

**UNITED STATES DISTRICT COURT  
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 JULY 31, 2023**

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; 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 107 Quayside Dr., Jupiter, FL 33477 and 2413 Roma Drive, Philadelphia, PA 19145.

hereby files this Quarterly Status Report dated July 31, 2023. By way of summary, the Receivership Estate consists of, among other things, approximately \$52.7 million of real property (as of June 30, 2023),<sup>2</sup> \$3 million in other tangible assets the Receiver has brought into the Receivership Estate (including boats, cars, artwork, and luxury watches), and \$123,640,990 in cash (as of June 30, 2023). As of July 31, 2023, the current cash balance was \$127,055,470. 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

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<sup>2</sup> As discussed below in Section IV, this amount has decreased from the previous quarter as a result of the sale of the Haverford property on June 29, 2023.

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 \$113,773,702 in cash through collections, settlements, and other recoveries. After accounting for expenses, the total cash balance was \$123,640,990 as of June 30, 2023. As of July 31, 2023, the current cash balance was \$127,055,470.

### **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 reporting period for April 1, 2022, through June 30, 2022, the Receiver, through his outside consultants, counsel, and internal collection staff and accountants, began to analyze the collectability of the balances for all MCA companies. Through that 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 second quarter of the 2022 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 third quarter of the 2022 reporting period (July 1, 2022, through September 30, 2022), the total receivable balance was further reduced as a result of these adjustments to a total of \$189 million. At the end of the second quarter of the 2023 reporting period (April 1, 2023 – June 30, 2023), the total receivable balance was further reduced to \$167 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, operations 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 216 exemplified judgments have since been referred to Altus with active collection efforts are underway. The Receiver has also initiated 68 actions against merchants in the Philadelphia Court of Common Pleas either through civil action complaints or confessions of judgment. Of these, 11 are being actively litigated, with the balance resolved through offers of settlement, or default or confessed judgments. Thus far, merchant challenges to the underlying agreements have been unsuccessful. The Receivership Estate is continuing to receive 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.

**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”). The Receiver is in active litigation and/or settlement discussions with several of these counterparties for which the litigation injunction has been lifted. On July 21, 2023, the United States District Court for the Eastern District of Pennsylvania entered judgment against B&T Supplies Inc., Tvzi Odzer, and Ruben Azrak stemming from a breached ESC agreement. In granting the Receiver’s motion for summary judgment, the Court found no material dispute of fact regarding the defendants’ breach of the agreement. The Court awarded ESC \$793,719.65, plus costs, continuing interest, and attorneys’ fees. The Receiver anticipates molding the judgment to include reasonable attorneys’ fees, followed by an assessment of additional collections steps.

**E. Life Settlements**

The Receiver continues to manage the portfolios of life settlement policies owned by ABFP Multi-Strategy Investment Fund LP (“MSIF”) and ABFP Multi-Strategy Investment Fund II LP (“MSIF II”). During this quarter, the Receiver received \$2,000,000.00 in death benefits for one additional policy that has matured. To date, the Receiver has received total death benefits payable in the amount of \$5,032,479 for policies owned by MSIF, and in the amount of \$6,950,000 for policies owned by MSIF II. 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.

The Receiver continues to explore 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. As a result, the Receiver is also exploring the possibility of transferring these policies outside of the Receivership Estate to a third-party to hold, manage, and continue to await the receipt of additional death benefits for the portfolio, and ultimately pay those proceeds to the specific investors in those two funds.

### **III. Eckert Seamans Settlement**

On June 7, 2023, after numerous discussions and substantial work, the Receiver and counsel representing the investor plaintiffs in several class action cases reached an agreement in principle to resolve the Receivership Entities' claims and the investor plaintiffs' claims against Eckert Seamans and John W. Pauciulo. The settlement, in the amount of \$45 million, represents the remaining limits on the eroding insurance policies that provide coverage for the Receivership Entities' claims against Eckert Seamans and John W. Pauciulo. The Receiver is in the process of memorializing this settlement in a formal settlement agreement, for which the Receiver will be filing a motion to seek the Court's approval.

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

#### **A. Marketing of Personal Residences**

As previously noted, the Receiver expanded the scope of the Receivership over and has been controlling 25 properties (the "Receiver Controlled Properties"). Three of the Receiver Controlled Properties are single-family residential properties previously occupied by Defendants Joseph LaForte and Lisa McElhone (the "Single-Family Properties"). By Order dated January 10,

2023, the Court authorized the Receiver to market for sale all of the Receiver Controlled Properties (the “Court Order”). Following the Court Order, the Receiver (i) commissioned market value appraisals of the Single-Family Properties and (ii) engaged separate real estate brokers to list and market each property for sale. Currently, two of the three Single-Family Properties have sold. Each sales price was above the property’s appraised value. The third Single-Family Property, 107 Quayside Drive, is under contract for a sales price that is substantially above the property’s appraised value. The sales of the Single-Family Properties are summarized below:

Properties	Location	Listing Service	Status	Sale Price
105 Rebecca Court	Paupack, PA	Jack Muehlhan Realty	Sold	\$3,300,000
568 Ferndale Lane	Haverford, PA	MLS	Sold	\$3,338,000
107 Quayside Drive	Jupiter, FL	Waterfront Properties and Club Communities - MLS	Under Contract (\$12,100,000)	

#### **B. Marketing of Philadelphia Commercial/Mixed Use Properties**

The Receiver implemented the following plan to market the remaining 22 commercial, residential, or mixed-use rental properties in Philadelphia (the “Philadelphia Properties”):

1. Appraisers Engaged. The Receiver initially commissioned two appraisal firms to provide market value appraisals for the Philadelphia Properties -- each appraisal firm was assigned designated properties.

2. Request for Proposal Issued/Proposals Accepted. The Receiver prepared a request for proposals (“RFP”) for Brokerage Services to list and market the Philadelphia Properties. The RFP was sent to sixteen national and/or Philadelphia-based real estate brokerage firms. Eleven RFP recipients responded to the RFP. Due to the diverse nature of the Philadelphia



Properties, the Receiver elected to divide the listings for the Philadelphia Properties between three of the responding brokerage firms. The Receiver designated COMPASS Real Estate (“COMPASS”) as the listing Broker for five of the Philadelphia Properties. Berkshire Hathaway/Fox & Roach REALTORS® (“Berkshire”) was assigned six of the Philadelphia Properties. The remaining eleven Philadelphia Properties, which are primarily commercial or mixed-use properties, were listed with Colliers. (COMPASS, Berkshire and Colliers are referred to, collectively, as the “Listing Brokers.”)

3. Marketing. The Listing Brokers have: (i) prepared marketing materials for their assigned properties; (ii) listed each of their assigned properties on recognized third-party real estate listing platforms; and (iii) included their assigned properties on their brokerage firm’s web-based marketing platforms, as summarized in the following chart:

	<b>Properties</b>	<b>Neighborhood</b>	<b>Listing Service/Broker</b>	<b>Status</b>	<b>Sale Price</b>
1	300 Market Street, Philadelphia PA	Old City	LoopNet™ Colliers	Listed and actively showing	
2.	1427 Melon Street, Philadelphia PA	Fairmount	LoopNet™ Colliers	Listed and actively showing	
3.	1530 Christian Street, Philadelphia PA	Graduate Hospital	Bright MLS® Berkshire	Listed and actively showing	
4.	627-629 E. Girard Avenue, Philadelphia, PA	Fishtown	LoopNet™ Colliers	Listed and actively showing	
5.	861 N. 3 <sup>rd</sup> Street, Philadelphia PA	Northern Liberties	LoopNet™ Colliers	Listed and actively showing	
6.	1223 N. 25 <sup>th</sup> Street, Units A, B, C, Philadelphia PA	Sharswood	Bright MLS® COMPASS	Listed and actively showing	
7.	4633 Walnut Street, Philadelphia PA	Walnut Hill	Bright MLS® COMPASS	Listed and actively showing	
8.	803 S. 4 <sup>th</sup> Street, Philadelphia PA	Queens Village	Bright MLS® Berkshire	Agreement of Sale (\$430,000.00)	

	<b>Properties</b>	<b>Neighborhood</b>	<b>Listing Service/Broker</b>	<b>Status</b>	<b>Sale Price</b>
				Closing on August 25, 2023	
9.	142 N. 2 <sup>nd</sup> Street (owned by 803 S. 4 <sup>th</sup> St., LLC), Philadelphia PA	Old City	LoopNet™ Colliers	Listed and actively showing	
10.	915-917 S. 11 <sup>th</sup> Street, Philadelphia PA	Hawthorne	Bright MLS® Berkshire	Finalizing Agreement of Sale (\$1,750,000.00)	
11.	135-137 N. 3 <sup>rd</sup> Street, Philadelphia PA	Old City	LoopNet™ Colliers	Listed and actively showing	
12.	500 Fairmount Avenue, Philadelphia PA	Northern Liberties	LoopNet™ Colliers	Listed and actively showing	
13.	2413 Roma Drive, Philadelphia PA	Sienna Place	Bright MLS® Berkshire	Agreement of Sale (\$676,000.00) Closing on September 18, 2023	
14.	118 Olive Street, Philadelphia PA	Northern Liberties	Bright MLS® COMPASS	Listed and actively showing	
15.	1250 N. 25 <sup>th</sup> Street, Units A, B C, Philadelphia PA	Sharswood	Bright MLS® COMPASS	Listed and actively showing	
16.	1248 N. 25 <sup>th</sup> Street, Unit A (owned by 1250 North 25 <sup>th</sup> St., LLC), Philadelphia PA	Sharswood	Bright MLS® COMPASS	Listed and actively showing	
17.	1932 Spruce Street, Philadelphia PA	Rittenhouse Square	Bright MLS® Berkshire	Listed and actively showing	
18.	242 S. 21 <sup>st</sup> Street, Philadelphia PA	Rittenhouse Square	Bright MLS® Berkshire	Listed and actively showing	
19.	1635 Passyunk Ave, Philadelphia PA	East Passyunk	LoopNet™ Colliers	Listed and actively showing	

	<b>Properties</b>	<b>Neighborhood</b>	<b>Listing Service/Broker</b>	<b>Status</b>	<b>Sale Price</b>
20.	715 Sansom Street, Philadelphia PA	Jewelers' Row	LoopNet™ Colliers	Listed and actively showing	
21.	20-22 N. 3 <sup>rd</sup> Street (4 units), Philadelphia PA	Old City	LoopNet™ Colliers	Listed and actively showing	
22.	205 B Arch Street (104 N. 2 <sup>nd</sup> Street), Philadelphia PA	Old City	LoopNet™ Colliers	Listed and actively showing	

As the Receiver informed the Court at the June 29, 2023 Status Conference, there are significant market related headwinds in selling the Philadelphia Properties, including: (1) higher interest rates charged to investors who may be borrowing funds for an acquisition; (2) the fact that higher CAP (capitalization) Rates<sup>3</sup> are being applied by investors to value prospective real estate investment properties; (3) the age of the buildout/improvements of certain of the properties has resulted in the decreased desirability or functionality; (4) the fact that the real estate tax abatement for certain properties either has expired or will expire in the near future, notwithstanding nearby competing inventory that benefit from full, or near full, tax abatements; and (5) the supply of newer apartment properties that are currently under construction or with approved permits that will come to market in 2024 and 2025, making certain of the Philadelphia properties less attractive. Nevertheless, the Receiver is working diligently to market these properties aggressively and to maximize their value in any sale.

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<sup>3</sup> A real estate capitalization rate, or cap rate, is a popular metric to estimate the rate of return on an investment property. Real estate investors use cap rates to determine if a property investment is worthwhile compared to other opportunities. It compares a property's net operating income, or NOI, to its value.

## **V. Decatur Road Property**

The Receiver resolved *Ryan K. Stumphauzer as Receiver for Liberty Eighth Avenue LLC v. Kingdom Logistics, LLC, Def Capital LLC, and Lisa McElhone* in the United States District Court for the Northern District of Texas. The matter involved the post-receivership transfer of real property at 4309 Decatur Road, Fort Worth, Texas. Liberty Eighth, through Lisa McElhone, transferred the property to avoid its inclusion in the Receivership Estate. The Receiver entered into settlement agreements with the various defendants either shortly before, or on the morning of, trial. Given the defendants' lack of viable assets, plus concerns regarding the subject property, the Receiver structured agreements with the defendants to maximize potential recovery. Pursuant to the settlement, Kingdom Logistics agreed to pay the Receiver \$250,000. The Receiver settled his claim with Lisa McElhone for a payment of \$175,000. Finally, the Receiver settled the claim against DEF Capital for a \$2.5 million dollar first priority mortgage in the subject property. Additionally, the agreement obligated DEF Capital to list the property for sale through a commercial broker. The Receiver will collect the first \$2.5 following the sale of the property. The property is listed for sale at \$5.3 million and the broker is working to locate potential purchasers.

## **VI. Claims and Distribution Process**

On December 21, 2022, the Receiver filed a Motion to Establish and Approve: (1) Proof of f Claim Form; (2) Claims Bar Date and Notice Procedures; and (3) Procedure to Administer and Determine Claims (the "Claims Motion"). The Court entered an Order granting the Claims Motion on December 23, 2022 (the "Claims Order"). By granting the Receiver's Claims Motion, the Court has approved a procedure for each person or entity who believes he, she, or it may have a claim against any Receivership Entity to submit a claim to the Receivership assets.

In January 2023, the Receiver began the process of providing notice (direct and by publication) to potential claimants. Pursuant to the requirements of this claim process, all Proof of Claim Forms were required to be submitted to the Receiver's Claims Agent, Epiq Corporate Restructuring, LLC ("Epiq"), on or before March 22, 2023, at 11:59 p.m. (prevailing Eastern Time).

Now that the deadline for the submission of claims has expired, the Receiver and his professional consultants are in the process of reviewing and analyzing these claims to determine the validity of each claim and to determine, based on the records of the Receivership Entities, whether the Receiver agrees with the amount each claimant believes it is owed from the Receivership Estate. The Receiver expects to send out notifications to each claimant within the next few weeks of the Receiver's determination on the validity of each claim. Following this notification, claimants will have an opportunity to review the Receiver's determinations and, if applicable, object to the Receiver's determination. The Receiver will attempt to resolve any such objections directly with the claimants and, to the extent any objections are not resolved, the Receiver will submit those objections to the Court for a final determination.

The distribution process will occur at some time following the conclusion of the claims process. The Receiver is considering various options for his recommendation to the Court for the proposed manner in which funds will be distributed to claimants. Given that this process has not yet been finalized, and there are pending appeals to the final judgments entered against the Defendants, as well as questions regarding additional recoveries that may potentially be available to further satisfy portions of the judgments entered against the Defendants, 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. The Receiver and his professional staff will continue to evaluate these issues and provide updates as they are available.

## **VII. Criminal Proceedings Report**

On May 18, 2023, the United States filed a superseding indictment in the United States District Court for the Eastern District of Pennsylvania charging 63 counts of criminal violations and two notices of forfeiture against Complete Business Solutions Group, Inc. d/b/a Par Funding (“CBSG”), and Defendants Joseph LaForte, Joseph Cole Barletta, James LaForte, and Lisa McElhone. The matter is docketed at case number 2:23-CR-00198. The Court unsealed the superseding indictment on May 23, 2023. Of note, 21 of the 63 counts allege criminal conduct by CBSG. Specifically, CBSG is charged with conspiracy, wire fraud, and securities fraud. As the Receiver stands in the shoes of CBSG for all legal purposes, counsel for the Receiver, Douglas K. Rosenblum, appeared before Magistrate Judge Richard Lloret on June 2, 2023, and entered a plea of not guilty to all counts against the company. The case is now assigned to District Court Judge Mark A. Kearney for trial.

Judge Kearney has issued case management orders concerning the criminal matter, with trial to commence on April 11, 2024 (Doc. No. 52). Discovery is voluminous, as the United States is working expeditiously to produce terabytes of data to counsel for all defendants. Counsel for the Receiver has made clear to the United States and to the Court that CBSG, as a defendant in the criminal matter, does not require copies of the voluminous discovery, as CBSG was the source of much of the information the government obtained during the course of its investigation. CBSG is exploring a non-trial disposition of the criminal matter so as to best protect the interests of the investors of CBSG.

On June 13, 2023, Judge Kearney raised *sua sponte* the issue of a potential conflict of interest preventing Mr. Rosenblum and the Pietragallo firm from representing the Receiver in the criminal matter (Doc. No. 53). Gaetan J. Alfano, a partner with Mr. Rosenblum in the Pietragallo firm and co-counsel for the Receiver in the instant matter in the Southern District of Florida, is a victim of a physical attack allegedly orchestrated and carried out by Defendants Joseph and James LaForte and charged in the indictment. In response to the Court's Order, the Receiver noted that Mr. Alfano is not a victim of any criminal activity alleged to have been committed by CBSG and, thus, there is no conflict on this basis. In addition, the individual criminal defendants, principally Joseph LaForte, also sought Mr. Rosenblum's further disqualification, arguing that he may be a necessary witness at trial due to his work in providing CBSG related material to the government in response to prior grand jury subpoenas. On July 12, 2023, Judge Kearney rejected those arguments and denied the disqualification of Mr. Rosenblum and the Pietragallo firm at this time. (Doc. No. 63).

#### **VIII. 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 160,977 visitors and 771,019 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, 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, as additional information becomes available.

**IX. Conclusion**

**WHEREFORE**, Ryan K. Stumphauzer, as Court-Appointed Receiver, by and through his undersigned counsel, respectfully files this Quarterly Status Report dated July 31, 2023.

Dated: July 31, 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  
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*Co-Counsel for Receiver*



**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on July 31, 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

# Exhibit “1”



VIA EMAIL ([rstumphauzer@sknlaw.com](mailto:rstumphauzer@sknlaw.com))

July 31, 2023

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 April 1, 2023 through June 30, 2023 (“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**

The Receivership is now comprised of 54 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, assets related to Blue Valley Holdings, mainly the real estate accounted for under this legal entity, was sold. No assets or entities were added to the Receivership and no other assets were disposed of during the Reporting Period.

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

**General Operations**

- **Staffing**

We continue to discuss general operations matters with both the accounting and collections staff as needed. In light of staff reductions, DSI is overseeing certain operations, performing accounting and operations tasks and working with the staff on day-to-day matters to maintain Receivership operations.

MIAMI/FT. LAUDERDALE

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Mr. Ryan K. Stumphauzer  
 July 31, 2023  
 Page 2

- Tax Matters

During the Reporting Period, we worked to finalize the amended tax return for 2018 and provide information for other tax periods.

### **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 June 30, 2023 based on these categorization of the balances from reports prepared by operations staff.

<b>\$MM’s</b>	<b>CBSG Portfolio as of:</b>	
	<b>7/28/2020</b>	<b>6/30/2023</b>
Active <sup>1</sup>	\$117.7	\$9.7
Exception Portfolio	203.9	174.7
Litigation <sup>2</sup>	4.6	40.4
Non-Performing <sup>3</sup>	34.7	20.9
Bankruptcy <sup>4</sup>	54.7	40.9
Total Portfolio	\$415.6	\$286.6

The reduction in the CBSG Portfolio balance of approximately \$129MM 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

<sup>1</sup> Active portfolio includes all merchants having made a payment from May 1, 2023 through June 30, 2023 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 338 settlement agreements for all MCA companies with 301 merchants completely paid and the remainder with outstanding payments according to the agreement.

<sup>2</sup> As of 6/30/2023, 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.

Mr. Ryan K. Stumphauzer  
July 31, 2023  
Page 3

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 June 30, 2023 was approximately \$309.4MM. We 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 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 \$131.6MM and additional write-offs of approximately \$10.8MM, thus far. The net result of these adjustments reduced the accounts receivable balances of the MCA companies from approximately \$309.4MM to approximately \$167.0MM. Further reductions may be needed as more information is gathered. This analysis excludes accounts receivables held by Eagle Six Consultants and Heritage Business Consulting.

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

We prepared a schedule detailing the assets currently on-hand (see Exhibit D). Currently, the Receivership has approximately \$179.8MM 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 \$159.1MM in tangible assets from CBSG and other related entities including real estate holdings of approximately \$52.7MM and other non-cash, tangible assets of approximately \$3.5MM. This does not include the value of the accounts receivable.
- The Receivership holds approximately \$9.4MM in assets from the ABFP entities which includes cash and 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.
- The Receivership holds approximately \$9.9MM of cash from settlements with Messrs. Abbonizio and Vagnozzi as detailed in Exhibit D, which includes cash from the sale of real estate from the settlements.

Mr. Ryan K. Stumphauzer  
July 31, 2023  
Page 4

### **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.

Also, during the Reporting Period, we worked with counsel and staff in matters related to Capital Source 2000 and returning the assets to the former shareholders.

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.

During the Reporting Period, we worked with counsel on two significant litigation matters. Specifically, these matters related to Exception Portfolio merchants, Kingdom Logistics and Big Red.

### **Claims Administration**

As reported last quarter, the deadline to submit claims was established at March 22, 2023. During the quarter, DSI continued compiling information from the accounting and other records in order to reconcile the claims against the Receivership Entities. In addition, we commenced the review and reconciliation of the investor claims which were filed. Lastly, we worked with you and your counsel to develop a claims adjudication process to adjust filed claim amounts to draft, proposed allowed claim amounts. This process is on-going and decisions and analyses have not been finalized.

### **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 June 30, 2023 is \$122,106,441. All of the cash is unencumbered.

The accrued administrative fees for the quarter ended June 30, 2023 are:

- |   |              |
|---|--------------|
| • Receiver/co-counsel – Stumphauzer Kolaya Nadler & Sloman, PLLC          | \$168,309.82 |
| • Co-counsel – Pietragallo Gordon Alfano Bosick & Raspanti, LLP           | \$710,859.62 |
| • Financial Advisor/Operations Consultant – Development Specialists, Inc. | \$265,820.19 |
| • Digital Evidence/Computer Forensics Prof. – Lawgical Insights, LLC      | \$3,222.65   |
| • Investigation Firm – HD Investigative Group, LLC                        | \$25,312.50  |

Mr. Ryan K. Stumphauzer  
 July 31, 2023  
 Page 5

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:

<b>Asset:</b>	<b>Estimated value</b>
	<b>6/30/2023</b>
Cash in bank	\$123,471,000
Cash held by ACH processors	\$170,000
Portfolio balance <sup>5</sup>	\$188,800,000
Other accounts receivable <sup>6</sup>	\$34,500,000
Investment in third parties <sup>7</sup>	\$3,255,000
Life settlement policies (gross death benefits) <sup>8</sup>	\$19,298,000

<sup>5</sup> Includes all MCA Receivership Entities – Complete Business Solution Group, Inc.; Fast Advance Funding, LLC; and, Contract Financing Solutions, Inc. The balance shown is after taking into account adjustments as discussed herein.

<sup>6</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.

<sup>7</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>8</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

Mr. Ryan K. Stumphauzer  
 July 31, 2023  
 Page 6

<b>Asset:</b>	<b>Estimated value</b>
Real estate (see Exhibit B)	\$52,684,000
Other Assets (see Exhibit C)	\$3,496,100
Furniture and fixtures	\$50,000

**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.**

Prior to the Reporting Period, the date by when claimants must file claims was set at March 22, 2023. As of the end of the Reporting Period, approximately 1,291 claims were filed which includes amended claims and duplicate claims. In addition, since many CBSG investors made investments through their IRA plan at CamaPlan, CamaPlan filed two bulk claims for an additional 567 claims. As noted above, we continue to work on the forensic review of the books and records and will provide more information as well as the adjudication process to determine the dollar amount of allowed claims.

**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. Since we have not analyzed the filed claims, we have not updated the listing of allowed claimants.

**G. The status of Creditor Claims Proceedings, after such proceedings have commenced.**

The Receiver and his professional consultants are currently reviewing and analyzing these claims to determine the validity of each claim and to determine, based on the records of the Receivership Entities, whether the Receiver agrees with the amount each claimant believes it is owed from the Receivership Estate. The distribution process will occur at some time following the conclusion of the claims review process.

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\$11.9MM. Removing these policies from the prior valuation, the market valuation of the remaining policies is estimated at \$5.8MM 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. Additionally, during the Reporting Period, two additional policies had matured but the proceeds had not been received by the end of the Reporting Period. The values for these policies are ported herein since the cash had not been received.



Mr. Ryan K. Stumphauzer  
July 31, 2023  
Page 7

**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,



Yale Scott Bogen  
Senior Managing Director

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. Bradley D. Sharp (e-mail BSharp@DSIConsulting.com)  
Mr. George E. Shoup, III (e-mail GShoup@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 4/1/2023 to 6/30/2023

<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; 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 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 4/1/2023 to 6/30/2023

Fund Accounting:		Current Period	Prior Period(s)	Case-to-date
		4/1/23 - 6/30/23	7/28/20 - 3/31/23	Total
Line 1	Beginning Balance <sup>4</sup> :	\$117,001,793	\$26,446,083	\$26,446,083
<i>Increases in Fund Balance:</i>				
Line 2	Business Receipts	4,769,312	94,863,833	99,633,145
	Business Receipts - Overpayments	4,116	(100,320)	(96,205)
Line 3	Cash and Securities			
	Pre-Receiver'ship Cash Transfer	0	14,756,649	14,756,649
	Change in Value of Securities	(162,211)	464,328	302,117
Line 4	Interest/Dividend Income	692,819	748,962	1,441,781
Line 5	Business Asset Liquidation	0	0	0
Line 6	Personal Asset Liquidation	3,343,829	3,940,937	7,284,765
Line 7	Third-Party Litigation Income	33,031	3,729,258	3,762,289
Line 8	Miscellaneous <sup>1</sup>	238,871	1,206,940	1,445,811
	Total Receipts <sup>2</sup>	8,919,765	119,610,586	128,530,351
Total Funds Available (Lines 1 - 8):		\$125,921,558	\$146,056,669	\$154,976,434
<i>Decreases in Fund Balance:</i>				
Line 9	Disbursements to Investors	0	0	0
Line 10	Disbursements for Receivership Operations:			
Line 10a	Disbursements to Receiver or Other Professionals <sup>3</sup>	1,201,172	18,824,830	20,026,002
Line 10b	Business Asset Expenses			
	Payroll & Benefits	235,538	3,115,917	3,351,455
	IT Expense	33,713	905,277	938,991
	Utilities	11,276	73,561	84,836
	Insurance	18,091	95,235	113,326
	Other Operating Expense	110,775	649,693	760,469
	Other	1,553	233,752	235,304
	Total Business Asset Expenses <sup>2</sup>	410,946	5,073,435	5,484,380
Line 10c	Personal Asset Expenses	201,641	1,370	203,011
Line 10d	Investment Expenses			
	Premiums Due on Life Settlement Policies	315,145	3,928,529	4,243,673
	Property Expenses	151,625	1,181,987	1,333,612
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
	Total Third-Party Litigation Expenses	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
Total Disbursements for Receivership Operations		\$2,280,528	\$29,054,876	\$31,335,404
Line 11	Disbursements for Distribution Expenses Paid by the Fund:	0	0	0
Line 12	Disbursements to Court/Other:	0	0	0
Total Funds Disbursed (Line 9 - 12)		\$2,280,528	\$29,054,876	\$31,335,404
Line 13	Ending Balance:	\$123,641,030	\$117,001,793	\$123,641,030

STANDARDIZED FUND ACCOUNTING REPORT for PAR FUNDING - Cash Basis  
 Receivership; Civil Court Docket No. 20-cv-81205-RAR  
 Reporting Period 4/1/2023 to 6/30/2023

	<u>Current Period</u>	<u>Prior Period(s)</u>	<u>Case-to-date</u>
<b>Line 14</b> Ending Balance of Fund - Net Assets:			
Line 14a	\$123,641,030	\$117,001,793	\$123,641,030
Line 14b Investments			Unknown
Line 14c Other Assets or Uncleared Funds			
<b>Total Ending Balance of Fund - Net Assets</b>	<b>\$123,641,030</b>	<b>\$117,001,793</b>	<b>\$123,641,030</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:			
Line 18a # of Claims Received This Reporting Period .....			
Line 18b # of Claims Received Since Inception of Fund .....			
<b>Line 19</b>			
Line 19a # of Claimants/Investors Paid This Reporting Period .....			
Line 19b # 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.

Note 4: In Q1 2023, the SEC approved removing Capital Source 2000 from the Receivership. All cash relating to Capital Source 2000 was transferred to the prior members in accordance with the SEC's decision. Cash has been adjusted to reflect this change.

**Schedule 1.1**

**STANDARDIZED FUND ACCOUNTING REPORT for PAR FUNDING - Cash Basis**  
**Receivership; Civil Court Docket No. 20-cv-81205-RAR**  
**Reporting Period 4/1/2023 to 6/30/2023**

<b>Entity</b>	<b>Bank Name</b>	<b>Account Number</b>	<b>Ending Cash Balance as of 6/30/2023</b>
<b>Pre-receiver Accounts</b>			
SEP Account	Axos Bank	x3264	\$0
ABFP Income Fund 2	TD Ameritrade	x1080	\$1,534,549
<b>Receiver Accounts</b>			
Complete Business Solutions Group, Inc.	City National Bank	x1839	\$0
Complete Business Solutions Group, Inc.	City National Bank	x5736	\$0
Complete Business Solutions Group, Inc.	City National Bank	x2430	\$251,395
Complete Business Solutions Group, Inc.	City National Bank	x5554	\$1,576
Complete Business Solutions Group, Inc.	City National Bank	x3071	\$22,431
Complete Business Solutions Group, Inc.	City National Bank	x9941	\$49,602,701
Complete Business Solutions Group, Inc.	City National Bank	x0021	\$8,862,283
Complete Business Solutions Group, Inc.	City National Bank	x9781	\$11,794,478
Complete Business Solutions Group, Inc.	Actum	N/A	\$12,000
Complete Business Solutions Group, Inc.	FedChex	N/A	\$0
Complete Business Solutions Group, Inc.	Priority Payment Systems	N/A	\$50,000
CBSG dba Par Funding Receivership (QSF)	City National Bank	x8813	\$12,206,657
CBSG dba Par Funding Receivership (QSF)	City National Bank	x2399	\$250,000
Full Spectrum Processing Inc.	City National Bank	x5700	\$1,841
ABFP Multi-Strategy Investment Fund LP.	City National Bank	x3575	\$250,000
ABFP Multi-Strategy Investment Fund LP.	City National Bank	x7463	\$2,861,623
ABFP Multi-Strategy Investment Fund 2 LP.	City National Bank	x3872	\$250,000
ABFP Multi-Strategy Investment Fund 2 LP.	City National Bank	x8902	\$5,960,249
Fidelis Financial Planning LLC.	City National Bank	x5835	\$13,020
The United Fidelis Group Corp.	City National Bank	x5682	\$172,681
Fast Advance Funding LLC	City National Bank	x2069	\$250,000
Fast Advance Funding LLC	City National Bank	x7783	\$1,256,141
Fast Advance Funding LLC	Actum	N/A	\$43,613
118 Olive PA LLC	City National Bank	x1195	\$87,804
205 B Arch St Management LLC	City National Bank	x1420	\$0
242 S 21st St LLC	City National Bank	x9339	\$72,191
300 Market St LLC	City National Bank	x1186	\$250,000
300 Market St LLC	City National Bank	x7303	\$148,531
627-629 E Girard LLC	City National Bank	x9872	\$250,000
627-629 E Girard LLC	City National Bank	x7543	\$271,247
803 S 4th St LLC	City National Bank	x9816	\$40,602
1427 Melon St LLC	City National Bank	x3410	\$250,000
1427 Melon St LLC	City National Bank	x7623	\$730,270
1530 Christian St. LLC	City National Bank	x3401	\$120,055
1635 East Passyunk LLC	City National Bank	x3293	\$121,422
1932 Spruce St LLC	City National Bank	x2834	\$80,239
4633 Walnut St. LLC	City National Bank	x2843	\$79,108
1223 N 25th St. LLC	City National Bank	x9861	\$87,261
1250 N 25th St LLC	City National Bank	x4130	\$72,800
135-137 N. 3rd St. LLC	City National Bank	x9753	\$250,000
135-137 N. 3rd St. LLC	City National Bank	x7223	\$640,242
715 Sansom St. LLC	City National Bank	x9863	\$206,465

**Schedule 1.1**

STANDARDIZED FUND ACCOUNTING REPORT for PAR FUNDING - Cash Basis  
 Receivership; Civil Court Docket No. 20-cv-81205-RAR  
 Reporting Period 4/1/2023 to 6/30/2023

<b>Entity</b>	<b>Bank Name</b>	<b>Account Number</b>	<b>Ending Cash Balance as of 6/30/2023</b>
861 N 3rd St. LLC	City National Bank	x9845	\$250,000
861 N 3rd St. LLC	City National Bank	x7383	\$34,881
915-917 S. 11th LLC	City National Bank	x9818	\$230,428
20 N. 3rd St. Ltd	City National Bank	x1447	\$0
Heritage Business Consulting, Inc.	City National Bank	x1745	\$250,000
Heritage Business Consulting, Inc.	City National Bank	x7943	\$1,078,301
Eagle Six Consulting, Inc.	City National Bank	x2519	\$250,000
Eagle Six Consulting, Inc.	City National Bank	x7703	\$14,998,187
LME 2017 Family Trust	City National Bank	x8827	\$117,360
LWP North LLC	City National Bank	x8115	\$42
Blue Valley Holdings, LLC	City National Bank	x5460	\$3,183,304
500 Fairmount Avenue, LLC	City National Bank	x8169	\$177,252
Contract Financing Solutions	Actum	N/A	\$64,300
Contract Financing Solutions	City National Bank	x7143	\$3,298,930
Contract Financing Solutions	City National Bank	x4540	\$250,077
Recruiting and Marketing Resources	City National Bank	x4279	\$2,230
<b>Total Bank Balance<sup>1</sup></b>			<b>\$123,640,990</b>

**Complete Business Solutions et al Receivership**

**Net Assets Schedule**

Reporting Period 4/1/2023 to 6/30/2023

	2023		2022				2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>RECEIPTS AND ASSETS:</b>												
Net MCA collections	\$839,117	\$1,744,287	\$3,182,887	\$3,169,061	\$5,864,888	\$4,796,064	\$5,329,687	\$6,475,426	\$8,179,540	\$7,722,809	\$19,054,124	\$7,439,944
Other accounts receivables	69,000	279,000	290,692	48,491	138,297	265,300	1,242,828	3,828,799	2,512,869	68,879	126,569	0
Rental income	356,035	537,000	517,000	633,800	493,000	500,000	505,000	422,000	485,000	400,000	0	0
Insurance proceeds	3,504,924	0	0	3,032,479	0	0	4,432,143	0	450,000	250,000	350,000	0
Litigation proceeds	33,031	15,000	2,614	100,296	394,686	2,486,098	0	0	0	238,843	491,722	0
Interest/Dividend Income	692,819	197,770	199,109	184,572	23,705	19,815	58,198	18,991	18,940	15,258	11,503	1,102
Pre-ReceiverShip Cash Transfer	-	-	-	-	-	2,532,885	1,180,630	237	1,909	2,109,736	8,931,251	-
Miscellaneous <sup>1</sup>	238,871	99,290	451	-	15,121	27,285	51,496	911	13,658	-	992,471	6,257
Business Asset Liquidation	3,343,829	-	-	3,940,937	-	-	-	-	-	-	-	-
Other cash receipts <sup>1</sup>	4,275,518	297,061	199,560	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	\$115,311,109	\$117,211,559	\$115,115,250	\$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	1,534,549	1,491,363	1,427,855	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	52,684,000	55,129,000	55,129,000	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	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	2,314,500	2,314,500	2,314,500	2,160,000	2,160,000	0	0
<b>TOTAL RECEIPTS AND ASSETS:</b>	<b>\$182,103,384</b>	<b>\$180,200,370</b>	<b>\$179,360,958</b>	<b>\$177,195,517</b>	<b>\$170,146,590</b>	<b>\$166,034,175</b>	<b>\$155,339,196</b>	<b>\$146,060,618</b>	<b>\$138,479,132</b>	<b>\$132,079,318</b>	<b>\$65,983,853</b>	<b>\$36,226,872</b>
<b>EXPENSES AND DISBURSEMENTS:</b>												
Operating expenses	411,242	\$2,797,136	\$443,305	\$418,005	\$486,364	\$567,952	\$444,717	\$590,477	\$513,489	\$534,649	\$472,173	\$138,256
Personal asset expenses	201,641	0	0	0	0	0	0	1,370	0	0	0	0
Premium due on life settlement policies	315,145	360,691	260,378	305,154	583,232	324,481	354,434	514,854	384,480	363,938	324,301	152,585
Real estate property expenses	153,095	270,030	23,174	94,636	138,833	286,565	18,724	37,827	263,946	46,784	0	0
Third party attorney fees and expenses	-	-	0	0	0	(100)	100	0	0	44,726	0	0
Professional fees	1,201,172	1,148,291	1,383,415	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>\$2,282,294</b>	<b>\$4,576,149</b>	<b>\$2,110,272</b>	<b>\$2,050,280</b>	<b>\$2,678,493</b>	<b>\$3,000,263</b>	<b>\$3,259,752</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>\$179,821,090</b>	<b>\$175,624,221</b>	<b>\$177,250,686</b>	<b>\$175,145,237</b>	<b>\$167,468,097</b>	<b>\$163,033,912</b>	<b>\$152,079,444</b>	<b>\$142,429,971</b>	<b>\$134,936,451</b>	<b>\$126,628,675</b>	<b>\$65,187,380</b>	<b>\$35,936,031</b>

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



# EXHIBIT B

## Real Estate Owned

Location	City, State	Property Type	Current Value <sup>9</sup>
118 Olive Street	Philadelphia, PA	Multi-unit residential	\$719,000
205 Arch Street	Philadelphia, PA	Commercial	\$600,000
142 N. 2 <sup>nd</sup> Street	Philadelphia, PA	Commercial	\$230,000
242 S. 21 <sup>st</sup> Street	Philadelphia, PA	Multi-unit residential	\$1,110,000
300 Market Street	Philadelphia, PA	Mixed-use	\$4,057,000
627-629 E. Girard Ave.	Philadelphia, PA	Multi-unit residential	\$3,767,000
803 S. 4 <sup>th</sup> Street	Philadelphia, PA	Mixed-use	\$400,000
1427 Melon Street	Philadelphia, PA	Multi-unit residential	\$7,460,000
1530 Christian Street	Philadelphia, PA	Multi-unit residential	\$975,000
1635 E. Passyunk Street	Philadelphia, PA	Mixed-use	\$897,000
1932 Spruce Street	Philadelphia, PA	Multi-unit residential	\$1,857,000
4633 Walnut Street	Philadelphia, PA	Multi-unit residential	\$700,000
1223 N. 25 <sup>th</sup> Street	Philadelphia, PA	Multi-unit residential	\$974,000
1248 N. 25 <sup>th</sup> Street	Philadelphia, PA	Single-unit residential	\$325,000
1250 N. 25 <sup>th</sup> Street	Philadelphia, PA	Multi-unit residential	\$974,000
135-137 N. 3 <sup>rd</sup> Street	Philadelphia, PA	Mixed-use	\$7,043,000
715 Sansom Street	Philadelphia, PA	Mixed-use	\$2,465,000
861 N. 3 <sup>rd</sup> Street	Philadelphia, PA	Multi-unit residential	\$1,976,000
915-917 S. 11 <sup>th</sup> Street	Philadelphia, PA	Multi-unit residential	\$2,100,000
20 & 22 N. 3 <sup>rd</sup> Street	Philadelphia, PA	Commercial	\$3,150,000
500 Fairmount Ave.	Philadelphia, PA	Mixed-use	\$1,806,000
107 Quayside Dr. <sup>10</sup>	Jupiter, FL	Single-family house	\$5,800,000
2413 Roma Drive	Philadelphia, PA	Single-family house	\$699,000
568 Ferndale Lane <sup>11</sup>	Haverford, PA	Single family house	N/A
105 Rebecca Court <sup>12</sup>	Paupack, PA	Single family house	\$2,600,000
		<b>Total</b>	<b>\$52,684,000</b>

<sup>9</sup> Previously, 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. The Jupiter, FL and Paupack, PA properties are listed at acquisition cost.

<sup>10</sup> Property owned by Lisa McElhone and for personal use by Lisa McElhone

<sup>11</sup> Property owned by Receivership Entity Blue Valley Holdings, LLC. This property was sold \$3,388,000. The settlement date was June 29, 2023.

<sup>12</sup> Property owned by Receivership Entity LWP North, LLC.

# EXHIBIT C

## Other Assets

Asset	Approximate Value <sup>13</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>14</sup>	\$232,600
<b>Total</b>	<b>\$3,496,100</b>

<sup>13</sup> Except for the automobiles, amount represents approximate purchase price. An appraisal of each asset has not been done.

<sup>14</sup> Value is the purchase price pursuant to build order (D.E. #634). An appraisal of the asset has not been done.

**EXHIBIT D****Complete Business Solutions et al Receivership****Tangible Assets Schedule****Reporting Period as of 6/30/2023**

	<b>CBSG</b>	<b>Abbonizio</b>	<b>ABFP</b>	<b>Vagnozzi</b>	<b>Retirement Evolution</b>	<b>Fidelis</b>	<b>Total (as of 6/30/23)</b>
<b>Assets On-hand:</b>							
<b>Cash and Investment Accounts:</b>							
Cash	\$ 102,871,155	\$ 5,156,610	\$ 7,906,162	\$ 4,730,272	\$ 1,256,542	\$ 185,700	\$ 122,106,441
SEP Account (Retirement Funds)	-	-	-	-	-	-	-
ABFP Income Fund 2 (Stock and cash)	-	-	1,534,549	-	-	-	1,534,549
<b>Other Assets:</b>							
Rental Real Estate	44,284,000	-	-	-	-	-	44,284,000
Personal Real Estate	8,400,000	-	-	-	-	-	8,400,000
Auto	642,600	-	-	-	-	-	642,600
Watercraft	539,000	-	-	-	-	-	539,000
Personal	2,314,500	-	-	-	-	-	2,314,500
<b>Total Assets On-hand</b>	<b>\$ 159,051,255</b>	<b>\$ 5,156,610</b>	<b>\$ 9,440,710</b>	<b>\$ 4,730,272</b>	<b>\$ 1,256,542</b>	<b>\$ 185,700</b>	<b>\$ 179,821,090</b>

Note 1: In Q1 2023, the SEC approved removing Capital Source 2000 from the Receivership. All cash relating to Capital Source 2000 was transferred to the prior members in accordance with the SEC's decision. Cash has been adjusted to reflect this change.

Note 2: The above schedule does not include ABFP life insurance policies with total face value death benefits of approximately \$19.3MM; 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 \$3.4MM in installment payments due under settlement agreements with various merchants and counterparties.

Note 4: The above schedule does not include approximately \$1.25MM due under settlements with 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.