

**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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JOINT STATUS REPORT REGARDING CLAIMS CALCULATION

Pursuant to the Court's Orders [ECF Nos. 1822 and 1829], Plaintiff Securities and Exchange Commission and the Court-Appointed Receiver, Ryan Stumphauzer, hereby file a Joint Status Report regarding the Receiver's claim calculation.

Investors submitted claims for their investment losses on twelve-month promissory notes that had not yet matured by February 2020 or by the date the Commission filed this case (the "Open Notes"), and thus where the investors have not received the return of their principal. These investors' claims seek amounts under the following formula: principal amount the investor invested in an Open Note, minus the interest that investor previously received on that same Open Note prior to the Commission filing this case.

The Receiver has calculated these investor claims using the above formula, and then further subtracting the amount of interest the investor previously received from that same Note Issuer on prior promissory notes that matured and closed at any time from 2016 through the date the Commission filed this case ("Closed Notes").

The Commission and Receiver have conferred about the appropriate method for calculating these investors' claims and agree as follows. The Commission's position is that for the Receiver's claim calculation to apply, the Court would have to first determine that the Note Issuer operated a Ponzi scheme such that the interest payments to investors on Closed Notes were comprised of later investors' funds in that same offering, and that the equities, based on the facts of this case and the investor claims at issue, support the Receiver's calculation formula. The burden would be on the

Receiver to demonstrate these matters by filing a motion with supporting evidence and legal support.

Without taking a position on whether a Ponzi scheme determination is necessary for the Receiver's claim calculation, the Receiver intends to proceed in that manner and to file an appropriate motion. The Receiver will confer with the Commission about that motion and provide the information the Commission has requested, and the Commission will provide its position on the motion at that time. The Receiver will file a status update with the Court by Friday, April 5, 2024.

March 21, 2024

Respectfully submitted,

s/Amie Riggle Berlin
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