UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 20-CIV-81205-RAR

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

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

Defendants.

_____/

DEFENDANT DEAN VAGNOZZI'S MOTION TO REFER DISPUTE TO SETTLEMENT CONFERENCE BEFORE MAGISTRATE JUDGE BRUCE E. REINHART CONCERNING PROSECUTION OF LEGAL MALPRACTICE CLAIMS AGAINST ECKERT SEAMANS AND JOHN PAUCIULO

Defendant, Dean Vagnozzi ("Vagnozzi"), by and through his undersigned counsel, hereby submits this Motion to Refer Dispute to Settlement Conference Before Magistrate Judge Bruce E. Reinhart Concerning Prosecution of Legal Malpractice Claims Against Eckert Seamans and John Pauciulo.

In support of his Motion, Vagnozzi states the following:

1. Vagnozzi was named as a defendant in this matter.

2. With the substantial aid and assistance of Magistrate Judge Bruce E. Reinhart, Vagnozzi, the Securities and Exchange Commission ("SEC"), and the Court's appointed Receiver, reached settlement. This resulted in a Permanent Injunction (ECF # 1006), and a consented Final Judgment. See ECF # 1160, ECF #1163. On March 31, 2022, the Receiver filed a Notice of

Settlement with Dean J. Vagnozzi, setting forth the principal terms of Vagnozzi's settlement with the Receiver. See ECF # 1203.

3. The aforesaid settlements were reached after and as a result of multiple settlement conferences with Magistrate Judge Reinhart occurring on November 3, 2021, November 10, 2021, and November 17, 2021, as well as several follow-up telephone conversations. See ECF #s 874, 934, 940.

4. Separate and apart from this matter, on April 23, 2021, Vagnozzi instituted a lawsuit in Pennsylvania state court against his former lawyer John Pauciulo ("Pauciulo") and the law firm where Pauciulo was a partner, Eckert Seamans Cherin & Mellott, LLC ("Eckert"), based on the legal services Pauciulo and Eckert performed for Vagnozzi related to the offerings of promissory notes in connection with PAR Funding (the "Pennsylvania Action").

5. Among other things, Vagnozzi engaged Pauciulo and Eckert to perform comprehensive due diligence analysis of CBSG, d/b/a PAR Funding, and its founders, and to ensure that Vagnozzi's proposed promissory note offerings concerning PAR Funding fully complied with state and federal securities laws.

6. Vagnozzi alleges in the Pennsylvania Action that the legal advice and services of Pauciulo and Eckert turned out to be wrong and grossly negligent, causing Vagnozzi substantial damages and hardship, as fully detailed in the complaint Vagnozzi filed in Pennsylvania state court against Pauciulo and Eckert, attached hereto as **Exhibit "A."**

7. Recently, on July 7, 2022, the SEC entered an Order imposing remedial sanctions and a cease-and-desist order against Pauciulo for the legal advice he provided to Vagnozzi. That SEC Order was entered by agreement and is attached hereto as **Exhibit "B."**

8. That SEC Order states as follows:

> These proceedings arise out of attorney Pauciulo's role in a multi-million-dollar unregistered offering fraud through his involvement with the unregistered and fraudulent offerings of multiple private investment funds created to invest in Complete Business Solutions Group, d/b/a Par Funding ("CBSG"). Pauciulo made material misstatements and omissions in private placement memoranda ("PPMs") he prepared for many of these private investment funds and in in-person and video presentations he made to prospective investors and investors. However, Pauciulo knew or was reckless in not knowing that there was no exemption from registration available for the CBSG offering or some of the private investment fund offerings because CBSG and some of the private investment funds engaged in a general solicitation. By engaging in this conduct, Pauciulo violated Sections 5(a), 5(c) and 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

Exhibit "B," SEC Order at ¶ 1.

9. Vagnozzi has been unable to proceed with his claims against Pauciulo and Eckert because of this Court's Stay of Litigation Oder.

10. In this regard, although Vagnozzi did not believe the causes of action he asserted against Pauciulo and Eckert in the Pennsylvania Action were covered by the litigation stay provisions of this Court's August 13, 2020 Amended Receivership Order (ECF # 141), Pauciulo, Eckert and the Court's appointed Receiver filed motions in the Pennsylvania state court arguing the Pennsylvania Action should be stayed.

11. On September 1, 2021, Vagnozzi filed a Motion for Clarification, or in the Alternative, for Limited Relief from the Stay of Litigation, asking this Court to clarify whether the stay of litigation provisions in the Amended Receivership Order covered the Pennsylvania Action and, if they did, to grant Vagnozzi relief from the stay to proceed with his claims in the Pennsylvania Action against Pauciulo and Eckert. See ECF # 742.

12. On September 15, 2021, the Receiver and Eckert and Pauciulo filed their Oppositions to Vagnozzi's Motion for Clarification and/or Relief from Stay (ECF # 763), and on September 21, 2021, the Court denied Vagnozzi's Motion. See ECF # 788.

13. Similarly, on February 15, 2022, certain non-parties – Mark Nardelli, Francis Cassidy, David Gollner, and Christopher Morrow – filed a Motion to Lift Litigation Stay ("Non-Parties' Motion") for the purpose of proceeding with similar legal malpractice and related claims against Pauciulo and Eckert. See ECF # 1152.

14. As with Vagnozzi's Motion, the Receiver filed an Opposition to the Non-Parties' Motion to Lift Litigation Stay on March 1, 2022 (ECF # 1175), and the Court, on March 3, 2022, entered an Order denying the Non-Parties' Motion to Lift Litigation Stay. See ECF # 1179.

15. Significantly, in the Receiver's Opposition at ECF # 1175, the Receiver argued one of the chief reasons the Court should not lift the litigation stay was because the Receiver was in the end stages of deciding what to do with the Pauciulo and Eckert claims:

> The Receiver is contemplating various actions he might potentially take with respect to claims against Eckert and Pauciulo. These options include, among other things: (i) filing a lawsuit on behalf of certain of the current Receivership Entities against Pauciulo and Eckert; (ii) moving to expand the receivership over certain "Agent Funds," including some of the Agent Funds that are Plaintiffs in the Parker Action, and pursuing claims on behalf of the Agent Funds against Pauciulo and Eckert; and (iii) exploring any other potential actions that might result in the recovery of additional funds to the Receivership Estate and, ultimately, for distribution to the investors in Par Funding. ***The receiver is in the final stages of his investigation and decision-making process and, therefore, anticipates deciding what action to take within the next 90 days.***

ECF # 1175, Receiver Opp. at pp. 7-8 (emphasis added).

16. To Vagnozzi's knowledge, the Receiver has not taken any action to date with respect to potential claims against Eckert and Pauciulo.

17. Based on a review of the Docket in this matter, the Receiver has not filed a status report concerning whether the Receiver intends to proceed with claims against Pauciulo and Eckert, although the Receiver indicated in his March 1, 2022, Opposition to the Non-Parties'

Motion that he was willing to "file a status report within the next 90 days with an update on his proposed action." ECF # 1175, Receiver Opp. p. 8.

18. Indeed, the Receiver last filed a Status Report on May 1, 2022 (ECF #1223), consisting of 21 pages of narrative about the "status" of the Estate and 21 pages of financial exhibits. Not once in those 42 pages did the Receiver mention Pauciulo, Eckert or the Receiver's intentions with respect to proceeding with claims against Pauciulo and Eckert.

19. It has now been close to two years since the Receiver was appointed. The Receiver has known about the claims against Pauciulo and Eckert for (at least) well over one year since Vagnozzi's claims were filed on April 23, 2021.

20. Before filing this Motion, Vagnozzi's counsel had discussions with the Receiver's counsel about various proposals and agreements whereby the stay applicable to the claims against Pauciulo and Eckert could be lifted to the benefit of all interested parties, but to date, such discussions have not resulted in a meeting of the minds.

21. Vagnozzi strongly believes that a Court-ordered settlement conference would greatly benefit interested parties in reaching an agreement about the prosecution of the claims against Pauciulo and Eckert. Further, depending on the willingness of Pauciulo and Eckert (and their carrier(s)), a settlement conference also could be used to reach a global settlement of the claims by various parties against them, which would benefit all interested parties, including the Receivership Estate and affected Par Funding promissory note holders.

22. During the settlement conferences leading to Vagnozzi's agreement with the SEC and the Receiver, Magistrate Judge Reinhart became familiar with the claims against Pauciulo and Eckert, and offered to assist in addressing such claims if and when appropriate.

23. The delay caused by the Litigation Stay and the Receiver's failure to proceed with claims against Pauciulo and Eckert is no longer in the Estate's best interest.

24. A settlement conference with Judge Reinhart may expedite and/or resolve the outstanding issues concerning these claims.

25. Accordingly, Vagnozzi requests the Court refer the issue to Magistrate Judge Reinhart for a settlement conference.

WHEREFORE, based on the foregoing, Defendant Dean Vagnozzi respectfully requests that this Honorable Court refer the issues outlined herein to Magistrate Judge Bruce E. Reinhart with instructions to schedule a settlement conference.

CERTIFICATE OF GOOD FAITH CONFERENCE

I HEREBY CERTIFY that, pursuant to Local Rule 7.1, I contacted and conferred with the attorneys for the Receiver in a good faith effort to resolve the issues raised in this motion and, based on those communications, state that both the SEC and Receiver oppose this motion.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing document was electronically filed August 5, 2022 with the CM/ECF filing portal, which will send a notice of electronic filing to all counsel of record.

Respectfully submitted, this 5th day of August 2022.

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EXHIBIT A

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DEAN VAGNOZZI	:	COURT OF COMMON PLEAS
	:	PHILADELPHIA COUNTY
Plaintiff,	:	
v.	:	
	:	APRIL TERM, 2021
JOHN W. PAUCIULO, ESQUIRE	:	
and	:	NO. 002115
ECKERT SEAMANS CHERIN & MELLOTT, LLC	:	
	:	**JURY TRIAL DEMANDED**
Defendants	:	
	:	

NOTICE

NOTICE

You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the court without further notice for any money claimed in the complaint or for any other claim or relief requested by the plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

Philadelphia Bar Association
Lawyer Referral and Information Service
One Reading Center
Philadelphia, PA 19107
Telephone: (215) 238 -6333

AVISO

Le han demandado a usted en la corte. Si usted quiere defenderse de estas demandas expuestas en las paginas siguientes, usted tiene veinte (20) dias de plazo al partir de la fecha de la demanda y la notificacion. Hace falta asentar una comparesencia escrita o en persona o con un abogado y entregar a la corte en forma escrita sus defensas o sus objeciones a las demandas en contra de su persona. Sea avisado que si usted no se defiende, la corte tomara medidas y puede continuar la demanda en contra suya sin previo aviso o notificacion. Ademas, la corte puede decidir a favor del demandante y requier que usted cumpla con todas las provisiones de esta demanda. Usted puede perder dinero o sus propiedades u otros derechos importantes para usted.

LLEVE ESTA DEMANDA A UN ABOGADO INMEDIATAMENTE, SI NO TIENE ABOGADO O SI NO TIENE EL DINERO SUFICIENTE DE PAGAR TAL SERVICIO, VAYA EN PERSONA O LLAME POR TELEFONO A LA OFICINA CUYA DIRECCION SE ENCUENTRA ESCRITA ABAJO PARA AVERIGUAR DONDE SE PUEDE CONSEGUIR ASISTENCIA LEGAL.

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DEAN VAGNOZZI	:	COURT OF COMMON PLEAS
	:	PHILADELPHIA COUNTY
Plaintiff,	:	
v.	:	
	:	APRIL TERM, 2021
JOHN W. PAUCIULO, ESQUIRE	:	
and	:	NO. 002115
ECKERT SEAMANS CHERIN & MELLOTT, LLC	:	
	:	**JURY TRIAL DEMANDED**
Defendants	:	
	:	

COMPLAINT

Plaintiff, Dean Vagnozzi, hereby files this Complaint against Defendants, jointly and severally, for Defendants' wrongful conduct and the damages he has sustained personally, and in support thereof avers as follows:

INTRODUCTION

This is a legal malpractice action arising out of the long-standing representation of Dean Vagnozzi by Defendants John W. Pauciulo, Esquire ("Pauciulo") and his law firm, Eckert Seamans Cherin & Mellott, LLC ("Eckert," or "Eckert Firm") (collectively, "Defendants") in connection with the creation of various investment funds formed for the express purpose of investing in alternative income-producing opportunities.

Defendants, who held themselves out as securities and corporate law specialists,[1] were engaged by Vagnozzi to perform "due diligence" on each of the investment situations, and to create investment vehicles that complied with all state and federal securities laws.

In this regard, Defendants were engaged to prepare various Private Placement Memoranda ("PPM") which, among other things, were supposed to contain required disclosures about the risks of the investment and to be properly registered with the U.S. Securities and Exchange Commission ("SEC"), or properly exempted from such registration.

In July 2020, most of Plaintiff's assets were either seized or frozen by the United States District Court for the Southern District of Florida in an action brought by the SEC, and along with that, the assets of most of Plaintiff's businesses and many of his investment vehicles. The Florida Federal Court's intervention was in connection with a lawsuit brought by the SEC against an entity known as PAR Funding, alleging significant securities law violations with respect to the Vagnozzi PPMs. The SEC has stated in that litigation that the PPMs prepared by Pauciulo and Eckert were woefully incomplete, inaccurate, and contrary to various state and federal securities laws, and that they were in direct violation of the registration requirements. Such SEC allegations have subjected Vagnozzi to enormous adverse consequences and widespread negative publicity.

Whether the SEC's lawsuit against Par Funding is meritorious or not, Vagnozzi has suffered and will continue to suffer enormous personal and professional damage purely by virtue of Defendants' reckless and negligent representation as detailed herein. That is, even if everything the SEC has alleged against PAR Funding is false, and even though it is beyond dispute that

[1] See sample portions of Defendant's web-site attached hereto as Exhibit "A" and located at https:/www.eckertseamans.com/our-people/john-w-pauciulo.

Vagnozzi scrupulously invested every dollar raised with investors exactly as he should have, and paid every investor every penny they earned, Plaintiff herein has been and remains profoundly damaged because of Defendants' failure to comply with the "registration" and "risk disclosure" requirements set forth in the state and federal securities laws.

This case can be best understood from the words spoken by Defendants themselves, which was recorded for playback to Vagnozzi's clients:

> Q: Can I be sure this is legal?
>
> A: [Defendant Pauciulo speaking] Frankly, Dean spent a lot of money with me and my law firm. This kind of legal compliance is complicated. And because it is complicated, we spend a lot of time on it and that time results in expense. And Dean has spent, and continues to spend, a lot money to make sure things are done the right way.

I. PARTIES

1. Plaintiff Dean Vagnozzi ("Vagnozzi") is an individual citizen and resident of the Commonwealth of Pennsylvania, who, at all relevant times, resided in Collegeville, Pennsylvania.

2. Vagnozzi did business both individually and through a variety of entities, the umbrella of which was known as "abetterfinancialplan.com, LLC." ("ABFP.") Vagnozzi also established various "funds" with differing descriptive names. This is an action brought only by Vagnozzi personally for the damages he has suffered.

3. Defendant Pauciulo is an individual citizen of the Commonwealth of Pennsylvania who is licensed to practice law in the Commonwealth of Pennsylvania, and a "Member" of the law firm Eckert Firm, with offices located at 50 S. 16th Street, 22nd Floor, Philadelphia, PA 19102.

4. Defendant Eckert Firm is a limited liability company organized for the purpose of providing legal services to the public including, but not limited to, the aforementioned Plaintiff, with offices located at 50 S. 16th Street, 22nd Floor, Philadelphia, PA 19102.

5. At all relevant times, Defendant Eckert acted by and through its authorized agents, servants, partners, members, associates, and employees, including Pauciulo, all of whom were acting in the course and scope of their relationship with Eckert and the professional services it provides.

II. JURISDICTION AND VENUE

6. This Court has personal jurisdiction over Defendants because the principal place of business of Pauciulo and Eckert is located in Philadelphia County.

7. Venue is proper in Philadelphia since the vast majority of Defendants' conduct giving rise to these claims occurred in Philadelphia County, the legal services provided to Plaintiffs was performed in Philadelphia County, and Defendant Eckert regularly conducts business in Philadelphia County.

III. FACTS COMMON TO ALL COUNTS

A. The beginning of the Attorney-Client Relationship

8. Plaintiff first met Pauciulo in or around 2004, when he was looking for an attorney who could represent him in connection with joining other investors to buy real estate.

9. Pauciulo, then an attorney at the Philadelphia law firm of White & Williams, held himself out as a specialist in corporate and securities law, and touted the fact that he was formerly an "enforcement lawyer" with the Securities and Exchange Commission.

10. Thus began a long series of representations by Pauciulo of Vagnozzi.

11. As time progressed, Pauciulo became intimately familiar with and advisory towards all of Vagnozzi's personal and business affairs.

12. Plaintiff was never provided (either individually or as part of any entity or fund created) with an engagement letter, either by Pauciulo or the law firm of White & Williams, or

later the Eckert Firm, in violation of their own procedures and contrary to the requirements of the Rules of Professional Conduct.

13. During the first ten years of this representation (2004-2014), Vagnozzi experienced more and more success, and fundamentally relied upon Pauciulo's (and the respective law firms he worked for) advice and guidance regarding every aspect of his business operations.

14. Pauciulo's first "investment vehicle" representation of Plaintiff was in connection with the formation of an entity to invest in real estate and to comply with all state and federal laws.

15. Later, Pauciulo represented Vagnozzi in connection with creating other entities for purposes of investments in real estate and various life settlement funds (for purposes of investing in life insurance policies), which included ensuring such funds complied with securities laws.

B. Vagnozzi meets "Joe Mack."

16. In the Spring of 2016, Vagnozzi first met an individual going by the name of "Joe Mack" at a Philadelphia area golf course.

17. During that first encounter, Joe Mack explained he was in the "merchant cash advance" business, and that, essentially, his business would make "advances" to small and mid-sized businesses which need fast funding. Because of delays involved in securing conventional loans at banks, Mack explained, an entire market for such rapid funding was underserviced and ripe for investment opportunity. In exchange for such rapid advances, the merchants would assign the right to receive a portion of their accounts receivable.

18. Mack explained that his company "Complete Business Solutions Group, LLC" (doing business as "PAR Funding") was expert at deciding which merchants to make advances to, and was regularly collecting lucrative interest payments.

19. During this golf-course encounter, and a subsequent meeting at Mack's Old City Philadelphia office, Mack was also interested to learn that Vagnozzi was in the business of looking for investment opportunities for his clients, and was impressed with Vagnozzi's track record and superb reputation in the community.

20. Following the initial encounters, Vagnozzi wanted to be very careful about conducting any business with PAR Funding, which he had never heard of before.

21. Vagnozzi thus contacted his (by then) long-time trusted counsel, Pauciulo, to conduct a deep dive, due diligence background check on PAR Funding, including the personal background history of all of its principals, its financial condition and performance, its reputation for integrity, and all of its business operations and cash advance practices.

22. Pauciulo, by then a member at the Eckert Firm in its Philadelphia headquarters, eagerly took on the assignment, assuring Vagnozzi he was an expert at conducting such due diligence, and assured Vagnozzi he would do a thorough job.

23. Thereafter, Pauciulo billed Vagnozzi personally tens of thousands of dollars to conduct such due diligence on PAR Funding and its principals, and Vagnozzi paid such fees with the understanding that Defendants performed a thorough and professional due diligence.

24. Unbeknownst to Vagnozzi, Pauciulo and Eckert engaged in an amateurish, lazy, incomplete, and dangerously inadequate due diligence.

25. For example, some of the many issues clearly apparent, or that should have been clearly apparent, to Pauciulo and Eckert during such due diligence were the following:

a. Pauciulo reviewed no audited financial statements of PAR Funding, but rather only looked at internal compilations.

b. Pauciulo reviewed no verified or audited documents of PAR Funding concerning the default rates on the merchant cash advances, and conducted no testing of any kind regarding default rates.

c. The name "Joe Mack" was an alias for the real name Joseph LaForte.

d. Joe Laforte a/k/a Joe Mack, was involved in the business for PAR Funding.

e. Pauciulo reviewed no expert or audited analysis of any PAR Funding underwriting policies, and undertook no efforts to determine the actual practices of PAR Funding in implementing underwriting policies.

26. As part of their so-called "due diligence," neither Pauciulo nor Eckert ever:

a. Examined actual books of original entry of PAR Funding.

b. Engaged any accountants to test the accuracy of the financial presentations given to him by PAR.

c. Examined or tested any lending, advance or underwriting policies implemented by PAR.

d. Interviewed the outside accountants for PAR Funding.

e. Interviewed any customers or merchants doing business with Par Funding.

f. Verified whether the underwriting policies of PAR were being consistently implemented regarding decisions to make cash advances.

g. Verified who at Par Funding was being paid what compensations.

h. Determined whether there was any concentrations of cash advances to merchants who may have had any connections to or control by any of the principals of PAR Funding or "Joe Mack."

i. Conducted an adequate lien search, the amount of such liens, or the reason the liens existed.

j. Determined or tested the accuracy of the default rates reported by PAR Funding.

k. Determined or tested who were the "control" person(s) at PAR Funding as defined by state and federal securities law.

27. Pauciulo, when advising Vagnozzi, gave PAR Funding a "clean bill of health" and advised Vagnozzi that PAR was a credible, viable, and a highly successful operation. To quote Pauciulo, he told Vagnozzi: "there are no red flags," "they are very organized," "they gave me everything I asked for."

28. Defendants were well aware that at no time ever was Vagnozzi:

a. Employed in any way, shape, or form by PAR Funding.

b. A member of the Board of Directors of PAR Funding.

c. Any kind of consultant to or agent of PAR Funding.

d. A shareholder or owner in any form of PAR Funding.

e. Provided any direct access to internal documents, records, or proprietary information by PAR Funding.

29. As such, Defendants were completely aware that Vagnozzi was relying on them to perform a thorough due diligence on PAR Funding and relying on the Defendants' approval of the representations made by PAR Funding as to its business operations, financial condition, default rates, and underwriting policies.

30. Vagnozzi's reliance on Defendants in this regard was reasonable, especially since he specifically engaged Defendants to advise him on such issues.

C. Vagnozzi Begins Doing Business with PAR Funding

31. Relying on Pauciulo's advice, Vagnozzi then in August 2016 embarked upon structuring an arrangement with PAR to do business with it.

32. Initially, the form of that arrangement was as a "Finder," by which Vagnozzi would be compensated by PAR based on amounts invested in PAR by investors found by Vagnozzi. Vagnozzi was provided with a "Finders Agreement" by PAR, which Pauciulo reviewed and advised Vagnozzi to sign. Pauciulo specifically advised Vagnozzi that he would not need to be a licensed "Broker" as or when serving as a Finder for PAR, and that the Finders Agreement was in compliance with all securities laws.

33. From August 2016 until late December 2017, Vagnozzi worked with PAR Funding as a Finder and referred many investors to it. During that period, PAR Funding:

a. Treated each of Vagnozzi's investors with professionalism and respect.

b. Answered any questions any such investors had.

c. Allowed investors to tour its facilities, witness its operations, and speak to its personnel.

d. Made every payment promised, on time, and in full.

D. A Change in Approach

34. With this initial success in mind, Vagnozzi then consulted with Pauciulo in 2017 about altering the arrangement with PAR from a "Finder" to a "Fund" model.

35. A Fund model would be for Vagnozzi to create an investment vehicle by which numerous investors could pool their monies, have that vehicle invest in PAR in larger amounts and on more favorable terms than could be accomplished in the Finders Model, and by which the Fund could earn as a management fee the spread between the amount of interest PAR Funding

paid the Fund and the lesser amount of interest the Fund would pay the investor.

36. Pauciulo was enthusiastic in assuring Vagnozzi that this Fund model was a sound, legal, and advisable way of proceeding, and that he could and would make sure that all necessary legal compliance would be strictly obtained.

37. Creating the Fund model necessarily included creating an entity that Vagnozzi's investors could invest in, which in turn would invest in PAR Funding by lending PAR money pursuant to promissory notes bearing very favorable interest rates. This structure necessarily included paying the investors a lesser amount of interest than the Fund was to receive from PAR Funding, and was specifically endorsed and approved by Defendants.

38. As part of having Vagnozzi's clients invest in such a fund entity, various state and federal securities laws come into play, which are extremely complicated and important, and which carry stern penalties if violated.

39. Two key questions in the creating the Fund model were:

a. Would the investment vehicles constitute "securities," and if so, what state and federal registration requirements would apply; and

b. Regardless of the answer to the foregoing question, what "disclosures" about the nature of the investments and the attendant risk factors need to be made to the investors prior to making their investment in order to be in compliance with applicable laws, rules, and regulations.

40. These are extremely complex questions, and the consequences of failing to be in full compliance are generally understood within the securities-law community to be severe.

41. Even sophisticated investors and promoters (e.g., those with MBA's or JD degrees) must rely on "specialty-lawyers" with a high level of training and experience in securities law

matters, since "registration" and "disclosure of risk factors" are highly defined terms within the law of securities.

42. This was the position Vagnozzi was in when deciding whether to convert from a Finder model to a Fund model under the careful guidance and advice of Defendants.

43. Defendants assured Vagnozzi of their expertise in such representation.

44. Defendants knew what Vagnozzi didn't know, and knew Vagnozzi had no training or competence in these complex areas of law. Defendants knew they were in a position of far superior knowledge than Vagnozzi, and assured Vagnozzi he and his clients could rely upon them for advice.

45. Vagnozzi, too, knew he had no training in or understanding of the complex web of state and federal securities law, and repeatedly explained to Defendants he was relying on their guidance.

46. Thus, Vagnozzi was completely reliant on the advice of Defendants in how to proceed when converting to the "Fund" model for purposes of doing further business with PAR Funding.

47. At no time would Vagnozzi have ever began using the Fund model without the express advice by Defendants that doing so would be in complete compliance with all state and federal laws and regulations.

48. At or about this time frame, Vagnozzi first learned that Joe Mack's real name was Joe LaForte, and that he had a criminal background.

49. When Vagnozzi raised this with Pauciulo, Pauciulo said he already knew of it, but explicitly told Vagnozzi that LaForte's conviction was so long ago, that it did not represent any kind of barrier to do business with him, and that "everyone deserves a second chance." Pauciulo

emphasized to Vagnozzi that LaForte's criminal conviction was "not material," and neither was the fact that he used an alias, and need not ever be disclosed to investors.

50. On the strength of this advice, in or about December 2017 and January 2018, Vagnozzi accepted Defendants' advice to create a "Private Placement Memorandum" ("PPM"), to create a fund for investment in PAR Funding, and to prepare accompanying "Subscription Agreements."

51. That initial fund was known as "ABFP Income Fund 1." (The PPM for this Fund 1 is attached hereto as Exhibit "B," while the Subscription Agreement is attached hereto as Exhibit "C.")

52. Notably absent from the PPM or the Subscription Agreement for Fund 1 was any discussion of or disclosure about:

a. PAR Funding as an entity.

b. The actual past financial history or performance of PAR Funding.

c. Any operating history of PAR Funding.

d. Any information about Joe Mack, Joe LaForte, his criminal convictions, or about any other principal or control person of PAR.

e. Any information about PAR's corporate structure or related entities.

f. Any information or background history of any of PAR's officers and directors, or their ownership structure.

g. Any information about PAR's interest rates charged, collection methods, or loss ratios.

h. Whether the funds raised were intended for investing in PAR Funding.

E. Creation of an Investment Fund

53. In January, 2018, the ABFP Income Fund 1 ("Fund 1") was created, and over the next eight months took in over $19,000,000 from 73 clients, all utilizing the PPMs and Subscription Agreements prepared by the Defendants.

54. The entirety of the funds raised in Fund 1 were used for investment with PAR Funding.

55. Defendants were intimately aware of all aspects of Fund 1, and the fact that all the monies raised from investors in Fund 1 were to be invested with PAR Funding.

56. Defendants were also aware that every investor found by Vagnozzi during his services as a "Finder" only invested in PAR and not any other merchant cash business.

57. When Defendants drafted the PPM and Subscription Agreement, such disclosures were not made to the investors in Fund 1.

58. Fund 1 was successful, and all of Vagnozzi's clients who invested in Fund 1 received all agreed-upon payments.

59. Defendants also specifically advised Plaintiff that the promissory notes issued by Fund 1 need not be registered with the SEC, because of the exemption under "Regulation D" involving offerings to private investors, not members of the public.

F. Vagnozzi Radio Advertisements

60. Defendants were at all times thoroughly familiar with the manner in which Vagnozzi located members of the general public to become his clients.

61. Defendants were at all times aware of the frequent radio advertisements sponsored by Vagnozzi, the content of which were repeatedly reviewed in advance with Defendants.

62. The radio advertisements clearly solicit members of the general public to contact Vagnozzi and his companies regarding a variety of investment opportunities.

63. Pauciulo also attended many meetings, dinners, and promotional events sponsored by Vagnozzi to attract members of the general public as potential clients.

64. Indeed, Pauciulo appeared on numerous videos and recordings that were played to and for the benefit of potential clients, personally assured potential clients that Vagnozzi and his entities were in full compliance with all securities laws, and that all required disclosures were contained within the PPMs.

65. Consider, for example, Pauciulo's video recorded comments as follows:

a. "*Question posed on video screen* – "What is Your History with Dean?"

> "Dean and I have worked together now for many years. I think since 2004. And we've created funds to invest in a pretty wide variety of industries and businesses. One of the things I really like about my job is I get to look into all different kinds of business and see how they run, see how they work, see how and why they're profitable. There's a lot of ways to make money out there. There's a lot of different kinds of businesses, a lot of different kinds of investments. Everybody's familiar with the public markets and the stock market and mutual funds and those kinds of things. But there's another world outside the public markets that maybe a lot of retail investors maybe aren't familiar with, and they're not familiar with it because a stock broker can't and won't sell them to you. What Dean has done is to identify different types of investments whether it be real estate, whether it be life settlements or other alternative investment classes and together Dean and I have created a model where a retail investor can get involved in a kind of asset class that on his own, may or may not have the financial wherewithal to do. Or maybe has the wherewithal but doesn't want to put sort of all his eggs in one basket, so to speak. But as part of the diversified portfolio, it's an opportunity to put money in a lot of alternative asset classes separate and apart from public and traded securities on the stock market or stock exchange."

b. *Question posed on video screen "What's Unique About a Better Financial Plan?*

> "I work with clients to identify market opportunities and

> investment opportunities, and we do that in a couple different ways. The first step is usually due diligence and just looking at an opportunity and trying to determine whether it's worthwhile. Once we identify them, we prepare documents that allow the promoter – the principal behind the fund to create a fund and bring in investment dollars and that's done also in a couple steps but a big part of that the drafting or creation of a what's called a Private Placement Memorandum, sometimes you'll hear people refer to it as a PPM or and offering book or a circular book…different words for the same thing. The private placement is the tool through which an investor can invest into a company. So every time you sell a security, it either has to be registered with the SEC or there's got to be an exemption, and we operate under exemptions from the registration requirements. And when you look at those rules and they're kind of long and they're complicated but they...we are all about Placement Memorandum is the disclosure document. It's the instrument through which the investor makes an informed decision and makes a decision about whether they want to get involved with something. And that document's intended to provide a prospective investor with all the information that a reasonable person would want to know, or information they want to have in order to make an informed investment decision. So ideally an investor can pick up the Private Placement Memorandum, read it, understand the risks involved in the investment, understand the nature of the investment, and understand the industry or the business that's involved in the investment. It really should be a comprehensive document that somebody can use to inform themselves and make an investment decision."

c. *Question posed on video screen – "Can I Be Sure This is Legal?"*

> "Frankly Dean spent a lot of money with me and my law firm. This kind of legal compliance is complicated. And because it's complicated, we spend a lot of time on it and that time results in expense. And Dean has spent, and continues to spend a lot of money to make sure things are done the right way."

66. Time after time, Defendants advised Vagnozzi that he and each of the Funds were in complete compliance with all state and federal securities laws and regulations.

67. At no time ever did Defendants tell, advise, or in any way warn Vagnozzi that he should cease any such advertisements or discontinue any such meetings, dinners, or promotional events, nor did Defendants ever tell, advise, or counsel Vagnozzi that, in view of such

advertisements and events, the Funds needed to be publicly registered with the Securities and Exchange Commission and the various state securities commissions. In fact, Pauciulo regularly told Vagnozzi that the language of the radio advertisement was "good" because it was "generic," and thus was not a general solicitation of the public "in the eyes of the law."

68. Further, Defendants were specifically aware that PAR Funding had represented to them as well as to Vagnozzi that it had "the best default rate" in the merchant cash advance industry, that it had "the best underwriting policies," and had provided documentation purporting a 1% -2% default rate.

69. Defendants were specifically aware of and approved that Vagnozzi, when asked by potential clients and investors, about default rates and underwriting policies, Vagnozzi would repeat what PAR Funding represented in this regard.

70. Indeed, Pauciulo was present at various meetings, dinners, and events where Vagnozzi stated what Par Funding had represented its underwriting policies and default rates to be, and at no time ever advised or suggested to Vagnozzi not to make such statements or to alter his statements in any way

71. Though engaged to do so, Defendants never undertook any efforts to test the accuracy of PAR Funding underwriting policies or default rates. At the same time, Defendants were misrepresenting to Vagnozzi that Defendants had conducted all due diligence necessary so that Vagnozzi, in making such representations about PAR Funding, was in full compliance with all state and federal securities laws.

G. Creation of Additional Investment Funds

72. In or about August, 2018, Vagnozzi consulted with Pauciulo and Defendants about creating a second fund for investment in PAR, ABFP Income Fund 2 ("Fund 2").

73. In connection with Fund 2, Vagnozzi specifically asked Pauciulo whether it should be disclosed that, like the proceeds of Fund 1, the proceeds of Fund 2 would be used primarily for investment in PAR Funding (with a small amount intended for non "cash-advance" investment), and whether any details about PAR or Joe LaForte should be disclosed in the Fund 2 PPM.

74. Pauciulo specifically advised Vagnozzi:

a. There was no need whatsoever to disclose that the proceeds of Fund 2 would be invested with PAR Funding, only that it would be invested in the "merchant cash advance" industry, so as to maintain flexibility to be able to invest the funds with any other "cash advance" lender.

b. There was no need to refer to Joseph LaForte, for the same reason cited in (a), above, and no reasons to ever disclose LaForte's criminal conviction "because it was more than 10 years old."

c. There was no need to disclose any of the inherent business risks of PAR Funding's operations or financial condition, since there was no need to ever refer to PAR Funding.

75. All told, Defendants represented Vagnozzi in the creation of the following funds, each with a separate PPM and Subscription Agreement, each with a distinct and different group of investors, and as to each Defendants charged distinct legal fees and rendered "registration" and "disclosure" advice:

Date	**Fund**	**Amount Raised**	**Percentage Invested in PAR**
Jan. 2018	ABFP Fund 1	$19 million	100%
Aug. 2018	ABFP Fund 2	$8 million	80% (20% non-MCA)
Mar. 2019	ABFP Fund 3	$28 million	100%
Aug, 2019	ABFP Fund 4	$21 million	100%
Nov. 2019	ABFP Fund 6	$17 million	100%

H. Other Investment Vehicles

76. Separately, Defendants also represented Vagnozzi in the creation of additional "multi-purpose" Funds, each with a distinct and separate group of investors, for which Defendants charged distinct legal fees, each with a separate PPM, as follows:

March 2018	Multi-Strategy Investment Fund 1	$17 million	Approx. 65% life ins. 35% PAR
Fall 2019	Multi-Strategy Investment Fund 2	$15 million	Approx. 80% life ins. 20% PAR

77. Separate and aside from the foregoing, Defendants also represented Vagnozzi in non-PAR-Funding funds for investment in life-insurance policies, each with distinct and separate group of investors, for which Defendants charged distinct legal fees, each with a separate PPM, as follows:

Date	**Fund**	**Amount Raised**	**What**
March 2010	Pillar Fund 1	$4 million	Life Settlement
May 2011	Pillar Fund 2	$3.3 million	Life Settlement
March 2012	Pillar Fund 3	$3 million	Life Settlement
April 2013	Pillar Fund 4	$4.2 million	Life Settlement
March 2014	Pillar Fund 5	$4.9 million	Life Settlement
Aug. 2015	Pillar Fund 6	$6.2 million	Life Settlement
May 2016	Pillar Fund 7	$11 million	Life Settlement
February 2017	Pillar Fund 8	$11.1 million	Life Settlement

78. Over the span of all these years, Defendants also represented Vagnozzi in the creation of Funds separate and apart from merchant cash advance or life insurance, each with a distinct and separate group of investors, for which Defendants charged distinct legal fees, each with a PPM as follows:

July 2017	Atrium Capital 1	$7 million	Litigation Funding
June 2018	Atrium Capital 2	$6 million	Litigation Funding
Jan. 2020	Atrium Capital 3	$10 million	Litigation Funding
Early 2020	Atrium Capital 4	$5 million	Litigation Funding

I. Defendants' Complete Immersion in Plaintiff's Businesses

79. With each new fund, Pauciulo became more deeply involved with the totality of Vagnozzi's business, including:

a. Interacting with members of Vagnozzi's business management team and employees.

b. Interacting with potential clients and investors sourced by Vagnozzi personally and through radio advertisements.

c. Sometimes attending weekly "team meetings" with Vagnozzi and his staff at Vagnozzi's offices.

d. Reviewing and approving written communications with clients and potential clients and investors in the Funds

e. Attending and speaking at dinners and meetings sponsored by Vagnozzi with potential clients and investors, and approving Vagnozzi's statements and representations at such dinners and meetings.

f. Appearing with Vagnozzi on various video recordings touting his (Pauciulo's) expertise in securities law and the viability and integrity of the PPMs he was creating in furtherance of investment in PAR Funding, and approving of all of Vagnozzi's statements and presentations on such videos.

g. Providing guidelines to follow with radio advertisements undertaken by Vagnozzi to solicit potential clients and investors from the general public.

80. Separately, Defendants also represented Vagnozzi in establishing funds for investment of life settlement policies.

81. Again, Pauciulo and Eckert were intricately involved in all aspects of creating the entities and drafting the PPMs and Subscription Agreements used as investment vehicles in the life insurance investments.

82. Defendants were well aware of the business structure of Vagnozzi's businesses, and the fact that certain management fees (whether from PAR Funds, Life Settlement Funds, Multi-Strategy Funds, etc.) were paid into the accounts of ABFP Management Co., which is solely owned by Vagnozzi.

83. Vagnozzi never withheld information from Defendants, answered every question ever posed by Defendants, and shared all internal and proprietary information and documents with Defendants at all times.

84. Vagnozzi was at all times scrupulously careful to make sure:

a. All investor funds were maintained in segregated banks accounts and never comingled, whether for MCA Funds, Life Settlement Funds or Mixed Use Funds.

b. All investor funds were invested exactly as Defendants advised, and all payments received, whether from PAR Funding or other investment vehicles, were distributed to investors exactly as required.

c. All substantive communications with potential clients and investors were reviewed by Defendants.

85. During this process, Defendants were charging Vagnozzi and his businesses in excess of one million dollars in legal fees, which they shared amongst themselves.

86. Significantly, Defendants also began representing other individuals referred to them by Vagnozzi – for example, his brother, Albert Vagnozzi – to create funds for investments with PAR, also charging many more hundreds of thousands of dollars in legal fees.

87. All told, Defendants authored more than 25 PPMs for Vagnozzi, another 30 or so PPMs for third parties, and raised more than $100 million dollars, every penny of which was invested in PAR Funding, and another $100 million dollars in life settlements and real estate.

88. Throughout the entire process, upon the specific advice of Defendants, no PPM nor Subscription Agreement was ever registered with the SEC, and none ever disclosed:

a. That the investor monies would be solely invested in PAR.

b. The names, backgrounds, or criminal convictions of any of PAR's principals.

c. Any of the risk factors attendant to investing funds in PAR Funding.

89. Throughout this time period, Defendants had ample access and opportunity to conduct further due diligence as to PAR Funding and its principals, but never did so.

J. Things Begin to Go Sideways

90. In March 2020, with the onset of the Covid 19 pandemic, PAR Funding initially announced to Vagnozzi it was in a good position. But then shortly thereafter PAR Funding announced for the first time it would be unable to continue to make all payments in full to the investors who invested in the various Funds created by Vagnozzi and by the various third parties.

91. Vagnozzi carefully consulted with Defendants on how to handle the differing announcements that Par Funding had issued in March 2020, and what communications he should have with PAR, the many investors he sourced, and with third parties.

92. In this regard, Vagnozzi specifically asked Defendants to:

a. Review PAR's financial position and ability to continue to make payments to the various Funds as and when due.

b. Review PAR's ongoing operations and past and present lending practices.

c. Review the number and scope of defaults by merchants in the payments due PAR Funding.

d. Review whether PAR Funding was involved in any litigation with its merchants, and if so, to what extent and with how many merchants.

e. Review whether the principals of PAR Funding were taking excess compensation so as to prevent PAR from meeting its obligations to investors.

f. Determine prospects for future resumption of payments in full.

g. Determine whether any new risk factors emerged, whether any underwriting or collection policies changed, and whether the receivables from merchants were adversely affected.

93. Once again, Pauciulo and Eckert performed only the shallowest of due diligence, and failed to conduct any meaningful investigation or analysis of the foregoing issues.

94. Instead, unbeknownst to Vagnozzi, Pauciulo and Eckert only reviewed PAR's internally prepared financial statements, and a PAR document about the impact of Covid 19. Neither Pauciulo nor anyone else at Eckert performed any other review or analysis.

95. Here again, Defendants were specifically aware that Vagnozzi had no access to any inside or proprietary information of PAR Funding, and that Vagnozzi was relying on Defendants to perform a competent due diligence and provide Vagnozzi reliable results from such due diligence.

96. Significantly, by early 2020, PAR Funding had been the subject of numerous regulatory investigations by both the SEC and various state regulatory bodies.

97. Likewise, Vagnozzi and his various funds became the subject of regulatory investigations.

98. Both the securities regulators in the New York office of the SEC and the Commonwealth of Pennsylvania conducted investigations, the primary focus of which were whether Vagnozzi was working as a "broker" when working with PAR as a Finder, and if so, was Vagnozzi licensed as such, whether the Vagnozzi various and diverse PPMs were properly registered, and whether sufficient disclosures about PAR and its risks were made. The State of Texas also opened an investigation of Vagnozzi for the same reasons.

99. Defendants all along repeatedly assured Vagnozzi he was not acting as a "broker," that there was no need to become licensed as such, that his PPMs need not be registered, and that all required risk disclosures were made.

100. Because of the enormous expense and stress involved in defending the regulatory investigations, Vagnozzi was forced to settle the same on a "no admit/no deny" basis in July 2020, and forced to pay hundreds of thousands of dollars in fines and disgorgement.

101. Here again, Defendants, when preparing yet additional "Supplements" to the original PPMs, and when making additional written disclosures made no reference to or disclosure about any of Vagnozzi's regulatory investigations or settlements.

102. In this regard, in April of 2020, following PAR's announcement that it was suspending payments on the notes owned by the various Funds, Pauciulo then began drafting "Exchange Offers" between PAR Funding and the many investors in Vagnozzi's funds, by which PAR would pay and the investors would accept lesser payments of interest over a longer period of time.

103. It was Pauciulo and Eckert that determined the entire process, terms of, and disclosures concerning the Exchange Offers, and advised Vagnozzi how to proceed in all respects.

104. Indeed, Pauciulo appeared in April 2020 in another two videos distributed to investors, touting that the "Exchange Offers" were the best alternative for Vagnozzi and the investors to recover their previous investments in PAR, and that engaging in any litigation with PAR Funding would lead to adverse consequences including potentially a PAR bankruptcy.

105. In connection with negotiating with and having investors accept the "Exchange Offers," Defendants represented Vagnozzi in the creation of ABFP Parallel Funds 1, 2, 3, 4 and 6, each with a separate PPM, and prepared "Supplements" to the original PPMs, which were also distributed to all the affected investors and which purported to make full disclosures.

106. Here again, the SEC has alleged the Supplements were completely inadequate and not in compliance with state and federal law, and that the Parallel Funds were not properly registered.

K. The Fall-Catcher Scenario

107. Separate and aside from anything having to do with the PPMs relating to PAR Funding or merchant cash advances, Vagnozzi had preliminary discussions in May 2018 with an entity known as "Fall-Catcher," which was itself an investment vehicle.

108. In June of 2018, Vagnozzi met with Pauciulo and reviewed with him whether Vagnozzi could set up a PPM purely for investment by Vagnozzi's existing wealth management clients, and in turn have the Fund invest in Fall-Catcher.

109. After reviewing the matter, Pauciulo explicitly advised Vagnozzi not to use the PPM model, but rather to enter into a "Finders Agreement" with Fall-Catcher, by which Vagnozzi could directly refer his clients to Fall-Catcher for investment, and earn a finders fee.

110. Vagnozzi carefully and explicitly followed Pauciulo's advice, and entered into a Finders Agreement with Fall Catcher, which was drafted by Pauciulo.

111. Pauciulo advised Vagnozzi that such a finders arrangement was in complete compliance with all state and federal securities laws, and that he need not register as a broker.

112. Unfortunately, the New York office of the SEC opened an investigation of Vagnozzi for acting as an unregistered broker in connection with the $5 million dollars his clients directly invested in Fall-Catcher.

113. Vagnozzi was thus forced to agree to the disgorgement of $500,000 in commissions earned as a finder with Fall Catcher.

114. This complete mishandling by Defendants of the advice and services related to Fall Catcher itself brought about widespread adverse publicity.

115. Pauciulo easily could have correctly advised Vagnozzi to become a licensed broker, or easily could have set up a compliant Fund with a compliant PPM for Vagnozzi.

116. Had Pauciulo given Vagnozzi correct advice and competent service regarding Fall-Catcher, Vagnozzi personally would have been able to earn and retain the $500,000 in commissions, and would have avoided public embarrassment.

L. The Securities & Exchange Commission Litigation

117. The SEC scrutiny of PAR Funding resulted in the filing of an action, brought by the SEC on July 24, 2020 in the United States District Court for the Southern District of Florida, captioned, *Securities & Exchange Commission v. Complete Business Solutions Group, Inc et al.,* Civil Docket No. 9:20-cv-81205-RAR (the "SEC Florida Action"). The SEC Florida Action was brought against PAR Funding and its principals, Lisa McElhone and Joseph W. La Forte, as well as other third-parties including Dean Vagnozzi.

118. Within days of the initiation of the SEC Florida Action, the Honorable Rodolfo A. Ruiz, II appointed a Receiver to immediately take over and operate PAR Funding.

119. In connection with the PPMs, Subscription Agreements, and Supplements prepared by Defendants, the SEC sued Vagnozzi and various of his funds and business entities alleging, among other things, that:

a. None of the PPMs or funds created by Defendants were ever properly registered with the SEC.

b. The PPMs – and later, the Supplements – prepared by Defendants contained woefully inadequate disclosures, including on such issues as:

i. Joe Mack's true name.

ii. The criminal background of Joe LaForte.

iii. The default rates on cash merchant advances experienced by PAR Funding.

iv. The management of the PAR Funding business operations.

v. The existence of prior regulatory actions and investigations against PAR Funding.

vi. The existence of prior regulatory action and investigations of Dean Vagnozzi and various of the funds established through the PPMs.

vii. The underwriting procedures employed by PAR Funding when making cash advances.

120. The following entities associated with Vagnozzi were named as Defendants by the SEC in its initial Florida action along with Vagnozzi:

a. A Better Financial Plan.Com LLC

b. ABFP Management Co., LLC

c. ABFP Income Fund, LLC

d. ABFP Income Fund 2, L.P.

121. Thereafter, additional Vagnozzi Funds and entities were added to the Florida Action, including various Pillar, Atrium, and ABFP Parallel entities.

122. As a result, an asset freeze was imposed upon Vagnozzi and all his related Funds and management entities.

123. At no time has any regulatory agency of the SEC ever alleged that Vagnozzi ever misappropriated any funds of any clients or investors or that he had any control over PAR Funding on the information they provided to Vagnozzi.

124. The only basis as alleged by the state regulators and in the litigation brought by the SEC were about matters that Defendants had specifically advised and represented Vagnozzi as to, and for which they were solely responsible in bringing about.

IV. DAMAGES

125. The damages sustained by Vagnozzi directly and proximately related to the malpractice, breach of fiduciary duty, and breach of contract by Defendants cannot be overstated, and includes at least the following:

a. Vagnozzi has been named to, and forced to defend, at great expense:

i. The Florida Action, brought by the United States Securities and Exchange Commission;

ii. Three class-action lawsuits: one in Florida, another in Delaware, and the third in Pennsylvania.

iii. Numerous other regulatory investigative proceedings by the SEC and various State regulatory commissions.

126. Vagnozzi's professional reputation in the wealth management, insurance, and income-investment industries has been destroyed.

127. Vagnozzi has had hundreds of thousands of dollars frozen from business and personal bank and stock accounts.

128. Vagnozzi has had imposed upon him various "Cease and Desist Orders" by various state and federal regulatory agencies, preventing him from conducting any of his businesses, and having to pay fines in the hundreds of thousands of dollars (now at least $700,000).

129. Vagnozzi's business operations – especially in the life insurance/life settlement and litigation funding areas – have been shut down and its assets seized, and he has personally lost the value of his ownership interests in such businesses.

130. Indeed, until the time Vagnozzi was subjected to the SEC litigation, he was widely considered one of the best and most effective life insurance salespersons in the Country. He was invited to speak, and did so, at countless conventions and industry seminars around the Country, was coveted by virtually every life insurance carrier looking to engage him as a representative, and had authored an inspirational book.

131. Because of Defendants' misconduct and profound negligence as described herein, Vagnozzi's ability to carry on any life insurance/settlement business has been destroyed. Vagnozzi went from earning seven figures a year in this regard to earning nothing.

132. The entirety of Vagnozzi's potential disgorgement liability and related fines and penalties to the SEC is now alleged to be in the many millions of dollars.

133. Vagnozzi and his family have been subjected to unrelenting, scathing media and permanent internet coverage in connection with the PAR Funding controversy and his role

(orchestrated by Defendants) in bringing millions of dollars of public investment dollars to it.

134. Vagnozzi has suffered and will continue to suffer enormous and ongoing personal humiliation, stress, and shame, and the widespread shunning of Vagnozzi and his family by virtue of all the adverse press coverage.

135. Vagnozzi has suffered substantial loss of money invested by him personally in the Funds and will, in the future, suffer a loss of his ability to raise funds and earn income in the future in any of the industries he previously operated within.

136. Vagnozzi was caused to waste monies paid to Defendants as legal fees for services that were illegal, inept, far below minimally acceptable standards within his, or any, field of law, and not in accordance with any contractual or fiduciary obligations, including hundreds of thousands of dollars in legal fees to defend the regulatory actions brought about solely by Defendants' conduct.

RELIEF REQUESTED

COUNT I – Negligence/Professional Malpractice

Plaintiff v. Both Defendants

137. Plaintiff hereby incorporates all other paragraphs of the Complaint as if set forth fully herein.

138. As more fully set forth above, Plaintiff, individually sought legal advice and services from Defendants.

139. Plaintiff personally paid Defendants huge amounts of legal fees.

140. The legal advice and services Plaintiff sought were within what Defendants professed to be in their professional competence and expertise.

141. Defendants expressly agreed to provide legal advice and services to Plaintiff.

142. Plaintiff reasonably believed that Defendants were competently representing him in connection with providing the aforementioned legal advice and services.

143. By virtue of the above, an express attorney-client relationship existed between Plaintiff and Defendants, though clearly in violation of the rules of Professional Conduct because of the non-existence of any engagement letters.

144. In addition, and in the alternative, an implied attorney-client relationship existed between Plaintiff and Defendants.

145. The acts and omissions of Pauciulo described herein occurred while Pauciulo was a partner, member, or authorized agent of Defendant Eckert, and within the scope of his authority with Eckert.

146. Defendant Eckert is also directly liable for its own negligent, reckless, or otherwise unlawful conduct, including but not limited to, an abject failure to properly supervise Pauciulo (and other firm attorneys) in connection with the legal advice and services provided to Plaintiff.

147. By virtue of the attorney-client relationship, each of the Defendants had a duty to Plaintiff to exercise ordinary skill and knowledge consistent with the applicable standard of care for attorneys licensed in Pennsylvania and practicing in the securities and corporate fields of law.

148. As more fully set forth above, each of the Defendants breached the duty to Plaintiff to exercise ordinary skill and knowledge consistent with the applicable standard of care for attorneys licensed in Pennsylvania, and in fact provided incompetent, illegal, and reckless advice and services.

149. As a direct and proximate result of the Defendants' conduct, Plaintiff has suffered and continues to suffer damages as fully set forth herein for which Defendants are liable, jointly and severally.

150. As a direct and proximate result of the Defendants' conduct, Plaintiff has incurred substantial legal fees and expenses that he wouldn't have otherwise had to incur or expend.

151. Defendants' conduct was outrageous and demonstrated a reckless indifference to the rights of Plaintiff, and Plaintiff is therefore entitled to punitive damages against each of the Defendants.

WHEREFORE, Plaintiff respectfully requests the relief set forth below in the Prayer for Relief.

COUNT II—Information Negligently Supplied for Others' Guidance
Restatement (Second) of Torts § 552

Plaintiff v. Both Defendants

152. Plaintiff hereby incorporates all other paragraphs of the Complaint as if fully set forth herein.

153. In the course of their business, profession, and employment, Defendants provided false, incorrect, and misleading information to Plaintiff, including false information about the Defendants' original due diligence into PAR Funding, false information about whether Plaintiff was permitted to advertise on the radio to the general public, and conduct meetings and events with such general public, without Plaintiff's funds being publicly registered with the state and federal securities regulators, about what disclosures to investors were and were not required, and about Defendants' subsequent due diligence about the Exchange Offers.

154. Defendants failed to exercise reasonable care and competence in obtaining or communicating correct information to Plaintiff about each of these foregoing matters, and the Eckert Firm failed to review in any meaningful way the correctness or falsity of the information Pauciulo was providing to the Plaintiff.

155. Defendants intended to supply such information for Plaintiff's guidance.

156. Plaintiff justifiably relied on such information in creating and advertising the various investment funds, and in conducting his various business activities in the manner advised by Defendants.

157. As a direct and proximate result of such false, incorrect, and misleading information and Plaintiff's justifiable reliance on it, Plaintiff has suffered and continues to suffer damages described herein for which Defendants are liable, jointly and severally.

158. Defendants' conduct was outrageous and demonstrated a reckless indifference to the rights of Plaintiff and Plaintiff is therefore entitled to punitive damages against each of them.

WHEREFORE, Plaintiff respectfully requests the relief set forth below in the Prayer for Relief.

COUNT III – Breach of Fiduciary Duty

Plaintiff v. Both Defendants

159. Plaintiff hereby incorporates all other paragraphs of the Complaint as if set forth herein.

160. By virtue of the attorney-client relationship, each of the Defendants owed Plaintiff a fiduciary duty.

161. Further, by way of their (purported) superior knowledge regarding securities law, and their knowledge that Plaintiff lacked such knowledge and was relying on Defendants' advice, Defendants took on a position of trust and special trust with Plaintiff.

162. As more fully set forth above, Defendants breached such fiduciary duties, exposing Vagnozzi to the SEC's allegations regarding failing to properly register the various funds under state and federal securities laws, failing to properly disclose the necessary and required risk factors in the various PPMs associated with the various investment funds, failing to properly disclose the

numerous material risks associated with investments in PAR Funding, misrepresenting to Plaintiffs they performed at least two separate, meaningful due diligence, investigations into PAR Funding when they did not, and failing to properly advise Plaintiff concerning his efforts to advertise his business to the general public.

163. As a direct and proximate result of such breaches of fiduciary duties, Plaintiff has suffered and continues to suffer damages for which Defendants are liable, jointly and severally.

164. Defendants' conduct was outrageous and demonstrated a reckless indifference to the rights of Plaintiff, and Plaintiff is therefore entitled to punitive damages against each of them.

WHEREFORE, Plaintiff respectfully requests the relief set forth below in the Prayer for Relief.

COUNT IV – Breach of Contract

Plaintiff v. Both Defendants

165. Plaintiff hereby incorporates all other paragraphs of the Complaint as if set forth herein.

166. As more fully set forth above, Plaintiff had an express and/or implied contract with Defendants to provide competent legal advice and services in connection with Plaintiff's rights, obligations, and liabilities in raising the various investment funds and investing money in such funds, including in PAR Funding, performing due diligence, investigations into PAR Funding, properly registering and/or obtaining exemptions from registering the investment funds with state and federal regulators, creating adequate PPMs under existing state and federal securities laws, and properly advising Plaintiff concerning advertising his business to the general public.

167. Defendants expressly or impliedly promised they were qualified to and would provide competent (and, indeed, expert) such legal advice and services.

168. As more fully set forth above, Defendants breached such contract by, among other things, failing to carry out its minimally required contractual responsibilities to Plaintiff in the providing of such legal advice and services.

169. Directly as a result of such breaches, Plaintiff has suffered and continues to suffer the consequent and foreseeable damages for which Defendants are liable, jointly and severally.

WHEREFORE, Plaintiff respectfully requests the relief set forth below in the Prayer for Relief.

V. PRAYER FOR RELIEF

Plaintiff respectfully requests that the Court enter judgment in his favor and against Defendants, jointly and severally, in an amount in excess of $50,000, to fully and fairly compensate him for all of his actual damages and losses, to award punitive damages, to award pre and post judgment interest, attorneys' fees, costs of suit, and such other relief as this Court deems just, legal, and equitable.

Respectfully Submitted,

BOCHETTO & LENTZ, P.C.

Date: __5/11/2021__

By: */s/ George Bochetto*

George Bochetto, Esquire (27783)
Gavin P. Lentz, Esquire (53609)
David P. Heim, Esquire (84323)
1524 Locust Street
Philadelphia, PA 19102
Ph: (215) 735-3900
Fx: (215) 735-2455

Attorneys for Plaintiff

VERIFICATION

I, Dean Vagnozzi, Plaintiff in the instant action, verify that the statements made in the foregoing Complaint, to the best of my knowledge, true and correct. I understand that false statements knowingly made herein are subject to the perjury penalties of 18 Pa. C.S.A. §4904 relating to unsworn falsification to authorities.

Date: 5-11-2021

Dean Vagnozzi

EXHIBIT A

PRINTABLE BIO

John W. Pauciulo

MEMBER

OVERVIEW
PROFESSIONAL AFFILIATIONS
COMMUNITY

OVERVIEW

John Pauciulo represents and advises clients with respect to corporate, securities, and real estate matters. John has extensive experience in structuring, negotiating, and

PHILADELPHIA, PENNSYLVANIA

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jpauciulo@eckertse

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PRACTICE AREAS:

Business Counseling

Financial Transactions

Mergers & Acquisitions

Regulated Substances

STATE ADMISSIONS:

Pennsylvania

New Jersey

EDUCATION:

documenting complex business transactions, including mergers and acquisitions, corporate finance transactions, real estate acquisition and development projects, and private placements of securities. John also advises clients in disputes among business owners including business divorce matters, buy-outs and freeze-outs.

John is the chair of the firm's Financial Transactions Group and is also a member of the firm's Business Counseling and Regulated Substances groups.

Prior to entering private practice, John was a staff attorney with the Securities and Exchange Commission's New York office.

J.D., Temple University School of Law, 1990

B.A., Villanova University, 1987

REPRESENTATIVE MATTERS

Mergers and Acquisitions

- Represented a multi-national specialty chemical and materials company in connection with the sale of its interests in a global polymer film manufacturing and distribution company.
- Represented a manufacturer of high temperature textile products such as oven door gaskets, in connection with its sale to a newly formed company controlled by a private equity firm.
- Represented individual owners in the sale of their stock in a commercial sign design, manufacturing and installation company to a newly formed company controlled by a private equity firm.
- Represented individual owners in the sale of their stock in a technical equipment

manufacturing and distribution company to a private equity firm.

- Represented individual owners of a court reporting firm, to an industry leader in court reporting and related services.
- Represented individual owners in the sale of their specialty garment manufacturing business to a private equity firm.
- Represented company engaged in the coffee roasting and distribution business in the purchase of a gourmet coffee company's assets.
- Represented individual owners of a medical equipment manufacturing company to a competitor.
- Represented Swiss company in the sale of its US-based distribution company to a competitor.

Financing and Capital Formation

- Represented real estate development company in connection with raising $25MM in capital through a private placement for the acquisition and development of commercial real estate in Las Vegas, Nevada.
- Represented several individuals in the formation of funds through a private placement to invest in merchant cash advance business.
- Represented several individuals in the formation of funds through a private placement to invest in life settlements (cash value life insurance policies).
- Served as local counsel to an Irish bank in

connection with a commercial loan to a global company with operations in Pennsylvania.

- Served as local counsel to an Ireland based bank in connection with a commercial loan to a global company with operations in Pennsylvania.
- Served as local counsel to China investment funds in connection with an investment with a company with operations in Pennsylvania.
- Served as local counsel to an Australia based bank in connection with a commercial loan to a global company with operations in Pennsylvania.
- Served as local counsel to a China based bank in connection with a commercial loan to a global company with operations in Pennsylvania.

Meet The Team

Securities

Stephen M. Foxman

MEMBER - PHILADELPHIA

SEE FULL BIO >>

Stuart R. Kaplan

MEMBER - PITTSBURGH

SEE FULL BIO >>

John J. Kearns, III

MEMBER - PITTSBURGH

SEE FULL BIO >>

John J. McCague

MEMBER - PITTSBURGH

SEE FULL BIO >>

Brian

Kelly

Brian L. McNutt

MEMBER - WHITE PLAINS

SEE FULL BIO >>

Kelly L. Pietracatello

ASSOCIATE - PITTSBURGH

SEE FULL BIO >>

Gregory A. Weingart

MEMBER - PITTSBURGH

SEE FULL BIO >>

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NEXTLAW Referral Network

Case ID: 210402115

Securities

OVERVIEW

REPRESENTATIVE MATTERS

NEWS & INSIGHTS

RELATED PRACTICE AREAS

Representative Matters

- Assist public clients in negotiation and closing of Private Investment in Public Equity ("PIPE") transactions and subsequent registration statements.
- Negotiate placement agent agreements for clients raising private funds, and prepare private placement memoranda and related documentation.
- Represent promoters of real estate and oil and gas properties in the private placement of securities.
- Assist high-tech, biotech, e-commerce, and other emerging companies in raising "angel" and venture capital financing and coping with the problems experienced by many start-up businesses.
- Represent venture capital and

PRIMARY CONTACTS

Securities

Briar L. McNutt

White Plains

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private equity funds and investors, including structuring and completing the equity and debt financing, acquisition, development, and sale of technology-related businesses.

- Represent public companies in NASDAQ de-listing proceedings.
- Assist public company in developing codes of conduct and other corporate governance policies and keeping current on requirements and best practices for these policies.
- Counsel clients on the development and implementation of takeover defense measures.
- Assist publicly held client in going-private transaction in which purchaser is its primary lender.
- Assist holders of "restricted securities" in public companies to meet requirements for liquidating their holdings.
- Represent borrowers and lenders in leveraged buyouts and other forms of structured financing; significant experience with complex cash flow and asset-based lending.
- Structure joint ventures as flexible vehicles to undertake specific projects, including real estate development, oil and gas exploration, gold mining, technology transfer, funding of start-up ventures.

- Represent domestic companies abroad and serve as United States counsel to many foreign corporations, including companies headquartered in Europe, Asia, Latin America, Canada, and Africa.

Securities

Overview

Eckert Seamans represents large national and international companies and smaller businesses in all aspects of capital raising, securities law compliance, mergers and acquisitions, and corporate finance. The firm uses a team approach that utilizes skilled attorneys across a number of practice areas to develop innovative solutions to the problems raised in these complex transactions. Eckert Seamans believes that its role is not merely to react to changes in the law and the marketplace as they occur, but also anticipate those changes for the benefit of our clients.

The firm assists publicly traded clients with the full range of transaction and compliance activities, including preparation of registration statements for initial public offerings and subsequent offerings, proxy statements, annual reports, and similar filings. The firm has

PRIMARY CONTACTS

Securities

Briar L. McNutt

White Plains

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been actively involved in proxy contests as well as "going dark: and "going private" transactions. We also assist clients in meeting and maintaining NASDAQ and stock exchange listing requirements, defending delisting actions, and meeting OTC stock market disclosure requirements.

We assist clients raising capital privately in private offerings of securities as well as negotiated transactions such as "angel" investments and venture capital investments. We are sensitive to the financial needs of emerging companies and have developed methods for companies to meet their disclosure obligations in ways that are consistent with the amount of capital being raised.

We also represent individuals in meeting their reporting requirements under SEC laws such as the Williams Act and the rules governing short swing profits.

We have significant experience representing buyers and sellers of regulated securities industry participants, such as investment advisers and broker-dealers.

Firm attorneys welcome the challenges posed by unusual transactions, such as the retirement of publicly held debt through a self-tender offer. Moreover, the firm has adopted techniques used in other contexts for new purposes, including interest rate swaps for long-term financing of leased facilities and employee stock ownership

plans (ESOPs) for acquisitions and financings.

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EXHIBIT B

Confidential Private Placement Offering Memorandum

ABFP INCOME FUND, LLC,
a Delaware limited liability company
234 Mall Boulevard, Suite 270
King of Prussia, PA 19406
484-425-7393

for the sale of its

Promissory Notes having maturities of One Year with Varying Interest Rates

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This Confidential Private Placement Offering Memorandum relates to an offering undertaken by ABFP Income Fund, LLC (the "Company") of its promissory notes (collectively, the "Notes") with the following fundamental terms: (1) One Year Maturity bearing interest at the rate of 8.0% per year with interest payments made quarterly and principal paid on the maturity date available for investment amounts from $75,000 to $100,000 ("Class A Note"); (2) One Year Maturity bearing interest at the rate of 10.0% per year with interest payments made quarterly and principal paid on the maturity date available for investment amounts from $101,000 to $200,000 ("Class B Note"); (3) One Year Maturity bearing interest at the rate of 12.0% per year with interest payments made quarterly and principal paid on the maturity date available for investment amounts from $201,000 to $400,000 ("Class C Note"); (4) One Year Maturity bearing interest at the rate of 14.0% per year with interest payments made quarterly and principal paid on the maturity date available for investment amounts of $401,000 to $600,000 ("Class D Note"); and (5) One Year Maturity bearing interest at the rate of 15.0% per year with interest payments made quarterly and principal paid on the maturity date available for investment amounts of $600,000 or more ("Class E Note"). The Company may elect to issue notes in amounts less than $75,000 in its sole discretion. The Notes will be unsecured obligations of the Company; there is no collateral securing the obligations of the Company under the Notes.

The proceeds from the sales of the Notes will be used to purchase promissory notes and other similar debt instruments offered and sold by companies which provide "Merchant Cash Advance" financing (the "MCA Debt Obligations"). Merchant Cash Advance financing is a form of commercial financing in which the financing company purchases a portion of a businesses' future accounts receivable in exchanges for an immediate payment of money. The Company will use the payments received from the MCA Debt Obligations to repay the Notes.

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION DOES NOT PASS UPON THE MERITS OF OR GIVE ITS APPROVAL TO ANY SECURITIES OFFERED BY THE TERMS OF THE OFFERING, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR OTHER SELLING LITERATURE. THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE COMMISSION; HOWEVER, THE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THE SECURITIES OFFERED HEREUNDER ARE EXEMPT FROM REGISTRATION.

	Price to Public	Underwriting Discount and Commissions	Proceeds To Issuer Or Other Persons
Per $100,000	$100,000	$0	$100,000
Total	$100,000	$0	$100,000

THIS OFFERING INVOLVES SOME DEGREE OF RISK.
SEE "RISK FACTORS."

February 1, 2018

IMPORTANT CONSIDERATIONS

THE OFFERING AND THE SECURITIES OFFERED HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND MAY NOT BE OFFERED OR SOLD EXCEPT TO A LIMITED NUMBER OF INVESTORS. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISK OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE ISSUER IS RELYING ON THE EXEMPTIONS FROM REGISTRATION PROVIDED UNDER REGULATION D PROMULGATED UNDER THE SECURITIES ACT. IN ADDITION, THIS OFFERING HAS NOT BEEN REGISTERED UNDER THE SECURITIES LAWS OF ANY STATE IN RELIANCE ON EXEMPTIONS FROM REGISTRATION FOUND IN THE RESPECTIVE SECURITIES LAWS OF SUCH STATES AND THE SECURITIES MAY BE SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER IN SUCH JURISDICTIONS. ACCORDINGLY, PURCHASERS OF THE SECURITIES OFFERED HEREBY MAY NOT SELL OR OTHERWISE TRANSFER SUCH SECURITIES EXCEPT PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR EXEMPTIONS THEREFROM.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

INVESTMENT IN THE SECURITIES OFFERED HEREBY INVOLVES A HIGH DEGREE OF RISK. IT IS NOT EXPECTED THAT SUCH SECURITIES WILL BECOME MARKETABLE. PURCHASE OF THESE SECURITIES IS SUITABLE ONLY FOR PERSONS OF SUBSTANTIAL MEANS WHO HAVE NO NEED FOR LIQUIDITY IN THIS INVESTMENT AND WHO CAN AFFORD THE TOTAL LOSS OF THEIR INVESTMENT. SEE "RISK FACTORS."

THE INFORMATION PRESENTED IN THIS MEMORANDUM WAS PREPARED BY THE FUND AND IS BEING FURNISHED BY THE FUND SOLELY FOR USE BY PROSPECTIVE INVESTORS IN CONNECTION WITH THIS OFFERING. NO PERSONS HAVE BEEN AUTHORIZED TO MAKE REPRESENTATIONS OR TO GIVE ANY INFORMATION WITH RESPECT TO THE OFFERING OF THE NOTES OR THE OPERATIONS OF THE FUND, EXCEPT THE INFORMATION CONTAINED IN THIS MEMORANDUM OR PROVIDED AS SET FORTH BELOW. THIS MEMORANDUM SUPERSEDES ALL PRIOR ORAL OR WRITTEN INFORMATION, IF ANY, PROVIDED TO INVESTORS WITH RESPECT TO THE OFFERING OF THE SECURITIES OR THE OPERATIONS OF THE FUND.

NO STATEMENT CONTAINED HEREIN SHALL BE DEEMED TO MODIFY, SUPPLEMENT OR CONSTRUE IN ANY WAY THE PROVISIONS OF ANY DOCUMENTS INCLUDED HEREWITH AS EXHIBITS OR ANY OF THE PROVISIONS CONTAINED THEREIN, AND ANY STATEMENT MADE HEREIN WITH RESPECT TO ANY SUCH DOCUMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE THERETO.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES OFFERED HEREBY IN ANY STATE OR OTHER JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORIZED. EXCEPT AS OTHERWISE INDICATED, THIS MEMORANDUM SPEAKS AS OF ITS DATE OF ISSUE. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE FUND SINCE THE DATE HEREOF.

THE SECURITIES OFFERED ARE SUBJECT TO THE PROVISIONS OF A SUBSCRIPTION AGREEMENT, WHICH EACH INVESTOR PURCHASING SECURITIES WILL BE REQUIRED TO EXECUTE PRIOR TO THE PURCHASE OF ANY SECURITIES. ANY PURCHASE OF SECURITIES SHOULD BE MADE ONLY AFTER A COMPLETE AND THOROUGH REVIEW OF THE PROVISIONS OF SUCH AGREEMENT. IN THE EVENT THAT ANY OF THE TERMS, CONDITIONS OR OTHER PROVISIONS OF SUCH AGREEMENT ARE INCONSISTENT WITH OR CONTRARY TO THE DESCRIPTIONS OR TERMS CONTAINED IN THIS MEMORANDUM, SUCH AGREEMENT WILL CONTROL.

INVESTORS WHO PURCHASE THE SECURITIES AND RESELL THEM OR ANY PART OF THEM, MAY BE DEEMED TO BE "UNDERWRITERS" UNDER SECTION 2(3) OF THE SECURITIES ACT AND MAY BE SUBJECT TO ALL LIABILITIES IMPOSED UPON "UNDERWRITERS" UNDER SUCH SECURITIES ACT IN CONNECTION WITH THE RESALE OF THE SECURITIES.

THESE SECURITIES ARE OFFERED SOLELY BY THIS MEMORANDUM SUBJECT TO PRIOR SALE, APPROVAL OF COUNSEL, THE RIGHT TO WITHDRAW OR MODIFY THIS OFFER WITHOUT PRIOR NOTICE OR TO REJECT ANY SUBSCRIPTIONS, AND CERTAIN OTHER CONDITIONS.

THIS MEMORANDUM IS BEING PROVIDED FOR THE EXCLUSIVE USE OF THE PROSPECTIVE INVESTOR RECEIVING THIS MEMORANDUM AND HIS, HER, OR ITS ADVISORS. DELIVERY OF THIS MEMORANDUM TO ANYONE IS UNAUTHORIZED AND ANY REPRODUCTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR ANY RELEASE OF ITS CONTENTS, IN WHOLE OR IN PART, WITHOUT THE PRIOR WRITTEN CONSENT OF AN AUTHORIZED REPRESENTATIVE OF THE FUND.

THE INVESTOR, BY ACCEPTING DELIVERY OF THIS MEMORANDUM, AGREES TO RETURN THIS MEMORANDUM AND EXHIBITS TO THE FUND IF THE INVESTOR DECIDES NOT TO PURCHASE ANY OF THE SECURITIES OFFERED HEREBY.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL OR TAX ADVICE. EACH INVESTOR SHOULD CONSULT HIS, HER, OR ITS COUNSEL, ACCOUNTANT OR BUSINESS ADVISOR AS TO LEGAL, TAX, BUSINESS AND RELATED MATTERS CONCERNING INVESTMENT IN THE INTERESTS OFFERED HEREBY.

STATEMENTS IN THIS MEMORANDUM ARE MADE AS OF THE DATE HEREOF AND DO NOT INCLUDE INFORMATION RELATING TO EVENTS OCCURRING SUBSEQUENT TO ITS DATE. UNLESS STATED OTHERWISE HEREIN, NEITHER THE DELIVERY OF THIS MEMORANDUM AT ANY TIME, NOR ANY SALE HEREUNDER, SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS MEMORANDUM.

NOTICE TO NEW JERSEY RESIDENTS

THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. THE FILING OF THE WITHIN OFFERING DOES NOT CONSTITUTE APPROVAL OF THE ISSUE OR THE SALE THEREOF BY THE BUREAU OF SECURITIES OR THE DEPARTMENT OF LAW AND PUBLIC SAFETY OF THE STATE OF NEW JERSEY. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

NOTICE TO PENNSYLVANIA RESIDENTS

ANY PERSON WHO ACCEPTS AN OFFER TO PURCHASE THE SECURITIES IN THE COMMONWEALTH OF PENNSYLVANIA IS ADVISED THAT, PURSUANT TO SECTION 207(m) OF THE PENNSYLVANIA SECURITIES ACT, HE, SHE, OR IT SHALL HAVE THE RIGHT TO WITHDRAW HIS, HER, OR ITS ACCEPTANCE, AND RECEIVE A FULL REFUND OF ANY CONSIDERATION PAID, WITHOUT INCURRING ANY LIABILITY, WITHIN TWO (2) BUSINESS DAYS FROM THE LATER OF THE DATE THAT HE, SHE, OR IT RECEIVES NOTICE OF THIS WITHDRAWAL RIGHT OR THE FUND RECEIVES THEIR EXECUTED SUBSCRIPTION AGREEMENT. ANY PERSON WHO WISHES TO EXERCISE SUCH RIGHT OF WITHDRAWAL IS ADVISED TO GIVE NOTICE BY LETTER OR TELEGRAM POSTMARKED BEFORE THE END OF THE SECOND BUSINESS DAY AFTER EXECUTION. IF THE REQUEST FOR WITHDRAWAL IS TRANSMITTED ORALLY, WRITTEN CONFIRMATION MUST BE GIVEN.

NOTICE TO NEW YORK RESIDENTS

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE NEW YORK FRAUDULENT PRACTICES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE NEW YORK FRAUDULENT PRACTICES ACT, IF SUCH REGISTRATION IS REQUIRED.

THIS PRIVATE PLACEMENT MEMORANDUM HAS NOT BEEN REVIEWED BY THE ATTORNEY GENERAL PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING, ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. PURCHASE OF THESE SECURITIES INVOLVES A HIGH DEGREE OF RISK. THIS PRIVATE PLACEMENT MEMORANDUM DOES NOT CONTAIN AN UNTRUE STATEMENT OF A MATERIAL FACT OR OMIT TO STATE A MATERIAL FACT NECESSARY TO MAKE THE STATEMENTS MADE, IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH THEY WERE MADE, AND IS THEREFORE NOT MISLEADING. IT CONTAINS A FAIR SUMMARY OF THE MATERIAL TERMS OF DOCUMENTS PURPORTED TO BE SUMMARIZED HEREIN.

ADDITIONAL INFORMATION

The Company has agreed to make available to each prospective investor, prior to the issuance of any security by the Company, the opportunity to ask questions of, and receive answers from, certain authorized representatives of the Company concerning the terms and conditions of the Offering and to obtain any additional information, to the extent they possess such information. Prospective investors and/or their advisors are encouraged to communicate directly with ABFP Income Fund, LLC, by contacting its sole member, Dean Vagnozzi at 234 Mall Boulevard, Suite 270, King of Prussia, PA 19406 or by telephone at 484-425-7393.

ABFP INCOME FUND, LLC

This Private Placement Offering Memorandum contains "forward looking" statements that involve risks and uncertainties. These statements may relate to future events or the Company's future financial performance. Examples of forward looking information include: statements of investment objectives of management, statements regarding return on investment, earnings, interest income or expense, loss, investment mix and quality, growth prospects, capital structure and other financial terms, and assumptions, such as economic conditions underlying other statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements.

Table of Contents

Summary of the Offering

THIS SUMMARY OF CERTAIN PROVISIONS OF THIS OFFERING IS INTENDED FOR QUICK REFERENCE ONLY AND DOES NOT FULLY REFLECT ALL OF THE TERMS OF THE OFFERING. PROSPECTIVE INVESTORS SHOULD READ AND UNDERSTAND THIS ENTIRE MEMORANDUM AND THE EXHIBITS BEFORE MAKING AN INVESTMENT DECISION WITH RESPECT TO THIS OFFERING.

Company	ABFP Income Fund, LLC (the "Company") has been established as a Delaware limited liability company for the purpose of purchasing promissory notes and other similar debt instruments offered and sold by companies which provide "Merchant Cash Advance" financing. The Company is newly formed and does not own any assets or have any liabilities as of the date of this Memorandum other than expenses incurred in connection with the formation of the Company and this Offering.
Risk Factors	An investment in the Company involves a certain degree of risk. You should consider the risk factors commencing on page 3 including, among others: worsening economic conditions may result in decreased demand for merchant cash advance financing and cause default rates to increase and if the information provided by customers is incorrect or fraudulent, a customer's qualifications to receive merchant cash advance financing may be misjudged and, accordingly, defaults rates may be higher than anticipated.
Offering	The Company is offering its promissory notes (the "Offering") with the following fundamental terms: (1) One Year Maturity bearing interest at the rate of 8.0% per year with interest payments made quarterly and principal paid on the maturity date available for investment amounts from $75,000 to $100,000 ("Class A Note"); (2) One Year Maturity bearing interest at the rate of 10.0% per year with interest payments made quarterly and principal paid on the maturity date available for investment amounts from $101,000 to $200,000 ("Class B Note"); (3) One Year Maturity bearing interest at the rate of 12.0% per year with interest payments made quarterly and principal paid on the maturity date available for investment amounts from $201,000 to $400,000 ("Class C Note"); (4) One Year Maturity bearing interest at the rate of 14.0% per year with interest payments made quarterly and principal paid on the maturity date available for investment amounts of $401,000 to $600,000 ("Class D Note"); and (5) One Year Maturity bearing interest at the rate of 15.0% per year with interest payments made quarterly and principal paid on the maturity date available for investment amounts of $600,000 or more ("Class E Note").

	The Company intends to continue the Offering until June 30, 2018 but reserves the right to continue the Offering for an additional thirty (30) days.
Minimum Investment	The minimum investment is $75,000 but the Company reserves the right to accept investments of lesser amounts.
Use of Proceeds	The gross proceeds of the offering will be used to purchase promissory notes and other similar debt instruments offered and sold by companies which provide "Merchant Cash Advance" financing (the "MCA Debt Obligations"). Merchant Cash Advance financing is a form of commercial financing whereby the financing company purchases of a businesses' future accounts receivable in exchanges for an immediate payment of money. Expenses incurred in connection with the formation of the Company and this Offering, as well as, the Company's operating expenses shall be borne by the Company and not the purchasers of the Notes.
Management	Pillar Life Settlement Management Company, LLC, a Delaware limited liability company, is the Manager of the Company (the "Manager") and, as such, will make all investment decisions on behalf of the Company and will be solely responsible for the development and implementation of the Company's investment policy and strategy.
Legal Counsel	Eckert Seamans Cherin & Mellott, LLC
Subscription; Subscription Fee	To purchase Notes, complete and execute the Subscription Agreement and Investor Questionnaire and deliver it to the Company. Payments for Notes may be made by cash, check made payable to the Company. The Company reserves the unconditional right to accept or reject any subscription. The Company charges a subscription fee of $100. The subscription fee is used by the Company to pay certain costs and expenses incurred in connection with the formation of the Company and this Offering.

RISK FACTORS

THE SECURITIES OFFERED HEREIN INVOLVE A DEGREE OF RISK AND SHOULD NOT BE PURCHASED BY PERSONS WHO CANNOT AFFORD THE LOSS OF THEIR TOTAL INVESTMENT. PROSPECTIVE PURCHASERS OF THE INTERESTS OFFERED HEREIN SHOULD GIVE CAREFUL CONSIDERATION, IN ADDITION TO THE OTHER INFORMATION IN THIS MEMORANDUM, TO THE FOLLOWING RISK FACTORS.

Worsening economic conditions may result in decreased demand for business credit and cause default rates to increase.

Uncertainty and negative trends in general economic conditions in the United States and abroad, including significant tightening of credit markets, historically have created a difficult environment for companies in the lending industry. Many factors, including factors that are beyond the Company's control, may have a detrimental impact on companies providing Merchant Cash Advance financing. These factors include general economic conditions, unemployment levels, energy costs and interest rates, as well as events such as natural disasters, acts of war, terrorism and catastrophes.

Most companies which seek and obtain Merchant Cash Advance financing are small businesses. Small businesses have historically been, and may in the future remain, more likely to be affected or more severely affected than large enterprises by adverse economic conditions. These conditions may result in a decline in the demand for Merchant Cash Advance financing or higher default rates.

Merchant Cash Advance financing involves the purchase of future accounts receivable and if the seller of the accounts receivable (the Merchant Cash Advance recipient) goes out of business or declares bankruptcy, then the purchaser of the accounts receivable (the Merchant Cash Advance financing company) may lose its entire investment. If worsening economic conditions result in business closures in significant numbers, Merchant Cash Advance financing companies may lose money and not have funds sufficient to repay their debts, including the MCA Debt Obligations. This scenario could have negative effect on the Company's ability to repay the Notes. There can be no assurance that economic conditions will remain favorable or that demand for Merchant Cash Advance financing or default rates will remain at current levels.

If the information provided by the Merchant Cash Advance recipient is incorrect or fraudulent, its qualification to receive Merchant Cash Advance financing and the operating results of the Merchant Cash Advance financing company may be harmed.

The decision whether to provide Merchant Cash Advance financing to a particular business is based partly on information provided by the applicant. To the extent that applicants provide information in a manner that cannot be verified, the Merchant Cash Advance financing company may not accurately understand the associated risk with entering into a transaction with such applicant and may pay too much to acquire certain accounts receivable.

Fraudulent activity or significant increases in fraudulent activity could also lead to regulatory intervention, negatively impact operating results, brand and reputation and require Merchant Cash Advance financing companies to take steps to reduce fraud risk, which could increase their costs and could affect their ability to repay the MCA Debt Obligations.

Underwriting and risk management efforts may not be effective.

In order to be profitable, Merchant Cash Advance financing companies must effectively identify, manage, monitor and mitigate risks, such as operational risk, industry risk, liquidity risk, and other market-related risk. To the extent the models and methods used to assess the ability of the Merchant Cash Advance recipient to continue to operate a profitable business and generate sufficient revenue to compensate the Merchant Cash Advance financing company are flawed, incorrect or not executed property, such Merchant Cash Advance financing company may sustain losses greater than anticipated and, in such event, may not generate profits sufficient to repay the MCA Debt Obligations.

The Merchant Cash Advance Company is unregulated. Regulations could adversely affect their business.

Currently, Merchant Cash Advance financing is not regulated by federal or state laws. Enactment of laws or regulations applicable to Merchant Cash Advance financing could adversely affect financing companies' ability to operate in the manner in which they currently conduct business and/or make it more difficult or costly to originate financing transactions by subjecting them to additional licensing, registration and other regulatory requirements in the future. For example, if Merchant Cash Advance financing transactions were determined for any reason to be commercial loans, financing companies would be subject to many additional requirements including limitations on the amount charged, and their fee structures and repayment arrangements could be challenged by regulators or Merchant Financing Advance recipients, all of which could have a material adverse effect on their business and financial condition and their ability to repay the MCA Debt Obligations.

General Investment Risks; Competition.

The Company will be competing with other investment funds, as well as operating companies and institutional investors, for opportunities to invest in the types of investments targeted by the Company. Some of these competitors have greater financial resources than the Company and may be able to fund more MCA Debt Obligations than the Company. This competition may reduce the number of attractively priced investment opportunities available to the Company. The identification of suitable investments for the Company is a difficult task and there is no assurance that it can be accomplished successfully.

No Operating History; Experience of Manager.

The Company is newly formed, has no operating history and has no investing history with the intended investment strategy and asset class of the Company. Further, the success of the Company depends to a large extent on the ability and experience of the Manager. The Manager does not have any experience in commercial lending or business finance transactions. The Manager, acting in its sole discretion will choose all of the investments of the Company. If the Manager or certain of its principals cease to participate in the Company's business, the Company's ability to manage its investments may be materially impaired. There can be no assurance that the investment opportunities that come to the attention of the Manager will be such as to enable the Company to achieve its

investment goals, or that the holders of Notes will recover all of their investment in the Company.

Other Regulatory Risks.

The Company will not be registered as an "investment company" under the Investment Company Act of 1940 or as an "investment adviser" under the Investment Adviser Act of 1940. Consequently, Partners in the Company will not be covered by the protections afforded by the Investment Company Act of 1940 or the Investment Advisor Act of 1940. Additionally, federal and state privacy laws restrict the use and disclosure of nonpublic personal information obtained about individuals who sell their policies or are insured under such policies. These laws could restrict or limit the Company's ability to acquire life insurance policies, to transfer policies previously acquired or to share nonpublic personal information about insureds with Limited Partners.

No Market for Notes; Lack of Liquidity.

No public market for the Notes presently exists nor is one expected to develop. In addition, the Notes are subject to significant restrictions on transferability. Consequently, holders of Notes may not be able to recoup their investment in the event of an emergency or for any other reason. The Notes should be purchased only with the intention to hold them until maturity. See "Investor Suitability Standards." A subscription for Notes should be considered only by persons financially able to maintain their investment until the maturity date of the Notes and who can afford a loss of their entire investment.

There is No Operating History to Judge Portfolio Performance.

The Company is newly formed and has no operating history. The success of the Company will be largely dependent on the efforts of the Manager.

Conflicts of Interest.

The Manager may act as manager or advisor in and for other separate funds and may act as investment manager or advisor for separate managed investment accounts, which may have investment strategies the same as or similar to the Company's. In addition, in its various current and expected future capacities, a majority of which involve investing and financial activities, the Manager (including any/all affiliated persons or entities) may encounter or engage in activities which may be considered conflicts of interest with the Company, where such activities may include, but are not limited to, advising, consulting, managing, and generally being involved in financial transactions which may be related to activities of the Company. Further, the present and anticipated future activities of the Manager may result in conflicts of interest should it become necessary for the Manager to establish priorities in the allocation of time, or other resources in which it is or may become involved, including the determination of how policies are allocated for purchase between different entities.

Indemnification.

Pursuant to the Limited Liability Company Operating Agreement, the Manager and its officers, directors, employees, agents, and affiliates will be indemnified by the Company against any liability arising out of their actions or inaction in managing the Company, including, but not limited to, all investment decisions and any losses incurred. Such indemnification may create an incentive for the Manager to make investments that involve greater risk or are more speculative in nature.

Description of the Company

ABFP INCOME FUND, LLC (the "Company"), a Delaware limited liability company, has been established by Pillar Life Settlement Management Company, LLC (the "Manager"), a Delaware limited liability company, for the purpose of purchasing promissory notes and other similar debt instruments offered and sold by companies which provide "Merchant Cash Advance" financing (the "MCA Debt Obligations"). The investment offered consists of promissory notes issued by the Company. An investment in the Company's promissory notes provides investors with an opportunity to participate in the relatively high rates of returns generated in "Merchant Cash Advance" financing transactions.

The Company is newly formed and does not own any assets or have any liabilities as of the date of this Memorandum other than expenses incurred in connection with the formation of the Company and this Offering.

Use of Proceeds

The proceeds from the sale of the Notes will be used to purchase promissory notes and other similar debt instruments offered and sold by one or more companies which provide "Merchant Cash Advance" financing (the "MCA Debt Obligations") in the United States. Merchant Cash Advance financing is a form of commercial financing whereby the financing company purchases a portion of a businesses' future accounts receivable in exchanges for an immediate payment of money. The Company will use the payments received from the MCA Debt Obligations to repay the Notes and all operating expenses of the Company.

The Company will not pay any cash proceeds of this Offering to any person as compensation, commission, or consideration for the sale of the Notes.

The Company charges a subscription fee of $100. The subscription fee is used by the Company to pay certain costs and expenses incurred in connection with the formation of the Company and this Offering.

Overview of Merchant Cash Advance Financing Transactions

The term "Merchant Cash Advance" generally refers to a form of short term financing provided to operating businesses. While the specific terms of the financings may vary from company to company or transaction to transaction, usually, a "Merchant Cash Advance" transaction is a form of commercial financing whereby the financing company purchases a portion of a businesses' future accounts receivable in exchange for an immediate payment of money -- the so-called "Advance". Merchant Cash Advances, technically, are not loans but rather the sale of revenues which the operating company expects to generate in the future.

A "Merchant Cash Advance" financing transaction has several basic business or commercial terms: (1) the amount of the Advance to be made by the financing company, (2) the amount to be paid back to the finance company which is usually referred to as the "buy rate" or "factor rate", (3) the holdback rate which is the amount of daily revenue which is retained (or held back) by the finance company and (4) the term or duration of the advance.

The amount which is paid back to a financing company depends upon the Buy Rate. Buy Rates vary depending upon market conditions as well as each financing companies' underwriting and pricing policies but are often between 120% and 140% of the advance (or 1.2 to 1.4 times the amount of the advance). To determine how much a Merchant Cash Advance recipient is required to repay, the amount of the advance is multiplied by the Buy Rate. For example, if the Merchant Cash Advance recipient sold $100,000 of its future accounts receivable at a Buy Rate of 1.3 for a term of twelve months, then the total amount to be paid to the financing company would be $130,000.

Holdback rates depend upon the volume of business generated by the Merchant Cash Advance recipient. The financing company receives the amount of the Advance multiplied by the Buy Rate by taking some percentage of the business's revenue, usually in the form of daily credit card receipts. The remainder is retained by the Merchant Cash Advance recipient. Typical holdback rates range from 10%-20% of daily receipts, though this amount may vary widely based upon the nature of the business and the risk of payment as determined by the financing company. For example, if the Merchant Cash Advance recipient generated $10,000 per day in payments via credit cards and the Holdback Rate was 10%, the Merchant Cash Advance financing company would keep or "holdback", $1,000 for that day. The amount of the holdback is applied to the total amount payable to the Merchant Cash Advance financing company – that is, the Advance multiplied by the Buy Rate.

Merchant Cash Advances Are Not Loans

Although business loans and Merchant Cash Advances look quite similar and serve the same purpose, Merchant Cash Advances are not loans but rather sales of an asset of an operating company – namely, its future revenues. Loans are transfers of funds with the obligation to repay the loan amount together with interest. There are several critical differences between business loans and Merchant Cash Advance financing transactions.

Instead of being priced in terms of an interest rate like traditional loans, Merchant Cash Advances are priced using "Buy Rates" or "Factor Rates". Unlike traditional, interest-bearing loans, Buy Rates are not annualized. Merchant Cash Advance transactions continue until the financing company receives the full amount owed, that is, the return of the Advance amount multiplied by the Buy Rate or Factor Amount. Since there are no fixed payments of principal and interest, the duration of a Merchant Cash Advance transaction is indeterminate and depends on the Merchant Cash Advance recipient's sales both in terms of quantity and time. However, financing companies are able to exert some control over the transaction's length by adjusting the holdback percentage. Financing companies review the Merchant Cash Advance recipient's average monthly credit card sales and adjust the holdback percentages to estimate the time period necessary to repay the Advance and the Buy Rate.

Lastly, unlike loan recipients, Merchant Cash Advance recipients are not absolutely liable for repaying the financing company because Merchant Cash Advances do not carry an absolute obligation or an unconditional promise to repay. Legally, the financing company has purchased the right to receive the future receivables and immediately takes legal ownership of them. As a purchaser, the financing company assumes the risk that it will receive all or a portion of the amount that they are entitled to and that the accounts purchased will not become worthless. Indeed, after

the sale occurs, the Merchant Cash Advance recipient's principal duty is to immediately deliver the contracted portions of its credit card sales to the financing company as the sales occur.

Because they are no longer obliged to make payments once they are out of business, some Merchant Cash Advance recipients will close their businesses and reopen under another name. Other businesses attempt to escape by using another credit card processor -- one the Merchant Cash Advance provider cannot collect from or by depositing sales into a hidden account. Financing companies protect their interests by requiring that the Merchant Cash Advance recipient agree not to accept multiple Merchant Cash Advances from different financing companies (a practice sometimes referred to as stacking) and/or by requiring that the business's owner give his or her personal guarantee. The owner, however, is not guaranteeing that the business will repay all or some of the Merchant Cash Advance but rather only that the business will not breach the contractual obligations.

Because Merchant Cash Advances lack absolute obligations to repay, fixed payment schedules, interest rates, and maturity dates, courts are not likely to hold in favor of classifying the transaction as a loan, thereby subjecting the transaction to lending laws and regulations, such as usury laws which would limit the amount Merchant Cash Advance financing companies could charge or earn on a given transaction.

The Rise of Merchant Cash Advances

Since the recession of 2008, the number of commercial loans of $1,000,000 or less has been declining nationally each year and remains below pre-recession levels. Commercial banks have withdrawn from lending to small businesses for a variety of reasons. Additionally, small community banks, which once issued a sizable portion of the nation's small business loans, are either closing down or consolidating due to the increased costs of regulatory compliance. Accordingly, while the demand for small business loans has not decreased, the supply has.

Structural barriers that make it difficult for banks to lend to small businesses have also played a part in prompting the banks to leave the small business loan market. For lenders and borrowers alike, the search costs in small business lending tend to be high. Even more troublesome for small business owners, the transactions costs of a $100,000 loan are comparable to those of a $1,000,000 loan but will earn the bank less profit. This is because small business loans typically have a greater risk of default. Small businesses tend to be more sensitive to economic turbulence than their larger counterparts, and banks have an onerous time assessing the creditworthiness of smaller businesses due to a lack of information. In particular, small businesses tend to lack detailed balance sheets, do not make their information public, maintain inadequate income statements, and file sparse tax returns.

Larger commercial banks have withdrawn from the small business loan market. In an attempt to curtail the number of time-consuming loan applications from small businesses, some banks --larger ones in particular -- have entirely eliminated or drastically reduced loans below a certain threshold, whereas others simply refuse to lend to businesses that generate less than $2,000,000 in annual revenue. The banks' withdrawal creates a problem for small businesses because those that get a loan, even a subprime one, are far more likely to survive than those that do not. The high demand for small business loans coupled with the banks' exit from the market has created a void to be

filled.

Investment Objective

The Company's investment objective is to provide a return on invested capital that is uncorrelated to traditional investments such as publically traded stocks and bonds, while minimizing principal risk. The Company will seek financing companies which provide Merchant Cash Advances and will invest in such financing companies. The Company expects that its investments will be in the form of acquiring promissory notes or other debt like instruments issued by the Merchant Cash Advance financing companies and which generate a fixed rate of return over a given period of time. The Company does not intend to acquire equity ownership in any "Merchant Cash Advance" financing company.

Investment Management

Pillar Life Settlement Management Company, LLC, as Manager, will make all investment decisions on behalf of the Company and will be solely responsible for the development and implementation of the Company's investment policy and strategy.

Dean Vagnozzi, age 49, is the sole manager of Pillar Life Settlement Management Company, LLC, the Company's Manager. Dean holds a Bachelor of Science degree in Accounting from Albright College. He is licensed to sell life, health and disability insurance policies in Pennsylvania, New York, Delaware and Massachusetts. Dean has managed numerous other private placements. Dean was a self-employed life insurance producer from 2004-2008. From 2008 until December, 2010, Dean was affiliated with Delaware Valley Financial Group in Conshohocken, Pennsylvania. Presently, Dean owns and manages A Better Financial Plan LLC. Dean focuses his efforts on the sale of stock market alternative investments such as Indexed Universal Life Insurance, life settlements, litigation funding and merchant cash advance financing.

The Company will not have any employees. No person will manage the fund except Mr. Vagnozzi.

Legal Counsel

The Company has engaged the law firm of Eckert Seamans Cherin & Mellott, LLC to advise the Company on various legal matters, including issues relating to securities law, certain regulatory matters as well as certain tax matters.

Accounting and Audit

The Company intends to use the accounting services of Joseph Brindisi, an accountant with offices located at 331 North Broad Street, Lansdale, PA 19446.

The Offering

The Company is offering its promissory notes (collectively, the "Notes") with the following fundamental terms:

(1) Class A Notes: Promissory notes having a maturity date of one year after the date of issuance, bearing interest at the rate of 8.0% per year with payments of interest only made within 3 days after the end of each month after the date of issuance and principal and any accrued and unpaid interest paid on the maturity date (a "Class A Note"). Class A Notes are available for investment amounts from $75,000 to $125,000.

(2) Class B Notes: Promissory notes having a maturity date of one year after the date of issuance, bearing interest at the rate of 10.0% per year with payments of interest only made within 3 days after the end of each month after the date of issuance and principal and any accrued and unpaid interest paid on the maturity date (a "Class B Note"). Class B Notes are available for investment amounts from $126,000 to $175,000.

(3) Class C Notes: Promissory notes having a maturity date of one year after the date of issuance, bearing interest at the rate of 12.0% per year with payments of interest only made within 3 days after the end of each month after the date of issuance and principal and any accrued and unpaid interest paid on the maturity date (a "Class C Note"). Class C Notes are available for investment amounts from $176,000 to $400,000.

(4) Class D Notes: Promissory notes having a maturity date of one year after the date of issuance, bearing interest at the rate of 14.0% per year with payments of interest only made within 3 days after the end of each month after the date of issuance and principal and any accrued and unpaid interest paid on the maturity date (a "Class D Note"). Class D Notes are available for investment amounts of $401,000 or more.

(5) Class E Notes: Promissory notes having a maturity date of one year after the date of issuance, bearing interest at the rate of 15.0% per year with payments of interest only made within 3 days after the end of each month after the date of issuance and principal and any accrued and unpaid interest paid on the maturity date ("Class E Note"). Class E Notes are available for investment amounts of $600,000 or more.

The minimum investment is $75,000; provided, however, that the Manager reserves the right in its sole discretion to increase or decrease the minimum investment at any time.

Interest on the Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months. Interest will begin to accrue on the ten (10th) day or the twenty-fifth (25^{th}) day of each month depending upon the date on which payment for the Note was received by the Company. If the Company receives payment on the first (1^{st}) through the tenth (10^{th}) day of a month or the twenty-fifth (25^{th}) day through the thirty-first (31^{st}) day of the prior month, interest will begin to accrue on the tenth (10^{th}) day of the month. If the Company receives payment on the eleventh (11^{th}) day of the month through the twenty-fifth (25^{th}) day of the month, interest will begin to accrue on the twenty-fifth (25th) day of the month. For example, if the Company receives a

completed subscription for $100,000 on February 22nd, interest would begin to accrue on February 25th.

The Notes will be unsecured obligations of the Company; there is no collateral securing the obligations of the Company under the Notes.

This Memorandum set forth a brief summary of the terms of the Notes which is qualified in its entirety by reference to the definitive form of the Notes, the terms of which may be more extensive and complex than the descriptions thereof. A copy of the form of the Note is attached to this Memorandum as Exhibit "A". The summary of the Notes is limited only to certain material business provisions and is not intended to be completely comprehensive. Prospective investors should also review the form of Note in its entirety before deciding whether or not to invest in the Company.

Payments for the Notes must be made in cash, by certified check or wire transfer of immediately available funds. At this time, the Manager intends to close the offering of its Notes on or before June 30, 2018, but such date may be extended or shortened at the Manager's sole discretion.

There is no minimum amount which must be raised before commencing operations. The Company reserves the right to continue the Offering for an additional thirty (30) days and to increase the number of the Notes offered and sold.

Operating Expenses

The Company's operating expenses, including, but not limited to, the fees of its accountants, auditors, commissions, banking expenses, professional and legal fees (the "Operating Expenses") will be paid by the Company and not the holders of the Notes.

The Company charges a subscription fee of $100. The subscription fee is used by the Company to pay certain costs and expenses incurred in connection with the formation of the Company and this Offering.

Compensation

Name of Individual or Identity of Group	Capacities in Which Remuneration Was Received	Aggregate Remuneration
Pillar Life Settlement Management Company, LLC, as Manager	Manager and/or Sole Member of the Company	Exact amount cannot be determined at this time but the Manager and Sole Member shall retain the difference between the amount paid to the Company from the MCA Debt Obligations and the amounts payable on the Notes.

The Company will not have any employees and does not anticipate paying any other compensation in connection with the management of the Company and does not have any plan or arrangement to provide compensation to any person, except the Manager as described here.

Commissions

The Merchant Cash Advance financing companies which issue the MCA Debt Obligations may pay a fee or commission to the party who acquires the MCA Debt Obligations or the party who introduces the acquirer of the MCA Debt Obligations. Whether fees or commissions are payable and the amounts payable vary from financing company to financing company. In any event, any such fees and commissions, if paid in connection with the Company's purchase of the MCA Debt Obligations, shall be retained in full by the Company and shall not be payable to the holders of the Notes.

Transferability of the Notes

The Notes may not be transferred, pledged, hypothecated, assigned or sold to third parties except with the prior written consent of the Manager, which consent will not be unreasonably withheld. Transfers are also subject to restrictions set forth in the Securities Act of 1933, as amended (the "Securities Act").

Indemnification

The Manager and any members, managers, employees, affiliates, agents and officers of the Manager will be indemnified and held harmless by the Company from and against any and all losses, liabilities and expenses (including legal fees) arising from, but not limited to, claims, investigations, demands, suits or actions, in which it may be involved, as a party or otherwise, by reason of the management of the Company. However, the Manager will not be entitled to indemnification for losses resulting from the Manager's failure to act in good faith in its management of the Company's affairs.

Fiscal Year

The Company's fiscal year (the "Fiscal Year") will be the calendar year.

Investor Suitability Standards

Investment in the Notes involves a degree of risk and is suitable only for accredited investors or persons who either alone or with his, her, or its representative have such business and investment experience which makes them capable of evaluating the merits and risks of their prospective investment in the Notes, who can afford to sustain a complete loss of their investment and to bear the financial risk of their investment until the stated maturity date of the Note and who have no need for liquidity in their investment.

Each prospective investor will be required to represent that he, she, or it is purchasing one or more Notes for his, her, or its own account, as principal, for investment purposes only and not with a view to resale or distribution, and that he, she, or it is aware that his, her, or its right to transfer the Notes is restricted by the Securities Act, applicable state securities laws, the terms of the Subscription Agreement and Purchaser Questionnaire, attached hereto as **Exhibit B** (collectively, the "Subscription Documents") and the absence of any market for the Notes.

Each prospective investor who wishes to purchase the Notes will be required to complete, sign and date the Subscription Documents. The Subscription Documents, among other matters, contain representations and warranties as to the prospective investor's (a) satisfaction of the suitability standards established by the Company and (b) investment intent with respect to acquiring the Notes.

Prospective investors should take extreme care in completing the Subscription Documents in a complete and accurate manner. Any Subscription Documents that are not properly completed will be rejected. The Company may reject any subscription for Notes in its full and complete discretion.

The Notes have not been registered under the Securities Act or any state securities laws, and are being offered and sold pursuant to an exemption from the registration requirements of the Securities Act provided by Section 4(2) thereof and Rule 506(b) of Regulation D promulgated thereunder for a transaction by an issuer not involving any public offering. The Company does not contemplate registering the Notes and is not required to do so.

There is no public market for the Notes, and such a market is unlikely to develop. Therefore, purchasers of Notes may be required to bear the financial risk of an investment in the Notes until the stated maturity date thereof.

Accredited Investors

Rule 506 of Regulation D, promulgated under the Securities Act, permits the Notes to be sold to an unlimited number of Accredited Investors. Rule 501 of Regulation D, promulgated under the Securities Act, defines an "Accredited Investor" as the following persons:

- Any natural person whose individual net worth, or joint net worth with that person's spouse, excluding primary residence, at the time of purchase, exceeds $1,000,000;

- 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;

- Any director or executive officer of the issuer;

- 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 person with such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment, or the issuer reasonably believes immediately prior to making any sale that such person comes within this description;

- Any entity in which all of the equity owners are Accredited Investors;

- Any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any corporation 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;

- Any employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") if (a) the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company or registered investment advisor; (b) the employee benefit plan has total assets in excess of $5,000,000; or (c) it is a self-directed plan, with investment decisions made solely by persons that are Accredited Investors;

- Any bank as defined in Section 3(a)(2) of the Securities Act or any savings and loan association or other financial institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity;

- Any broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934;

- Any insurance company as defined in section 2(a)(13) of the Act;

- Any Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958;

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

- Any investment company registered under the Investment Company Act of 1940, as amended, or a business development company as defined in Section 2(a)(48) in such act.

The Company intends to rely on the information provided by the investor in the Subscription Documents in determining whether an investor is an Accredited Investor or otherwise satisfies the investment standards under Rule 506.

Satisfaction of Standards

Unless the Company is satisfied that an investor is an accredited investor or has such business and investment experience, whether alone or with his, her, or its representative, which makes them capable of evaluating the merits and risks of an investment in the Company, any additional standards that may be applicable under state securities laws, and other standards which the Company may impose in its discretion, no subscription from such investor will be accepted. The Company has the right, in its absolute discretion, to approve or disapprove any offer to subscribe for Notes made by any investor for any reason.

Restrictions Imposed by the USA PATRIOT Act and Related Acts.

The Notes may not be offered, sold, transferred or delivered, directly or indirectly, to any "Unacceptable Investor". Unacceptable Investor means any person who is a:

- Person or entity who is a "designated national," "specially designated national," "specially designated terrorist," "specially designated global terrorist," "foreign terrorist organization," or "blocked person" within the definitions set forth in the Foreign Assets Control Regulations of the U.S. Treasury Department;
- Person acting on behalf of, or any entity owned or controlled by, any government against whom the U.S. maintains economic sanctions or embargoes under the Regulations of the U.S. Treasury Department—including, but not limited to the "Government of Sudan," the "Government of Iran," the "Government of Libya," and the "Government of Syria";
- Person or entity who is within the scope of Executive Order 13224-Blocking Property and Prohibiting Transaction with Persons who Commit, Threaten to Commit, or Support Terrorism, effective September 24, 2001; or
- Person or entity subject to additional restrictions imposed by the following statutes or regulations and executive orders issued thereunder: the Trading with the Enemy Act, the Iraq Sanctions Act, the National Emergencies Act, the Antiterrorism Act and Effective Death Penalty Act of 1996, the International emergency Economics Powers Act, the United Nations Participation Act, the International Security and Development Cooperation Act, the Nuclear Proliferation Prevent Act of 1994, the foreign Narcotics Kingpin Designation Act, the Iran and Libya Sanctions of Act of 1996, the Cuban Democracy Act, the Cuban Liberty and Democratic Solidarity Act and the Foreign Operations, Export Financing and Related Programs Appropriations Act or any other law of similar import as to any non-U.S. Country, as each such act or law has been or may be amended, adjusted, modified or reviewed from time to time.

IRA and ERISA Considerations

IRA Investors

Notes may be purchased, transferred, assigned or retained by an Individual Retirement Account ("IRA") established under Section 408 of the Internal Revenue Code of 1986, as amended. An investment in the Notes will not, in and of itself, create an IRA and that, in order to create an IRA, purchasers must comply with the provisions of Section 408 of the Internal Revenue Code.

ERISA Investors

The investment objectives and policies of the Company have been designed to make the Notes suitable investments for employee benefit plans under current law. In this regard, ERISA provides a comprehensive regulatory scheme for "plan assets." In accordance with final regulations published by the Department of Labor in the Federal Register on November 13, 1986, our Manager will manage the Company so as to assure that an investment in the Notes by a qualified plan will not, solely by reason of such investment, be considered to be an investment in the underlying assets of the Company so as to make the assets of the Company "plan assets." The final regulations are also applicable to an IRA.

We are not permitted to allow the purchase of units with assets of any qualified plans if we (i) have investment discretion with respect to the assets of the qualified plan invested in the Company, or (ii) regularly give individualized investment advice that serves as the primary basis for the investment decisions made with respect to such assets. This prohibition is designed to prevent violation of certain provisions of ERISA.

ERISA contains strict fiduciary responsibility rules governing the actions of "fiduciaries" of employee benefit plans. It is anticipated that some investors will be corporate pension or profit-sharing plans and IRAs, or other employee benefit plans that are subject to ERISA. In these situations, the person making the investment decision concerning the purchase of the units will be a “fiduciary" of such plan and will be required to conform to ERISA's fiduciary responsibility rules. Persons making investment decisions for employee benefit plans (i.e., "fiduciaries") must discharge their duties with the care, skill and prudence which a prudent man familiar with such matters would exercise in like circumstances. In evaluating whether the purchase of units is a “prudent" investment under this rule, fiduciaries should consider all of the risk factors set forth in this prospectus. Fiduciaries should also carefully consider the possibility and consequences of unrelated business taxable income (see "Federal Income Tax Consequences"), as well as the percentage of plan assets which will be invested in the Company insofar as the diversification requirements of ERISA are concerned. An investment in the Company is relatively illiquid, and fiduciaries must not rely on an ability to convert an investment in the Company into cash in order to meet liabilities to plan participants who may be entitled to distributions.

DUE TO THE COMPLEX NATURE OF ERISA, EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT HIS OWN TAX ADVISOR OR PENSION CONSULTANT TO DETERMINE THE APPLICATION OF ERISA TO HIS/HER/ITS PROSPECTIVE INVESTMENT.

Subscription Procedure for the Notes

Prospective investors who satisfy the investor suitability standards of the Company may subscribe for Notes by following the steps set forth below:

Read, complete and execute the forms entitled "Subscription Agreement," "Purchaser Questionnaire", and "Note Counterpart Signature Page" included with the Subscription Booklet; and

1. Mail the completed forms to ABFP Income Fund, LLC, 234 Mall Boulevard, Suite 270, King of Prussia, PA 19406

2. Execution copies of the Subscription Agreement, the Purchaser Questionnaire and the Note Signature Page are included with this Confidential Private Placement Memorandum. The Manager reserves the unconditional right to accept or reject any subscription.

Unless a subscription for Notes is rejected by the Manager before the expiration of the Offering, fully paid subscriptions in proper form will be deemed accepted and the subscriber will be issued the Notes of the type and in the amounts as described in the Subscription Agreement. The Manager may accept subscriptions until the expiration of the Offering.

Certain Regulatory Matters

Securities Act of 1933

The offer and sale of the Notes will not be registered under the Securities Act of 1933, as amended (the "Securities Act") in reliance upon the exemption from registration provided by Section 4(2) thereof and Rule 506(b) of Regulation D promulgated thereunder. Each purchaser will be required to represent, among other customary private placement representations, that it is acquiring the Notes for its own account for investment purposes only and not with a view toward resale or distribution. See "Investor Suitability Standards."

Investment Company Act of 1940

The Company will not be subject to the provisions of the Investment Company Act of 1940, as amended (the "Investment Company Act"), in reliance upon Section 3(c)(1) and/or Section 3(c)(7) thereof. Section 3(c)(1) excludes from the definition of "investment company" any issuer whose outstanding securities are beneficially owned (as defined in Section 3(c)(1)) by not more than 100 persons and which meets the other conditions contained therein.

Investment Advisers Act of 1940

The Manager of the Company is not registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), in reliance upon an exemption from the registration requirements of the Advisers Act.

EXHIBIT "A"

FORM OF PROMISSORY NOTE

See Attached

CLASS A PROMISSORY NOTE

FOR VALUE RECEIVED, ABFP INCOME FUND, LLC, a Delaware limited liability company with an address at 234 Mall Boulevard, Suite 270, King of Prussia, Pennsylvania 19406 ("Borrower") promises to pay to the order of _____ ("Lender"), in legal tender of the United States, the sum of _____ Dollars ($_____) (the "Principal Amount"), together with interest on the unpaid Principal Amount at the rates and on the terms set forth in this Class A Promissory Note (this "Note").

Interest Rate. The Principal Amount shall bear interest at the rate of eight percent (8%). Interest shall be calculated at all times on the basis of a 360 day year (each month is deemed to be 30 days).

Payments of Principal and Interest. Lender shall pay principal and interest sums due under this Note as follows: (a) interest on the unpaid balance shall accrue from the [tenth/twenty-fifth] day of the month in which this Note is issued and shall be paid within three (3) days after the end of each month, in arrears, commencing on _____, and continuing on the last day of each month thereafter and (b) the Principal Amount shall be paid on the first (1st) anniversary of this Note (the "Maturity Date"). Any accrued and unpaid interest and any remaining outstanding principal shall be due and payable in full on the Maturity Date. Notwithstanding anything contained herein to the contrary, in the event that any payment is due on a date that is not a Business Day, then the payment shall be due on the first Business Day following such date. For purposes of this Note, the term "Business Day" means any day other than a Saturday, Sunday, legal holiday or day on which banks are authorized or permitted to be closed.

Representations and Warranties. Borrower hereby represents and warrants to the Lender (which representations and warranties shall survive until this Note has been paid in full) that:

(a) Power and Authority; Authorization; Enforceability. Borrower has full power, authority and legal right to execute, deliver and comply with the terms of this Note and, upon execution hereof, this Note shall constitute a valid and legally binding obligation of Borrower enforceable in a court of competent jurisdiction for its term.

(b) Conflict; Breach. The execution and delivery of and compliance with this Note by Borrower will not conflict with or result in a breach of any applicable law, judgment, order, writ, injunction, decree, rule or regulation of any court, administrative agency or other governmental authority, or of any agreement or other document or instrument to which Borrower is a party or by which Borrower is bound.

Events of Default. The occurrence of any one or more of the following events shall constitute an event of default hereunder:

(a) Borrower shall fail to make any payment of principal and/or interest due to Lender under this Note when the same shall become due and payable, and such failure continues for a period of ten (10) days;

(b) Other than failure to make a payment required under this Note (which is an event of default under Paragraph (a)), Borrower shall fail to observe or perform any of the

covenants or agreements on its part to be observed or performed under this Note within 30 days after written notice from Lender of such non-compliance;

(c) Any representation or warranty of Borrower under this Note shall be untrue in any material respect;

(d) Borrower shall apply for or consent to the appointment of a receiver, trustee or liquidator of Borrower or any of Borrower's property, make a general assignment for the benefit of creditors, be adjudicated a bankrupt or insolvent or file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against Borrower in any proceeding under any such law, or if action shall be taken by Borrower for the purpose of effecting any of the foregoing; or

(e) Any order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition seeking reorganization of Borrower or all or a substantial part of Borrower's assets, or appointing a receiver, sequestrator, trustee or liquidator of Borrower or any of Borrower's property, and such order, judgment or decree shall continue unstayed and in effect for any period of 90 days.

Remedies. Upon the occurrence of any event of default, Lender shall provide Borrower with written notice setting forth in reasonable detail the nature and the amount of the event of default. If the event of default is not cured within thirty (30) days' of Borrower's receipt of Lender's written notice, then the entire unpaid principal sum of this Note plus all interest accrued thereon plus all other sums due and payable to Lender under this Note shall, at the option of Lender, become due and payable immediately without presentment, demand, notice of nonpayment, protest, notice of protest or other notice of dishonor, all of which are hereby expressly waived by Borrower. In addition to the foregoing, upon the occurrence of any event of default, Lender may forthwith exercise singly, concurrently, successively or otherwise any and all rights and remedies available to Lender under this Note or available to Lender by at law, in equity, under statute or otherwise.

Remedies Cumulative, etc.

(a) No right or remedy conferred upon or reserved to Lender hereunder or now or hereafter existing at law or in equity or by statute or other legislative enactment, is intended to be exclusive of any other right or remedy, and each and every such right or remedy shall be cumulative and concurrent, and shall be in addition to every other such right or remedy, and may be pursued singly, concurrently, successively or otherwise, at the sole discretion of Lender, and shall not be exhausted by any one exercise thereof but may be exercised as often as occasion therefor shall occur. No act of Lender shall be deemed or construed as an election to proceed under any one such right or remedy to the exclusion of any other such right or remedy; furthermore, each such right or remedy of Lender shall be separate, distinct and cumulative and none shall be given effect to the exclusion of any other. The failure to exercise or delay in exercising any such right or remedy, or the failure to insist upon strict performance of any term of this Note, shall not be construed as a waiver or release of the same, or of any event of default thereunder, or of any obligation or liability of Borrower thereunder.

(b) Borrower hereby waives presentment, demand, notice of nonpayment, protest, notice of protest or other notice of dishonor, and any and all other notices in connection with any default in the payment of, or any enforcement of the payment of, all amounts due under this Note. To the extent permitted by law, Borrower waives the right to any stay of execution and the benefit of all exemption laws now or hereafter in effect. Borrower further waives and releases all procedural errors, defects and imperfections in any proceedings instituted by Lender under the terms of this Note.

(c) Borrower agrees that any action or proceeding against it to enforce the Note shall be commenced in the Court of Common Pleas for Montgomery County, Pennsylvania and Borrower irrevocably consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and irrevocably waives any objection based upon inconvenience of the forum or otherwise to venue laid therein. Notwithstanding the foregoing, nothing in this Paragraph is intended to prevent Lender from instituting an action in any jurisdiction for the sole and exclusive purpose of enforcing a judgment by a court in the jurisdictions referred to in the preceding sentence.

(d) Borrower waives personal service of process and agrees that a summons and complaint commencing an action or proceeding in any such court shall be properly served if served by registered or certified mail in accordance with the notice provisions set forth herein and Borrower expressly waives any and all defenses to an exercise of personal jurisdiction by any such court.

(e) Borrower hereby knowingly, voluntarily and intentionally waives the right it may have to a trial by jury in respect of any litigation based hereon, arising out of, under or in connection with this Note, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of Borrower or Lender. This provision is a material inducement for Lender entering into this Note.

Cost and Expenses. Following the occurrence of any event of default, Borrower shall pay upon demand all reasonable costs and expenses (including all reasonable amounts paid to attorneys, accountants, brokers and other advisors employed by Lender and/or to any contractors for labor and materials), incurred by Lender in the exercise of any of its rights, remedies or powers under this Note with respect to such event of default. In connection with and as part of the foregoing, if this Note is placed in the hands of an attorney for the collection of any sum payable thereunder, Borrower agrees to pay reasonable attorneys' fees for the collection of the amount being claimed under this Note, as well as all costs, disbursements and allowances provided by law.

Severability. In the event that for any reason one or more of the provisions of this Note or their application to any person or circumstance shall be held to be invalid, illegal or unenforceable in any respect or to any extent, such provisions shall nevertheless remain valid, legal and enforceable in all such other respects and to such extent as may be permissible. In addition, any such invalidity, illegality or unenforceability shall not affect any other provisions of this Note, but this Note shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

Successors and Assigns. This Note inures to the benefit of Lender and its heirs, executors, administrators, personal representatives, successors and assigns, and binds Borrower and its

successors and assigns, and the words "**Lender**" and "**Borrower**" whenever occurring herein shall be deemed and construed to include such respective heirs, executors, administrators, personal representatives (as to Lender), successors and assigns, as applicable.

Definitions; Number and Gender. In the event Borrower consists of more than one person or entity, the obligations and liabilities hereunder of each of such persons and entities shall be joint and several and the word "**Borrower**" shall mean all or some or any of them. For purposes of this Note, the singular shall be deemed to include the plural and the neuter shall be deemed to include the masculine and feminine, as the context may require.

Captions. The captions or headings of the paragraphs in this Note are for convenience only and shall not control or affect the meaning or construction of any of the terms or provisions of this Note.

Governing Law. This Note, to the fullest extent permissible, shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, and intending to be legally bound, the undersigned hereto has executed this Class A Promissory Note as an instrument under seal as of the day and year first written above.

BORROWER:

ABFP INCOME FUND, LLC

By: Pillar Life Settlement Company, LLC,
Manager

By:_____
Name: Dean Vagnozzi
Title: Sole Member

LENDER: [INSERT NAME/SIGNATURE NOT REQUIRED]

EXHIBIT "B"

SUBSCRIPTION DOCUMENTS

ABFP INCOME FUND, LLC
INSTRUCTIONS TO INVESTORS

Investors should read carefully the Confidential Private Placement Memorandum for preferred limited liability company membership interests ("Interests") in ABFP Income Fund, LLC (the "Company") dated February 1, 2018, together with any exhibits, amendments and supplements thereto, before deciding to subscribe.

Investors should examine the suitability of this type of investment in the context of their own needs, investment objectives and financial capabilities and should make their own independent investigation and decision as to suitability and as to the risk and potential gain involved. Also, investors are encouraged to consult with their own attorney, accountant, financial consultant or other business or tax adviser regarding the risks and merits of the proposed investment.

The offering of the Interests is being made pursuant to a private placement exemption provided by Rule 506(b) of Regulation D promulgated under the Securities Act of 1933, as amended, and is limited to investors who meet all the qualifications set forth herein. If you desire to purchase Interests, then you should complete, execute and e-mail or deliver the attached Subscription Agreement (the "Subscription Agreement") to the Company at:

234 Mall Boulevard, Suite 270
King of Prussia, PA 19406
484-425-7393

Upon receipt of your signed Subscription Agreement and payment for the purchase of the Note(s) and the Subscription Fee of $100 ("Subscription Payment"), verification of your investment qualifications and acceptance of your subscription by the Company (which reserves the right to accept or reject a subscription for any reason whatsoever), the Company will notify you of the receipt and acceptance of your subscription and provide you with a copy of the fully executed Subscription Agreement for your records.

All Subscription Payments are payable either by (i) check made payable to the Company, or (ii) via wire transfer pursuant to the following wire instructions or such other wire instructions as the Company may provide:

Account Name:	ABFP Income Fund, LLC
Account Number:	1083555951
Routing Number:	031000503
Bank Name:	Wells Fargo
Bank Address:	222 East Main Street, Collegeville, Pennsylvania 19426
Reference/Special Instructions:	*Investor Name*

Anti-Fraud Disclosure Statement: Electronic communications such as e-mail, text messages and social media messaging, are neither secure nor confidential. While the Company and its affiliates have adopted policies and procedures to aid in avoiding fraud, even the best security protections can still be bypassed by unauthorized parties. The Company and its affiliates will never send you any electronic communication with instructions to transfer funds or to provide nonpublic personal information, such as credit card or debit numbers or bank account and/or routing numbers. YOU SHOULD NEVER TRANSMIT NONPUBLIC PERSONAL INFORMATION, SUCH AS CREDIT OR DEBIT CARD NUMBERS OR BANK ACCOUNT OR ROUTING NUMBERS, BY E-MAIL OR OTHER UNSECURED ELECTRONIC COMMUNICATION. E-MAILS ATTEMPTING TO INDUCE FRAUDULENT WIRE TRANSFERS ARE COMMON AND MAY APPEAR TO COME FROM A TRUSTED SOURCE. If you receive any electronic communication directing you to transfer funds or provide nonpublic personal information, EVEN IF THAT ELECTRONIC COMMUNICATION APPEARS TO BE FROM the Company or its affiliates, do not respond to it and immediately contact the Company. Such requests are likely part of a scheme to defraud you by stealing funds from you or using your identity to commit a crime. To notify the Company of suspected fraud related to your transaction, contact: Dean Vagnozzi.

Important Note: In all cases, the person or entity making the investment decision to purchase Interests should complete and sign the Subscription Agreement. For example, if the investor purchasing Interests is a retirement plan for which investments are directed or made by a third-party trustee, then that third party trustee must complete the Subscription Agreement rather than the beneficiaries under the retirement plan. This also applies to trusts, custodial accounts and similar arrangements.

An individual investor must list his or her principal place of residence rather than his or her office or other address on the signature page to the Subscription Agreement so that the Company can confirm compliance with the appropriate securities laws.

Investment through a retirement or pension plan. Investors investing through their retirement, pension or other similar plan, please submit a copy of the applicable plan documents to the Company along with your Subscription Agreement.

ABFP INCOME FUND, LLC

SUBSCRIPTION AGREEMENT

This is the offer and agreement (this "Subscription Agreement") of the undersigned ("Investor") to purchase $_____ (the "Subscription Price") of the following promissory notes (the "Notes") to be issued by ABFP INCOME FUND, LLC, a Delaware limited liability company (the "Company"):

$_____ for a Class A;
$_____ for a Class B;
$_____ for a Class C;
$_____ for a Class D; and
$_____ for a Class E.

In consideration of the Subscription Price, the Company will issue to Investor the Notes in the amounts and of the type set forth above. The minimum purchase is $75,000, subject to the discretion of the Company to permit smaller investments. The sale of the Notes to Investor is subject to all terms, conditions, acknowledgments, representations and warranties stated in this Subscription Agreement and the terms and conditions contained in the Company's Confidential Private Placement Memorandum dated February 1, 2018, together with any exhibits, amendments and supplements thereto (collectively, the "Memorandum"). Simultaneously with the execution and delivery hereof, Investor shall transmit payment in full for the amount of the Subscription Price. All capitalized terms utilized in this Subscription Agreement and the attachments hereto and not otherwise defined herein or therein shall have the meanings set forth in the Memorandum. The Company charges a subscription fee of $100. The subscription fee is used by the Company to pay certain costs and expenses incurred in connection with the formation of the Company and this Offering.

It is understood and agreed that the Company shall have the sole right, in its complete discretion, to accept or reject Investor's subscription for the Note(s), in whole or in part, for any reason, for a period of thirty (30) days after receipt of this Subscription Agreement, and that the same shall be deemed to be accepted by the Company only when it is signed by a duly authorized officer of the Company and delivered to Investor. Any subscription not accepted within thirty (30) days after receipt of the Subscription Agreement will be deemed rejected. Subscriptions for Note(s) need not be accepted in the order received. In the event a subscription is rejected, all subscription funds shall be returned without interest or deduction. Notwithstanding anything in this Subscription Agreement to the contrary, the Company shall have no obligation to issue any of the Interests to any person who is a resident of a jurisdiction in which the issuance of Note(s) to such person would constitute a violation of the securities, "blue sky" or other similar laws of such jurisdiction.

To induce the Company to accept this Subscription Agreement and as further consideration for such acceptance, Investor hereby provides the following information and makes the following acknowledgments, representations, warranties and covenants with the full knowledge that the Company will expressly rely on them in making its decision to accept or reject this Subscription Agreement:

1. **OWNERSHIP TYPE**. Investor wishes to own the Note(s) as follows (check one):

Account Type
Brokerage Account Number: _____

_____ (a) Separate or individual property (If Investor's primary state of residence is a community property state and Investor is married, then Investor's spouse must sign and submit the Consent of Spouse form, attached as Attachment A hereto.)

_____ (b) Husband and wife as community property (Community property states only. Husband and wife should both sign all required documents.)

_____ (c) Joint tenants with right of survivorship (Both parties must sign all required documents.)

_____ (d) Tenants in common (Both parties must sign all required documents.)

_____ (e) Trust (Please complete Attachment B attached hereto.)

_____ (f) Corporation/Partnership/Limited Liability Company (Please complete Attachment C attached hereto.)

_____ (g) Pension Plan

_____ (h) Other (indicate): _____

Third Party Custodial Account Type
Custodian Account Number: _____

_____ (a) IRA
_____ (b) Roth IRA
_____ (c) SEP IRA
_____ (d) Simple IRA
_____ (e) Other (indicate):_____

Custodian Information (To be completed by Custodian)

Custodian Name: _____
Custodian Tel.: _____

2. **INVESTOR INFORMATION**.

A. INVESTOR AS NATURAL PERSON

Name: _____
Social Security Number: _____ DOB: _____
Address: _____
_____
Tel. No.: _____
E-Mail: _____
(Address should be the address of Investor in primary state of **residence**.)

B. CO-INVESTOR AS NATURAL PERSON

Name: _____
Social Security Number: _____ DOB: _____
Address: _____
_____
Tel. No.: _____
E-Mail: _____
(Address should be the address of Co-Investor in primary state of **residence**.)

C. ENTITY INVESTOR

Name: _____
Tax Identification No.: _____
Address: _____
_____
Tel. No.: _____
E-Mail: _____
(Address should be the address of Investor's **principal place of business**.)

D. BENEFICIARY INFORMATION FOR TRANSFER ON DEATH
(Individual or Joint Account with Rights of Survivorship only)

Name: _____
Social Security Number: _____ DOB: _____
Check One: _____ Primary _____ Secondary _____%

Name: _____
Social Security Number: _____ DOB: _____
Check One: _____ Primary _____ Secondary _____%
_____ _____ _____

E. CORRESPONDENCE

If correspondence should be sent to a different address than indicated above, please provide the following information:

Name: _____
Address: _____
_____
E-Mail: _____

F. RECEIPT OF PAYMENTS

Please indicate how Investor wishes to receive payments of principal and interest.

Check Mailed to:

Name: _____
Address: _____
_____
Account No.: _____

Direct Deposit: Please complete the attached Direct Deposit Enrollment Request.

3. **INVESTOR STATUS**. Investor declares that the information provided in this Section 3 is true, correct, accurate and complete and may be relied upon by the Company.

A. INDIVIDUALS, INDIVIDUAL RETIREMENT ACCOUNTS, KEOGH PLANS: (check all that apply)

_____ Investor has an individual net worth, or joint net worth with Investor's spouse, inclusive of home furnishings and personal automobiles, but excluding the value of Investor's primary residence, of more than $1,000,000.

_____ Investor has had individual income in excess of $200,000, or joint income with Investor's spouse in excess of $300,000, in each of the two (2) most recent years and Investor or Investor and Investor's spouse have a reasonable expectation of reaching the same income level in the current year.

_____ Investor is an individual retirement account or Keogh plan, the individual for whose benefit the investment in the Company is being made has directed such investment, and such individual is an Accredited Investor because such individual has a net worth or income as described above.

_____ Investor is a director or executive officer of the Company.

For purposes of calculating Investor's net worth, "net worth" means the excess of total assets at fair market value (including personal and real property, but excluding the estimated fair

market value of a person's primary home) over total liabilities. Total liabilities exclude any mortgage on the primary home in an amount up to the home's estimated fair market value if the mortgage was incurred more than sixty (60) days before the Interests were purchased, but includes (i) any mortgage amount in excess of the home's fair market value and (ii) any mortgage amount that was borrowed during the 60-day period before the closing on the purchase of Investor's Interests (the "Closing") or for the purpose of investing in the Interests. In the case of fiduciary accounts, the net worth and/or income suitability requirements must be satisfied by the beneficiary of the account, or by the fiduciary, if the fiduciary directly or indirectly provides funds for the purchase of the Interests.

_____ None of the above apply.

B. TRUSTS: (check all that apply)

_____ Investor is a trust with total assets in excess of $5,000,000, was not formed for the specific purpose of acquiring Interests, and Investor's purchase is directed by a person who has such knowledge and experience in business or financial matters that it is capable of evaluating the merits and risks of an investment in the Interests.

_____ Investor is a trust having as its trustee or co-trustee a bank as defined in Section 3(a)(2) of the Securities Act, a savings and loan association, or another institution as defined in Section 3(a)(5)(A) of the Securities Act, which makes or participates in the investment decision.

_____ Investor is a revocable trust which may be amended or revoked at any time by the grantors thereof and all the grantors are Accredited Investors.

_____ None of the above apply.

C. CORPORATIONS, FOUNDATIONS, ENDOWMENTS, PARTNERSHIPS, LIMITED LIABILITY COMPANIES OR MASSACHUSETTS OR SIMILAR BUSINESS TRUSTS: (check all that apply)

_____ Investor has total assets in excess of $5,000,000 and was not formed for the specific purpose of acquiring Interests.

_____ All of Investor's equity owners are Accredited Investors (Note: A trust (other than a business trust, real estate investment trust or other similar entities) may not claim this basis for being an Accredited Investor).

_____ None of the above apply.

D. EMPLOYEE BENEFIT PLANS: (check all that apply)

_____ Investor is an employee benefit plan within the meaning of ERISA, and the decision to invest in the Interests was made by a plan fiduciary (as defined in Section 3(21) of ERISA),

which is either a bank, savings and loan association, insurance company or registered investment adviser.

_____ Investor is an employee benefit plan within the meaning of ERISA and has total assets in excess of $5,000,000.

_____ Investor is a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees, and has total assets in excess of $5,000,000.

_____ None of the above apply.

E. PARTICIPANT-DIRECTED OR SELF-DIRECTED PLANS: (check all that apply)

_____ Investor is a participant-directed or self-directed plan (i.e., a tax-qualified defined contribution plan in which a participant may exercise control over the investment of assets credited to his or her account), the participant for whose benefit the investment in Notes is being made has directed such investment, and such participant is an Accredited Investor because such participant has a net worth or income as described above for individuals.

_____ None of the above apply.

4. **INVESTOR REPRESENTATIONS, WARRANTIES AND COVENANTS**. Investor makes the following representations and warranties to the Company:

(A) In addition to the other representations and warranties contained herein, that by reason of (i) Investor's business or financial experience or (ii) consultation with a financial advisor, accountant or attorney, Investor has the capacity to understand the nature of the investment and to protect Investor's own interests in connection with Investor's investment decision to purchase the Notes and to evaluate the merits and risks of an investment in the Notes.

(B) Investor has all requisite authority (and in the case of an individual, the capacity) to purchase the Notes, to enter into this Subscription Agreement and to perform all the obligations required to be performed by Investor hereunder, and such purchase will not violate any law, rule or regulation binding on Investor or any investment guideline or restriction applicable to Investor.

(C) Investor is a resident of, or if an entity, maintains its principal place of business in, the state set forth in this Subscription Agreement and is not acquiring the Interests as a nominee or agent or otherwise for any other person.

(D) Investor will comply with all applicable laws and regulations in effect in any jurisdiction in which Investor purchases Notes and will obtain any consent,

approval or permission required for such purchases under the laws and regulations of any jurisdiction to which Investor is subject or in which Investor makes such purchases or sales, and the Company shall have no responsibility therefor.

(E) Investor understands that in the event this Subscription Agreement is not accepted or the Offering is terminated, then the funds transmitted herewith shall be returned to Investor without interest or deduction and this Subscription Agreement shall be terminated and of no further force or effect.

(F) Investor acknowledges that Investor has received, read and fully understands the Memorandum. Investor further acknowledges that Investor is basing Investor's decision to invest in the Notes solely on the Memorandum and Investor has relied only on the information contained therein and has not relied upon any representations made by any other person. Investor understands that an investment in the Notes involves significant risk. Investor further understands that no federal or state agency has passed upon the merits or risks of an investment in the Notes or made any finding or determination concerning the fairness or advisability of Investor's investment. Investor is fully cognizant of and understands all the risk factors relating to a purchase of the Notes, including, but not limited to, those risks set forth under "Risk Factors" in the Memorandum.

(G) Investor confirms that Investor is not relying on any communication (written or oral) of the Company or any of its affiliates, as investment advice or as a recommendation to purchase Notes. It is understood that information and explanations related to the terms and conditions of the Notes provided in the Memorandum or otherwise by the Company or any of its affiliates shall not be considered investment advice or a recommendation to purchase Interests, and that neither the Company nor any of its affiliates is acting or has acted as an adviser to Investor in deciding to invest in the Notes. Investor acknowledges that neither the Company nor any of its affiliates has made any representation regarding the proper characterization of the Notes for purposes of determining Investor's authority to invest in the Notes.

(H) Investor confirms that the Company has not (A) given any guarantee or representation as to the potential success, return, effect or benefit (either legal, regulatory, tax, financial, accounting or otherwise) of an investment in the Notes, or (B) made any representation to Investor regarding the legality of an investment in the Notes under applicable laws or regulations. In deciding to purchase Notes, Investor is not relying on the advice or recommendations of the Company and Investor has made Investor's own independent decision that the investment in Notes is suitable and appropriate for Investor. With the assistance of Investor's own professional advisors, to the extent that Investor has deemed appropriate, Investor has made Investor's own legal, tax, accounting and financial evaluation of the

merits and risks of an investment in Notes and the consequences of this Subscription Agreement.

(I) Investor's overall commitment to investments that are not readily marketable is not disproportionate to Investor's individual net worth, if a natural person, and Investor's investment in the Notes will not cause such overall commitment to become excessive. Investor has adequate means of providing for Investor's financial requirements, both current and anticipated, and has no need for liquidity in this investment in order to do so. Investor can financially bear and is willing to accept the economic risk of losing Investor's entire investment in the Notes

(J) All information that Investor has provided to the Company herein concerning Investor's suitability to invest in the Notes is complete, accurate and correct as of the date of Investor's signature on this Subscription Agreement. Investor hereby agrees to notify the Company immediately of any material change in any such information occurring prior to the acceptance of this Subscription Agreement, including any information about changes concerning Investor's net worth and financial position. Investor also agrees to furnish any additional information requested by the Company or any of its affiliates to assure compliance with applicable federal and state securities laws in connection with the purchase and sale of the Notes. Investor understands that, unless Investor notifies the Company in writing to the contrary at or before the Closing, each of Investor's representations and warranties contained in this Subscription Agreement will be deemed to have been reaffirmed and confirmed as of the Closing, taking into account all information received by Investor.

(K) Investor is familiar with the intended business and operations of the Company, all as generally described in the Memorandum. Investor has had access to such information concerning the Company and the Notes as it deems necessary to enable it to make an informed investment decision concerning the purchase of Notes. Investor has had the opportunity to ask questions of, and receive answers from, the Company and the Manager concerning the Company, the creation or operation of the Company, and the terms and conditions of the Offering, and to obtain any additional information deemed necessary. Investor has been provided with all materials and information requested by either Investor or others representing Investor, including any information requested to verify any information furnished to Investor.

(L) Investor is purchasing the Notes for Investor's own account and for investment purposes only and has no present intention, agreement or arrangement for the distribution, transfer, assignment, resale or subdivision of the Notes. Investor understands that, due to the restrictions on transfer as outlined in the Memorandum and in Section 4(M) below, and the lack of any market existing or ever anticipated

to exist for the Notes, Investor's investment in the Company will be highly illiquid and may have to be held until maturity.

(M) Investor understands that (i) the Notes may not be transferred or assigned without the consent of the Manager, (ii) the Notes have not been registered with the SEC and are being offered and sold in reliance on an exemption under Regulation D, which reliance is based in part upon Investor's representations set forth herein, and (iii) the Notes have not been registered under state securities laws and are being offered and sold pursuant to exemptions specified in said laws, and unless registered, the Notes may not be re-offered for sale or resold, pledged, assigned or otherwise transferred or disposed of, except in a transaction, or as a security, exempt under those laws. Neither the SEC nor any state securities commission has approved or disapproved the Notes or passed upon the accuracy or adequacy of the Memorandum. Any representation to the contrary is a criminal offense.

(N) Neither Investor nor any subsidiary, affiliate, owner, shareholder, partner, member, indemnitor, guarantor or related person or entity: (a) is a Sanctioned Person (as defined below); (b) has more than 15% of its assets in Sanctioned Countries (as defined below); or (c) derives more than 15% of its operating income from investments in, or transactions with, Sanctioned Persons or Sanctioned Countries. For purposes of the foregoing, a "Sanctioned Person" means: (a) a person named on the list of "specially designated nationals" or "blocked persons" maintained by the U.S. Office of Foreign Assets Control ("OFAC") on its website located at *http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx*, or as otherwise published from time to time, or (b) (i) an agency of the government of a Sanctioned Country, (ii) an organization controlled by a Sanctioned Country, or (iii) a person resident in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC. A "Sanctioned Country" or "Sanctioned Countries" shall mean a country subject to a sanctions program identified on the list maintained by OFAC and on its website located at *http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx*, or as otherwise published from time to time.

(O) If the undersigned is acquiring the Notes in a fiduciary capacity: (i) the above representations, warranties, agreements, acknowledgments and understandings shall be deemed to have been made on behalf of the person or persons for whose benefit such Notes are being acquired, (ii) the name of such person or persons is indicated herein, and (iii) such further information as the Company deems appropriate shall be furnished regarding such person or persons.

(P) Certain sections of the Code require a partnership to pay a withholding tax with respect to a partner's allocable share of the partnership's taxable income and with respect to certain transfers of property to a partner, if the partner is a foreign person.

To inform the Company that such provisions do not apply, Investor hereby certifies under penalty of perjury, that (a) Investor is not a nonresident alien, foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and regulations thereunder); (b) the number shown above is Investor's correct Social Security Number or TIN; and (c) the address shown above is Investor's correct residence or office address. Investor hereby agrees to notify the Company within thirty (30) days of the date Investor becomes a foreign person. Investor understands that this certification may be disclosed to the IRS and the state taxing authority and that any false statement made herein could be punished by fine, imprisonment or both. Investor also certifies under penalty of perjury that Investor is not subject to federal backup withholding either because (i) Investor has not been notified that Investor is subject to backup withholding due to a failure to report all interest or dividends, or (ii) the IRS has notified Investor that Investor is no longer subject to federal backup withholding. (Please strike out the foregoing sentence if Investor has been notified that Investor is subject to federal backup withholding due to under-reporting and Investor has not received a notice from the IRS advising Investor that federal backup withholding has terminated.) The IRS does not require Investor's consent to any provision of this Subscription Agreement other than the certifications required to avoid backup withholding.

(Q) Investor has a substantive, pre-existing business or personal relationship with the Manager of the Company or its principal and has not seen or heard any general advertising related to any securities offered by the Company, including television commercials, radio spots, print advertising or the like.

5. **ERISA REPRESENTATIONS**. (This section only applies to employee benefit or other retirement plans.)

(A) General Representations.

(i) Investor agrees to (a) certify whether or not it is, or is acting on behalf of, an employee benefit plan subject to ERISA and/or a plan within the meaning of Section 4975(e) of the Code or an entity which is deemed to hold the assets of any such plan pursuant to 29 C.F.R. § 2510.3-101, as modified by ERISA Section 3(42) (the "Plan Asset Regulation") or otherwise (collectively, a "Plan"), (b) provide, if it is acting on behalf of any Plan, a list (and regularly update such list) of the persons (and their affiliates, as defined in Prohibited Transaction Class Exemption 84-14, Part V(c)) who have the power to invest in the Company or redeem their Interests in the Company on behalf of such Investor, and (c) certify whether it is a "Benefit Plan Investor" (as defined in the Plan Asset Regulation) and/or a person who exercises control over the assets of the Company or provides investment advice to the Company for a fee, direct or indirect, or is an affiliate of any such person (each such person, a "Controlling Person").

(ii) During any period in which Investor is or is acting on behalf of Plan(s), including any Benefit Plan Investor(s) (the "Constituent Plans"), the fiduciaries of the Constituent Plans represent and warrant that (a) they have been informed of and understand the Company's investment objectives, policies, limitations, fee structure and strategies and that the decision to invest the assets of the Constituent Plans in the Notes was made with appropriate consideration of relevant investment factors with regard to such Plans and in accordance with the Investor's fiduciary duties and responsibilities imposed upon fiduciaries with regard to their investment decisions under ERISA; (b) the Investor's purchase and holding of the Notes is permitted under the governing documents of the Constituent Plans; (c) the Investor's purchase, ownership and holding of the Notes will not result in or constitute a "prohibited transaction" under Section 406 of ERISA or Section 4975 of the Code for which an exemption is not available; (d) in deciding to purchase or continue to hold the Notes, Investor has considered, to the extent required by law or the governing documents of each Constituent Plan, the cash needs, investment policies, portfolio composition and appropriate liquidity and diversification of assets of each such Constituent Plan; (e) the governing documents of each of the Constituent Plans permit the payment of actual, direct and reasonable expenses of the Company, the Manager and their affiliates, as described in the Memorandum; (f) none of the Company, the Manager or any of their affiliates have acted as a fiduciary of Investor or any Constituent Plans with respect to Investor's decision to purchase or hold any Notes and neither the Company, the Manager nor any of their affiliates shall at any time be relied upon as a fiduciary of Investor or any Constituent Plans with respect to any decision to purchase, continue to hold or redeem any Notes; and (g) none of the Company, the Manager or any of their affiliates have provided investment advice with respect to Investor's decision to purchase or hold any Notes.

(iii) Investor understands that any time Benefit Plan Investors own 25% or more of any class of equity in the Company, that the Company is deemed to hold ERISA plan assets and that transactions in which the Company may engage will be subject to ERISA's fiduciary obligations, as well as the prohibited transaction excise tax provisions of Code Section 4975. Consequently, for any periods during which the Company will be deemed to hold ERISA plan assets, the "named fiduciary" of any Investor, if it is subject to ERISA, hereby appoints the Manager to be an "investment manager" (as defined in Section 3(38) of ERISA) with respect to the assets of such Investor, pursuant to ERISA Section 402(c)(3). Investor, if subject to ERISA, hereby represents that (a) Investor's investment in the Company was authorized by the named fiduciaries of the Constituent Plans; and (b) the party completing and executing this Subscription Agreement on behalf of Investor has the authority under the explicit terms of the governing documents of each of the relevant Constituent Plans of Investor (and any necessary and proper delegation instructions thereunder) to appoint the Manager as an investment manager of such

Constituent Plans of Investor with respect to the plan assets of such Constituent Plans deemed to be held by the Company.

(iv) Investor (a) agrees to inform the Manager immediately of any change in the status of Investor which results in Investor becoming or ceasing to be a "Benefit Plan Investor", or a "Controlling Person"; and (b) agrees that the information supplied in this Subscription Agreement upon acquisition of the Notes and as requested thereafter will be utilized (i) to determine whether Benefit Plan Investors own less than 25% of the value of each class of Notes of the Company, both upon the original issuance of Notes and upon any subsequent transfer of Interests and (ii) to determine the applicability of Prohibited Transaction Class Exemption 84-14, or any other prohibited transaction class exemption, to transactions in which the Company may engage, so as to avoid engaging in nonexempt prohibited transactions.

(v) Investor acknowledges that the Company, the Manager and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and warranties and agrees that, if any of the acknowledgments, representations or warranties made or deemed to have been made by it in connection with its purchase of Interests are no longer accurate, Investor will promptly notify the Manager.

(B) Transfer Restrictions. Each Investor that is a Benefit Plan Investor agrees that it will not sell or otherwise transfer the Notes to a transferee except with the consent of the Manager which consent may be withheld and, unless pursuant to a redemption right set forth therein.

(C) Further Advice and Assurances. Investor understands that the foregoing information will be relied upon by the Company to determine (a) whether the Company will constitute an entity holding ERISA Plan assets and (b) whether transactions in which the Company may engage are exempt from the prohibited transaction rules of ERISA and Section 4975 of the Code pursuant to Prohibited Transaction Class Exemption 84-14. Investor agrees to provide, if requested, any additional information that may be reasonably required to determine compliance with ERISA and/or Section 4975 of the Code or to otherwise determine its eligibility to purchase Interests.

6. **GOVERNING LAW; JURISDICTION**.

(A) This Subscription Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, except as to the type of registration of ownership of Notes, which shall be construed in accordance with the state of the primary residence or principal place of business of Investor.

(B) Investor hereby covenants and agrees that venue for litigation of any dispute, controversy or other claim arising under, out of or relating to this Subscription Agreement or any of the transactions contemplated hereby, or any amendment thereof, or the breach or interpretation hereof or thereof, shall be solely in the Delaware Court of Chancery or the United States District Court for the District of Delaware.

7. **INDEMNIFICATION**. Investor hereby agrees to indemnify, defend and hold harmless the Company and the Manager, and their respective members, managers, shareholders, officers, directors, partners, employees, affiliates and advisers from any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) that they may incur by reason of Investor's failure to fulfill all of the terms and conditions of this Subscription Agreement or by reason of the untruth or inaccuracy of any of the representations, warranties, covenants or agreements contained herein or in any other documents Investor has furnished to any of the foregoing in connection with this transaction. This indemnification includes, but is not limited to, any damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) incurred by the Company or the Manager and their respective members, managers, shareholders, officers, directors, partners, employees, affiliates or advisers defending against any alleged violation of federal or state securities laws that is based upon or related to any untruth or inaccuracy of any of the representations, warranties, covenants or agreements contained herein or in any other documents Investor has furnished in connection with this transaction.

8. **MISCELLANEOUS**.

(A) Investor may not transfer or assign this Subscription Agreement, or any interest herein, and any purported transfer shall be void.

(B) Investor hereby acknowledges and agrees that Investor is not entitled to cancel, terminate or revoke this Subscription Agreement and that this Subscription Agreement constitutes a legal, valid and binding obligation of Investor, enforceable against Investor and Investor's heirs, successors and personal representatives; provided, however, that if the Company rejects this Subscription Agreement, this Subscription Agreement shall be automatically canceled, terminated and revoked.

(C) This Subscription Agreement, together with all attachments and exhibits thereto, constitutes the entire agreement among the parties hereto with respect to the sale of the Notes and may be amended, modified or terminated only by a writing executed by all parties (except as provided herein with respect to rejection of this Subscription Agreement by the Company.

(D) Within five (5) days after receipt of a written request from the Company, Investor agrees to provide such information and to execute and deliver such documents as may be reasonably necessary to comply with any and all laws and regulations to which the Company is subject.

(E) The representations, warranties and covenants of Investor set forth herein shall survive (i) the acceptance of the Investor's subscription by the Company and the Closing, (ii) changes in the transactions, documents and instruments described in the Memorandum which are not material or which are to the benefit of Investor, (iii) the death or disability of Investor and (iv) termination of the Company.

(F) If any term or provision of this Subscription Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Subscription Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

(G) This Subscription Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which together shall be deemed to be one and the same agreement.

(H) The section and other headings contained in this Subscription Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Subscription Agreement.

(I) All notices or other communications given or made hereunder, other than the delivery of this Subscription Agreement and the Investor's Subscription Payment, shall be in writing and shall be e-mailed or delivered (prepaid) to the Company at 234 Mall Boulevard, Suite 270, King of Prussia, PA 19406, and to Investor at the specified address set forth in this Subscription Agreement, except as such address may be changed from time to time by notice from Investor to the Company.

9. **BAD ACTOR REPRESENTATIONS, WARRANTIES AND COVENANTS**. Investor hereby represents, warrants and covenants as follows:

(A) Investor has not been convicted, within ten (10) years before the Subscription Date (as defined below), of any felony or misdemeanor:

(i) in connection with the purchase or sale of any security

(ii) involving the making of any false filing with the SEC; or

(iii) arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;

(B) Investor is not subject to any order, judgment or decree of any court of competent jurisdiction, entered within five (5) years before the Subscription Date, that, at such time, restrains or enjoins such person from engaging or continuing to engage in any conduct or practice:

(i) in connection with the purchase or sale of any security;

(ii) involving the making of any false filing with the SEC; or

(iii) arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;

(C) Investor is not subject to a final order of a state securities commission (or an agency or officer of a state performing like functions); a state authority that supervises or examines banks, savings associations, or credit unions; a state insurance commission (or an agency or officer of a state performing like functions); an appropriate federal banking agency; the U.S. Commodity Futures Trading Commission; or the National Credit Union Administration that:

(i) as of the Subscription Date, bars Investor from:

(a) association with an entity regulated by such commission, authority, agency, or officer;

(b) engaging in the business of securities, insurance or banking; or

(c) engaging in savings association or credit union activities; or

(ii) constitutes a final order based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct entered within ten (10) years before the Subscription Date;

(D) Investor is not subject to an order of the SEC entered pursuant to section 15(b) or 15B(c) of the Exchange Act *(15 U.S.C. 78* o (b) or 78 o -4(c)) or section 203(e) or (f) of the Investment Advisers Act *(15 U.S.C. 80b-3*(e) or (f)) that, as of the Subscription Date:

(i) suspends or revokes Investor's registration as a broker, dealer, municipal securities dealer or investment adviser;

(ii) places limitations on the activities, functions or operations of Investor; or

(iii) bars Investor from being associated with any entity or from participating in the offering of any penny stock;

(E) Investor is not subject to any order of the SEC entered within five (5) years before the Subscription Date, which, as of the Subscription Date, orders Investor to cease and desist from committing or causing a violation or future violation of:

(i) any scienter-based anti-fraud provision of the federal securities laws, including without limitation section 17(a)(1) of the Securities Act *(15 U.S.C. 77q*(a)(1)), Section 10(b) of the Exchange Act *(15 U.S.C. 78j*(b)) and *17 CFR 240.10b-5*, Section 15(c)(1) of the Exchange Act *(15 U.S.C. 78* o (c)(1)) and Section 206(1) of the Investment Advisers Act *(15 U.S.C. 80b-6*(1)), or any other rule or regulation thereunder; or

(ii) Section 5 of the Securities Act *(15 U.S.C. 77e).*

(F) Investor is not suspended or expelled from membership in, or suspended or barred from association with a member of, a registered national securities exchange or a registered national or affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade;

(G) Investor has not filed (as a registrant or issuer), or was not named as an underwriter in, any registration statement or Regulation A offering statement filed with the SEC that, within five (5) years before the Subscription Date, was the subject of a refusal order, stop order, or order suspending the Regulation A exemption, or is, as of the Subscription Date, the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued; and

(H) Investor is not subject to a United States Postal Service false representation order entered within five (5) years before the Subscription Date, and is not, as of the Subscription Date, subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the United States Postal Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations.

(I) Investor will immediately notify the Company in writing if Investor becomes subject to any of the events set forth above in this Section 9 (a "Disqualification Event") following the Subscription Date. Such notice shall be referred to as a "Bad Act Notice" and shall set forth in sufficient detail the nature of the Disqualification Event to which Investor has become subject and the date of the occurrence of the Disqualification Event.

10. **CLOSING**. The closing of the purchase and sale of the Note(s) purchased by Investor shall take place and be effective upon acceptance by the Company of Investor's subscription for Note(s) as described above.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Investor has executed this Subscription Agreement this ____ day of _____, 201__ (the "Subscription Date").

If Investor(s) is/are (a) natural person(s):

_____	_____
(print name)	(print name)
_____	_____
Signature	Signature

If Investor is other than a natural person:

_____
(print name)

By: _____
Name: _____
Title: _____

MUST BE SIGNED BY CUSTODIAN OR TRUSTEE IF PLAN IS ADMINISTERED BY A THIRD PARTY.

Accepted by:

ABFP INCOME FUND, LLC,
a Delaware limited liability company

By: Pillar Life Settlement Management Company, LLC

By: _____
Dean Vagnozzi, Sole Member

Date: _____

ATTACHMENT A

CONSENT OF SPOUSE

(For natural persons in community property states, which are currently Alaska, Arizona, California, Idaho, Louisiana, Nevada New Mexico, Texas, Washington and Wisconsin)

I, _____, spouse of _____
(print name) (print name)
have read and hereby approve of the Subscription Agreement for ABFP INCOME FUND, LLC (the "Subscription Agreement"), which my spouse has signed. I hereby appoint my spouse as my attorney-in-fact with respect to the exercise of any rights related to a purchase of any such Interests and agree to be bound by the provisions of the Subscription Agreement and any other documents related to the purchase of any such Notes (collectively, the "Subscription Documents") insofar as I may have any rights in said Subscription Documents or any property or interest subject thereto under the community property laws of the State/Commonwealth of _____ or similar laws relating to marital property in effect in the state of our primary residence as of the date of the signing of the Subscription Agreement and/or the Subscription Documents.

Dated: _____, 20 ____ _____
(signature)

ATTACHMENT B

CORPORATE/LIMITED LIABILITY COMPANY/LIMITED PARTNERSHIP RESOLUTION

(to be completed only by Investors that are corporations, limited liability companies or limited partnerships)

This form may be used by any Investor(s) to grant designated officer(s), manager(s), member(s) or partner(s) of an entity full authority regarding an investment in ABFP INCOME FUND, LLC, a Delaware limited liability company.

Date: _____

I, the undersigned, hereby certify that pursuant to:

_____ A valid meeting of the board of directors/managers/members/partners of _____, an entity organized and existing under and by virtue of the laws of the State/Commonwealth of _____ (the "Entity"), on _____ (date of incorporation or formation) at which said meeting a quorum was present and acting throughout; or

_____ A valid written consent of the board of directors/managers/members/partners of _____, an entity organized and existing under and by virtue of the laws of the State/Commonwealth of _____ (the "Entity"), on _____ (date of incorporation or formation),

the following resolution was adopted and remains in full force and effect without modification through the date set forth above:

RESOLVED, that any officers/managers/members/partners of the Entity listed below are, and any one of them hereby is, fully authorized, empowered and directed to invest and to purchase promissory notes issued by ABFP INCOME FUND, LLC, a Delaware limited liability company, and that each of such officers/managers/members/partners is hereby authorized, empowered and directed to execute, deliver on behalf of the Entity and cause the Entity to perform, under any and all agreements, instruments and other documents, and to take such actions as such officers/managers/members/partners may reasonably deem necessary or advisable to carry out such investments or modifications thereto.

I further certify that the authority thereby conferred is not inconsistent with the charter/bylaws/operating agreement/partnership agreement, as amended, of the Entity, and that the

following is a true and correct list of the officers/managers/members/partners of the Entity as of the date set forth above:

Name: _____ Title: _____ Percentage Ownership: ____

Name: _____ Title: _____ Percentage Ownership: ____

Name: _____ Title: _____ Percentage Ownership: ____

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of _____, 20___.

Authorized Signatory:_____
Print Name: _____

ATTACHMENT C

TRUST CERTIFICATION OF INVESTMENT POWERS

(to be completed only by Investors that are trusts)

This form may be used in connection with investments in ABFP INCOME FUND, LLC, a Delaware limited liability company (the "Company"), by a trust.

TRUST INFORMATION:

Name of Trust: _____

Date of Trust: _____

Date of Latest Amendment of Trust: _____

Revocable Living Trust: ____ yes ____ no

Trust Beneficiary #1: _____

Trust Beneficiary #2: _____

AUTHORIZED INDIVIDUALS:

You are authorized to accept orders and other instructions from those individuals or entities listed below, unless their authority is expressly limited on this certification (attach extra pages if necessary).

Please select one of the following three options:

____ The Trustee(s) listed below may act as a majority as provided in the trust document referenced above.

____ The Trustee(s) listed below may act independently as provided in the trust document referenced above.

____ The Trustee(s) listed below must act collectively as provided in the trust document referenced above.

We certify that we have the power under the Trust and applicable law to enter into transactions involving the establishment and modification of subscriptions pertaining to investment in the promissory notes issued by Company in respect of which the Trust has submitted a completed Subscription Agreement.

We understand the Manager of the Company, in its sole discretion and for the protection of the Company, may require the written consent of any or all the Trustees prior to acting upon the instructions of any individual Trustee. We, the Trustee(s), jointly and severally shall indemnify the Company and hold the Company harmless from any liability for affecting any orders,

transactions and instructions, if the Company acts pursuant to instructions the Manager believes to have been given by any of the authorized individuals listed below.

We agree to inform the Company in writing of any amendment to the Trust that affects its interest in the Company or its actions in respect thereto, or any change in the composition of the Trustee(s), or any other event that could materially alter the certification made above. The Company may rely on the continued validity of this certification indefinitely absent actual receipt of notice otherwise.

(All Trustee(s) must sign. Should only one person execute this Attachment C, it shall constitute a representation that the signer is the sole Trustee. Please attach extra pages if necessary.)

TRUSTEES:

Signature: _____

Trustee Name: _____

Date: _____

Signature: _____

Trustee Name: _____

Date: _____

Signature: _____

Trustee Name: _____

Date: _____

SUCCESSOR TRUSTEES:

Signature: _____

Trustee Name: _____

Date: _____

Signature: _____

Trustee Name: _____

Date: _____

Signature: _____

Trustee Name: _____

Date: _____

EXHIBIT B

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 11080 / July 7, 2022

SECURITIES EXCHANGE ACT OF 1934
Release No. 95205 / July 7, 2022

ADMINISTRATIVE PROCEEDING
File No. 3-20926

In the Matter of **JOHN W. PAUCIULO, Esq.,** **Respondent.**	**ORDER INSTITUTING PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTIONS 4C AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 102(e) OF THE COMMISSION'S RULES OF PRACTICE, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that public administrative and cease-and-desist proceedings be, and hereby are, instituted against John W. Pauciulo, Esq. ("Respondent" or "Pauciulo") pursuant to Section 8A of the Securities Act of 1933 ("Securities Act") and Sections 4C[1] and 21C of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 102(e)(1)(iii) of the Commission's Rules of Practice.[2]

---

[1] Section 4C provides, in relevant part, that:

> The Commission may censure any person, or deny, temporarily or permanently, to any person the privilege of appearing or practicing before the Commission in any way, if that person is found . . . (1) not to possess the requisite qualifications to represent others; (2) to be lacking in character or integrity, or to have engaged in unethical or improper professional conduct; or (3) to have willfully violated, or willfully aided and abetted the violation of, any provision of the securities laws or the rules and regulations issued thereunder.

[2] Rule 102(e)(1)(iii) provides, in pertinent part, that:

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Public Administrative Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Exchange Act of 1933 and Sections 4C and 21C of the Securities Exchange Act of 1934 and Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions and a Cease-And-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds[3] that:

A. SUMMARY

1. These proceedings arise out of attorney Pauciulo's role in a multi-million dollar unregistered offering fraud through his involvement with the unregistered and fraudulent offerings of multiple private investment funds created to invest in Complete Business Solutions Group, d/b/a Par Funding ("CBSG"). Pauciulo made material misstatements and omissions in private placement memoranda ("PPMs") he prepared for many of these private investment funds and in in-person and video presentations he made to prospective investors and investors. Among other things, Pauciulo said that the investments did not need to be registered with the SEC and that they complied with the securities laws and gave full disclosure to investors. However, Pauciulo knew or was reckless in not knowing that there was no exemption from registration available for the CBSG offering or some of the private investment fund offerings because CBSG and some of the private investment funds engaged in a general solicitation. By engaging in this conduct, Pauciulo violated Sections 5(a), 5(c) and 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

B. RESPONDENT

2. Pauciulo, age 56, resides in Pennsylvania. He is an attorney licensed to practice in the Commonwealth of Pennsylvania. During the relevant time, Pauciulo served as the chair of his law firm's Financial Transactions Group.

> The Commission may . . . deny, temporarily or permanently, the privilege of appearing or practicing before it . . . to any person who is found…to have willfully violated, or willfully aided and abetted the violation of any provision of the Federal securities laws or the rules and regulations thereunder.

[3] The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

C. OTHER RELEVANT ENTITY AND INDIVIDUALS

3. CBSG is a Delaware corporation that was engaged in the merchant cash advance business. Neither CBSG nor any of its securities have ever been registered with the Commission in any capacity. In November 2018, the Pennsylvania Department of Banking and Securities filed a Consent Agreement and Order (the "Pennsylvania Order") against CBSG for selling securities through at least one unregistered sales agent. CBSG also is subject to a December 2018 Summary Cease and Desist Order issued by the New Jersey Bureau of Securities (the "New Jersey Order") for CBSG's offer and sale of unregistered securities. In February 2020, the Texas State Securities Board issued an Emergency Cease and Desist Order against CBSG and others, alleging fraud and registration violations (the "Texas Order"). In July 2020, the Commission charged CBSG, seven individuals, and various other entities, in an emergency action in federal district court for antifraud and securities registration violations (the "CBSG Action").

4. Dean J. Vagnozzi, age 53, resides in Collegeville, Pennsylvania, and is the sole owner of ABetterFinancialPlan.com, LLC d/b/a/ ABetterFinancialPlan ("ABFP"), which is an investment firm that offers alternative investments involving assets unrelated to the stock market. ABFP has never been registered with the Commission. Vagnozzi has a disciplinary history. On May 30, 2019, Vagnozzi d/b/a ABFP entered into a settlement with the Pennsylvania Department of Banking and Securities in connection with the sale of notes offered and sold by CBSG, in which he agreed to pay a penalty of $490,000 for violations of the Pennsylvania Securities Act of 1972. *See Commonwealth of Pennsylvania Department of Banking and Securities, Bureau of Securities Compliance and Examinations v. Dean J. Vagnozzi d/b/a Better Financial Plan, LLC*, Docket No. 190016 (SEC-OSC)(May 30, 2019).

5. Joseph W. LaForte, age 51, is a resident of Philadelphia, Pennsylvania. LaForte was an undisclosed control person of CBSG. In 2007, LaForte was convicted of state charges in New York for grand larceny and money laundering, sentenced to jail time, and ordered to pay $14.1 million in restitution. In 2009, LaForte pled guilty to federal criminal charges in the District of New Jersey for conspiracy to operate an illegal gambling business. He was sentenced to ten months incarceration, three years supervised release, and a $5,000 fine. He was released from jail in February 2011.

D. FACTS

6. CBSG engaged in an unregistered, fraudulent offering of securities in the form of notes (the "CBSG Notes") from August 2012 until July 2020, when the Commission obtained emergency injunctive relief from the federal district court to halt the offering. CBSG initially offered the CBSG Notes directly to the investing public, using a network of sales agents who solicited investors for CBSG in exchange for commissions.

7. CBSG switched its sales strategy in 2018 after Pennsylvania regulators launched an investigation into the sale of the CBSG Notes. CBSG began using what it called a "fund model," through which it raised investor money for CBSG's unregistered offering through sales agents located nationwide who operated their own private investment funds.

8. Pauciulo provided legal representation for one of the sales agents, Vagnozzi, who raised more than $100 million from investors for investment into CBSG through at least seven private investment funds (the "Vagnozzi Agent Funds"), and Pauciulo also provided legal representation for at least 25 other private investment funds formed to raise money for CBSG (collectively, with the Vagnozzi Agent Funds, the "Agent Funds").

9. The Agent Funds raised money from investors to be invested in CBSG's merchant cash advance business, and issued promissory notes to the investors. Then, the Agent Funds transferred the investor money to CBSG in exchange for 12-month promissory notes that CBSG issued to the Agent Funds in CBSG's unregistered offering. CBSG compensated the Agent Funds for soliciting investors and investing in the CBSG notes by paying the Agent Funds 20% interest on the CBSG notes. The Agent Funds then paid lesser returns to investors, ranging from 8% to 12% interest, and kept as their compensation the "spread" between the 20% received from CBSG and the 8% to 12% interest the Agent Funds paid investors.

10. Vagnozzi, with Pauciulo's assistance, created a turnkey operation to create the Agent Funds. Vagnozzi recruited other agents to start their own Agent Funds that would issue, offer, and sell promissory notes to investors. Vagnozzi introduced the agents he recruited to Pauciulo. Pauciulo provided legal representation to the agents and helped them create their own Agent Funds by drafting the offering documents necessary for the Agent Funds to issue promissory notes, including PPMs and the filing of Notices of Exempt Offering of Securities on Form D with the Commission in reliance on Rule 506(b).

11. From no later than January 2018 until at least July 31, 2019, Pauciulo attended and spoke at dinner seminars Vagnozzi held to solicit investors for the Vagnozzi Agent Funds. During at least one dinner presentation on July 31, 2019, Pauciulo told investors that the securities being offered were exempt from registration with the Commission. Pauciulo also spoke with potential investors by telephone and told them that the investment was legal and that it complied with the securities laws.

12. From no later than March 2018 through at least late 2019, Vagnozzi and the Agent Funds distributed a video to prospective investors featuring Pauciulo. Pauciulo knew when he filmed the video that it would be shown to potential investors. In the video, Pauciulo tells potential investors about his specialized experience as a securities law attorney and assures them that: (1) he and his law firm "…work very hard to make sure things are done the correct and appropriate way;" (2) he drafts a PPM to provide investors with "all the information that a reasonable person would want to know or information they want to have in order to make an informed investment decision;" and (3) he conducts due diligence and it is "… all about disclosure. Disclosure of risk, disclosure of the nature of the investment."

13. Pauciulo knew that Vagnozzi was advertising on the radio, and Pauciulo appeared on at least one radio show with Vagnozzi.

14. Through his legal representation of Vagnozzi, Pauciulo was aware in May 2019 that Vagnozzi had settled a regulatory action with the Commonwealth of Pennsylvania ordering him to pay a $490,000 fine based on his sales of the CBSG investment in violation of state law. Pauciulo was also aware that in February 2020, the Texas State Securities Board issued an

Emergency Cease and Desist Order against CBSG and others, including Vagnozzi, alleging fraud and registration violations. Pauciulo also knew since at least 2017, that LaForte, an undisclosed control person of CBSG, who was running the company, had a criminal history. LaForte had been convicted in 2007 of grand larceny and money laundering and had pled guilty in 2009 to federal criminal charges for conspiracy to operate an illegal gambling business.

15. Pauciulo was a necessary participant and substantial factor in the CBSG offering and in the offering of the seven Agent Funds Vagnozzi controlled, by virtue of his drafting of the Agent Funds' PPMs and signing Forms D claiming exemptions under Rule 506(b).

16. Pauciulo knew or was reckless in not knowing that there was no exemption from registration available for the CBSG offering that he and the Agent Funds participated in, because CBSG engaged in a general solicitation. Pauciulo also knew that Vagnozzi was engaged in a general solicitation through radio ads and dinner seminars, and thus, the seven Agent Funds Vagnozzi controlled had no exemption from registration.

17. Pauciulo made material misrepresentations and omissions to investors. Pauciulo told investors that the investments did not need to be registered with the SEC and that they complied with the securities laws. Pauciulo knew or was reckless in not knowing that there was no exemption available for the CBSG offering or the Vagnozzi Agent Funds offerings, and thus, the offerings needed to be registered with the SEC. Pauciulo touted Vagnozzi's investment experience in presentations and in the PPMs he prepared, but failed to disclose Vagnozzi's regulatory history and also failed to disclose LaForte's criminal history. Pauciulo made these omissions while telling investors and prospective investors that the PPMs he prepared contained all the information that a reasonable person would want to know in order to make an informed investment decision.

18. In approximately March 2020 during the beginning of the Covid-19 pandemic, CBSG's business began to fail and it stopped paying returns to some investors. Pauciulo appeared with Vagnozzi in two April 2020 video calls with the Vagnozzi Agent Funds investors to solicit them to exchange their Agent Funds' promissory notes for new promissory notes (the "Exchange Offering"). The new notes would be from the same Agent Funds issuers, but with lower interest rates and longer maturity dates, purportedly to allow CBSG to recover and begin making payments again. On the first video call, Pauciulo told investors that he would file a first priority lien against CBSG's assets and stated that no prior liens had been filed against CBSG. Pauciulo knew or was reckless in not knowing that prior liens against CBSG's assets existed. On the second video call, Pauciulo participated and listened while Vagnozzi assured investors that they would have security through the new notes because he would secure liens against CBSG. Pauciulo failed to disclose to investors in the two video calls or in the supplemental PPMs he drafted for the Exchange Offering that CBSG was the subject of several regulatory actions.

Findings

19. Based on the foregoing, the Commission finds that Pauciulo willfully violated Sections 5(a), 5(c) and 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

20. Based on the foregoing, the Commission finds that Pauciulo engaged in conduct within the meaning of Section 4C(a)(3) of the Exchange Act and Rule 102(e)(1)(iii) of the Commission's Rules of Practice.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Pauciulo's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that**:**

A. Respondent shall cease and desist from committing or causing any violations and any future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

B. Respondent is denied the privilege of appearing or practicing before the Commission as an attorney.

C. After five years from the date of the Order, Respondent may request that the Commission consider Respondent's reinstatement by submitting an application to the attention of the Office of the General Counsel.

D. In support of any application for reinstatement to appear and practice before the Commission as an attorney, Respondent shall provide a certificate of good standing from each state bar where Respondent is a member.

E. In support of any application for reinstatement, Respondent shall also submit a signed affidavit truthfully stating, under penalty of perjury:

1. That Respondent has complied with the Commission suspension Order, and with any related orders and undertakings including any orders in this Order or any related Commission proceedings, including any orders requiring payment of disgorgement or penalties;

2. That Respondent is not currently suspended or disbarred as an attorney by a court of the United States (or any agency of the United States) or the bar or court of any state, territory, district, commonwealth, or possession;

3. That Respondent, since the entry of the Order, has not been convicted of a felony or a misdemeanor involving moral turpitude that would constitute a basis for a forthwith suspension from appearing or practicing before the Commission pursuant to Rule 102(e)(2);

4. That Respondent, since the entry of the Order:

a. has not been charged with a felony or a misdemeanor involving moral turpitude as set forth in Rule 102(e)(2) of the Commission's Rules of Practice, except for any charge concerning the conduct that was the basis for the Order;

b. has not been found by the Commission or a court of the United States to have committed a violation of the federal securities laws, and has not been enjoined from violating the federal securities laws, except for any finding or injunction concerning the conduct that was the basis for the Order;

c. has not been charged by the Commission or the United States with a violation of the federal securities laws, except for any charge concerning the conduct that was the basis for the Order;

d. has not been found by a court of the United States (or any agency of the United States) or any state, territory, district, commonwealth, or possession, or any bar thereof to have committed an offense (civil or criminal) involving moral turpitude, except for any finding concerning the conduct that was the basis for the Order;

e. has not been charged by the United States (or any agency of the United States) or any state, territory, district, commonwealth, or possession, civilly or criminally, with having committed an act of moral turpitude, except for any charge concerning the conduct that was the basis for the Order; and

f. has not been subject to disciplinary action by a bar, court or agency of any state for violations of applicable rules of professional conduct, except for any charge concerning the conduct that was the basis for the Order;

5. That Respondent's conduct is not at issue in any pending investigation of the Commission's Division of Enforcement or any criminal law enforcement investigation.

6. That Respondent is not the subject of any complaints to, or investigations by, the bar or court of any state, territory, district, commonwealth, or possession, except to the extent that such complaints concern the conduct that was the basis for the Order;

7. That Respondent has complied with any and all orders, undertakings, or other remedial, disciplinary, or punitive sanctions resulting from any action taken by the bar or court of any state, territory, district, commonwealth, or possession, or other regulatory body; and

8. That Respondent undertakes to notify the Office of General Counsel immediately in writing if any information submitted in support of the application for reinstatement becomes materially false or misleading or otherwise changes in any material way while the application is pending.

F. Respondent shall also provide a detailed description of:

1. Respondent's professional history since the imposition of the Order, including

(a) all job titles, responsibilities and role at any employer;

(b) the identification and description of any work performed for entities regulated by the Commission, and the persons to whom Respondent reported for such work;

2. The circumstances under which Respondent's membership in a state bar or any court for which Respondent was a member has lapsed or otherwise is no longer active and an explanation of why for each; and

3. Respondent's plans for any future appearance or practice before the Commission.

G. The Commission may conduct its own investigation to determine if the foregoing attestations are accurate.

H. If Respondent provides the documentation and attestations required in this Order and the Commission (1) discovers no contrary information therein, and (2) determines that Respondent truthfully and accurately attested to each of the items required in Respondent's affidavit, and the Commission discovers no information, including under Paragraph G, indicating that Respondent has violated a federal securities law, rule or regulation or rule of professional conduct applicable to Respondent since entry of the Order (other than by conduct underlying Respondent's original Rule 102(e) suspension), then, unless the Commission determines that reinstatement would not be in the public interest, the Commission shall reinstate the respondent for cause shown.

I. If Respondent is not able to provide the documentation and truthful and accurate attestations required in this Order or if the Commission has discovered contrary information, including under Paragraph G, the burden shall be on the Respondent to provide an explanation as to the facts and circumstances pertaining to the matter setting forth why Respondent believes cause for reinstatement nonetheless exists and reinstatement would not be contrary to the public interest. The Commission may then, in its discretion, reinstate the Respondent for cause shown.

J. If the Commission declines to reinstate Respondent pursuant to Paragraphs H and I, it may, at Respondent's request, hold a hearing to determine whether cause has been shown to permit Respondent to resume appearing and practicing before the Commission as an attorney.

K. Respondent shall pay a civil money penalty of one hundred twenty-five thousand dollars ($125,000). Payment shall be made to CBSG dba Par Funding Receivership (aka Ryan K. Stumphauzer, Esq., the court-appointed receiver for Complete Business Solutions Group, Inc. dba Par Funding), pursuant to Rule 1102 of the Commission Rules of Fair Fund and Disgorgement Plans [17 C.F.R. § 201.1102]. Payment shall be made in the following installments:

1) $65,000 within 14 days of the entry of the Order;
2) $15,000.00 within 99 days of the entry of the Order:
3) $15,000,00 within 184 days of the entry of the Order:
4) $15,000.00 within 269 days of the entry of the Order;
5) $15,000,00 within 354 days of the entry of the Order;

Payments shall be applied first to post-order interest, which accrues pursuant to 31 U.S.C. §3717. Prior to making the final payment set forth herein, Respondent shall contact the staff of the Commission for the amount due. If Respondent fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

Payment must be made in one of the following ways:

(1) Respondent may transmit payment electronically to CBSG dba Par Funding Receivership, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondent may pay by certified check or bank cashier's check, made payable to CBSG dba Par Funding Receivership and hand-delivered or mailed by United States Postal Service or overnight courier to:

CBSG dba Par Funding Receivership
Development Specialists, Inc.
Attn: Stacey Cooper
500 W. Cypress Creek Road, Suite 400
Fort Lauderdale, FL 33309

The suite number must be included in the address if mailing or overnight courier.

Payments by check must be accompanied by a copy of this Order and a cover letter identifying Mr. Pauciulo as a Respondent in these proceedings, the file number of these proceedings, and *Securities and Exchange Commission v. Complete Business Solutions Group, Inc. d/b/a Par Funding et al.*, Civil Action No. 20-cv-81205-RAR. A copy of the cover letter and check must be simultaneously sent to Glenn S. Gordon, Associate Regional Director, Miami Regional Office, Securities and Exchange Commission, 801 Brickell Avenue, Suite 1950, Miami, FL 33131. If the payment is transmitted electronically, the Respondent must, within 3 business days

of making the payment, send a copy of the electronic payment receipt, along with a cover letter identifying the Respondent in these proceedings and the file number of these proceedings to Glenn S. Gordon, Associate Regional Director, Miami Regional Office, Securities and Exchange Commission, 801 Brickell Avenue, Suite 1950, Miami, FL 33131.

L. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, a Fair Fund is created for the penalty referenced in paragraph K above. The Fair Fund will be distributed by the court-appointed receiver. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary