

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

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

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**RECEIVER RYAN K. STUMPHAUZER'S  
QUARTERLY STATUS REPORT DATED OCTOBER 31, 2022**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver (“Receiver”) of the Receivership Entities,<sup>1</sup> pursuant to the requirements of the Amended Order Appointing Receiver [ECF No. 141],

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

hereby files this Quarterly Status Report dated October 31, 2022. By way of summary, the Receivership Estate consists of, among other things, approximately \$55 million of real property, \$3 million in other tangible assets the Receiver has brought into the Receivership Estate (including boats, cars, artwork, and luxury watches), and \$116,513,918 in cash (as of September 30, 2022). As of October 28, 2022, the current cash balance was \$118,158,801. The report attached as Exhibit 1 includes a schedule reflecting the net tangible assets contained within the Receivership Estate.

**I. Overall Administration of Receivership Estate**

**A. Quarterly Report of Receivership Estate**

Pursuant to the requirements of the Amended Order Appointing Receiver [ECF No. 141], attached as Exhibit 1 is a full report and accounting reflecting (to the best of the Receiver's knowledge as of the period covered by the report) the existence, value, and location of all Receivership Property, and of the extent of liabilities, both those claimed to exist by others and those the Receiver believes to be legal obligations of the Receivership Estates (the "Quarterly Report"). The Quarterly Report contains the following information: (1) summary of the operations of the Receiver; (2) the amount of cash on hand, the amount and nature of accrued administrative expenses, and the amount of unencumbered funds in the estate; (3) a schedule of all the Receiver's receipts and disbursements (attached as Exhibit A to the Quarterly Status Report), with one column for the quarterly period covered and a second column for the entire duration of the receivership; (4) a description of all known Receivership Property, including approximate or actual valuations, anticipated or proposed dispositions, and reasons for retaining assets where no disposition is intended; (5) a description of liquidated and unliquidated claims held by the Receivership Estate, including the need for forensic and/or investigatory resources; approximate valuations of claims; and anticipated or proposed methods of enforcing such claims (including likelihood of success in:

(i) reducing the claims to judgment; and, (ii) collecting such judgments); (6) a list of all known creditors with their addresses and the amounts of their claims; (7) the status of Creditor Claims Proceedings, after such proceedings have been commenced; and (8) the Receiver's recommendations for a continuation or discontinuation of the receivership and the reasons for the recommendations, as required pursuant to Paragraphs 53 and 54 of the Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141].

## **II. Update on Other Assets Included within the Receivership Estate**

### **A. Accounts Receivable and Collection Activities**

At the time of his appointment, the Receiver obtained control over \$28,779,570 in cash held by the various original Receivership Entities. As a result of various Orders expanding the Receivership, the Receiver obtained an additional \$14,756,649 in cash held by the additional Receivership Entities. The Receiver has also acquired an additional \$97,679,643 in cash through collections, settlements, and other recoveries. After accounting for expenses, the total cash balance was \$116,513,918 as of September 30, 2022. As of October 31, 2022, the current cash balance was \$118,158,801.

### **B. Accounts Receivable – Merchant Cash Advance Accounts**

The Receiver, his professionals, and the staff he rehired at Par Funding have been continuing to collect on the accounts receivable for the merchant cash advance (“MCA”) accounts that were pending with the company as of the time the Receiver took over the operations of Par Funding. Historically, the Receiver has reported the entire accounts receivable balances that were on Par Funding's books for these MCA accounts, while explaining that these balances did not reflect appropriate reductions or reserves for collectability or bad debt. Beginning with the prior reporting period (April 1, 2022 through June 30, 2022), the Receiver, through his outside

consultants, counsel, and internal collection staff and accountants, has analyzed the collectability of the balances for all MCA companies. Through this reporting period, the Receiver determined that certain amounts should be written off due to closed bankruptcies, circumstances where the merchant is out of business, and circumstances where there is neither viable guarantors nor viable collateral. In analyzing the MCA balances, the Receiver also determined that a reserve was required for accounts with ongoing bankruptcies and other circumstances where full payment is doubtful. *See* DSI's Report, attached as Exhibit 1. At the end of the prior reporting period (April 1, 2022, through June 30, 2022), the net result of these adjustments was a reduction of the total receivable balance from approximately \$345 million to \$224 million. At the end of the current reporting period, the total receivable balance was further reduced as a result of these adjustments to a total of \$189 million. The Receiver will continue to analyze this portfolio to determine realistic write-offs and allowances for additional amounts that are not likely to be collected.

Based upon an analysis of information available to CBSG management as of December 31, 2018, and December 31, 2019, the Receiver, together with his counsel, Full Spectrum Processing staff, and operational consultants from DSI, determined that several merchant balances were uncollectible and should have been written off prior to the filing of the tax returns for those years. The Receiver considered many factors, including merchants that had declared or been discharged in bankruptcy, merchants that had not paid for several months and were, therefore, uncollectible according to the company's own existing policies, and merchants that had ceased operations and, therefore, had no future revenues to repay MCA balances. The Receiver believes that CBSG and related entities will not have any taxable income for these prior years and, therefore, may be entitled to substantial tax refunds.

**C. Collection Efforts Through Outside Collection Company and Litigation**

Altus Receivables Management, Inc. (“Altus”) is a national collection company that the Receiver has engaged on a contingency fee recovery basis. Altus is seeking to collect judgments previously entered against select non-performing, non-bankruptcy merchants, guarantors, and counterparties that had outstanding balances and/or were otherwise in default at the time of the establishment of the receivership (collectively “merchants”). Thus, these recovery efforts are being pursued in the ordinary course of the administration and operation of the receivership.

The judgments against these merchants are being exemplified under Pennsylvania law and will be domesticated for legal action in the merchant’s home state and where assets may be found. The judgments referred to Altus range from low five (5)-figure balance accounts to accounts in excess of one million dollars (\$1,000,000), based upon the Receivership Entities’ records. Referrals began on January 9, 2022, and 207 exemplified judgments have since been referred to Altus with active collection efforts are underway. The Receiver has also initiated 49 actions against merchants in the Philadelphia Court of Common Pleas either through civil action complaints or confessions of judgment. The cases filed in Philadelphia typically have resulted in either legal challenges to the underlying agreements; offers of settlement; or default or confessed judgments. Thus far, merchant challenges to the underlying agreements have been unsuccessful. The Receivership Estate is receiving offers of settlement through the Receiver’s litigation in the Philadelphia Court of Common Pleas and Altus collection activities. The Receiver is considering and, where appropriate, approving offers when he deems the proposal to be in the best interests of the Receivership Estate. Finally, as additional judgments become available from the Philadelphia litigation, they will be assigned to Altus for further collection efforts if not resolved by the Receiver directly with the merchant.

**D. Collection Activity and Settlements with ESC and HBC Counterparties**

To date, the Receiver has resolved, either through full payoffs of the amount owed or settlements, the account balances of several counterparties to agreements with Eagle Six Consultants, Inc. (“ESC”) and Heritage Business Consulting, Inc. (“HBC”). In addition, the Court has entered motions to lift the litigation injunction to allow the Receiver to pursue claims against several counterparties (and their guarantors) to agreements with ESC and HBC. [ECF No. 642; ECF No. 747; ECF No. 879]. The Receiver is in active litigation and/or settlement discussions with several of these counterparties for which the litigation injunction has been lifted.

**E. Life Settlements**

Two of the Receivership Entities—ABFP Multi-Strategy Investment Fund LP (“MSIF”) and ABFP Multi-Strategy Investment Fund II LP (“MSIF II”)—own portfolios of life settlement policies. Since the time of his appointment, the Receiver and his consultants at DSI have been managing these portfolios. These duties have included, among other things, the payment of premiums, corresponding with the insurers and servicers of these policies, and communicating with a potential third party regarding a valuation and potential purchase of these policies. The Receiver has received total death benefits payable for policies owned by MSIF in the amount of \$3,032,479. With respect to MSIF II, the Receiver has received total death benefits totaling \$5,450,000. These amounts only include the policy face value the Receiver has received on these policies, and exclude any interest or dividends the Receiver has received for these policies.

Additionally, the Receiver has explored a potential sale of the remaining life settlements. Based on the expected valuation of the policies, a sale of these assets would result in a payment of significantly less than the face value of these policies, as well as significantly less than the principal amounts on the books as due to the investors in these two funds. The Receiver continues to explore

options regarding holding and continuing to await the receipt of additional death benefits or a sale of the portfolio.

### **III. Receiver-Controlled Real Estate**

#### **A. The McElhone Properties**

As previously noted, the Receiver controls 25 properties, either directly or indirectly owned by Lisa McElhone (collectively, the “Receiver-Controlled Properties”). Three (3) are single-family residential properties previously occupied by Joseph LaForte and McElhone (the “Single-Family Homes”): 107 Quayside Drive, Jupiter Florida (the “Florida Home”); 105 Rebecca Court, Paupack, Pennsylvania (the “Poconos Home”); and 568 Ferndale Lane, Haverford Pennsylvania (the “Haverford Home”). Pursuant to an agreement with the Receiver, McElhone and LaForte may live in the Haverford Home, but may not occupy or otherwise use the Florida Home or Poconos Home. McElhone and LaForte pay the Receiver rent for the Haverford Home and are responsible for paying all carrying costs (taxes, insurance, and maintenance) for all 3 Single-Family Homes.

Two other properties historically have been used for business operations, 20-22 North 3<sup>rd</sup> Street (4 units) and 205 B Arch Street. The Receiver has consolidated all CBSG business operations within the 20-22 North 3<sup>rd</sup> Street office suite and directed OCF to market 205 B Arch Street for rent. The remaining 20 Receiver-Controlled Properties are either commercial, residential, or mixed-use rental properties in Philadelphia. Prior to the Receivership, these properties were managed by OCF Realty LLC (“OCF”) at McElhone’s direction. The Receiver has retained OCF to continue its management services for these properties (the “OCF-Managed Properties”). The 20 OCF-Managed Properties comprise 121 rental units (110 residential units

and 11 commercial units). The Receiver, through OCF, continues to collect rent, pay the necessary expenses, and market units for rent as they become available.

The Receiver recently obtained from OCF a broker's opinion of potential sales values for the OCF-Managed Properties. The estimated value of the OCF-Managed Properties is \$44,284,000. The acquisition price for these OCF-Managed Properties, which the Receiver has utilized as the value of these assets in prior reports, was \$41,986,900. Additionally, the acquisition price for the three residences is \$10,845,000. The Receiver has not yet taken any steps to market the residences for sale and, as a result, has not undertaken to obtain a current appraisal of the market value for those three properties.

#### **B. Title Clearance Efforts**

As previously noted, certain title defects encumber several Receiver-Controlled Properties dating back to McElhone's original acquisition. As reported in the Receiver's prior Status Reports, these title defects, which primarily relate to a failure to terminate prior owner-created liens, were effectively "insured over" through the title insurance policies provided to McElhone at closing. The Receiver is continuing to attempt to resolve these liens.

#### **C. Abbonizio Properties**

Pursuant to the Receiver's settlement with Perry Abbonizio and PCA 159 26<sup>th</sup> St. Avalon LLC, the Receiver acquired two single family properties located in Cape May County, New Jersey: 159 26<sup>th</sup> Street, Avalon, NJ (the "Avalon Property") and 164 84<sup>th</sup> Street, Stone Harbor, NJ (the "Stone Harbor Property"). During the current reporting period, the Receiver entered into agreements to sell these two properties and closed on those sales. The Stone Harbor Property, which appraised for \$3,818,000, sold for a price of \$4,150,000 and the Avalon Property, which appraised for \$4,015,000, sold for a price of \$4,025,000. After paying off mortgages that



encumbered these properties and other customary closing costs, the Receiver deposited the remaining sales proceeds and rental income into the bank account of the Receivership Estate.

**IV. Information Regarding Anticipated Claims and Distribution Process**

The Receiver continues to receive numerous inquiries from investors and other creditors of the Receivership Entities regarding the timing of a claims and distribution process in this matter, as well as an estimate of the potential amounts that will be distributed to each investor/creditor. With respect to timing, the Receiver continues to assemble information regarding all known investors in and creditors of the Receivership Entities. Now that the Court has entered its final judgments against Lisa McElhone, Joseph LaForte, Joseph Cole Barleta, and Michael Furman, the Receiver is endeavoring to understand how these Defendants intend to satisfy the judgments entered against them, including the possibility of using funds or other assets (such as the real estate) within the Receivership Estate to satisfy, in part, these judgments. Once there is further clarity on this point, the Receiver anticipates that the claims and distribution process will begin as soon as possible thereafter.

There still remain a number of questions and uncertainties surrounding the accounts receivable of the Receivership Entities and other claims the Receiver is pursuing or otherwise evaluating. These additional recoveries would potentially be available to further satisfy portions of the judgments entered against the Defendants. The Receiver is also formulating a recommendation for a procedure to determine the manner in which various claims will be evaluated and administered. As a result, it is still too early for the Receiver to provide any estimates of the amounts that may be available—either on an individual level or in total—for distribution to investors and other creditors.

Additionally, given that certain claims or collection efforts from various sources of potential recovery are not likely to be resolved in the near future, the Receiver also anticipates the possibility of recommending a phased distribution process. Under this phased process, the Receiver would request permission to make an initial distribution from amounts already collected, after the Receiver has further clarity about how much is available for distribution from the cash and other assets currently in the Receivership Estate, as well as any other amounts the Defendants may pay in partial satisfaction of the judgments entered against them. Then, as the Receiver continues to recover additional funds on behalf of the Receivership Estate and otherwise liquidates assets the Receiver has collected, the Receiver would anticipate making a supplemental distribution (or supplemental distributions, depending on the timing of these future recoveries). The Receiver and his professional staff will continue to evaluate these issues and provide updates as they are available. Information regarding the proposed claims and distribution plan will be posted on the Receivership website after the Receiver has filed it with the Court.

**V. Expansion of Receivership Estate**

In total, the Receiver has filed and obtained Orders from the Court granting 10 motions to expand the Receivership Estate. In addition, as the Receiver has previously reported, the Court's Order Granting Motion to Expand Receivership Estate dated December 16, 2020 [ECF No. 436] ("Expansion Order"), through which several entities and properties were included in the Receivership Estate as additional Receivership Entities, was appealed to the United States Court of Appeals for the Eleventh Circuit. Following oral argument before the Eleventh Circuit in Miami on June 7, 2022, the Eleventh Circuit issued an order dismissing the appeal for lack of jurisdiction.

One of the entities subject to the Expansion Order was Capital Source 2000, a company owned by William Bromley and Defendant Joseph Cole Barleta. The Securities and Exchange

Commission has informed the Receiver that it does not intend to seek to collect against Defendant Barleta's interest in Capital Source 2000 to satisfy the disgorgement judgment entered against him, and has requested the Receiver to return control of Capital Source 2000 to Mr. Bromley and Defendant Barleta. The Receiver has provided Mr. Bromley and Defendant Barleta with certain information they have requested related to this entity, and anticipates submitting an Agreed Order to the Court for approval of this transfer.

**VI. Website / Communications with Interested Parties**

The Receiver continues to receive many e-mails, telephone calls, and other inquiries from investors, merchants, administrators of agent funds, and other interested parties. The Receiver and his professionals have returned phone calls and emails from thousands of investors, merchants, and others. Since the Receiver established the receivership website on August 16, 2020, which is available at [parfundingreceivership.com](http://parfundingreceivership.com), there have been more than 129,979 visitors and 604,380 pageviews to the website. The Receiver will continue to update this website with key court filings, news and updates, reports from the Receiver, answers to frequently asked questions, important dates and deadlines (including Zoom or telephone dial-in information for status conferences and other significant hearings before the Court), and other pertinent information. Additionally, the Receiver will utilize this website to provide notice to investors and other claimants regarding the claims and distribution process in this matter, once that information is available.

**VII. Conclusion**

WHEREFORE, Ryan K. Stumphauzer, as Court-Appointed Receiver, by and through his undersigned counsel, respectfully files this Quarterly Status Report dated October 31, 2022.

Dated: October 31, 2022

Respectfully Submitted,

**STUMPHAUZER FOSLID SLOMAN  
ROSS & KOLAYA, PLLC**  
Two South Biscayne Blvd., Suite 1600  
Miami, FL 33131  
Telephone: (305) 614-1400

By: /s/ Timothy A. Kolaya  
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*Co-Counsel for Receiver*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on October 31, 2022, I electronically filed the foregoing document with the clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on counsel of record via transmission of Notices of Electronic Filing generated by CM/ECF.

/s/ Timothy A. Kolaya  
TIMOTHY A. KOLAYA

# Exhibit “1”



VIA EMAIL (rstumphauzer@sknlaw.com)

October 31, 2022

Mr. Ryan Stumphauzer  
Receiver  
c/o Stumphauzer Kolaya Nadler & Sloman, PLLC  
2 South Biscayne Boulevard  
Suite 1600  
Miami, Florida 33131

Dear Ryan:

In accordance with the Amended Order Appointing Receiver (D.E. #141) (“Amended Order”), following is our quarterly report relating to the operations and analyses undertaken by Development Specialists Inc. (“DSI”) for the period of July 1, 2022 through September 30, 2022 (“Reporting Period”). Except as may be noted, all activity and financial data is for the Reporting Period.

**A. A summary of operations of the Receiver**

Currently, the Receivership is comprised of 55 legal entities as well as numerous assets owned by these legal entities or purchased by the defendants in their own name for personal use. During the Reporting Period, no new assets or entities were added to the Receivership. However, certain real estate assets were sold during the Reporting Period and detailed later in this report.

In addition to working with you and your counsel, during the Reporting Period, my staff and I continued to work with the corporate staff with various operations matters as they arose.

**General Operations**

- Staffing

We continue to discuss general operations matters with both the accounting and collections staffs as needed.

MIAMI/FT. LAUDERDALE

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- Tax Matters

During the Reporting Period, we worked on tax matters with you and the tax preparers. This includes working on the determination of amending prior years’ tax returns and preparing schedules relating to the amended returns. In addition, we provided the tax preparer with information to complete the 2021 tax return for the qualified settlement fund. These taxes are under extension until February 15, 2023 pursuant to Treas. Reg §301.7508A-1(d)(1) and IRS notice FL-2022-19 dated September 29, 2022.

**Portfolio Collections**

***Analysis of merchant cash advance (“MCA”) accounts***

As previously reported, at the outset of the Receivership, we were provided a listing of the MCA accounts for CBSG (“CBSG Portfolio”). This listing included thousands of accounts with a gross balance of over \$400MM, without reduction for collectability or bad debt. These accounts were marked as performing, non-performing, under-performing or default. The following table reflects the portfolio status at July 28, 2020, included in our prior reports, and September 30, 2022 based on these categorization of the balances from reports prepared by operations staff.

| <i>\$MM’s</i>               | <b>CBSG Portfolio as of:</b> |                   |
|-----------------------------|------------------------------|-------------------|
|                             | <b>7/28/2020</b>             | <b>09/30/2022</b> |
| Active <sup>1</sup>         | \$117.7                      | \$16.0            |
| Exception Portfolio         | 203.9                        | 174.9             |
| Litigation <sup>2</sup>     | 4.6                          | 48.0              |
| Non-Performing <sup>3</sup> | 34.7                         | 20.5              |
| Bankruptcy <sup>4</sup>     | 54.7                         | 50.1              |
| <b>Total Portfolio</b>      | <b>\$415.6</b>               | <b>\$309.6</b>    |

<sup>1</sup> Active portfolio includes all merchants having made a payment from August 1, 2022 through September 30, 2022 and those paying pursuant to a settlement agreement. Merchants have entered into short-term settlement agreements thereby reducing the balance owed. As of the end of the Reporting Period, there are 291 settlement agreements for all MCA companies with 233 merchants completely paid and the remainder with outstanding payments according to the agreement.

<sup>2</sup> As of 9/30/2022, there were numerous accounts on hold due to various legal reasons, including collateral issues, pending litigation, legal demands and pending and filed confessions of judgement. In certain of these cases, the Receiver has filed a motion to lift the litigation hold in order to proceed with formal litigation. The balance also includes accounts sent to Altus Receivable Management.

<sup>3</sup> Non-performing merchants include merchants which have not made a payment in the 60 days prior to the end of the Reporting Period. This includes accounts which management defaulted prior to the Receivership.

<sup>4</sup> Includes Exception Portfolio merchants that filed bankruptcy. These merchants are excluded from the Exception Portfolio balance. Furthermore, the balance takes into account only if the merchant filed for bankruptcy. In certain cases, the guarantor filed bankruptcy but not the merchant. In these cases, for the table, the amount owed by the merchants has not been reclassified to bankruptcy. The balance also includes amounts not yet written off although the merchant may have been discharged.

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The reduction in the CBSG Portfolio balance of approximately \$106MM represents merchants that have completely paid their advance through full payment of the remaining balance, settlement at a reduced amount or write-off of the remaining balance if the balance was determined to be unrecoverable. Balances determined to be unrecoverable include bankruptcy of the merchant and guarantor, verifiable closure of the merchant's business or for other business reasons.

For all MCA Receivership Entities, the accounts receivable balance at September 30, 2022 was approximately \$321.6MM. We have continued to analyze the collectability of the MCA advances for additional write-offs and reserves for uncollectible accounts balances. While certain balances have already been written off, we have determined that additional reserves were needed for the accounts with open bankruptcies and for other matters where full payment is doubtful. This on-going process has resulted in a reserve balance of approximately \$132.3MM, thus far. The net result of these adjustments reduced the accounts receivable balances of the MCA companies from approximately \$321.6MM to approximately \$189.3MM. Further reductions may be needed as more information is gathered. This analysis excludes accounts receivables held by Eagle Six Consultants and Heritage Business Consulting.

### **Sale of Assets**

Pursuant to the settlement with Mr. Abbonizio, two single-family residents were transferred to the Receivership During the Reporting period, the properties were sold netting over \$4.0MM in cash to the Receivership. More specifically,

- **Stone Harbor, NJ** – On August 31, 2022, the Receivership closed on the sale of the property at \$4,150,000. After payment of the two outstanding mortgages, closing costs and real estate prorations, the net cash to the Receivership was approximately \$1,666,000.
- **Avalon, NJ** – On September 28, 2022, the Receivership closed on the sale of the property at \$4,025,000. After payment of the outstanding mortgage, closing costs and real estate prorations, the net cash to the Receivership was approximately \$2,275,000.
- **Rental Income** – The settlement with Mr. Abbonizio allowed the Receivership to retain certain income from the rental of these properties. During the reporting period, the net rental income for both of these properties, which is included in Business Receipts in Exhibit A, was approximately \$193,000.



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### **Net Tangible Assets by Defendant Group**

We prepared a schedule detailing the assets currently on-hand (see Exhibit E). Currently, the Receivership has approximately \$172.8MM<sup>5</sup> of tangible assets by defendant group, which includes cash, investments, real estate and personal assets. These assets were transferred to the Receivership from pre-Receivership banks, gained through collections and litigation efforts and obtained through various settlements with the defendants. More specifically, as of the end of the Reporting Period,

- The Receivership holds approximately \$159.8MM in tangible assets from CBSG and other entities owned by Defendant McElhone including real estate holdings of approximately \$55.1MM and other non-cash, tangible assets of approximately \$3.5MM. This does not include the value of the accounts receivable.
- The Receivership holds approximately \$11.5MM in assets from the ABFP entities and settlements related to Mr. Vagnozzi, which includes cash and approximately \$1.1MM of marketable securities.
- The Receivership holds approximately \$1.3MM in assets, all cash, from the Retirement Evolution entities and settlement with Mr. Gissas.
- The Receivership holds approximately \$200,000 in assets, all cash, from the Fidelis entities which was transferred at the outset of the Receivership.

### **Forensic Accounting and Litigation Support**

During the Reporting Period, DSI continued to assist you and your counsel in preparing analyses and reports relative to the defendants' settlements and negotiations with the SEC relating to disgorgement.

In addition, during the Reporting Period, DSI responded to questions from counsel as to the MCA and loan portfolio, participated in numerous calls with counsel and borrowers and provided analyses to assist in filing litigation against or enter into settlement agreements with the borrowers.

### **B. The amount of cash on hand, the amount and nature of accrued administrative expenses, and the amount of unencumbered funds in the estate.**

Exhibit A shows the activity of the Receivership through for the Reporting Period and the cumulative period. Total cash and cash equivalents as of September 30, 2022 is \$116,513,918. All of the cash is unencumbered.

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<sup>5</sup> We have excluded approximately \$2.3MM of cash relating to Capital Source 2000.

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The accrued administrative fees for the quarter ended September 30, 2022 are:

- Receiver/co-counsel – Stumphauzer Kolaya Nadler & Sloman, PLLC<sup>6</sup> \$256,567.06
- Co-counsel – Pietragallo Gordon Alfano Bosick & Raspanti, LLP \$627,297.54
- Financial Advisor/Operations Consultant – Development Specialists, Inc. \$214,437.82
- Digital Evidence/Computer Forensics Prof. – Lawgical Insights, LLC \$13,984.37
- Investigation Firm – HD Investigative Group, LLC \$6,300.00

All other administrative expenses, such as payroll and office expenses, are paid in the ordinary course of business. Certain employee wages, specifically paid time off, for employees who have returned to work may be owed to employees but have not been quantified.

**C. A schedule of all the Receiver’s receipts and disbursements.**

Exhibit A details the receipts and disbursements for the Reporting Period.

**D. A description of known Receivership Property, including approximate or actual valuations, anticipated or proposed dispositions, and reasons for retaining assets where no disposition is intended.**

Receivership Property includes:

| Asset:                                 | Estimated value |
|--|-----------------|
|  | 9/30/2022       |
| Cash in bank                           | \$116,513,918   |
| Cash held by ACH processors            | \$200,000       |
| Portfolio balance <sup>7</sup>         | \$189,400,000   |
| Other accounts receivable <sup>8</sup> | \$35,800,000    |

<sup>6</sup> Formerly Stumphauzer, Foslid, Sloman, Ross & Kolaya PLLC

<sup>7</sup> Includes all MCA Receivership Entities – Complete Business Solution Group, Inc.; Fast Advance Funding, LLC; Contract Financing Solutions, Inc; and, Capital Source 2000, Inc. The balance shown is after taking into account adjustments as discussed herein.

<sup>8</sup> This balance of “other accounts receivable” includes, among other things, amounts owed by third parties to ESC and HBC, *without regard to collectability*. The records of ESC and HBC also reflect that these entities are owed additional amounts that are recorded as loans they made to other Receivership Entities, including the entities that own the “real estate” referenced below. This is also true with respect to the entities that own the properties located in Haverford, Pennsylvania and Paupack, Pennsylvania, which are included within the Receivership Estate. For purposes of consistency and to avoid double counting those amounts within these balances, the additional loan balances owed from the other Receivership Entities and in connection with the Haverford and Paupack properties are neither included in these accounts receivable balance, nor are they factored into the value of the real estate listed below. The change from prior quarter is due to adjustments for intercompany receivables for the entities added to the Receivership.

Mr. Ryan K. Stumphauzer  
October 31, 2022  
Page 6

| <b>Asset:</b>   | <b>Estimated value</b> |
|---|------------------------|
| Investment in third parties <sup>9</sup>                      | \$3,341,000            |
| Life settlement policies (gross death benefits) <sup>10</sup> | \$22,800,000           |
| Real estate (see Exhibit C)                                   | \$55,129,000           |
| Other Assets (see Exhibit D)                                  | \$3,496,100            |
| Furniture and fixtures  | \$100,000              |

**E. A description of liquidated and unliquidated claims held by the Receivership Estate, including the need for forensic and/or investigatory resources; approximate valuations of claims; and anticipated or proposed methods of enforcing such claims.**

Working with counsel, this process is ongoing and we have yet to determine the claims and the estimated value of the claims. As noted above, we continue to work on the forensic review of the books and records and will provide more information.

**F. A list of all known creditors with their addresses and the amounts of their claims.**

We provided a list of the known creditors of CBSG in our report to you dated August 31, 2020 and filed as Exhibit 1 to D.E. #214, Receiver Ryan K. Stumphauzer’s Notice Of Filing Sworn Statement Pursuant To Paragraph 9 Of The Amended Receivership Order. At this time, we have no additional information to report. However, we continue to review records and are developing a list of creditors related to the non-CBSG entities including investors, trade and vendor payables.

<sup>9</sup> We identified certain balances that are not accounts receivable but rather investments in other, third-party, non-public entities recorded by ESC and HBC. The balance is the gross balance without adjustment for changes in value of the underlying investment assets.

<sup>10</sup> Approximate death benefit of life settlement insurance policies owned by Receivership Entities under the A Better Financial Plan after adjustment for death benefits received and included in the cash balance. The value of the life insurance policies necessarily depends on the availability of critical documentation including but not limited to the insurance policy, actuarial detail and the purchase and sale agreement for the policy. Based on the incomplete documentation that has been made available to us to date and, in turn, provided to Maple Life Analytics, LLC (“Maple”), Maple concluded the market value of the policies in the portfolio (as of the February 2021 valuation) is less than \$10.0MM. Since February 2021, policies have matured with death benefits received totaling approximately \$8.5MM. Removing these policies from the prior valuation, the market valuation of the remaining policies is estimated at \$6.5MM as of the end of the Reporting Period. In the event the Receivership receives additional documentation, we will provide such documentation to Maple and will provide additional updates in future reports if any such additional information affects the Maple valuation of these policies.

Mr. Ryan K. Stumphauzer  
October 31, 2022  
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**G. The status of Creditor Claims Proceedings, after such proceedings have commenced.**

The Creditor Claims Proceedings have not yet commenced.

**H. The Receiver's recommendations for a continuation or discontinuation of the receivership and the reasons for the recommendations.**

It is my recommendation that the Receivership continues. The Receivership is benefitted by continuing to collect outstanding merchant and loan balances. The professional staffing changes that occurred will reduce fees going forward. Current professionals are knowledgeable of the Receivership Entities' books and records all of which is vital to working with you and counsel on various causes of actions and to maximize and monetize the assets of the receivership.

Sincerely,



Bradley D. Sharp  
President & CEO

Copy to: Mr. Gaetan J. Alfano (GJA@Pietragallo.com)  
Mr. Tom J. Frey (e-mail TFrey@DSIConsulting.com)  
Mr. Timothy A. Kolaya (e-mail TKolaya@sknlaw.com)  
Mr. George E. Shoup, III (e-mail GShoup@DSIConsulting.com)  
Mr. Yale S. Bogen (e-mail YBogen@DSIConsulting.com)

# **EXHIBIT A**

Ryan K Stumphauzer, Receiver

Report prepared by:  
Financial Advisor and Operational Consultant to the Receiver  
Development Specialists, Inc.

INTERIM REPORT IN PREPARATION OF STATUS CONFERENCE  
**STANDARDIZED FUND  
ACCOUNTING REPORT**

CIVIL - RECEIVERSHIP FUND

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Consolidated Par Funding Receivership Entities <sup>1</sup>

Civil Court Docket No. 20-cv-81205-RAR

Reporting Period 7/1/2022 to 9/30/2022

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

STANDARDIZED FUND ACCOUNTING REPORT for PAR FUNDING - Cash Basis  
 Receivership; Civil Court Docket No. 20-cv-81205-RAR  
 Reporting Period 7/1/2022 to 9/30/2022

| Fund Accounting: |  | Current Period   | Prior Period(s)   | Case-to-date  |
|------------------|--|------------------|-------------------|---------------|
|                  |  | 7/1/22 - 9/30/22 | 7/28/20 - 6/30/22 | Total         |
| <b>Line 1</b>    | <b>Beginning Balance:</b>  | \$107,557,093    | \$28,779,570      | \$28,779,570  |
|                  | <i>Increases in Fund Balance:</i>                                |                  |                   |               |
| <b>Line 2</b>    | <b>Business Receipts</b>   | 6,884,201        | 81,427,052        | 88,311,253    |
|                  | Business Receipts - Overpayments                                 | (370)            | (98,236)          | (98,606)      |
| <b>Line 3</b>    | <b>Cash and Securities</b>                                       |                  |                   |               |
|                  | Pre-Receivership Cash Transfer                                   | 0                | 14,756,649        | 14,756,649    |
|                  | Change in Value of Securities                                    | (102,530)        | 457,663           | 355,133       |
| <b>Line 4</b>    | <b>Interest/Dividend Income</b>                                  | 184,572          | 167,511           | 352,083       |
| <b>Line 5</b>    | <b>Business Asset Liquidation</b>                                | 0                | 0                 | 0             |
| <b>Line 6</b>    | <b>Personal Asset Liquidation*</b>                               | 3,940,937        | 0                 | 3,940,937     |
| <b>Line 7</b>    | <b>Third-Party Litigation Income</b>                             | 100,296          | 3,611,349         | 3,711,644     |
| <b>Line 8</b>    | <b>Miscellaneous<sup>1</sup></b>                                 | 0                | 1,107,199         | 1,107,199     |
|                  | <b>Total Receipts<sup>2</sup></b>                                | 11,007,105       | 101,429,185       | 112,436,290   |
|                  | <b>Total Funds Available (Lines 1 - 8):</b>                      | \$118,564,198    | \$130,208,755     | \$141,215,860 |
|                  | <i>Decreases in Fund Balance:</i>                                |                  |                   |               |
| <b>Line 9</b>    | <b>Disbursements to Investors</b>                                | 0                | 0                 | 0             |
| <b>Line 10</b>   | <b>Disbursements for Receivership Operations:</b>                |                  |                   |               |
| Line 10a         | Disbursements to Receiver or Other Professionals <sup>3</sup>    | 1,232,486        | 15,060,638        | 16,293,124    |
| Line 10b         | Business Asset Expenses  |                  |                   |               |
|                  | Payroll & Benefits   | 305,491          | 2,276,724         | 2,582,215     |
|                  | IT Expense   | 32,358           | 771,809           | 804,167       |
|                  | Utilities  | 6,110            | 49,167            | 55,278        |
|                  | Insurance  | 2,203            | 87,335            | 89,538        |
|                  | Other Operating Expense  | 53,958           | 453,887           | 507,844       |
|                  | Other  | 17,885           | 109,554           | 127,439       |
|                  | <b>Total Business Asset Expenses<sup>2</sup></b>                 | 418,005          | 3,748,476         | 4,166,481     |
| Line 10c         | Personal Asset Expenses  | 0                | 1,370             | 1,370         |
| Line 10d         | Investment Expenses  |                  |                   |               |
|                  | Premiums Due on Life Settlement Policies                         | 305,154          | 3,002,306         | 3,307,459     |
|                  | Property Expenses  | 94,636           | 794,147           | 888,783       |
| Line 10e         | Third-Party Litigation Expenses                                  |                  |                   |               |
|                  | 1. Attorney Fees   | 0                | 44,726            | 44,726        |
|                  | 2. Litigation Expenses   | 0                | 0                 | 0             |
|                  | 3. Forensic Accounting   | 0                | 0                 | 0             |
|                  | <b>Total Third-Party Litigation Expenses</b>                     | 0                | 44,726            | 44,726        |
| Line 10f         | Tax Administrator Fees and Bonds                                 | 0                | 0                 | 0             |
| Line 10g         | Federal and State Tax Payments                                   | 0                | 0                 | 0             |
|                  | <b>Total Disbursements for Receivership Operations</b>           | \$2,050,280      | \$22,651,662      | \$24,701,942  |
| <b>Line 11</b>   | <b>Disbursements for Distribution Expenses Paid by the Fund:</b> | 0                | 0                 | 0             |
| <b>Line 12</b>   | <b>Disbursements to Court/Other:</b>                             | 0                | 0                 | 0             |
|                  | <b>Total Funds Disbursed (Line 9 - 12)</b>                       | \$2,050,280      | \$22,651,662      | \$24,701,942  |
| <b>Line 13</b>   | <b>Ending Balance:<sup>4</sup></b>                               | \$116,513,918    | \$107,557,093     | \$116,513,918 |

\* Relates to sale of real properties pursuant to the settlement with Mr. Abbonizio.

STANDARDIZED FUND ACCOUNTING REPORT for PAR FUNDING - Cash Basis  
 Receivership; Civil Court Docket No. 20-cv-81205-RAR  
 Reporting Period 7/1/2022 to 9/30/2022

|   | <u>Current Period</u> | <u>Prior Period(s)</u> | <u>Case-to-date</u>  |
|---|-----------------------|------------------------|----------------------|
| <b>Line 14</b> Ending Balance of Fund - Net Assets: |                       |                        |                      |
| <i>Line 14a</i>                                     | \$116,513,918         | \$107,557,093          | \$116,513,918        |
| <i>Line 14b</i> Investments                         |                       |                        | Unknown              |
| <i>Line 14c</i> Other Assets or Uncleared Funds     |                       |                        |                      |
| <b>Total Ending Balance of Fund - Net Assets</b>    | <b>\$116,513,918</b>  | <b>\$107,557,093</b>   | <b>\$116,513,918</b> |

**OTHER SUPPLEMENTAL INFORMATION:**

|   | <u>Current Period</u> | <u>Prior Period(s)</u> | <u>Case-to-date</u> |
|---|-----------------------|------------------------|---------------------|
| <i>Report of Items NOT To Be Paid by the Fund:</i>                                  |                       |                        |                     |
| <b>Line 15</b> Disbursements for Plan Administration Expenses Not Paid by the Fund: |                       |                        |                     |
| <b>Line 16</b> Disbursements to Court/Other Not Paid by the Fund:                   |                       |                        |                     |
| <b>Line 17</b> DC & State Tax Payments  |                       |                        |                     |
| <b>Line 18</b> No. of Claims:   |                       |                        |                     |
| <i>Line 18a</i> # of Claims Received This Reporting Period .....                    |                       |                        |                     |
| <i>Line 18b</i> # of Claims Received Since Inception of Fund .....                  |                       |                        |                     |
| <b>Line 19</b>  |                       |                        |                     |
| <i>Line 19a</i> # of Claimants/Investors Paid This Reporting Period .....           |                       |                        |                     |
| <i>Line 19b</i> # of Claimants/Investors Paid Since Inception of Fund .....         |                       |                        |                     |

Note 1: Includes \$16,574.82 of expense reimbursements from Vision Solar and Solar Exchange for shared IT expenses.

Note 2: Excludes inter-receivership receipts/disbursements.

Note 3: Disbursements to Receiver or Other Professionals includes payments for certain IT related expenses and tax preparation.



**Schedule 1.1**

STANDARDIZED FUND ACCOUNTING REPORT for PAR FUNDING - Cash Basis  
 Receivership; Civil Court Docket No. 20-cv-81205-RAR  
 Reporting Period 7/1/2022 to 9/30/2022

| <b>Entity</b>                             | <b>Bank Name</b>         | <b>Account Number</b> | <b>Ending Cash Balance as of 9/30/2022</b> |
|---|--------------------------|-----------------------|--|
| <b>Pre-receiver Accounts</b>              |                          |                       |  |
| SEP Account                               | Axos Bank                | x3264                 | \$194,638                                  |
| ABFP Income Fund 2                        | TD Ameritrade            | x1080                 | \$1,392,926                                |
| <b>Receiver Accounts</b>                  |                          |                       |  |
| Complete Business Solutions Group, Inc.   | City National Bank       | x1839                 | \$11,684,731                               |
| Complete Business Solutions Group, Inc.   | City National Bank       | x5736                 | \$6,012,855                                |
| Complete Business Solutions Group, Inc.   | City National Bank       | x2430                 | \$52,842,010                               |
| Complete Business Solutions Group, Inc.   | City National Bank       | x5554                 | \$896                                      |
| Complete Business Solutions Group, Inc.   | City National Bank       | x3071                 | \$10,649                                   |
| Complete Business Solutions Group, Inc.   | Actum                    | N/A                   | \$12,000                                   |
| Complete Business Solutions Group, Inc.   | FedChex                  | N/A                   | \$0  |
| Complete Business Solutions Group, Inc.   | Kotapay                  | N/A                   | \$20,000                                   |
| Complete Business Solutions Group, Inc.   | Priority Payment Systems | N/A                   | \$50,000                                   |
| CBSG dba Par Funding Receivership (QSF)   | City National Bank       | x2399                 | \$11,771,771                               |
| Full Spectrum Processing Inc.             | City National Bank       | x5700                 | \$14,749                                   |
| ABFP Multi-Strategy Investment Fund LP.   | City National Bank       | x3575                 | \$3,213,386                                |
| ABFP Multi-Strategy Investment Fund 2 LP. | City National Bank       | x3872                 | \$3,613,711                                |
| Fidelis Financial Planning LLC.           | City National Bank       | x5835                 | \$12,940                                   |
| The United Fidelis Group Corp.            | City National Bank       | x5682                 | \$170,939                                  |
| Fast Advance Funding LLC                  | City National Bank       | x2069                 | \$1,489,851                                |
| Fast Advance Funding LLC                  | Actum                    | N/A                   | \$43,613                                   |
| 118 Olive PA LLC                          | City National Bank       | x1195                 | \$52,870                                   |
| 205 B Arch St Management LLC              | City National Bank       | x1420                 | \$1,285                                    |
| 242 S 21st St LLC                         | City National Bank       | x9339                 | \$56,845                                   |
| 300 Market St LLC                         | City National Bank       | x1186                 | \$289,493                                  |
| 627-629 E Girard LLC                      | City National Bank       | x9872                 | \$368,314                                  |
| 803 S 4th St LLC                          | City National Bank       | x9816                 | \$24,735                                   |
| 1427 Melon St LLC                         | City National Bank       | x3410                 | \$724,949                                  |
| 1530 Christian St. LLC                    | City National Bank       | x3401                 | \$87,130                                   |
| 1635 East Passyunk LLC                    | City National Bank       | x3293                 | \$86,700                                   |
| 1932 Spruce St LLC                        | City National Bank       | x2834                 | \$72,413                                   |
| 4633 Walnut St. LLC                       | City National Bank       | x2843                 | \$60,226                                   |
| 1223 N 25th St. LLC                       | City National Bank       | x9861                 | \$70,912                                   |
| 1250 N 25th St LLC                        | City National Bank       | x4130                 | \$54,489                                   |
| 135-137 N. 3rd St. LLC                    | City National Bank       | x9753                 | \$626,661                                  |
| 715 Sansom St. LLC                        | City National Bank       | x9863                 | \$151,262                                  |
| 861 N 3rd St. LLC                         | City National Bank       | x9845                 | \$212,166                                  |
| 915-917 S. 11th LLC                       | City National Bank       | x9818                 | \$162,049                                  |
| 20 N. 3rd St. Ltd                         | City National Bank       | x1447                 | \$881                                      |

**Schedule 1.1**

STANDARDIZED FUND ACCOUNTING REPORT for PAR FUNDING - Cash Basis  
 Receivership; Civil Court Docket No. 20-cv-81205-RAR  
 Reporting Period 7/1/2022 to 9/30/2022

| <b>Entity</b>                         | <b>Bank Name</b>         | <b>Account Number</b> | <b>Ending Cash Balance as of 9/30/2022</b> |
|---------------------------------------|--------------------------|-----------------------|--|
| Capital Source 2000, Inc              | City National Bank       | x2528                 | \$2,222,166                                |
| Capital Source 2000, Inc <sup>5</sup> | Actum                    | N/A                   | \$99,925                                   |
| Capital Source 2000, Inc <sup>5</sup> | Priority Payment Systems | N/A                   | \$0  |
| Heritage Business Consulting, Inc.    | City National Bank       | x1745                 | \$918,869                                  |
| Eagle Six Consulting, Inc.            | City National Bank       | x2519                 | \$13,865,081                               |
| LME 2017 Family Trust                 | City National Bank       | x8827                 | \$116,176                                  |
| LWP North LLC                         | City National Bank       | x8115                 | \$219                                      |
| Blue Valley Holdings, LLC             | City National Bank       | x5460                 | \$83,427                                   |
| 500 Fairmount Avenue, LLC             | City National Bank       | x8169                 | \$127,002                                  |
| Contract Financing Solutions          | City National Bank       | x4540                 | \$3,430,101                                |
| Recruiting and Marketing Resources    | City National Bank       | x4279                 | \$2,128                                    |
|                                       |                          |                       | <b>\$116,520,137</b>                       |

Note 4: Difference between bank balance and book balance due to \$6,219 of O/S checks as of 9/30/22.

Note 5: The cash amounts reported in Actum and Priority Payment Systems accounts for Capital Source 2000 are estimates.

## EXHIBIT B

### Profit and Loss Statement – Real Estate Holdings Consolidated

|                                    | Jan – Sep 2022     |
|------------------------------------|--------------------|
| Ordinary Income/Expense            |                    |
| Rental Income                      | \$2,085,889        |
| Rent Reimbursement                 | 62,173             |
| <b>Total Income</b>                | <b>\$2,148,062</b> |
| Expenses                           |                    |
| Bank Fees                          | \$359              |
| Insurance                          | 150,202            |
| Repairs and Maintenance            | 337,228            |
| Rent – Association Fees            | 43,421             |
| Licenses, Property and Other Taxes | 221,944            |
| Utilities                          | 76,772             |
| Management and Professional Fees   | 195,050            |
| Interest Expense                   | 1,817              |
| Non Receiver / Defendant           | 0                  |
| <b>Total Expense</b>               | <b>\$1,026,793</b> |
| <b>Net Income</b>                  | <b>\$1,121,269</b> |

# EXHIBIT C

## Real Estate Owned

| Location                           | City, State      | Property Type           | Prior Approx. Value <sup>11</sup> | Current Value <sup>12</sup> |
|------------------------------------|------------------|-------------------------|-----------------------------------|-----------------------------|
| 118 Olive Street                   | Philadelphia, PA | Multi-unit residential  | \$740,000                         | \$719,000                   |
| 205 Arch Street                    | Philadelphia, PA | Commercial              | \$260,000                         | \$600,000                   |
| 142 N. 2 <sup>nd</sup> Street      | Philadelphia, PA | Commercial              | \$170,000                         | \$230,000                   |
| 242 S. 21 <sup>st</sup> Street     | Philadelphia, PA | Multi-unit residential  | \$1,025,000                       | \$1,110,000                 |
| 300 Market Street                  | Philadelphia, PA | Mixed-use               | \$4,400,000                       | \$4,057,000                 |
| 627-629 E. Girard Ave.             | Philadelphia, PA | Multi-unit residential  | \$2,950,000                       | \$3,767,000                 |
| 803 S. 4 <sup>th</sup> Street      | Philadelphia, PA | Mixed-use               | \$349,000                         | \$400,000                   |
| 1427 Melon Street                  | Philadelphia, PA | Multi-unit residential  | \$7,600,000                       | \$7,460,000                 |
| 1530 Christian Street              | Philadelphia, PA | Multi-unit residential  | \$870,000                         | \$975,000                   |
| 1635 E. Passyunk Street            | Philadelphia, PA | Mixed-use               | \$825,000                         | \$897,000                   |
| 1932 Spruce Street                 | Philadelphia, PA | Multi-unit residential  | \$2,125,000                       | \$1,857,000                 |
| 4633 Walnut Street                 | Philadelphia, PA | Multi-unit residential  | \$650,000                         | \$700,000                   |
| 1223 N. 25 <sup>th</sup> Street    | Philadelphia, PA | Multi-unit residential  | \$1,100,000                       | \$974,000                   |
| 1248 N. 25 <sup>th</sup> Street    | Philadelphia, PA | Single-unit residential | \$190,000                         | \$325,000                   |
| 1250 N. 25 <sup>th</sup> Street    | Philadelphia, PA | Multi-unit residential  | \$600,000                         | \$974,000                   |
| 135-137 N. 3 <sup>rd</sup> Street  | Philadelphia, PA | Mixed-use               | \$6,575,000                       | \$7,043,000                 |
| 715 Sansom Street                  | Philadelphia, PA | Mixed-use               | \$2,885,000                       | \$2,465,000                 |
| 861 N. 3 <sup>rd</sup> Street      | Philadelphia, PA | Multi-unit residential  | \$1,800,000                       | \$1,976,000                 |
| 915-917 S. 11 <sup>th</sup> Street | Philadelphia, PA | Multi-unit residential  | \$1,860,000                       | \$2,100,000                 |
| 20 & 22 N. 3 <sup>rd</sup> Street  | Philadelphia, PA | Commercial              | \$2,965,000                       | \$3,150,000                 |
| 500 Fairmount Ave.                 | Philadelphia, PA | Mixed-use               | \$1,640,000                       | \$1,806,000                 |
| 107 Quayside Dr. <sup>13</sup>     | Jupiter, FL      | Single-family house     | \$5,800,000                       | \$5,800,000                 |
| 2413 Roma Drive                    | Philadelphia, PA | Single-family house     | \$407,900                         | \$699,000                   |
| 568 Ferndale Lane <sup>14</sup>    | Haverford, PA    | Single family house     | \$2,445,000                       | \$2,445,000                 |
| 105 Rebecca Court <sup>15</sup>    | Paupack, PA      | Single family house     | \$2,600,000                       | \$2,600,000                 |
| 164 84 <sup>th</sup> Street        | Stone Harbor, NJ | Single family home      | Sold                              | N/A                         |
| 159 26 <sup>th</sup> Street        | Avalon, NJ       | Single family home      | Sold                              | N.A                         |
| <b>Total</b>                       |                  |                         | <b>\$52,831,900</b>               | <b>\$55,129,000</b>         |

<sup>11</sup> Amount represents the approximate purchase price.

<sup>12</sup> The Receiver requested, and received from the property manager, an estimate of sales values for each of the properties under their management. The current value reflects this information. Furthermore, the Receiver has not had an appraisal prepared for the Jupiter, FL, Haverford, PA and Paupack, PA properties. As such, the current value has not been updated from the prior approximate value.

<sup>13</sup> Property owned by Lisa McElhone and for personal use by Lisa McElhone

<sup>14</sup> Property owned by Receivership Entity LWP North, LLC, a single-member LLC owned by Lisa McElhone. Property for personal use by Lisa McElhone.

<sup>15</sup> Property owned by Receivership Entity Blue Valley Holdings, LLC, a single-member LLC owned by Lisa McElhone. Property for personal use by Lisa McElhone

# EXHIBIT D

## Other Assets

| Asset  | Approximate Value <sup>16</sup> |
|--|---------------------------------|
| Yacht  | \$333,000                       |
| Manitou XT Pontoon boat                            | \$188,000                       |
| Yamaha Waverunner jet skis (2)                     | \$18,000                        |
| Artwork  | \$2,160,000                     |
| Watches  |                                 |
| • Patek Phillipe (2)                               | \$154,500                       |
| Various Automobiles                                |                                 |
| • 2020 Mercedes G-class                            | \$135,000                       |
| • 2016 Bentley                                     | \$135,000                       |
| • 2016 Chevrolet Tahoe                             | \$40,000                        |
| • 2020 Range Rover                                 | \$100,000                       |
| • 2019 Porsche 911 Turbo S Cabriolet <sup>17</sup> | \$232,600                       |
|  |                                 |
| <b>Total</b>                                       | <b>\$3,496,100</b>              |

<sup>16</sup> Except for the automobiles, amount represents approximate purchase price. An appraisal of each asset has not been done.

<sup>17</sup> Value is the purchase price pursuant to build order (D.E. #634). An appraisal of the asset has not been done.

**Complete Business Solutions et al Receivership**

Net Assets Schedule

Reporting Period 7/1/2022 to 9/30/2022

|   | 2022                 |                      |                      | 2021                 |                      |                      |                      | 2020                |                     |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
|   | Q3                   | Q2                   | Q1                   | Q4                   | Q3                   | Q2                   | Q1                   | Q4                  | Q3                  |
| <b>RECEIPTS AND ASSETS:</b>             |                      |                      |                      |                      |                      |                      |                      |                     |                     |
| Net MCA collections                     | \$3,169,061          | \$5,864,888          | \$4,796,064          | \$5,326,537          | \$6,474,926          | \$8,178,840          | \$7,722,809          | \$19,054,124        | \$7,439,943         |
| Other accounts receivables              | 48,491               | 138,297              | 265,300              | 1,242,828            | 3,828,799            | 2,512,869            | 68,879               | 126,569             | 0                   |
| Rental income                           | 633,800              | 493,000              | 500,000              | 505,000              | 422,000              | 485,000              | 400,000              | 0                   | 0                   |
| Insurance proceeds                      | 3,032,479            | 0                    | 0                    | 4,432,143            | 0                    | 450,000              | 250,000              | 350,000             | 0                   |
| Litigation proceeds                     | 100,296              | 394,686              | 2,486,098            | 0                    | 0                    | 0                    | 238,843              | 491,722             | 0                   |
| Other cash receipts <sup>1</sup>        | 4,125,509            | 38,825               | 2,579,985            | 1,290,325            | 20,138               | 34,508               | 2,124,994            | 9,935,224           | 7,358               |
| <b>Other Assets:</b>                    |                      |                      |                      |                      |                      |                      |                      |                     |                     |
| Beginning cash                          | \$106,067,856        | \$101,850,882        | \$94,219,460         | \$84,687,504         | \$77,433,972         | \$69,395,800         | \$63,997,180         | \$34,936,278        | \$27,776,006        |
| Marketable securities                   | 1,392,926            | 1,461,227            | 1,682,483            | 1,523,709            | 1,552,283            | 1,480,515            | 1,335,714            | 1,089,936           | 1,003,564           |
| Net real estate                         | 55,129,000           | 56,408,685           | 56,008,685           | 52,831,900           | 52,831,900           | 52,831,900           | 52,831,900           | 0                   | 0                   |
| Vehicles and watercraft                 | 1,181,600            | 1,181,600            | 1,181,600            | 1,181,600            | 1,181,600            | 949,000              | 949,000              | 0                   | 0                   |
| Other personal assets                   | 2,314,500            | 2,314,500            | 2,314,500            | 2,314,500            | 2,314,500            | 2,160,000            | 2,160,000            | 0                   | 0                   |
| <b>TOTAL RECEIPTS AND ASSETS:</b>       | <b>\$177,195,517</b> | <b>\$170,146,591</b> | <b>\$166,034,175</b> | <b>\$155,336,046</b> | <b>\$146,060,118</b> | <b>\$138,478,432</b> | <b>\$132,079,318</b> | <b>\$65,983,853</b> | <b>\$36,226,872</b> |
| <b>EXPENSES AND DISBURSEMENTS:</b>      |                      |                      |                      |                      |                      |                      |                      |                     |                     |
| Operating expenses                      | \$418,005            | \$486,364            | \$568,350            | \$444,717            | \$590,477            | \$513,489            | \$534,649            | \$472,173           | \$138,256           |
| Personal asset expenses                 | 0                    | 0                    | 0                    | 0                    | 1,370                | 0                    | 0                    | 0                   | 0                   |
| Premium due on life settlement policies | 305,154              | 583,232              | 324,481              | 354,434              | 514,854              | 384,480              | 363,938              | 324,301             | 152,585             |
| Real estate property expenses           | 94,636               | 138,833              | 287,765              | 18,993               | 37,827               | 263,946              | 46,784               | 0                   | 0                   |
| Third party attorney fees and expenses  | 0                    | 0                    | (100)                | 100                  | 0                    | 0                    | 44,726               | 0                   | 0                   |
| Professional fees                       | 1,232,486            | 1,470,064            | 1,821,366            | 2,441,777            | 2,486,118            | 2,380,767            | 4,460,546            | 0                   | 0                   |
| <b>TOTAL EXPENSES AND DISBURSEMENTS</b> | <b>\$2,050,280</b>   | <b>\$2,678,493</b>   | <b>\$3,001,862</b>   | <b>\$3,260,022</b>   | <b>\$3,630,647</b>   | <b>\$3,542,681</b>   | <b>\$5,450,643</b>   | <b>\$796,474</b>    | <b>\$290,841</b>    |
| <b>NET ASSET VALUE (NAV)</b>            | <b>\$175,145,237</b> | <b>\$167,468,097</b> | <b>\$163,032,313</b> | <b>\$152,076,025</b> | <b>\$142,429,471</b> | <b>\$134,935,751</b> | <b>\$126,628,675</b> | <b>\$65,187,379</b> | <b>\$35,936,031</b> |
| NAV change from prior quarter           | \$7,677,139          | \$4,435,784          | \$10,956,288         | \$9,646,553          | \$7,493,721          | \$8,307,076          | \$61,441,296         | \$29,251,348        | N/A                 |

Note 1: Balance includes receipts of legacy accounts from the expansions of the Receivership.

# EXHIBIT E

## Complete Business Solutions et al Receivership

### Tangible Assets Schedule by Defendant Group

Reporting Period as of 9/30/2022

|                                      | CBSG<br>(McElhone<br>entities) | ABFP and<br>Vagnozzi | Retirement<br>Evolution and<br>Gissas | Fidelis and<br>Furman | Total (as of<br>9/30/22) |
|--------------------------------------|--------------------------------|----------------------|---------------------------------------|-----------------------|--------------------------|
| <b>Cash and Investment Accounts:</b> |                                |                      |                                       |                       |                          |
| Cash                                 | \$101,028,402                  | \$10,141,660         | \$1,256,542                           | \$183,878             | \$112,610,482            |
| SEP Account (Retirement Funds)       | 194,638                        | -                    | -                                     | -                     | 194,638                  |
| ABFP Income Fund 2 (Stock and cash)  | -                              | 1,392,926            | -                                     | -                     | 1,392,926                |
| <b>Other Assets:</b>                 |                                |                      |                                       |                       |                          |
| Rental Real Estate                   | 44,284,000                     | -                    | -                                     | -                     | 44,284,000               |
| Personal Real Estate                 | 10,845,000                     | -                    | -                                     | -                     | 10,845,000               |
| Automobiles                          | 642,600                        | -                    | -                                     | -                     | 642,600                  |
| Watercraft                           | 539,000                        | -                    | -                                     | -                     | 539,000                  |
| Other Personal Assets                | 2,314,500                      | -                    | -                                     | -                     | 2,314,500                |
| <b>Total Tangible Assets</b>         | <b>\$159,848,140</b>           | <b>\$11,534,586</b>  | <b>\$1,256,542</b>                    | <b>\$183,878</b>      | <b>\$172,823,146</b>     |

Note 1: Cash excludes \$2.3MM for Capital Source 2000

Note 2: The above schedule does not include ABFP life insurance policies with total face value of death benefits of approximately \$22.8MM, although the Receiver believes that the present value of these policies, if sold in an arms-length transaction, would be substantially less.

Note 3: The above schedule does not include approximately \$7.4MM in installment payments due under settlement agreements with various merchants and counterparties.

Note 4: The above schedule does not include approximately \$1.8MM due under settlements with Messrs. Paucioulo, Gissas, and Abbonizio.

Note 5: The above schedule does not include restricted stock in Sustainable Resources Group, LLC and Telemachus India, LLC transferred to the Receiver pursuant to the settlement with Mr. Vagnozzi. Both investments were highly speculative and there is no readily available market for either stock.