

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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

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

Defendants.

**RECEIVER'S RESPONSE TO (1) DEFENDANTS LISA MCELHONE AND
JOSEPH LAFORTE'S MOTION FOR ENTRY OF AN ORDER DIRECTING
THAT CASH BELONGING TO ENTITIES MS. MCELHONE OWNS OR
CONTROLS BE CREDITED TOWARDS THE JUDGMENT AND (2)
SECURITIES AND EXCHANGE COMMISSION'S MOTION TO
STRIKE MCELHONE AND LAFORTE'S MOTION OF MARCH 17, 2023**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver ("Receiver") of the Receivership
Entities,¹ by and through his undersigned counsel, files this Response to (1) Defendants Lisa

¹ The "Receivership Entities" are Complete Business Solutions Group, Inc. d/b/a Par Funding ("CBSG"); Full Spectrum Processing, Inc. ("FSP"); ABetterFinancialPlan.com LLC d/b/a A Better Financial Plan; ABFP Management Company, LLC f/k/a Pillar Life Settlement Management Company, LLC; ABFP Income Fund, LLC; ABFP Income Fund 2, L.P.; United Fidelis Group Corp.; Fidelis Financial Planning LLC; Retirement Evolution Group, LLC; RE Income Fund LLC; RE Income Fund 2 LLC; ABFP Income Fund 3, LLC; ABFP Income Fund 4, LLC; ABFP Income Fund 6, LLC; ABFP Income Fund Parallel LLC; ABFP Income Fund 2 Parallel; ABFP Income Fund 3 Parallel; ABFP Income Fund 4 Parallel; and ABFP Income Fund 6 Parallel; ABFP Multi-Strategy Investment Fund LP; ABFP Multi-Strategy Fund 2 LP; MK Corporate Debt Investment Company LLC; Fast Advance Funding LLC; Beta Abigail, LLC; New Field Ventures, LLC; Heritage Business Consulting, Inc.; Eagle Six Consulting, Inc.; 20 N. 3rd St. Ltd.; 118 Olive PA LLC; 135-137 N. 3rd St. LLC; 205 B Arch St Management LLC; 242 S. 21st St. LLC; 300 Market St. LLC; 627-629 E. Girard LLC; 715 Sansom St. LLC; 803 S. 4th St. LLC; 861 N. 3rd St. LLC; 915-917 S. 11th LLC; 1250 N. 25th St. LLC; 1427 Melon St. LLC; 1530 Christian St. LLC; 1635 East Passyunk LLC; 1932 Spruce St. LLC; 4633 Walnut St. LLC; 1223 N. 25th St. LLC; 500 Fairmount Avenue, LLC; Liberty Eighth Avenue LLC; Blue Valley Holdings, LLC; LWP North LLC; The LME 2017 Family Trust; Recruiting and Marketing

McElhone and Joseph LaForte's Motion for Entry of an Order Directing that Cash Belonging to Entities Ms. McElhone Owns or Controls Be Credited Towards the Judgment [ECF No. 1531] (the "Motion to Credit") and (2) Securities and Exchange Commission's Motion to Strike McElhone and LaForte's Motion of March 17, 2023 [ECF No. 1537] (the "Motion to Strike"). In support thereof, the Receiver states:

1. On March 17, 2023, Defendants Lisa McElhone and Joseph LaForte (the "Defendants") filed the Motion to Credit, stating that cash held within the Receivership Estate in the amount of \$103,515,947 (the "Cash") should be credited to the Amended Final Judgment entered against them individually in this case [ECF No. 1451] (the "Judgment").

2. In support of their Motion to Credit, the Defendants suggest that: (a) the Receiver has agreed—through various references in his most recent Status Report—that this Cash constitutes personal assets of the Defendants that can and should be used to satisfy, in part, the Judgment; and (b) the Receivership Entities (namely CBSG and FSP) will not be subject to a monetary judgment. Neither of these points is correct.

3. In the Receiver's most recent Status Report dated January 31, 2023 [ECF No. 1504], the Receiver included a Tangible Asset Schedule, which indicated by "Defendant Group" the value of various tangible assets within the Receivership Estate [ECF No. 1504-1]. By using the term "Defendant Group," the Receiver was not suggesting that any particular assets could or should be utilized to satisfy, in part, any judgments entered against any of the individual defendants in this case. Instead, the Receiver intended to provide the Court and investors with estimated

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; and 2413 Roma Drive, Philadelphia, PA 19145.

values for the assets within the Receivership Estate, and to use descriptive labels to identify where those assets were being held prior to the Court ordering their inclusion as Receivership Property. Upon learning that the Defendants intended to utilize this information to argue that the Cash should be utilized to satisfy, in part, the Judgment entered against them individually, the Receiver's counsel notified counsel for the Defendants that Exhibit E to the Status Report should not be cited for that purpose. *See* Motion to Strike at p. 9.

4. Moreover, the Defendants incorrectly state that a monetary judgment will not be entered against the Receivership Entities. To the contrary, the Receiver has engaged in discussions with the Securities and Exchange Commission about consenting to the entry of a monetary judgment of disgorgement against the corporate defendants that are Receivership Entities in this case—including CBSG and FSP, two of the entities identified in Defendants' Motion to Credit—and intends to do so at the appropriate time.

5. Finally, the Receiver agrees with the Securities and Exchange Commission's characterization of "Receivership Property" and the reasons why the Receiver moved, and the Court agreed, to expand the Receivership Estate over property that was acquired with commingled investor funds, as set forth in the Motion to Strike.

WHEREFORE, the Receiver hereby submits his response to the Defendants' Motion to Credit and the Securities and Exchange Commission's Motion to Strike.

Dated: March 28, 2023

Respectfully Submitted,

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

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

Co-Counsel for Receiver

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

By: /s/ Gaetan J. Alfano
GAETAN J. ALFANO
Pennsylvania Bar No. 32971
(Admitted Pro Hac Vice)
gja@pietragallo.com

Co-Counsel for Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on March 28, 2023, 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