court granted. (ECF No. 1282.) The

⁴ The Amended Motion did not include any substantive changes from the original motion. (ECF No. 1252 at 1 n.1.)

Subpoena commands the Receiver to sit for a deposition and produce documents on July 7, 2022, the day before McElhone is scheduled to respond to the Amended Motion.

Counsel for McElhone first approached counsel for the Receiver about this proposed deposition of the Receiver on June 10, 2022. Counsel have engaged in multiple meet-and-confer discussions since that time in a good faith effort to resolve this dispute. The Receiver's counsel has consistently maintained throughout these discussions that the Receiver will not agree to a deposition, for the reasons explained herein. In light of the foregoing—including the fact that the requested discovery is not appropriate in any event, as explained above in Sections A and B—McElhone's substantial delay in her efforts to take this discovery make clear that the requested discovery is not proportional to the needs of this case at this late date.

II. Position of Lisa McElhone

A. The Discovery Sought is Material and Proportional to the Needs of the Case

Contrary to the Receiver's contention, the discovery McElhone seeks is directly related to the SEC's calculation of disgorgement and penalties and therefore goes to heart of the issues remaining in this case. The primary subject of the subpoena is the Receiver Declaration, which is an exhibit to the SEC's Omnibus Motion for Final Judgment and functions as a surrogate for an expert's report. The Receiver's Declaration states that the total amount Par raised from noteholders is \$550,325,596, and the total principal and interest repaid to noteholders is \$300,108,117. These figures are the cornerstone of the SEC's disgorgement calculation, and the Receiver Declaration is the only source the SEC cites as support.

The Receiver's suggestion that the figures provided in the Receiver Declaration are not material because they were also cited in Melissa Davis' report is unavailing for several reasons. First, the SEC does not rely on (or cite to) the Davis Report as support, it cites exclusively to the Receiver Declaration. Second, the Receiver Declaration *does not* precisely match the figures in the Davis Report. The Davis Report states \$550,325,586 was raised from noteholders while the Receiver Report claims \$550,326,596 was raised from noteholders. McElhone cannot determine whether this discrepancy is the result of a typo or a difference in calculation – and she will never know unless she is permitted to take discovery. Third, the figures contained in the Receiver Declaration do not match the figures contained in the Receiver's most recent quarterly report. Specifically, the Receiver Declaration states that \$550,326,596 was raised from investors (*see* D.E. 1214-1, pg. 2) while the most recent quarterly report says \$548,800,000 was raised from

noteholders (*see* 1223-3, pg. 2). This one discrepancy creates a delta of \$1,526,596, which is highly significant since it represents over \$1.5 Million that Ms. McElhone may or may not be ordered to disgorge. Accordingly, McElhone is entitled to take discovery so that she can understand and address this discrepancy.

McElhone is mindful of the Receiver's concern that discovery could be used to impugn the Receiver's integrity and good-faith decision-making – but this is not McElhone's purpose or intent. The subpoena does not seek testimony or documents concerning the Receiver's actions and decisions - it pertains only to values and calculations. The only other topic encompassed by the subpoena is a document request regarding an analysis the Receiver appears to have conducted regarding whether Par Funding operated as a Ponzi scheme (as reflected in the Receiver's recent bills). This is also a significant issue because it goes to McElhone's scienter – which is critical to the \$50 Million penalty the SEC seeks.

Finally, the date McElhone served the subpoena is beside the point. The Receiver's counsel was asked on several occasions whether he would accept service of the subpoena and never agreed or refused. Had the request been timely declined, the subpoena would have been served earlier. Counsel for the McElhone and the Receiver have had numerous discussions about the proposed subpoena starting on June 10, 2022. For more than two-weeks, McElhone has engaged the Receiver's counsel in a dialogue to avoid having to trouble the Court with this issue. Numerous accommodations were offered to the Receiver along with firm assurances that the deposition questioning would not challenge the Receiver's choices or decision making process. At the end of the day, the Receiver proved to be utterly inflexible and would not agree to testify no matter how many accommodations were offered or how many assurances were provided. McElhone's good faith efforts to confer on the requested discovery should not be used as a weapon against her. There is sufficient time left for the limited discovery sought in the subpoena.

B. The Receiver Is Not Entitled to Quasi-Judicial Immunity.

The Receiver's contention that he is shielded from all discovery based on his quasi-judicial immunity is also unavailing. As discussed above, the Receiver Declaration puts the Receiver in the position of a fact/expert witness who has testified on behalf of the SEC. The Receiver Declaration was not prepared in the course of the Receiver's duties under the order of appointment – it was prepared for the SEC at its behest for use in an adversarial proceeding against McElhone. Accordingly, McElhone is entitled to limited discovery from the Receiver on the issue of the

representations made in the Receiver Declaration and other assistance the Receiver may have provided to the SEC in connection with the Amended Motion. The case law also demonstrates that a Receiver does not have an absolute immunity from Discovery. *See e.g. Pension Comm. of the Univ. of Montreal Pension Plan v. Banc of Am. Sec., LLC*, No. 08-22398-MC, 2008 WL 4906290, at *3 (S.D. Fla. Nov. 17, 2008) (granting defendants' motion to compel production of documents pursuant to subpoenas served on Receiver).

III. Conclusion

WHEREFORE, the Receiver and McElhone submit their respective positions on the Subpoena through which McElhone seeks to depose and obtain documents from the Receiver.

Dated: June 30, 2022

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Respectfully Submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on June 30, 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”

UNITED STATES DISTRICT COURT
for the
SOUTHERN DISTRICT OF FLORIDA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

Civil Action No. 20-cv-81205-RAR

v.

COMPLETE BUSINESS SOLUTIONS GROUP, INC.
d/b/a PAR FUNDING, ET AL.,

Defendants.

CIM
CPS/623
6/27/22
3:25PM

**SUBPOENA TO PRODUCE DOCUMENTS, INFORMATION, OR OBJECTS AND TO TESTIFY AT A
DEPOSITION IN A CIVIL ACTION**

To: Ryan K. Stumphauzer, Esq., One Biscayne Tower, 2 S. Biscayne Blvd. Suite 1600, Miami, FL 33131

Production: **YOU ARE COMMANDED** to produce at the time, date, and place set forth below the following documents, electronically stored information, or objects, and permit their inspection, copying, testing, or sampling of the material: **the documents identified in Attachment A.**

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| Place: Via e-mail: james.kaplan@kaplanzeena.com and noah.snyder@kaplanzeena.com KAPLAN ZEENA LLP 2 S. Biscayne Blvd. Suite 3050, Miami, FL 33131 | Date and Time: July 6, 2022 at 10:00 AM EDT |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|

Testimony: **YOU ARE COMMANDED** to appear at the time, date, and place set forth below to testify at a deposition to be taken in this civil action.

| | |
|-------------------------------------------------------------------------------|---------------------------------------------|
| Place: KAPLAN ZEENA LLP 2 S. Biscayne Blvd. Suite 3050, Miami, FL 33131 | Date and Time: July 6, 2022 at 10:00 AM EDT |
|-------------------------------------------------------------------------------|---------------------------------------------|

The deposition will be recorded by this method: Stenographic and Video

The material: The following provisions of Fed. R. Civ. P. 45 are attached – Rule 45(c), relating to the place of compliance; Rule 45(d), relating to your protection as a person subject to a subpoena; and Rule 45(e) and (g), relating to your duty to respond to this subpoena and the potential consequences of not doing so.

Date: June 4, 2021

CLERK OF COURT

Signature of Clerk or Deputy Clerk OR /s/ James M. Kaplan
Attorney's signature

The name, address, e-mail, and telephone number of the attorney representing Lisa McElhone, who issues or requests this subpoena, is: James M. Kaplan, Esq., One Biscayne Tower, 2 S. Biscayne Blvd. Suite 1600, Miami, FL 33131, james.kaplan@kaplanzeena.com, (305) 530-0800

Federal Rule of Civil Procedure 45 (c), (d), (e), and (g) (Effective 12/1/13)

(c) Place of Compliance.

(1) For a Trial, Hearing, or Deposition. A subpoena may command a person to attend a trial, hearing, or deposition only as follows:

- (A) within 100 miles of where the person resides, is employed, or regularly transacts business in person; or
- (B) within the state where the person resides, is employed, or regularly transacts business in person, if the person
 - (i) is a party or a party's officer; or
 - (ii) is commanded to attend a trial and would not incur substantial expense.

(2) For Other Discovery. A subpoena may command:

- (A) production of documents, electronically stored information, or tangible things at a place within 100 miles of where the person resides, is employed, or regularly transacts business in person; and
- (B) inspection of premises at the premises to be inspected.

(1) Protecting a Person Subject to a Subpoena: Enforcement.

(1) Avoiding Undue Burden or Expense; Sanctions. A party or attorney responsible for issuing and serving a subpoena must take reasonable steps to avoid imposing undue burden or expense on a person subject to the subpoena. The court for the district where compliance is required must enforce this duty and impose an appropriate sanction—which may include lost earnings and reasonable attorney's fees—on a party or attorney who fails to comply.

(2) Command to Produce Materials or Permit Inspection.

(A) Appearance Not Required. A person commanded to produce documents, electronically stored information, or tangible things, or to permit the inspection of premises, need not appear in person at the place of production or inspection unless also commanded to appear for a deposition, hearing, or trial.

(B) Objections. A person commanded to produce documents or tangible things or to permit inspection may serve on the party or attorney designated in the subpoena a written objection to inspecting, copying, testing, or sampling any or all of the materials or to inspecting the premises—or to producing electronically stored information in the form or forms requested. The objection must be served before the earlier of the time specified for compliance or 14 days after the subpoena is served. If an objection is made, the following rules apply:

- (i) At any time, on notice to the commanded person, the serving party may move the court for the district where compliance is required for an order compelling production or inspection.
- (ii) These acts may be required only as directed in the order, and the order must protect a person who is neither a party nor a party's officer from significant expense resulting from compliance.

(3) Quashing or Modifying a Subpoena.

(A) When Required. On timely motion, the court for the district where compliance is required must quash or modify a subpoena that:

- (i) fails to allow a reasonable time to comply;
- (ii) requires a person to comply beyond the geographical limits specified in Rule 45(c);
- (iii) requires disclosure of privileged or other protected matter, if no exception or waiver applies; or
- (iv) subjects a person to undue burden.

(B) When Permitted. To protect a person subject to or affected by a subpoena, the court for the district where compliance is required may, on motion, quash or modify the subpoena if it requires:

(i) disclosing a trade secret or other confidential research, development, or commercial information; or

(ii) disclosing an unretained expert's opinion or information that does not describe specific occurrences in dispute and results from the expert's study that was not requested by a party.

(C) Specifying Conditions as an Alternative. In the circumstances described in Rule 45(d)(3)(B), the court may, instead of quashing or modifying a subpoena, order appearance or production under specified conditions if the serving party:

- (i) shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship; and
- (ii) ensures that the subpoenaed person will be reasonably compensated.

(e) Duties in Responding to a Subpoena.

(1) Producing Documents or Electronically Stored Information. These procedures apply to producing documents or electronically stored information:

(A) Documents. A person responding to a subpoena to produce documents must produce them as they are kept in the ordinary course of business or must organize and label them to correspond to the categories in the demand.

(B) Form for Producing Electronically Stored Information Not Specified.

If a subpoena does not specify a form for producing electronically stored information, the person responding must produce it in a form or forms in which it is ordinarily maintained or in a reasonably usable form or forms.

(C) Electronically Stored Information Produced in Only One Form. The person responding need not produce the same electronically stored information in more than one form.

(D) Inaccessible Electronically Stored Information. The person responding need not provide discovery of electronically stored information from sources that the person identifies as not reasonably accessible because of undue burden or cost. On motion to compel discovery or for a protective order, the person responding must show that the information is not reasonably accessible because of undue burden or cost. If that showing is made, the court may nonetheless order discovery from such sources if the requesting party shows good cause, considering the limitations of Rule 26(b)(2)(C). The court may specify conditions for the discovery.

(2) Claiming Privilege or Protection.

(A) Information Withheld. A person withholding subpoenaed information under a claim that it is privileged or subject to protection as trial-preparation material must:

- (i) expressly make the claim; and
- (ii) describe the nature of the withheld documents, communications, or tangible things in a manner that, without revealing information itself privileged or protected, will enable the parties to assess the claim.

(B) Information Produced. If information produced in response to a subpoena is subject to a claim of privilege or of protection as trial-preparation material, the person making the claim may notify any party that received the information of the claim and the basis for it. After being notified, a party must promptly return, sequester, or destroy the specified information and any copies it has; must not use or disclose the information until the claim is resolved; must take reasonable steps to retrieve the information if the party disclosed it before being notified; and may promptly present the information under seal to the court for the district where compliance is required for a determination of the claim. The person who produced the information must preserve the information until the claim is resolved.

(g) Contempt.

The court for the district where compliance is required—and also, after a motion is transferred, the issuing court—may hold in contempt a person who, having been served, fails without adequate excuse to obey the subpoena or an order related to it

For access to subpoena materials, see Fed. R. Civ. P. 45(a) Committee Note (2013).

**ATTACHMENT “A”
SCHEDULE OF DOCUMENTS TO BE PRODUCED**

DEFINITIONS

1. “Action” means the lawsuit captioned *SEC v. Complete Business Solutions Group, Inc. d/b/a Par Funding, et al.*, Case No. 20-CIV-81205, filed July 24, 2020, currently pending in the United States District Court for the Southern District of Florida.
2. “Communication” means any transmission, conveyance, or exchange of information whether by written, oral, electronic, or other means, including electronically stored information.
3. “Concerning” means constituting, referring to, relating to, pertaining to, involving, discussing, mentioning, or otherwise bearing any logical relation to the specified subject matter.
4. “Document” means, without limitation, any written, printed, typed, photographed, recorded, or otherwise reproduced or stored communication or representation, whether comprised of letters, words, numbers, pictures, sounds or symbols, or any combination thereof. This definition includes drafts and originals and copies or duplicates contemporaneously or subsequently created which have any non-conforming notes or other markings and the backsides of any communication or representation which contains any of the above. This definition also includes any attachments or enclosures, and includes any document stored in any medium from which information can be obtained either directly or, if necessary, after translation by the responding party into a reasonably usable form.
5. “You” or “Your” means Ryan K. Stumphauzer, the Court appointed receiver in this case, and any attorney or Agents acting on Your behalf in relation to this Action or the receivership. Notwithstanding this definition, the document requests herein shall be construed to exclude any communication between You and Your attorneys that does not include any third party and would be protected by attorney-client privilege.

6. “Agent” means any person or entity who has been legally empowered to act on your behalf including, without limitation, Your employees and attorneys, and DSI and any of its employees or agents.

7. “Your Declaration” means the Declaration of Ryan K. Stumphauzer, Esq. which was filed in this Action on April 15, 2022 as Document 1214-1.

8. “Receivership Records” has the same meaning ascribed to that terms in Your Declaration.

9. “S.E.C.” means the United States Securities and Exchange Commission, and any attorneys, agents or employees thereof.

10. “CBSG” means Complete Business Solutions Group, Inc. d/b/a Par Funding.

GENERAL INSTRUCTIONS

1. You are required to respond to these requests in accordance with the Federal Rules of Civil Procedure and the Southern District of Florida’s Local Rules.

2. In complying with these requests, you are required to produce all documents and things specified herein in your possession or custody, under your control, or otherwise available to you. These requests are continuing in nature; you must make supplementary productions when and if you obtain additional documents or things or different versions of a document or thing.

3. If any documents or things requested herein have been but are no longer in your possession, custody, or control, state what disposition was made of them and when, and identify the person(s) or entity(ies) responsible for or otherwise involved in such disposition. If any documents or things requested herein have been lost or destroyed, describe in detail the circumstances of such loss or destruction and identify, to the extent possible, each lost or destroyed document or thing and all files that contained such documents or things.

4. If you cannot comply with any request in full, you shall comply with it to the extent possible and provide a complete explanation as to why full compliance is not possible.

5. Whenever a request is stated in the conjunctive, you shall also take it in the disjunctive, and vice versa. Whenever a request is stated in the singular, you shall also take it to mean the plural, and vice versa.

6. If you assert any claim of privilege or work product protection as to any requested document (or portion thereof), you shall provide, at the time of production, a privilege log separately and specifically identifying each such document (or portion thereof) by date, author, recipient, persons copied, and general description of the subject matter of the document, along with a statement of the specific privilege claimed and its basis. You shall update this privilege log as you supplement your production.

7. Unless otherwise stated in a specific request below, the operative time frame for your responses is from January 1, 2012, to the present.

DOCUMENTS TO BE PRODUCED

1. The Receivership Records (and only those) which you referenced and/or relied on in Your Declaration.

2. All Documents or Communications which you referenced and/or relied on in connection with the preparation of Your Declaration.

3. All drafts of Your Declaration.

4. All Documents or Communications which reflect assistance You rendered to the S.E.C. in connection with the S.E.C.'s preparation of the Omnibus Motion for Final Judgments Against Defendants Michael Furman, Joseph Cole Barleta, Joseph LaForte and Lisa McElhone (DE 1214) or the Amended Omnibus Motion for Final Judgments Against Defendants Michael Furman, Joseph Cole Barleta, Joseph LaForte and Lisa McElhone (DE 1252).

5. All Documents or Communications concerning or relating to any "Ponzi analysis", "solvency analysis" or "insolvency analysis" referred to in the time records filed in this Action as DE 1246-8.

6. All Documents which constitute any "Ponzi analysis", "solvency analysis" or "insolvency analysis" referred to in the time records that were filed in this Action as DE 1246-8, and all drafts of such analyses which are in your possession.

7. CBSG's 2019 and 2020 tax returns, and any other documents You prepared in anticipation of filing CBSG's 2019 and 2020 tax returns.

Exhibit “2”

**IN THE 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.

DECLARATION OF RYAN K. STUMPHAUZER, ESQ.

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

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

2. I am an attorney at the law firm of Stumphauzer Foslid Sloman Ross & Kolaya, PLLC. My business address is 2 South Biscayne Boulevard, Suite 1600, Miami, Florida 33131.

3. Pursuant to the Order Granting Plaintiff Securities and Exchange Commission's Motion for Appointment of Receiver dated July 27, 2020 [ECF No. 36] (the "Receivership Order") and other subsequent orders entered in this action, I was appointed as the receiver (the "Receiver") over, among other entities, Complete Business Solutions Group, Inc. d/b/a Par Funding ("CBSG") and Full Spectrum Processing, Inc. ("FSP") (together, the "Receivership Entities").

4. In the course of my work as the Receiver, I have, among other things, reviewed the books, records, documents, accounts, and all other instruments and papers of the Receivership

Entities, including the QuickBooks files and other financial information (the “Receivership Records”).

5. Accordingly, I am familiar with the records and documents of the Receivership Entities, including the record-keeping system of the Receivership Entities.

6. The Receivership Records of Par Funding reflect that the company raised from investors a total of \$550,325,596.

7. The Receivership Records of Par Funding reflect that the company repaid to investors, including the “Agent Funds” a total of \$300,108,117. These amounts include interest payments and the return of principal.

8. The Receivership Records of Par Funding were made at or near the time of the occurrence of the matters set forth by, or from information transmitted by, a person with knowledge of the matters described in those records.

9. The Receivership Records of Par Funding were kept in the course of regularly-conducted business activities of the Receivership Entities.

10. It was a regular practice of the Receivership Entities to make and maintain records such as the Receivership Records of Par Funding.

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

Executed on this 15th day of April, 2022 in Miami, Florida.


RYAN K. STUMPHAUZER