

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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**PLAINTIFF SECURITIES AND EXCHANGE COMMISSION’S RESPONSE  
IN OPPOSITION TO THE “SECURED CHEHEBAR’S MOTION TO INTERVENE”**

**I. INTRODUCTION**

GEMJ Chehebar GRAT, LLC, Albert Chehebar, Isaac Shehebar, Isaac Shehebar 2008 AIJJ Grantor Retained Annuity Trust, Michael Chehebar, Ezra Shehebar, Ezra Chehebar, Ezra Shehebar LLC, Cherie Chehebar, Josef Chehebar, Steven Chehebar, and Joyce Chehebar (the “Movants”) seek to intervene in this civil enforcement action as a matter of right pursuant to Federal Rule of Civil Procedure 24, on grounds they hold liens against one of the Receivership entities – namely, Complete Business Solutions Group, Inc. (“CBSG”) – and that they will be prejudiced if the Court rules on claims in the Receivership without permitting the Movants to intervene as parties and considering the Movants’ purported liens against CBSG separately.

This premise is a fallacy.

The Movants each filed claims in the Receivership and submitted objections raising their purported lienholder status. The Receiver filed his Motion for the adjudication of the investors’ and creditors’ claims in the Receivership, and the Movants’ claims are among them [ECF No. 1843]. Contrary to the Movants’ representations to this Court that their rights will be extinguished by the claims determination hearings in this case, the Movants are in fact claimants who are participating in those proceedings [ECF No. 1849] and whose objections will be ruled upon during the claims resolution process.

In early 2023, the Movants executed Proof of Claim forms and submitted them to the Receiver, explicitly consenting to the claims process as the vehicle for resolving their claims (Exhibit A, Proof of Claims Form (redacted and highlighted)).<sup>1</sup> The Movants actively participated in the claims process and pursuant to the Court's Claims Distribution Order, submitted objections to the Receiver's view of their claims. Those objections detail the same arguments concerning the liens that the Movants now raise in the proposed motion submitted with their Motion to Intervene (Exhibit B, Objections). While the Movants spend nearly two pages of their Motion to Intervene detailing how the victim investors consented to being bound by the claims process and point to that as evidence the Movants must intervene to enjoy those same rights [ECF No. 1842 at pp. 6-7], the Movants are in truth claimants themselves who are filing their objections to the Court during that process by May 7, 2024 [ECF Nos. 1849, 1845]. As such, pursuant to the Court's prior Order, the Movants' claims and objections regarding their purported lienholder status are already being adjudicated during the claims process to which the Movants consented.

The Court should not entertain the Movants' improper attempt to circumvent the claims resolution process to which they previously consented and in which they have participated for more than one year. Permitting the Movants to litigate the lien issues as claimants during the claims process while simultaneously litigating the same issues on their proposed motion as intervening parties would needlessly multiply the proceedings. As discussed more fully below, the Movants utterly fail to meet their burden for intervening in this case and the Court should deny the Motion.

## **II. BACKGROUND RELEVANT TO THE INSTANT MOTION**

### **A. CBSG and the Chehebar Movants**

As has previously been established in this case, until 2020, CBSG raised investor funds through the issuance of promissory notes for the purported purpose of loaning those funds to merchant borrowers pursuant to so-called "merchant cash advances." CBSG raised these investor funds through an unregistered and fraudulent securities offering, which is the subject of the instant

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<sup>1</sup> The Movants filed claims in the form approved by this Court, and Exhibit A is provided as an example of one the Movants' claims forms, without the lengthy exhibits attached that claim form. Because it does not appear to be in dispute that all Movants filed claims, we are not filing all of the claims forms with this Response. However, the Movants' objections to the Receiver's positions on their claims are provided herewith as Exhibit B.

case and the basis for the SEC's charges against CBSG and its principals in the Amended Complaint.

CBSG also issued notes outside of the unregistered and fraudulent offering alleged in the Complaint. Specifically, CBSG entered into consulting agreements with Movants Isaac Chehebar, GEMJ Chehebar Grat, LLC ("GEMJ"), and Josef Chehebar [ECF No. 1330-4 (Consulting Agreements) and 1329 at p.18 (Defendants' Brief)]. Pursuant to the consulting agreements, these Movants were to assist CBSG in the offering by contacting investors. [ECF No. 1330-4, Consulting Agreements, at Section 2(a)(1)], and in exchange, CBSG provided these Movants with "compensation" in the form of a profit-sharing arrangement whereby these Movants received a percentage of the investments [ECF No. 1330, Section 3, "Compensation"; ECF No. 1329 at pdf p. 18 n. 17]. According to CBSG's owners and principals, in addition to memorializing this payment arrangement in notes issued to GEMJ and Isaac and Josef Chehebar, CBSG also issued notes to Isaac and Josef Chehebar's family members and entities, all of which were generated through the consulting agreements [ECF No. 1329 at pdf p.18 n.18]. Unlike the 12-month notes issued to the individual investors in the offerings at issue in this case, the notes issued to the Movants were for up to six years in duration and paid up to 30 percent interest [ECF No. 1329-6].

#### **B. The Receivership and Claims Process in the Instant Case**

On July 24, 2020, the Securities and Exchange Commission ("SEC") filed, *ex parte*, a Complaint, Emergency Motion for Temporary Restraining Order and Other Relief, and Motion for the Appointment of a Receiver over CBSG and the other corporate defendants in this case [ECF Nos. 1, 4, 14]. On July 27 and 28, 2020, the Court entered the Temporary Restraining Order, imposed an asset freeze against CBSG's assets, appointed the Receiver, and provided the Receiver with exclusive control and possession of all CBSG assets [ECF Nos. 36, 42]. On July 31, 2020, the Court expanded the Receivership Order to prohibit all persons receiving notice of the Order from hindering or interfering with the Receiver's efforts to take control or possession of CBSG's assets or to preserve them [ECF No. 56 ¶ 9].

Eight days later, on August 7, 2020, the Movants filed 25 liens against "all of the assets and property" of CBSG [ECF No. 1842-5, Exhibit E to Movants' Motion, at pdf pp 50-74].

Litigation on the Defendants' liability and the relief against the individual defendants concluded in November 2023. On December 23, 2022, the Court entered an "Order (1) Approving Proof Of Claim Form; (2) Establishing Claims Bar Date And Notice Procedures; And (3)

Approving Procedure To Administer And Determine Claims” [ECF No. 1471]. In that Order, this Court directed the Receiver to provide notice of the claims process to, among others, all investors and creditors, approved the Proof of Claims Form [ECF No. 1467-1], and ordered that a claimant’s “submission of a Proof of Claim shall constitute consent to be bound by the decisions of the Court as to the treatment of the Claim in a Court-approved distribution plan.” [ECF No. 1471 at ¶¶ 6, 18]. The Court-approved Proof of Claim Form includes this same language to which claimants explicitly consent when they execute this Form [ECF No. 1485, 1483-1].

The Receiver also notified all claimants, including the Movants, of the Receiver’s position on their claims, provided each claimant an opportunity to object if they disagreed with the Receiver’s position. Pursuant to the Court’s Order, the the disputed claims are to be presented to the Court for adjudication [ECF Nos. 1471, 1476].

**C. The Movants Submitted Claims and Objections in the Claims Process,  
Which Claims This Court Will Adjudicate During the Claims Resolution Process**

The Movants each submitted a Proof of Claim, the Receiver responded to each of those claims, and the Movants submitted objections to the Receiver in December 2023 (Exhibits A and B). Notably, the Movants’ claims and objections are the same lien-based arguments as those presented in the proposed motion attached to the instant Motion to Intervene. On April 22, 2024, the Receiver filed the Motion for the Court to adjudicate claimants’ objections pursuant to this Court’s prior Orders [ECF No. 1471, 1467, 1843].<sup>2</sup> On April 23, 2024, the Court entered an Order Setting Briefing Schedule for Claim Determination, directing all claimants with outstanding objections to file briefs responding to the Receiver’s Motion by May 7, 2024 [ECF No. 1845]. On April 30, 2024, the Movants filed a Motion to Permit Consolidated Response Exceeding Page Limit, seeking leave to file a 40-page omnibus response to the Receiver’s Motion to address, among other issues, the Movants’ arguments on their purported lien interests [ECF No. 1849].

Thus, presently before the Court are two litigated matters where the Movants seek the same relief from this Court on their liens – namely, (1) the Movants’ instant Motion to intervene to litigate the liens as intervening parties to this case, and (2) the Movants’ litigation as claimants filing objections regarding those same liens.

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<sup>2</sup> The Receiver first advised the SEC of the Movants’ claims and objections, and the Receiver’s position on them, on April 10, 2024. The SEC will file a response with the SEC’s positions on the claims, objections, and the Receiver’s position on the claims.

### **III. THE MOVANTS FAIL TO MEET THEIR BURDEN UNDER RULE 24**

The Movant seeks leave to intervene in this case to become a party, as of right pursuant to Federal Rule of Civil Procedure 24(a), for the purpose of engaging in litigation with the Receiver and SEC concerning the claims the Movants submitted in the claims distribution process in this case [ECF No. 1842].

“Rule 24 of the Federal Rules of Civil Procedure provides that the Court must permit someone to intervene who brings a timely motion and who ‘claims an interest relating to the property or transaction that is the subject of the action, and is so situated that disposing of the action may as a practical matter impair or impede the movant’s ability to protect its interest, unless existing parties adequately represent that interest.’” *Quantum Communs. Corp. v. Star Broad., Inc.*, No. 05-21772-CIV, 2009 U.S. Dist. LEXIS 92868, 2009 WL 3055371 (S.D. Fla. Sept. 14, 2009).

To establish a right to intervene under Fed. R. Civ. P. 24, the prospective intervenor must establish: “1) that the application to intervene is timely; 2) that the intervenor has an interest relating to the property or transaction that is the subject of the action; 3) that the intervenor is situated so disposition of the action, as a practical matter, may impede or impair his ability to protect that interest; and 4) that the intervenor’s interest is not adequately represented by the existing parties to the suit.” *Id.* (citing *Purcell v. BankAtlantic Financial Corp.*, 85 F. 3d 1508, 1512 (11th Cir. 1996)).

A prospective intervenor must establish all four of these elements. *Fox v. Tyson Foods, Inc.* 519 F.3d 1298, 1302 (11th Cir. 2008). “[I]ntervention of right will not be allowed unless all requirements of the Rule are met”). Here, the Movants establish none of them.

#### **A. The Movants Fail to Establish Their Motion Is Timely**

The threshold question under Rule 24(a) is whether the motion to intervene is timely. If it is not, the motion must be denied. *See National Ass’n for Advancement of Colored People v. New York*, 413 U.S. 345, 365 (1973) (holding that a district court decision that a motion to intervene is untimely should not be reversed unless the district court abused its discretion in so deciding).

In the Eleventh Circuit, Courts consider the following four factors to determine whether a motion to intervene is timely:

- (1) the length of time during which the would-be intervenor knew or reasonably should have known of his interest in the case before he petitioned for leave to intervene;
- (2) the extent of prejudice to the existing parties as a result of the would-be intervenor's failure to apply as soon as he knew or reasonably should have known

of his interest; (3) the extent of prejudice to the would-be intervenor if his petition is denied; and (4) the existence of unusual circumstances militating either for or against a determination that the application is timely.

*Campbell v. Hall-Mark Elecs. Corp.*, 808 F.2d 775, 777 (11th Cir. 1987).

The Movants argue only that the Receiver mentioned during a March 2024 status conference that the Court would soon be determining lien issues, the Court must determine the Movants' rights "as part of the distribution process," and no party will be suffer prejudice if the Court permits the Movants to intervene to file their motion [ECF No. 1842 at pdf p. 4].

These arguments fail to demonstrate timeliness under the four factors for determining this issue. As to the first element:

- The Movants have known of their lien interest in CBSG since no later than August 2020 when they filed their most recent liens [ECF No. 1842 at pp. 54-74 (liens with August 7, 2020 filing date)].

- The Movants do not argue that they only recently learned about the instant case or that CBSG was in a receivership. Nor could they. The Movants have had knowledge of this case since about July 2020 and have been participating in the claims process since at least June 2022 when the Receiver provided formal notice to the Movants of the claims process in this case.

- The Movants do not address why their claims must be heard now, ahead of every victim, creditor, employee, and other claimant who, like the Movants, submitted a Proof of Claim in the Receivership.

- The Movants also seek to intervene in order file a motion asking the Court to reconsider its Claims Distribution Order that was entered nearly *fifteen months* ago, in December 2022 [ECF No. 1471]. The Movants argue that the Order erred in requiring the Movants to submit a Proof of Claim Form and wish to intervene in order to seek reconsideration of that Order [ECF No. 1842 at pdf pp. 20-21]. The Receiver provided the Order to the Movants on November 21, 2022 and the Movants offer no reason – and in fact do not even address – why they waited 15 months until the eve of the claims determination process to seek reconsideration of that Order. Nor do they address the fact that they submitted Proof of Claims forms more than one year ago, in March 2023.

As to the third element, the Movants argue only that they will be prejudiced if the Court denies their motion to intervene because neither the Receiver nor the SEC represent the Movants'

interests in this case. This argument ignores the fact that the Movants are litigating their claims and objections during the claims determination process and will be filing their positions by May 7, 2024 [ECF No. 1845]. Thus, the Movants will have an opportunity to be heard – as claimants and not intervening parties – at the same time as the other objecting claimants. This procedure is set forth in the Court’s Order on the claims administration process and all claimants are subject to it, as set forth in Section II(c) above. Thus, contrary to the Movants’ argument that they will be prejudiced, they will in fact be given the same opportunity to be heard as every other claimant who objects to the Receiver’s opinion of their claim.

As to the fourth element, the fact that there is a Court-ordered procedure for determining all claimants’ claims in this case militates against finding the Movants’ Motion timely. It would be inequitable to every other claimant if the Movants were given preferential treatment in the claims process to circumvent the Court Order and adjudicate their claims outside of the claims adjudication proceedings. If this Court grants the Movants the right to intervene so they can have their claims adjudicated earlier than every other claimant, then every one of the more than 200 objecting claimants in this case would have the same right and would also file motions to have their objections adjudicated separately through motion practice and individualized evidentiary hearings. The litigation of these motions would not only further deplete the Receivership estate, but would also place a significant burden on judicial and SEC resources.

Accordingly, the Movants failed to meet their burden on the timeliness element, and the Court should deny the Motion. *SEC v. Callahan*, 2 F.Supp.3d 427, (S.D.N.Y. 2014) (denying Motion to Intervene: “As RBS Citizens has failed to satisfy the first requirement under Fed.R.Civ.P. 24(a), it cannot intervene as a right and the court need not consider Rule 24(a)'s remaining criteria.”); *Disability Advocates, Inc. v. Paterson*, Case No. 03–CV–3209 NGG, 2009 WL 5185807, at \*6, n. 14 (E.D.N.Y. Dec. 23, 2009) (“Having denied intervention as of right on timeliness grounds, the court need not consider the other requirements \*439 under Rule 24(a)... [F]ailure to satisfy even one requirement defeats a claim to intervention as of right.”) (citing *Butler, Fitzgerald & Potter v. Sequa Corp.*, 250 F.3d 171, 176 (2d Cir.2001)).

### **B. The Movants Have Failed to Demonstrate An Interest In Property**

The Movants argue only that because they purportedly hold liens against CBSG’s assets and property, then they have an interest in the Receivership estate. In support, the Movants rely heavily on *SEC v. Wells Fargo, N.A.*, 848 F. 3d 1339, 1341 (11th Cir. 2017). As the Movants admit

in their Motion, *Wells Fargo* dealt with an issue where a movant held a pre-receivership lien on two real estate properties that were in a receivership. The District Court determined that the movant's interest in the lien was extinguished because the movant failed to timely submit a Proof of Claim in the receivership.

The Movants' reliance on *Wells Fargo* is misplaced.

- Unlike the *Wells Fargo* lienholders, here the Movants did file Proofs of Claim that will be adjudicated during the claims adjudication proceedings before this Court, and consented to the claims administration process in this case.

- Unlike the pre-receivership liens at issue in *Wells Fargo*, the Movants primarily seek to enforce post-receivership liens, filed on August 7, 2020 after this Court had placed all of CBSG's assets in the Receivership.

- Unlike the liens in *Wells Fargo*, there is no argument to extinguish the liens on grounds the Movants' Proof of Claim Forms were untimely.

- Unlike the liens in *Wells Fargo* that attached specifically two real estate properties, here the Movants fail to identify any specific property in the Receivership to which any lien attaches. The Movants' liens, filed as Exhibits C-E to their Motion, purport to give the Movants a lien on "all of the assets and property of [CBSG]." CBSG is one of the entities in the Receivership. However, CBSG was in the business of loaning out investor money, and CBSG commingled the investors' funds in their operating account and had no source of revenue other than (1) investor money and (2) borrowers' repayment to CBSG of the investor money CBSG loaned out. The Movant does not argue that the investor funds in the CBSG accounts are CBSG assets or property, and does not point to any asset or property of CBSG in the Receivership whatsoever.

**C. The Movants Cannot Demonstrate That The Disposition of This Action May Impede or Impair Their Ability to Protect Their Purported Interests**

The Movants argue that the claims distribution process "deeply impacts" their rights as lienholders, yet offer no detail or explanation as to how that process affects them as claimants in that process. [ECF No. 1842 at 15]. Accordingly, the Movants failed to meet their burden on this element.

As set forth above in Section III(A), the Movants cannot demonstrate that the claims resolution process would impede or impair their ability to protect their purported interests. The Movants filed Proofs of Claim and are participating in that process as claimants. They have



identified no reason – nor could they – why their interests will be affected differently in any way – let alone an adverse way – if they participate as claimants as opposed to parties. In fact, as their claims and objections clearly show, the Movants raised the same arguments about their purported lien interests in the claims resolution process as they seek to raise as intervening parties (Exhibit A and B attached hereto *cf.* ECF No. 1842).

**D. The Movants Cannot Meet Their Burden of Establishing That The SEC and Receiver Do Not Adequately Represent The Movants' Rights**

The Movants argue that they must be permitted to intervene as parties to this SEC enforcement action because neither the SEC nor the Receiver represent the Movants' interests and both the SEC and Receiver dispute the Movants' claims. This argument ignores the reality of this case, which is at the claims determination phase where the Movants participate as claimants in the adjudication of their claims. Indeed, the Movants admit in their Motion that their claims will be presented to the Court for adjudication [ECF No. 1842 at p.8]. Which is precisely what this Court's Order dictates. [ECF No. 1471].

Pursuant to this Court's Order and the claims adjudication process to which the Movants consented, the Court will adjudicate the claims and objections during the claims process. On As the SEC has previously explained in opposing other claimant's motions to intervene, the claimants will have an opportunity to be heard at that time. The Movants are no exception and they cannot and have not argued that they should be afforded the right to intervene as parties after having submitted to the claims process when all other claimants are not.<sup>3</sup>

The Motion is an attempt to circumvent the claims reconciliation process established by the Court and consented to by the Movants when they submitted their Proofs of Claim. Movants seek to add a duplicative layer of costs and expenses to litigate their claims through separate motions and evidentiary hearings outside of the claims adjudication process to which they are already participants. Allowing duplicative and piecemeal litigation of claims would ultimately diminish and delay any distributions to investors. If every claimant were permitted to intervene

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<sup>3</sup> The Movants are not the only purported lienholders who filed claims. All Agent Funds were granted an interest in a lien in CBSG's assets pursuant to the Exchange Notes issued in April 2020, and these rights were to be held by one Agent Fund Manager on behalf of all Agent Funds. That Agent Fund Manager purports to have filed that lien against all of CBSG's assets in 2020 before the SEC filed this case. Indeed, the lien was a main selling point in obtaining investors' agreement to participate in the Exchange Offering and is featured in the videos through which investors are solicited to exchange their notes for notes offering lower interest rates.

as a party to this SEC enforcement action to separately adjudicate their claims through separate motions and evidentiary hearings, then this would overburden the Court, the SEC, and the Receivership, and would further deplete the Receivership estate and delay a distribution.

A process was put into place pursuant to which all claims would be determined. The Movants availed themselves of that process, filed claims and objections, and the Movants – as claimants – have the right to participate in the adjudication of their claims during the claims adjudication process and are participating in that process. As a result, the Movant’s Motion to Intervene is baseless. The Movants failed to meet their burden for demonstrating the right to intervene as parties under Rule 24 and the Motion should be denied.

#### **IV. THE COMMISSION DOES NOT CONSENT TO THE MOVANTS’ MOTION**

The Movants’ motion should also be denied because Section 21(g) of the Exchange Act, 15 U.S.C. § 77u(g), bars third parties from intervening in enforcement actions by the Commission without Commission consent. Section 21(g) states:

[N]o action for equitable relief instituted by the Commission pursuant to the securities laws shall be consolidated or coordinated with other actions not brought by the Commission, even though such other actions may involve common questions of fact, unless such consolidation is consented to by the Commission.

15 U.S.C. § 78u (g).

While courts are divided on whether Section 21(g) is a complete bar to intervention, and the Eleventh Circuit has not ruled on the matter, many courts have broadly applied Section 21(g) to preclude interference by private parties in Commission law enforcement proceedings without Commission consent, relying on a plain reading of the statute and its legislative history. *See, e.g., Aaron v. SEC*, 446 U.S. 680, 717 n.9 (1980) (Blackmun, J., concurring) (Reviewing the legislative history of Section 21(g), the court explained the “legislation observed that Commission enforcement actions and private suits for damages, though both civil in nature, ‘are very different,’ and . . . that private suits involve complications that are not present when the Commission seeks injunctive relief.”); *Parklane Hosiery Co. Inc. v. Shore*, 439 U.S. 322, 332 (1979) (observing that “the respondent probably could not have joined in the injunctive action brought by the SEC even had he so desired”) (citing *Everest Mgmt. Corp.*, 475 F.2d at 1240). *See also, SEC v. Univ. Lab Techs., Inc.*, No. 07 Civ. 80838, 2009 U.S. Dist. LEXIS 27214, at \*8 (S.D. Fla. Mar. 18, 2009) (“[Allowing intervention] opens the door to a serious, substantial evisceration of Section 21(g).”); *SEC v. Nadel*, No. 09 Civ. 87, 2009 WL 3126266, at \*1 (M.D. Fla. Sept. 24, 2009) (quoting *SEC*

*v. Cogley*, No. 98 Civ. 802, 2001 WL 1842476, at \*5 (S.D. Ohio Mar. 21, 2001)) (“[A]fter reviewing the legislative history, and reviewing other cases that have discussed this issue, this Court comes to the inescapable conclusion that Section 21(g) bars intervention.”).

Thus, Section 21(g) creates an “impenetrable wall” between Commission enforcement actions and private actions that have the same questions of fact. *SEC v. Wozniak*, No. 92 Civ. 4691, 1993 WL 34702, at \*1–2 (N.D. Ill. Feb. 8, 1993) (“Only SEC’s consent can open a door in that wall to permit a private party...to have access to this federal court in [an SEC enforcement action].”). Here, the Movants already have an opportunity to be heard as claimants on the liens at issue and yet impermissibly seek to intervene at parties, which would not only result in the lien issues being heard twice but which would also potentially convert this Commission enforcement action into a property rights and lien enforcement lawsuit involving a panoply of legal issues and potential damages in the realm of property law. Moreover, the Receiver would have to expend valuable resources that would otherwise be used to benefit the interests of investors to litigate the Movants’ lien issues twice. *See, e.g., Everest Mgmt. Corp.*, 475 F.2d at 1240; *Nadel*, 2009 WL 3126266, at \*1.

Accordingly, Section 21(g) serves as an additional basis for denying the Movants’ Motion to become parties to this Commission enforcement action to litigate twice before this Court the claim objections they will address in their forthcoming May 7, 2024 response to the Receiver’s Motion [ECF Nos. 1842, 1845, 1849].

#### V. CONCLUSION

For the reasons set forth herein, the Court should deny the Movants’ Motion to Intervene [ECF No. 1849].

May 1, 2024

Respectfully submitted,

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<p style="text-align: center;"><b>UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF FLORIDA NO. 20-CV-81205-RAR</b></p> <p>SECURITIES AND EXCHANGE COMMISSION</p> <p style="text-align: center;">vs.</p> <p>COMPLETE BUSINESS SOLUTIONS GROUP, INC. d/b/a PAR FUNDING, et al.,</p>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p>Filed: USBC - Southern District of Florida Complete Business Solutions (CLM) Group, Inc, et al 20-81205 (RAR)</p> <p style="text-align: center;"><b>PFN</b></p> <p style="text-align: right;">0000000478</p> </div> <p style="text-align: center;">THIS SPACE RESERVED FOR ADMINISTRATIVE USE ONLY</p>
<p><b>PROOF OF CLAIM FORM (Instructions Attached)</b></p>	
<p><input type="checkbox"/> Check this box if this claim amends a previously filed claim, dated _____ (including Claim # if known)</p>	

<p><b>ENTITY AGAINST WHICH YOU ARE ASSERTING A CLAIM (mark one)</b></p> <p><u>Receivership Entities</u></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> ALB Management</li> <li><input type="checkbox"/> Beta Abigail</li> <li><input checked="" type="checkbox"/> Complete Business Solutions Group d/b/a Par Funding (CBSG)</li> <li><input type="checkbox"/> Contract Financing Solutions</li> <li><input type="checkbox"/> Eagle Six Consulting</li> <li><input type="checkbox"/> Fast Advance Funding</li> <li><input type="checkbox"/> Full Spectrum Processing</li> <li><input type="checkbox"/> Heritage Business Consulting</li> <li><input type="checkbox"/> Liberty Eight Avenue</li> <li><input type="checkbox"/> LME 2017 Family Trust</li> <li><input type="checkbox"/> Recruiting and Marketing Resources (RMR)</li> <li><input type="checkbox"/> Abetterfinancialplan.com</li> <li><input type="checkbox"/> ABFP Management Company</li> <li><input type="checkbox"/> ABFP Income Fund</li> <li><input type="checkbox"/> ABFP Income Fund Parallel</li> <li><input type="checkbox"/> ABFP Income Fund 2</li> <li><input type="checkbox"/> ABFP Income Fund 3</li> <li><input type="checkbox"/> ABFP Income Fund 3 Parallel</li> <li><input type="checkbox"/> ABFP Income Fund 4</li> <li><input type="checkbox"/> ABFP Income Fund 4 Parallel</li> <li><input type="checkbox"/> ABFP Income Fund 6</li> <li><input type="checkbox"/> ABFP Income Fund 6 Parallel</li> <li><input type="checkbox"/> ABFP Multi Strategy Investment Fund</li> <li><input type="checkbox"/> ABFP Multi Strategy Investment Fund 2</li> <li><input type="checkbox"/> MK Corporate Debt Investment Company</li> <li><input type="checkbox"/> Fidelis Financial Planning</li> <li><input type="checkbox"/> United Fidelis Group</li> <li><input type="checkbox"/> Retirement Evolution Group</li> <li><input type="checkbox"/> Retirement Evolution Income Fund</li> <li><input type="checkbox"/> Retirement Evolution Income Fund 2</li> </ul> <p><u>Non-Receivership Entities</u></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> AGM Capital Fund</li> <li><input type="checkbox"/> AGM capital Fund 2</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Alvin Holdings</li> <li><input type="checkbox"/> Blue Stream Income Fund</li> <li><input type="checkbox"/> Cape Cod Income Fund</li> <li><input type="checkbox"/> Capricorn Income Fund</li> <li><input type="checkbox"/> Capricorn Income Fund I Parallel LLC</li> <li><input type="checkbox"/> GR8 Income Fund</li> <li><input type="checkbox"/> Jade Fund</li> <li><input type="checkbox"/> Jax Fund</li> <li><input type="checkbox"/> LWM Equity Fund</li> <li><input type="checkbox"/> LWM Income Fund 2</li> <li><input type="checkbox"/> LWM Income Fund Parallel</li> <li><input type="checkbox"/> Mariner MCA Income Fund</li> <li><input type="checkbox"/> MCA Capital Fund</li> <li><input type="checkbox"/> MCA Carolina Income Fund</li> <li><input type="checkbox"/> MCA National Fund</li> <li><input type="checkbox"/> Merchant Factoring Income Fund</li> <li><input type="checkbox"/> Merchant Services Income Fund Parallel</li> <li><input type="checkbox"/> Mid Atlantic MCA Fund</li> <li><input type="checkbox"/> MK One Income Fund</li> <li><input type="checkbox"/> Pisces Income Fund</li> <li><input type="checkbox"/> Pisces Income Fund Parallel</li> <li><input type="checkbox"/> RAZR MCA Fund</li> <li><input type="checkbox"/> Retirement Evolution Insured Income Fund</li> <li><input type="checkbox"/> Sherpa Income Fund I</li> <li><input type="checkbox"/> Spartan Income Fund</li> <li><input type="checkbox"/> Spartan Income Fund Parallel</li> <li><input type="checkbox"/> STFG Income Fund</li> <li><input type="checkbox"/> Victory Income Fund</li> <li><input type="checkbox"/> Wellen Fund I</li> <li><input type="checkbox"/> WorkWell Fund</li> </ul> <div style="border: 2px solid black; background-color: yellow; padding: 10px; text-align: center; margin: 10px auto; width: 150px;"> <p><b>EXHIBIT</b></p> <p style="font-size: 2em; margin: 0;">A</p> </div> <p><u>OTHER</u> (provide entity/individual name below)</p> <hr/> <hr/> <hr/>
--	--

**1. NAME AND ADDRESS OF CLAIMANT**

Name GEMJ CHEHEBAR GRAT, LLC

Street Address 1407 BROADWAY, SUITE 503

City / State / Zip Code/ Country NEWYORK / NY / 10018 / USA

If Claimant is an entity, name of contact person for Claimant and title: JOSEF CHEHEBAR, MANAGER

Telephone No. of Claimant: (917) 670-2015

Email address of Claimant: jojo@chehebar.com

Last four digits of Tax I.D. No. or SSN: 1079 Account or Reference No: 628567534392 (if known)

**2. CLAIM**

**2a. Basis of Pre-Receivership Claim:**

Good sold or services performed

Money loaned or invested or owner, partner, member, equity or other investment interest

Taxes

Wages, salaries, benefits or compensation (fill out below and attach a detailed explanation) or unpaid compensation and benefits for services performed from \_\_\_\_\_ to \_\_\_\_\_ (dates).

Title: \_\_\_\_\_

Uncashed check issued prior to July 18, 2020

Other (attach a detailed explanation)

**2b. Pre-Receivership Claim Amount: \$ 4,956,666.61**

**2c. Administrative (Post-Receivership) Claim:**

Check this box if your claim is an Administrative Claim. Briefly state the post Receivership basis of your Administrative Claim: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**2d: Administrative Claim Amount: \$**

**2e. Identify any other party who you claim may be liable to you for repayment of your claim:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**2f: Legal action or claim against Receivership Entity (provide caption, date commenced, Court, Case No.):**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Amount recovered from other parties: \$ \_\_\_\_\_

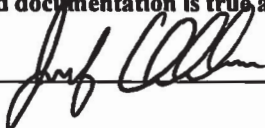
If court judgment, date obtained: \_\_\_\_\_

**2g:**  Check this box if the claim includes interest or other Charges, such as attorney's fees, lost profits or late fees in Addition to the principal amount of the claim. Attach an Itemized statement of all interest and other charges.

**3. Supporting Documents: Please Review the Notice of Claims Bar Date and Procedures for Submitting a Proof of Claim, which was included with this Proof of Claim Form, for instructions of supporting documents to attach to your Proof of Claim Form (including for example, documents evidencing the amount and basis of your Claim). DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain why. If the documents are voluminous, attach a summary.**

**4. Signature:** Sign and print the name and title, if any, of the individual or person authorized to submit this claim (attach a copy of any power of attorney, death certificate or other authorizing documents as needed).

**By signing your name below, you are certifying that the information contained in this Proof of Claim Form and any attached documentation is true and correct under penalty of perjury under the laws of the United States of America.**

Signature:  Name: JOSEF CHEHEBAR Title (if any) MANAGER

**5. Dated: 3/16/2023** **YOU MUST DATE AND SIGN THIS FORM FOR THIS CLAIM TO BE VALID**



## INFORMATION ON COMPLETING THE PROOF OF CLAIM FORM

1. **Information about Claimant.** Complete this section giving the name, address, telephone number and email address of the individual or entity who is asserting a claim against a Par Funding Receivership Entity and the Receivership Estate, and any account or reference number associated with such debt or obligation. If the Claimant is an entity, please provide contact information and the title of the authorized representative. If a valid email address is included on this form, the Claims Agent will send email notification confirming receipt of the Proof of Claim.
2. **Claim information.**
  - 2a. Please indicate the basis of your claim in this section. If you believe you have one claim, you only need to submit one Proof of Claim Form. If you believe you have multiple claims, you should file a separate Proof of Claim Form for each such claim. Check only one box per claim. Attach additional explanations as necessary. Please refer to The Notice of Claims Bar Date and Procedures For Submitting a Proof of Claim for the definitions of a Claimant, Pre- Receivership Creditor Claim, Par Funding-Related Claim, Par Funding Receivership Entities, and any other capitalized terms not defined therein can be found in the documents available at: the Receiver's website ([www.ParFundingReceivership.com](http://www.ParFundingReceivership.com)). If you are a Claimant that pooled funds from individual investors for investment in CBSG (*i.e.*, an "Agent Fund"), you must fill out and attach an "Agent Fund Supplement to Proof of Claim Form (see Exhibit B), along with the other information described in Exhibit B.
  - 2b. **Pre- Receivership Claim Amount.** For all Claims other than Administrative Claims, please state the amount of your claim as of July 28, 2020. Investors, if you claim to have made a loan to, obtained a promissory note from, or hold an interest in a Receivership Entity, please fill out and attach an "Investor Supplement to Proof of Claim Form" (see Exhibit A) to account for each time you made an investment with or provided funds to the applicable Receivership Entity and the date and amount of each transaction thereafter. You must also provide a chronological accounting indicating the date and amount of any withdrawals made by or payments received by you from any Receivership Entity, whether such payments were denominated as the return of principal, interest, commissions, finder's fee, or otherwise.  
  
You can also obtain the Investor Supplement to Proof of Claim Form and instructions from a link on the Receiver's website ([www.ParFundingReceivership.com](http://www.ParFundingReceivership.com)).
  - 2c. **Administrative Claim.** Mark the applicable box if your claim is an Administrative Claim. Please refer to The Notice of Claims Bar Date and Procedures for Submitting a Proof of Claim for the definition of an Administrative Claim, Administrative Claimant, must also designate the post- Receivership basis for the claim. Attach additional explanations as necessary.
  - 2d. **Administrative Claim Amount.** Administrative Claimants must state the unpaid amount of the post- Receivership Claim.
  - 2e. **Other liable parties.** Please identify all other parties you believe may be liable to you on the claim. Also, please provide any information regarding money recovered from such party(ies).
  - 2f. **Pending legal action.** If you have commenced a legal action against any party you believe may be liable to you on the claim, please provide the details of said legal action here, including the Court and Case number. Please attach supporting documentation. Also, please provide any information regarding court judgments and money recovered.
  - 2g. **Claim above principal amount.** Mark the applicable box if your claim amount includes interest or other charges, such as attorneys' fees, lost profits, or late fees in addition to the principal amount of your claim and attach an itemized statement of all such additional charges.
3. **Supporting Documentation.** In addition to filling out the Proof of Claim Form, you must provide supporting documentation evidencing your claim. Please Review the Notice of Claims Bar Date and Procedures for Submitting a Proof of Claim for instructions of the supporting documents which must be attached to your Proof of Claim Form, as applicable.  
**DO NOT SEND ORIGINAL DOCUMENTS.**  
If the documents are not available, explain why. If the documents are voluminous, attach a summary.
4. **Signature is required.** Sign the Proof of Claim Form and indicate your name and title, as applicable.
5. **Date.** Insert the date on which you completed and signed the Proof of Claim Form.
6. **Submit Claim Form.** Submit a completed Proof of Claim Form, along with all supporting documentation:  
**By electronic submission on the claims portal, which is available on the Receiver's website ([www.parfundingreceivership.com](http://www.parfundingreceivership.com));**  
**By mail to Par Funding Receivership Claims Processing Center, c/o Epiq Corporate Restructuring, LLC, P.O. Box 4421, Beaverton, OR 97076-4421; or**  
**By courier service addressed to Par Funding Receivership Claims Processing Center, c/o Epiq Corporate Restructuring, LLC, 10300 SW Allen Blvd., Beaverton, OR 97005.**  
  
If you submit a Proof of Claim by courier service, you should retain evidence the Proof of Claim was delivered to the Claims Agent no later than the Claims Bar Date. If you submit a Proof of Claim by mail, it is recommended that you submit your Proof of Claim by certified or registered mail and retain evidence that the Proof of Claim was postmarked no later than the Claims Bar Date.
7. **Acknowledgment of Receipt of Proof of Claim Form.** Proof of Claim Forms submitted with a valid email address will receive email notification confirming receipt by the Claims Agent of the Proof of Claim.



**Exhibit A – Investor Supplement to Proof of Claim Form**

If you are an investor, please provide a detailed accounting of all funds you invested with the Creditor Entity against which you are making a claim, and all amounts you received from that Creditor Entity.

Investor Name: GEMJ CHEHEBAR GRAT, LLC

Creditor Entity: COMPLETE BUSINESS SOLUTIONS GROUP d/b/a Par Funding (CBSG)

**Amounts Invested:**

<u>Date</u>	<u>Amount</u>	<u>Payor/Payee of Check/Wire</u>
<u>06/01/2016</u>	<u>\$500,000.00</u>	<u>GEMJ CHEHEBAR GRAT, LLC/CBSG/WIRE</u>
<u>08/25/2016</u>	<u>\$1,000,000.00</u>	<u>GEMJ CHEHEBAR GRAT, LLC/CBSG/WIRE</u>
<u>01/12/2017</u>	<u>\$2,000,000.00</u>	<u>GEMJ CHEHEBAR GRAT, LLC/CBSG/WIRE</u>
<b><u>Total Amount Invested:</u></b>	<b><u>\$4,400,000.00 (SEE ATTACHED)</u></b>	

**Amounts Received:**

<u>Date</u>	<u>Amount</u>	<u>Return of Principal/ Interest/Other (Describe)</u>	<u>Payor/Payee of Check/Wire</u>
<u>07/01/2016</u>	<u>\$10,416.67</u>	<u>INTEREST</u>	<u>CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE</u>
<u>08/01/2016</u>	<u>\$10,416.67</u>	<u>INTEREST</u>	<u>CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE</u>
<u>09/01/2016</u>	<u>\$10,416.67</u>	<u>INTEREST</u>	<u>CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE</u>
<u>09/26/2016</u>	<u>\$31,250.00</u>	<u>INTEREST</u>	<u>CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE</u>
<u>10/25/2016</u>	<u>\$31,250.00</u>	<u>INTEREST</u>	<u>CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE</u>
<u>11/25/2016</u>	<u>\$31,250.00</u>	<u>INTEREST</u>	<u>CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE</u>
<u>12/23/2016</u>	<u>\$31,250.00</u>	<u>INTEREST</u>	<u>CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE</u>
<u>01/25/2017</u>	<u>\$31,250.00</u>	<u>INTEREST</u>	<u>CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE</u>
<u>02/10/2017</u>	<u>\$61,250.00</u>	<u>INTEREST</u>	<u>CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE</u>
<u>03/10/2017</u>	<u>\$61,250.00</u>	<u>INTEREST</u>	<u>CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE</u>
<u>04/03/2017</u>	<u>\$74,189.78</u>	<u>INTEREST</u>	<u>CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE</u>

**Total Amounts Received:** \$4,329,829.64 (SEE ATTACHED)

**Net Investment:** \$70,170.36 (SEE ATTACHED)

(Calculate by Adding Total Amounts Invested, and then Subtracting Total Amounts Received)

**ADDITIONAL INFORMATION  
(ATTACH ADDITIONAL SHEETS AS NECESSARY)**



**GEMJ CHEHEBAR GRAT, LLC****Exhibit A – Investor Supplement to Proof of Claim Form****Additional Information****Amounts Invested (continued)**

<u>Date</u>	<u>Amount</u>	<u>Payor/Payee of Check/Wire</u>
05/16/2017	\$500,000.00	GEMJ CHEHEBAR GRAT, LLC/CBSG/WIRE
11/20/2018	\$400,000.00	GEMJ CHEHEBAR GRAT, LLC/CBSG/WIRE

**Total Amount Invested: \$4,400,000.00****Amounts Received (continued)**

<u>Date</u>	<u>Amount</u>	<u>Return of Principal/Interest/Other (Describe)</u>	<u>Payor/Payee of Check/Wire</u>
4/11/2017	\$61,250.00	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
5/11/2017	\$61,250.00	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
6/12/2017	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
7/5/2017	\$80,260.14	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
7/11/2017	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
8/11/2017	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
9/11/2017	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
10/2/2017	\$300,000.00	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
10/11/2017	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
11/10/2017	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
12/11/2017	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
1/2/2018	\$116,277.37	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
1/11/2018	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE

**GEMJ CHEHEBAR GRAT, LLC**

2/13/2018	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
3/9/2018	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
4/3/2018	\$155,749.56	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
4/11/2018	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
5/11/2018	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
6/11/2018	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
7/3/2018	\$152,587.83	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
7/11/2018	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
8/10/2018	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
9/11/2018	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
10/5/2018	\$34,531.77	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
10/11/2018	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
11/13/2018	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
12/11/2018	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
1/4/2019	\$196,691.23	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
1/28/2019	\$480,000.00	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
2/11/2019	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
3/11/2019	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
4/5/2019	\$42,146.00	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
4/12/2019	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
5/10/2019	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
6/11/2019	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
7/8/2019	\$169,896.14	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE

GEMJ CHEHEBAR GRAT, LLC

7/11/2019	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
8/14/2019	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
9/11/2019	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
10/11/2019	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
11/12/2019	\$71,666.66	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE
6/1/2020	\$16,666.67	INTEREST	CBSG/GEMJ CHEHEBAR GRAT, LLC/WIRE

**Total Amounts Received:** \$4,329,829.64

**Net Investment:** \$70,170.36



**SUMMARY OF THE RECEIVER'S DETERMINATION OF YOUR CLAIM(S)**

**EXHIBIT A - CLAIMS SUPERSEDED (DISALLOWED AS AMENDED OR DUPLICATE CLAIMS)**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:			Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	REASON FOR DISALLOWANCE	SURVIVING CLAIM NO. (1)		
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	

**EXHIBIT B - CLAIMS SUBJECT TO MODIFICATION**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED RECEIVERSHIP ENTITY (2)	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON		
ISAAC BENNET SALES AGENCIES INC	409	3/15/23	\$2,000,000.00	Isaac Bennet Sales Agencies, Inc. (ISACA)	Isaac Bennet Sales Agencies, Inc. (ISACA)	\$1,200,000.08	Claim to be allowed in adjusted amount	Objection? <input checked="" type="checkbox"/>	
Isaac Bennet Sales Agencies, Inc. hereby files its objections to the Receiver's Notice of Determination for Claim No. 409.									
Objection 1: UCC Lien Priority									
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT C - CLAIMS SUBJECT TO DISALLOWANCE**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON	DETERMINATION COMMENTS		
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT D - CLAIMS PENDING REVIEW BY RECEIVER**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

**EXHIBIT E - CLAIMS ALLOWED AS FILED**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

(1) Note, the surviving claim supersedes the amended or duplicative claim. The surviving claims may be subject to other proposed treatment. Be sure to review the proposed treatment for all of your claims.  
 (2) The Proposed Receivership Entity is the correct entity obligated to you for the investment involved in your claim, per the Receiver's books and records.  
 (3) The Proposed Allowed Claim Amount is the net investment balance owed to you as calculated per the Receiver's books and records. The net investment balance is equal to money invested less any money you received. You are not entitled to unpaid accrued interest, profits, earnings or other damages.  
 \* Please note, the download of your completed form will only display the first 450 characters of your written response. Please know that written responses in excess of 450 characters will still be received and reviewed by the Receiver.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
CASE NO. 20-CIV-81205-RAR

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

\_\_\_\_\_/

**ISAAC BENNET SALES AGENCIES, INC.'S OBJECTIONS TO RECEIVER'S NOTICE  
OF DETERMINATION**

Isaac Bennet Sales Agencies, Inc. hereby files its objections to the Receiver's Notice of Determination for Claim No. 409.

**Objection 1: UCC Lien Priority**

Isaac Bennet Sales Agencies, Inc. has a valid secured claim against, and security interest in, the funds and property held by the Receivership because Isaac Bennet Sales Agencies, Inc. filed a UCC Financing Statement in Pennsylvania.<sup>1</sup> Through the filing of this UCC Financing Statement, Isaac Bennet Sales Agencies, Inc. perfected valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court. These liens and their attendant rights have not been extinguished by the Receivership and Isaac Bennet Sales Agencies, Inc. stands in priority to the Receivership and junior creditors and unsecured claimants of the Receivership estate. Accordingly, the Court should order funds sufficient to secure

\_\_\_\_\_  
<sup>1</sup> Isaac Bennet Sales Agencies, Inc.'s UCC Financing Statement was attached to its Proof of Claim Form.

Isaac Bennet Sales Agencies, Inc.’s security interest in the Receivership estate to be segregated from other funds that are being used to pay unsecured creditors and claimants.

Security interests have long been recognized as property rights protected by the Constitution’s prohibition against takings without just compensation. *See* U.S. Const. amend. V; *United States v. Security Indus. Bank*, 459 U.S. 70, 75, (1982); *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411–12 (1938) (“[T]o the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”); *In re George Ruggiere Chrysler-Plymouth, Inc.*, 727 F.2d 1017, 1019 (11th Cir. 1984). Moreover, it is without dispute that property interests are determined by state law, *see Butner v. United States*, 440 U.S. 48, 55 (1979), and that “a receiver appointed by a federal court takes property subject to all liens, priorities or privileges existing or accruing under the laws of the State,” *Marshall v. New York*, 254 U.S. 380, 385 (1920).

Here, the Receiver took the property of the estate subject to the valid security interests of Isaac Bennet Sales Agencies, Inc. It is clear that valid state law security interests pass through a receivership unaffected. *See Marshall*, 254 U.S. at 385; *SEC v. Madison Real Estate Group, LLC*, 647 F. Supp. 2d 1271, 1277 (D. Utah 2009) (“It is well-established that a ‘receiver appointed by a federal court takes property subject to all liens priorities or privileges existing or accruing under the laws of the state.’”) (internal citation omitted).

More than a century ago, the Supreme Court held that a bankruptcy discharge of a secured creditor’s claim does not affect the status of the creditor’s underlying lien on the debtor’s property,



irrespective of any bar date order entered in the case. *See Long v. Bullard*, 117 U.S. 617, 620–21 (1886) (“Here the creditor neither proved his debt in bankruptcy nor released his lien. Consequently his security was preserved notwithstanding the bankruptcy of his debtor.”). Over the years, the Court has reiterated this holding. *See, e.g., United States Nat’l Bank v. Chase Nat’l Bank*, 331 U.S. 28, 33 (1947) (stating that a secured creditor “may disregard bankruptcy proceedings, decline to file a claim, and rely solely upon his security . . .”); *Farrey v. Sanderfoot*, 500 U.S. 291, 297 (1991) (“Ordinarily, liens and other secured interests survive bankruptcy”); *Johnson v. Home State Bank*, 501 U.S. 78, 84 (1991) (“Rather, a bankruptcy discharge extinguishes only one mode of enforcing a claim -- namely, an action against the debtor in personam -- while leaving intact another -- namely, an action against the debtor in rem”).

The Eleventh Circuit has made clear that Isaac Bennet Sales Agencies, Inc.’s rights have travelled into this Receivership and survive independent of it. In *Sec. & Exch. Comm’n v. Wells Fargo Bank, N.A.*, 848 F.3d 1339 (11th Cir. 2017), a Receivership was established when the SEC brought an action in relation to a failed Ponzi scheme. Wells Fargo had perfected security interests in three properties that the Receivership had taken possession of. *See* 848 F.3d at 1341. The district court established a claims process and Wells Fargo missed the claims bar date for two of the three properties that it had previously established a security interest upon. *Id.* at 1342. Wells Fargo then filed a motion seeking a ruling from the district court that it did not need to file a claim because it had previously established a security interest in all three properties. *Id.* The district court disagreed and permitted the Receiver to sell two of the properties without regard to Wells Fargo’s liens. *Id.* at 1342–43. Wells Fargo appealed and the Eleventh Circuit reversed. *Id.*

In overruling the lower court, the Eleventh Circuit gave great weight to creditor rights in the context of Receiverships. “[W]hile a federal district court has wide-ranging authority to

supervise a Receivership, we hold it does not have the authority to extinguish a creditor's pre-existing state law security interest, as the district court purported to do here." *Id.* at 1344. The court explained that the "primary purpose of both Receivership and bankruptcy proceedings is to promote the efficient and orderly administration of estates for the benefit of creditors" and went on to analyze the question in the context of Eleventh Circuit bankruptcy decisions. *Id.* at 1344. The court noted that in the bankruptcy context, secured creditors' liens remain intact without the need to file a claim. Significant to the case here, the court cited favorably, the following passage from a treatise on Receiverships:

The appointment of a Receiver does not invalidate liens existing at the time the Receiver is appointed, although it may affect or change the remedy or remedies which the lienholder may use to enforce his lien. Generally speaking, the person who has a specific lien on property is entitled by following proper procedure to pay himself out of the property and if it be insufficient, then to prove his claim for the deficiency. In the case of Receivership such claim must come out of the proceeds of property not covered by the specific lien and such claim for deficiency must prorate with the unsecured creditors. Generally speaking, no other creditor except the lienholder is entitled to any part of the proceeds of property covered by a lien until the lienor is first paid.

*Id.* at 1345. The court concluded by explaining that "A secured creditor certainly may file a proof of claim in a Receivership action, in turn submitting itself to the jurisdiction of the Receivership and entitling itself to access of the general pool of Receivership assets for any unsecured portion of its debt. In fact, this may often be advisable where a secured creditor is undersecured or anticipates having a claim for deficiency beyond what may be paid out of the collateral. However, a federal district court cannot order a secured creditor to either file a proof of claim and submit its claim for determination by the Receivership court or lose its secured state-law property right that existed prior to the Receivership." *Id.*

Contrary to established precedent, the Claims Administration Order required Isaac Bennet Sales Agencies, Inc. to file a proof of claim. Furthermore, by permitting the Receiver to dispose

of assets that are secured by Isaac Bennet Sales Agencies, Inc.'s valid UCC liens, the Claims Administration Order permits the disbursement of collateral to unsecured creditors. This runs afoul of longstanding precedent that recognizes the superior rights of secured creditors. *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411-12 (1938) (“to the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”).

**Objection 2: Determination of Proposed Allowed Claim Amount**

Isaac Bennet Sales Agencies, Inc.'s Allowed Claim Amount should be \$2,116,666.66, consisting of \$2,000,000.00 outstanding principal and \$116,666.66 in interest due and unpaid as of July 27, 2020. This is the amount Isaac Bennet Sales Agencies, Inc. indicated in its Proof of Claim Form and which is supported by the voluminous documentation attached to its Proof of Claim Form. Isaac Bennet Sales Agencies, Inc.'s valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court extend to the full \$2,166,666.66 value of the outstanding principal and unpaid interest.

Dated: December 19, 2023

/s/ Isaac Benitah

Isaac Benitah, President

**SUMMARY OF THE RECEIVER'S DETERMINATION OF YOUR CLAIM(S)**

**EXHIBIT A - CLAIMS SUPERSEDED (DISALLOWED AS AMENDED OR DUPLICATE CLAIMS)**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:			Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	REASON FOR DISALLOWANCE	SURVIVING CLAIM NO. (1)		
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	

**EXHIBIT B - CLAIMS SUBJECT TO MODIFICATION**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED RECEIVERSHIP ENTITY (2)	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON		
ISAAC SHEHEBAR 2008 AIJ GRANTOR RETAINED ANNUITY TRUST	410	3/15/23	\$5,346,666.68	ISAAC SHEHEBAR 2008 AIJ GRANTOR RETAINED ANNUITY TRUST	ISAAC SHEHEBAR 2008 AIJ GRANTOR RETAINED ANNUITY TRUST	\$2,293,333.25	Claim to be allowed in adjusted amount	Objection? <input checked="" type="checkbox"/>	
Isaac Shehebar 2008 AIJ Grantor Retained Annuity Trust hereby files its objections to the Receiver's Notice of Determination for Claim No. 410.									
Objection 1: UCC Lien Priority									
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT C - CLAIMS SUBJECT TO DISALLOWANCE**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON	DETERMINATION COMMENTS		
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT D - CLAIMS PENDING REVIEW BY RECEIVER**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

**EXHIBIT E - CLAIMS ALLOWED AS FILED**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

(1) Note, the surviving claim supersedes the amended or duplicative claim. The surviving claims may be subject to other proposed treatment. Be sure to review the proposed treatment for all of your claims.  
 (2) The Proposed Receivership Entity is the correct entity obligated to you for the investment involved in your claim, per the Receiver's books and records.  
 (3) The Proposed Allowed Claim Amount is the net investment balance owed to you as calculated per the Receiver's books and records. The net investment balance is equal to money invested less any money you received. You are not entitled to unpaid accrued interest, profits, earnings or other damages.  
 \* Please note, the download of your completed form will only display the first 450 characters of your written response. Please know that written responses in excess of 450 characters will still be received and reviewed by the Receiver.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
CASE NO. 20-CIV-81205-RAR

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

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**ISAAC SHEHEBAR 2008 AIJJ GRANTOR RETAINED ANNUITY TRUST'S  
OBJECTIONS TO RECEIVER'S NOTICE OF DETERMINATION**

Isaac Shehebar 2008 AIJJ Grantor Retained Annuity Trust hereby files its objections to the Receiver's Notice of Determination for Claim No. 410.

**Objection 1: UCC Lien Priority**

Isaac Shehebar 2008 AIJJ Grantor Retained Annuity Trust has a valid secured claim against, and security interest in, the funds and property held by the Receivership because Isaac Shehebar 2008 AIJJ Grantor Retained Annuity Trust filed UCC Financing Statements in Delaware and Pennsylvania.<sup>1</sup> Through the filing of these UCC Financing Statements, Isaac Shehebar 2008 AIJJ Grantor Retained Annuity Trust perfected valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court. These liens and their attendant rights have not been extinguished by the Receivership and Isaac Shehebar 2008 AIJJ Grantor Retained Annuity Trust stands in priority to the Receivership and junior creditors

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<sup>1</sup> Isaac Shehebar 2008 AIJJ Grantor Retained Annuity Trust's UCC Financing Statements were attached to its Proof of Claim Form.

and unsecured claimants of the Receivership estate. Accordingly, the Court should order funds sufficient to secure Isaac Shehebar 2008 AIJJ Grantor Retained Annuity Trust's security interest in the Receivership estate to be segregated from other funds that are being used to pay unsecured creditors and claimants.

Security interests have long been recognized as property rights protected by the Constitution's prohibition against takings without just compensation. *See* U.S. Const. amend. V; *United States v. Security Indus. Bank*, 459 U.S. 70, 75, (1982); *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411–12 (1938) (“[T]o the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”); *In re George Ruggiere Chrysler-Plymouth, Inc.*, 727 F.2d 1017, 1019 (11th Cir. 1984). Moreover, it is without dispute that property interests are determined by state law, *see Butner v. United States*, 440 U.S. 48, 55 (1979), and that “a receiver appointed by a federal court takes property subject to all liens, priorities or privileges existing or accruing under the laws of the State,” *Marshall v. New York*, 254 U.S. 380, 385 (1920).

Here, the Receiver took the property of the estate subject to the valid security interests of Isaac Shehebar 2008 AIJJ Grantor Retained Annuity Trust. It is clear that valid state law security interests pass through a receivership unaffected. *See Marshall*, 254 U.S. at 385; *SEC v. Madison Real Estate Group, LLC*, 647 F. Supp. 2d 1271, 1277 (D. Utah 2009) (“It is well-established that a ‘receiver appointed by a federal court takes property subject to all liens priorities or privileges existing or accruing under the laws of the state.’”) (internal citation omitted).

More than a century ago, the Supreme Court held that a bankruptcy discharge of a secured creditor's claim does not affect the status of the creditor's underlying lien on the debtor's property, irrespective of any bar date order entered in the case. *See Long v. Bullard*, 117 U.S. 617, 620–21 (1886) (“Here the creditor neither proved his debt in bankruptcy nor released his lien. Consequently his security was preserved notwithstanding the bankruptcy of his debtor.”). Over the years, the Court has reiterated this holding. *See, e.g., United States Nat’l Bank v. Chase Nat’l Bank*, 331 U.S. 28, 33 (1947) (stating that a secured creditor “may disregard bankruptcy proceedings, decline to file a claim, and rely solely upon his security . . .”); *Farrey v. Sanderfoot*, 500 U.S. 291, 297 (1991) (“Ordinarily, liens and other secured interests survive bankruptcy”); *Johnson v. Home State Bank*, 501 U.S. 78, 84 (1991) (“Rather, a bankruptcy discharge extinguishes only one mode of enforcing a claim -- namely, an action against the debtor in personam -- while leaving intact another -- namely, an action against the debtor in rem”).

The Eleventh Circuit has made clear that Isaac Shehebar 2008 AIJJ Grantor Retained Annuity Trust's rights have travelled into this Receivership and survive independent of it. In *Sec. & Exch. Comm'n v. Wells Fargo Bank, N.A.*, 848 F.3d 1339 (11th Cir. 2017), a Receivership was established when the SEC brought an action in relation to a failed Ponzi scheme. Wells Fargo had perfected security interests in three properties that the Receivership had taken possession of. *See* 848 F.3d at 1341. The district court established a claims process and Wells Fargo missed the claims bar date for two of the three properties that it had previously established a security interest upon. *Id.* at 1342. Wells Fargo then filed a motion seeking a ruling from the district court that it did not need to file a claim because it had previously established a security interest in all three properties. *Id.* The district court disagreed and permitted the Receiver to sell two of the properties without

regard to Wells Fargo's liens. *Id.* at 1342–43. Wells Fargo appealed and the Eleventh Circuit reversed. *Id.*

In overruling the lower court, the Eleventh Circuit gave great weight to creditor rights in the context of Receiverships. “[W]hile a federal district court has wide-ranging authority to supervise a Receivership, we hold it does not have the authority to extinguish a creditor’s pre-existing state law security interest, as the district court purported to do here.” *Id.* at 1344. The court explained that the “primary purpose of both Receivership and bankruptcy proceedings is to promote the efficient and orderly administration of estates for the benefit of creditors” and went on to analyze the question in the context of Eleventh Circuit bankruptcy decisions. *Id.* at 1344. The court noted that in the bankruptcy context, secured creditors’ liens remain intact without the need to file a claim. Significant to the case here, the court cited favorably, the following passage from a treatise on Receiverships:

The appointment of a Receiver does not invalidate liens existing at the time the Receiver is appointed, although it may affect or change the remedy or remedies which the lienholder may use to enforce his lien. Generally speaking, the person who has a specific lien on property is entitled by following proper procedure to pay himself out of the property and if it be insufficient, then to prove his claim for the deficiency. In the case of Receivership such claim must come out of the proceeds of property not covered by the specific lien and such claim for deficiency must prorate with the unsecured creditors. Generally speaking, no other creditor except the lienholder is entitled to any part of the proceeds of property covered by a lien until the lienor is first paid.

*Id.* at 1345. The court concluded by explaining that “[a] secured creditor certainly may file a proof of claim in a Receivership action, in turn submitting itself to the jurisdiction of the Receivership and entitling itself to access of the general pool of Receivership assets for any unsecured portion of its debt. In fact, this may often be advisable where a secured creditor is undersecured or anticipates having a claim for deficiency beyond what may be paid out of the collateral. However, a federal district court cannot order a secured creditor to either file a proof of claim and submit its



claim for determination by the Receivership court or lose its secured state-law property right that existed prior to the Receivership.” *Id.*

Contrary to established precedent, the Claims Administration Order required Isaac Shehebar 2008 AIJJ Grantor Retained Annuity Trust to file a proof of claim. Furthermore, by permitting the Receiver to dispose of assets that are secured by Isaac Shehebar 2008 AIJJ Grantor Retained Annuity Trust’s valid UCC liens, the Claims Administration Order permits the disbursement of collateral to unsecured creditors. This runs afoul of longstanding precedent that recognizes the superior rights of secured creditors. *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411-12 (1938) (“to the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”).

**Objection 2: Determination of Proposed Allowed Claim Amount**

Isaac Shehebar 2008 AIJJ Grantor Retained Annuity Trust’s Allowed Claim Amount should be \$5,346,666.68, consisting of \$5,000,000.00 outstanding principal and \$346,666.68 in interest due and unpaid as of July 27, 2020. This is the amount Isaac Shehebar 2008 AIJJ Grantor Retained Annuity Trust indicated in its Proof of Claim Form and which is supported by the voluminous documentation attached to its Proof of Claim Form. Isaac Shehebar 2008 AIJJ Grantor Retained Annuity Trust’s valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court extend to the full \$5,346,666.68 value of the outstanding principal and unpaid interest.

Dated: December 19, 2023

/s/ Ezra Shehebar

Ezra Shehebar, Trustee

**SUMMARY OF THE RECEIVER'S DETERMINATION OF YOUR CLAIM(S)**

**EXHIBIT A - CLAIMS SUPERSEDED (DISALLOWED AS AMENDED OR DUPLICATE CLAIMS)**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:			Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	REASON FOR DISALLOWANCE	SURVIVING CLAIM NO. (1)		
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	

**EXHIBIT B - CLAIMS SUBJECT TO MODIFICATION**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED RECEIVERSHIP ENTITY (2)	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON		
MICHAEL CHEHEBAR LLC	476	3/20/23	\$3,139,374.98			\$1,860,208.47	Claim to be allowed in adjusted amount	Objection? <input checked="" type="checkbox"/>	
Michael Chehebar LLC hereby files its objections to the Receiver's Notice of Determination for Claim No. 476.									
Objection 1: Lien Priority									
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT C - CLAIMS SUBJECT TO DISALLOWANCE**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON	DETERMINATION COMMENTS		
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT D - CLAIMS PENDING REVIEW BY RECEIVER**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

**EXHIBIT E - CLAIMS ALLOWED AS FILED**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

(1) Note, the surviving claim supersedes the amended or duplicative claim. The surviving claims may be subject to other proposed treatment. Be sure to review the proposed treatment for all of your claims.  
 (2) The Proposed Receivership Entity is the correct entity obligated to you for the investment involved in your claim, per the Receiver's books and records.  
 (3) The Proposed Allowed Claim Amount is the net investment balance owed to you as calculated per the Receiver's books and records. The net investment balance is equal to money invested less any money you received. You are not entitled to unpaid accrued interest, profits, earnings or other damages.  
 \* Please note, the download of your completed form will only display the first 450 characters of your written response. Please know that written responses in excess of 450 characters will still be received and reviewed by the Receiver.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
CASE NO. 20-CIV-81205-RAR

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

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**MICHAEL CHEHEBAR LLC'S OBJECTIONS TO RECEIVER'S NOTICE OF  
DETERMINATION**

Michael Chehebar LLC hereby files its objections to the Receiver's Notice of Determination for Claim No. 476.

**Objection 1: Lien Priority**

Michael Chehebar LLC has a valid secured claim against, and security interest in, the funds and property held by the Receivership because Michael Chehebar LLC filed UCC Financing Statements in Delaware.<sup>1</sup> Through the filing of these UCC Financing Statements, Michael Chehebar LLC perfected valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court. These liens and their attendant rights have not been extinguished by the Receivership and Michael Chehebar LLC stands in priority to the Receivership and junior creditors and unsecured claimants of the Receivership estate. Accordingly, the Court should order funds sufficient to secure Michael Chehebar LLC's security

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<sup>1</sup> Michael Chehebar LLC's UCC Financing Statements were attached to its Proof of Claim Form.

interest in the Receivership estate to be segregated from other funds that are being used to pay unsecured creditors and claimants.

Security interests have long been recognized as property rights protected by the Constitution’s prohibition against takings without just compensation. *See* U.S. Const. amend. V; *United States v. Security Indus. Bank*, 459 U.S. 70, 75, (1982); *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411–12 (1938) (“[T]o the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”); *In re George Ruggiere Chrysler-Plymouth, Inc.*, 727 F.2d 1017, 1019 (11th Cir. 1984). Moreover, it is without dispute that property interests are determined by state law, *see Butner v. United States*, 440 U.S. 48, 55 (1979), and that “a receiver appointed by a federal court takes property subject to all liens, priorities or privileges existing or accruing under the laws of the State,” *Marshall v. New York*, 254 U.S. 380, 385 (1920).

Here, the Receiver took the property of the estate subject to the valid security interests of Michael Chehebar LLC. It is clear that valid state law security interests pass through a receivership unaffected. *See Marshall*, 254 U.S. at 385; *SEC v. Madison Real Estate Group, LLC*, 647 F. Supp. 2d 1271, 1277 (D. Utah 2009) (“It is well-established that a ‘receiver appointed by a federal court takes property subject to all liens priorities or privileges existing or accruing under the laws of the state.’”) (internal citation omitted).

More than a century ago, the Supreme Court held that a bankruptcy discharge of a secured creditor’s claim does not affect the status of the creditor’s underlying lien on the debtor’s property,

irrespective of any bar date order entered in the case. *See Long v. Bullard*, 117 U.S. 617, 620–21 (1886) (“Here the creditor neither proved his debt in bankruptcy nor released his lien. Consequently his security was preserved notwithstanding the bankruptcy of his debtor.”). Over the years, the Court has reiterated this holding. *See, e.g., United States Nat’l Bank v. Chase Nat’l Bank*, 331 U.S. 28, 33 (1947) (stating that a secured creditor “may disregard bankruptcy proceedings, decline to file a claim, and rely solely upon his security . . .”); *Farrey v. Sanderfoot*, 500 U.S. 291, 297 (1991) (“Ordinarily, liens and other secured interests survive bankruptcy”); *Johnson v. Home State Bank*, 501 U.S. 78, 84 (1991) (“Rather, a bankruptcy discharge extinguishes only one mode of enforcing a claim -- namely, an action against the debtor in personam -- while leaving intact another -- namely, an action against the debtor in rem”).

The Eleventh Circuit has made clear that Michael Chehebar LLC’s rights have travelled into this Receivership and survive independent of it. In *Sec. & Exch. Comm’n v. Wells Fargo Bank, N.A.*, 848 F.3d 1339 (11th Cir. 2017), a Receivership was established when the SEC brought an action in relation to a failed Ponzi scheme. Wells Fargo had perfected security interests in three properties that the Receivership had taken possession of. *See* 848 F.3d at 1341. The district court established a claims process and Wells Fargo missed the claims bar date for two of the three properties that it had previously established a security interest upon. *Id.* at 1342. Wells Fargo then filed a motion seeking a ruling from the district court that it did not need to file a claim because it had previously established a security interest in all three properties. *Id.* The district court disagreed and permitted the Receiver to sell two of the properties without regard to Wells Fargo’s liens. *Id.* at 1342–43. Wells Fargo appealed and the Eleventh Circuit reversed. *Id.*

In overruling the lower court, the Eleventh Circuit gave great weight to creditor rights in the context of Receiverships. “[W]hile a federal district court has wide-ranging authority to

supervise a Receivership, we hold it does not have the authority to extinguish a creditor's pre-existing state law security interest, as the district court purported to do here." *Id.* at 1344. The court explained that the "primary purpose of both Receivership and bankruptcy proceedings is to promote the efficient and orderly administration of estates for the benefit of creditors" and went on to analyze the question in the context of Eleventh Circuit bankruptcy decisions. *Id.* at 1344. The court noted that in the bankruptcy context, secured creditors' liens remain intact without the need to file a claim. Significant to the case here, the court cited favorably, the following passage from a treatise on Receiverships:

The appointment of a Receiver does not invalidate liens existing at the time the Receiver is appointed, although it may affect or change the remedy or remedies which the lienholder may use to enforce his lien. Generally speaking, the person who has a specific lien on property is entitled by following proper procedure to pay himself out of the property and if it be insufficient, then to prove his claim for the deficiency. In the case of Receivership such claim must come out of the proceeds of property not covered by the specific lien and such claim for deficiency must prorate with the unsecured creditors. Generally speaking, no other creditor except the lienholder is entitled to any part of the proceeds of property covered by a lien until the lienor is first paid.

*Id.* at 1345. The court concluded by explaining that "[a] secured creditor certainly may file a proof of claim in a Receivership action, in turn submitting itself to the jurisdiction of the Receivership and entitling itself to access of the general pool of Receivership assets for any unsecured portion of its debt. In fact, this may often be advisable where a secured creditor is undersecured or anticipates having a claim for deficiency beyond what may be paid out of the collateral. However, a federal district court cannot order a secured creditor to either file a proof of claim and submit its claim for determination by the Receivership court or lose its secured state-law property right that existed prior to the Receivership." *Id.*

Contrary to established precedent, the Claims Administration Order required Michael Chehebar LLC to file a proof of claim. Furthermore, by permitting the Receiver to dispose of

assets that are secured by Michael Chehebar LLC's valid UCC liens, the Claims Administration Order permits the disbursement of collateral to unsecured creditors. This runs afoul of longstanding precedent that recognizes the superior rights of secured creditors. *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411-12 (1938) (“to the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”).

**Objection 2: Determination of Proposed Allowed Claim Amount**

Michael Chehebar LLC's Allowed Claim Amount should be \$3,139,374.98, consisting of \$3,000,000.00 outstanding principal and \$139,374.98 in interest due and unpaid as of July 27, 2020. This is the amount Michael Chehebar LLC indicated in its Proof of Claim Form and which is supported by the voluminous documentation attached to its Proof of Claim Form. Michael Chehebar LLC's valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court extend to the full \$3,139,374.98 value of the outstanding principal and unpaid interest.

Dated: December 19, 2023

/s/ Michael Chehebar

Michael Chehebar, Sole Member



**SUMMARY OF THE RECEIVER'S DETERMINATION OF YOUR CLAIM(S)**

**EXHIBIT A - CLAIMS SUPERSEDED (DISALLOWED AS AMENDED OR DUPLICATE CLAIMS)**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:			Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	REASON FOR DISALLOWANCE	SURVIVING CLAIM NO. (1)		
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	

**EXHIBIT B - CLAIMS SUBJECT TO MODIFICATION**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED RECEIVERSHIP ENTITY (2)	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON		
STEVEN CHEHEBAR	501	3/21/23	\$75,249.98			\$21,291.77	Claim to be allowed in adjusted amount	Objection? <input checked="" type="checkbox"/>	
Steven Chehebar hereby files his objections to the Receiver's Notice of Determination for Claim No. 501.									
Objection 1: UCC Lien Priority									
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT C - CLAIMS SUBJECT TO DISALLOWANCE**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON	DETERMINATION COMMENTS		
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT D - CLAIMS PENDING REVIEW BY RECEIVER**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

**EXHIBIT E - CLAIMS ALLOWED AS FILED**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

(1) Note, the surviving claim supersedes the amended or duplicative claim. The surviving claims may be subject to other proposed treatment. Be sure to review the proposed treatment for all of your claims.  
 (2) The Proposed Receivership Entity is the correct entity obligated to you for the investment involved in your claim, per the Receiver's books and records.  
 (3) The Proposed Allowed Claim Amount is the net investment balance owed to you as calculated per the Receiver's books and records. The net investment balance is equal to money invested less any money you received. You are not entitled to unpaid accrued interest, profits, earnings or other damages.  
 \* Please note, the download of your completed form will only display the first 450 characters of your written response. Please know that written responses in excess of 450 characters will still be received and reviewed by the Receiver.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
CASE NO. 20-CIV-81205-RAR

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

---

**STEVEN CHEHEBAR'S OBJECTIONS TO RECEIVER'S NOTICE OF  
DETERMINATION**

Steven Chehebar hereby files his objections to the Receiver's Notice of Determination for Claim No. 501.

**Objection 1: UCC Lien Priority**

Steven Chehebar has a valid secured claim against, and security interest in, the funds and property held by the Receivership because Steven Chehebar filed a UCC Financing Statement in Delaware.<sup>1</sup> Through the filing of this UCC Financing Statement, Steven Chehebar perfected valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court. These liens and their attendant rights have not been extinguished by the Receivership and Steven Chehebar stands in priority to the Receivership and junior creditors and unsecured claimants of the Receivership estate. Accordingly, the Court should order funds

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<sup>1</sup> Steven Chehebar's UCC Financing Statement was attached to his Proof of Claim Form.

sufficient to secure Steven Chehebar's security interest in the Receivership estate to be segregated from other funds that are being used to pay unsecured creditors and claimants.

Security interests have long been recognized as property rights protected by the Constitution's prohibition against takings without just compensation. *See* U.S. Const. amend. V; *United States v. Security Indus. Bank*, 459 U.S. 70, 75, (1982); *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat'l Bank v. Sprague*, 303 U.S. 406, 411–12 (1938) (“[T]o the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”); *In re George Ruggiere Chrysler-Plymouth, Inc.*, 727 F.2d 1017, 1019 (11th Cir. 1984). Moreover, it is without dispute that property interests are determined by state law, *see Butner v. United States*, 440 U.S. 48, 55 (1979), and that “a receiver appointed by a federal court takes property subject to all liens, priorities or privileges existing or accruing under the laws of the State,” *Marshall v. New York*, 254 U.S. 380, 385 (1920).

Here, the Receiver took the property of the estate subject to the valid security interests of Steven Chehebar. It is clear that valid state law security interests pass through a receivership unaffected. *See Marshall*, 254 U.S. at 385; *SEC v. Madison Real Estate Group, LLC*, 647 F. Supp. 2d 1271, 1277 (D. Utah 2009) (“It is well-established that a ‘receiver appointed by a federal court takes property subject to all liens priorities or privileges existing or accruing under the laws of the state.’”) (internal citation omitted).

More than a century ago, the Supreme Court held that a bankruptcy discharge of a secured creditor's claim does not affect the status of the creditor's underlying lien on the debtor's property,

irrespective of any bar date order entered in the case. *See Long v. Bullard*, 117 U.S. 617, 620–21 (1886) (“Here the creditor neither proved his debt in bankruptcy nor released his lien. Consequently his security was preserved notwithstanding the bankruptcy of his debtor.”). Over the years, the Court has reiterated this holding. *See, e.g., United States Nat’l Bank v. Chase Nat’l Bank*, 331 U.S. 28, 33 (1947) (stating that a secured creditor “may disregard bankruptcy proceedings, decline to file a claim, and rely solely upon his security . . .”); *Farrey v. Sanderfoot*, 500 U.S. 291, 297 (1991) (“Ordinarily, liens and other secured interests survive bankruptcy”); *Johnson v. Home State Bank*, 501 U.S. 78, 84 (1991) (“Rather, a bankruptcy discharge extinguishes only one mode of enforcing a claim -- namely, an action against the debtor in personam -- while leaving intact another -- namely, an action against the debtor in rem”).

The Eleventh Circuit has made clear that Steven Chehebar’s rights have travelled into this Receivership and survive independent of it. In *Sec. & Exch. Comm’n v. Wells Fargo Bank, N.A.*, 848 F.3d 1339 (11th Cir. 2017), a Receivership was established when the SEC brought an action in relation to a failed Ponzi scheme. Wells Fargo had perfected security interests in three properties that the Receivership had taken possession of. *See* 848 F.3d at 1341. The district court established a claims process and Wells Fargo missed the claims bar date for two of the three properties that it had previously established a security interest upon. *Id.* at 1342. Wells Fargo then filed a motion seeking a ruling from the district court that it did not need to file a claim because it had previously established a security interest in all three properties. *Id.* The district court disagreed and permitted the Receiver to sell two of the properties without regard to Wells Fargo’s liens. *Id.* at 1342–43. Wells Fargo appealed and the Eleventh Circuit reversed. *Id.*

In overruling the lower court, the Eleventh Circuit gave great weight to creditor rights in the context of Receiverships. “[W]hile a federal district court has wide-ranging authority to

supervise a Receivership, we hold it does not have the authority to extinguish a creditor's pre-existing state law security interest, as the district court purported to do here." *Id.* at 1344. The court explained that the "primary purpose of both Receivership and bankruptcy proceedings is to promote the efficient and orderly administration of estates for the benefit of creditors" and went on to analyze the question in the context of Eleventh Circuit bankruptcy decisions. *Id.* at 1344. The court noted that in the bankruptcy context, secured creditors' liens remain intact without the need to file a claim. Significant to the case here, the court cited favorably, the following passage from a treatise on Receiverships:

The appointment of a Receiver does not invalidate liens existing at the time the Receiver is appointed, although it may affect or change the remedy or remedies which the lienholder may use to enforce his lien. Generally speaking, the person who has a specific lien on property is entitled by following proper procedure to pay himself out of the property and if it be insufficient, then to prove his claim for the deficiency. In the case of Receivership such claim must come out of the proceeds of property not covered by the specific lien and such claim for deficiency must prorate with the unsecured creditors. Generally speaking, no other creditor except the lienholder is entitled to any part of the proceeds of property covered by a lien until the lienor is first paid.

*Id.* at 1345. The court concluded by explaining that "[a] secured creditor certainly may file a proof of claim in a Receivership action, in turn submitting itself to the jurisdiction of the Receivership and entitling itself to access of the general pool of Receivership assets for any unsecured portion of its debt. In fact, this may often be advisable where a secured creditor is undersecured or anticipates having a claim for deficiency beyond what may be paid out of the collateral. However, a federal district court cannot order a secured creditor to either file a proof of claim and submit its claim for determination by the Receivership court or lose its secured state-law property right that existed prior to the Receivership." *Id.*

Contrary to established precedent, the Claims Administration Order required Steven Chehebar to file a proof of claim. Furthermore, by permitting the Receiver to dispose of assets

that are secured by Steven Chehebar's valid UCC liens, the Claims Administration Order permits the disbursement of collateral to unsecured creditors. This runs afoul of longstanding precedent that recognizes the superior rights of secured creditors. *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411-12 (1938) (“to the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”).

**Objection 2: Determination of Proposed Allowed Claim Amount**

Steven Chehebar's Allowed Claim Amount should be \$75,249.98, consisting of \$70,000.00 outstanding principal and \$5,249.98 in interest due and unpaid as of July 27, 2020. This is the amount Steven Chehebar indicated in his Proof of Claim Form and which is supported by the voluminous documentation attached to his Proof of Claim Form. Steven Chehebar's valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court extend to the full \$75,249.98 value of the outstanding principal and unpaid interest.

Dated: December 19, 2023

/s/ Ezra Chehebar

Ezra Chehebar, on behalf of his minor son,  
Steven Chehebar

**SUMMARY OF THE RECEIVER'S DETERMINATION OF YOUR CLAIM(S)**

**EXHIBIT A - CLAIMS SUPERSEDED (DISALLOWED AS AMENDED OR DUPLICATE CLAIMS)**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:			Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	REASON FOR DISALLOWANCE	SURVIVING CLAIM NO. (1)		
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	

**EXHIBIT B - CLAIMS SUBJECT TO MODIFICATION**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED RECEIVERSHIP ENTITY (2)	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON		
JOYCE SHAMAH	499	3/21/23	\$241,875.00	<small>SHAMAH &amp; ASSOCIATES, INCORPORATED 3100 N.W. 10TH AVENUE, SUITE 2000</small>	<small>SHAMAH &amp; ASSOCIATES, INCORPORATED 3100 N.W. 10TH AVENUE, SUITE 2000</small>	\$68,437.50	Claim to be allowed in adjusted amount	Objection? <input checked="" type="checkbox"/>	
Joyce Shamah hereby files her objections to the Receiver's Notice of Determination for Claim No. 499.									
Objection 1: UCC Lien Priority									
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT C - CLAIMS SUBJECT TO DISALLOWANCE**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON	DETERMINATION COMMENTS		
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT D - CLAIMS PENDING REVIEW BY RECEIVER**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

**EXHIBIT E - CLAIMS ALLOWED AS FILED**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

(1) Note, the surviving claim supersedes the amended or duplicative claim. The surviving claims may be subject to other proposed treatment. Be sure to review the proposed treatment for all of your claims.  
 (2) The Proposed Receivership Entity is the correct entity obligated to you for the investment involved in your claim, per the Receiver's books and records.  
 (3) The Proposed Allowed Claim Amount is the net investment balance owed to you as calculated per the Receiver's books and records. The net investment balance is equal to money invested less any money you received. You are not entitled to unpaid accrued interest, profits, earnings or other damages.  
 \* Please note, the download of your completed form will only display the first 450 characters of your written response. Please know that written responses in excess of 450 characters will still be received and reviewed by the Receiver.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
CASE NO. 20-CIV-81205-RAR

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

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**JOYCE SHAMAH'S OBJECTIONS TO RECEIVER'S NOTICE OF DETERMINATION**

Joyce Shamah hereby files her objections to the Receiver's Notice of Determination for Claim No. 499.

**Objection 1: UCC Lien Priority**

Joyce Shamah has a valid secured claim against, and security interest in, the funds and property held by the Receivership because Joyce Shamah filed a UCC Financing Statement in Delaware.<sup>1</sup> Through the filing of this UCC Financing Statement, Joyce Shamah perfected valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court. These liens and their attendant rights have not been extinguished by the Receivership and Joyce Shamah stands in priority to the Receivership and junior creditors and unsecured claimants of the Receivership estate. Accordingly, the Court should order funds sufficient to secure Joyce Shamah's security interest in the Receivership estate to be segregated from other funds that are being used to pay unsecured creditors and claimants.

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<sup>1</sup> Joyce Shamah's UCC Financing Statement was attached to her Proof of Claim Form.



Security interests have long been recognized as property rights protected by the Constitution's prohibition against takings without just compensation. *See* U.S. Const. amend. V; *United States v. Security Indus. Bank*, 459 U.S. 70, 75, (1982); *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411–12 (1938) (“[T]o the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”); *In re George Ruggiere Chrysler-Plymouth, Inc.*, 727 F.2d 1017, 1019 (11th Cir. 1984). Moreover, it is without dispute that property interests are determined by state law, *see Butner v. United States*, 440 U.S. 48, 55 (1979), and that “a receiver appointed by a federal court takes property subject to all liens, priorities or privileges existing or accruing under the laws of the State,” *Marshall v. New York*, 254 U.S. 380, 385 (1920).

Here, the Receiver took the property of the estate subject to the valid security interests of Joyce Shamah. It is clear that valid state law security interests pass through a receivership unaffected. *See Marshall*, 254 U.S. at 385; *SEC v. Madison Real Estate Group, LLC*, 647 F. Supp. 2d 1271, 1277 (D. Utah 2009) (“It is well-established that a ‘receiver appointed by a federal court takes property subject to all liens priorities or privileges existing or accruing under the laws of the state.’”) (internal citation omitted).

More than a century ago, the Supreme Court held that a bankruptcy discharge of a secured creditor's claim does not affect the status of the creditor's underlying lien on the debtor's property, irrespective of any bar date order entered in the case. *See Long v. Bullard*, 117 U.S. 617, 620–21 (1886) (“Here the creditor neither proved his debt in bankruptcy nor released his lien.

Consequently his security was preserved notwithstanding the bankruptcy of his debtor.”). Over the years, the Court has reiterated this holding. *See, e.g., United States Nat’l Bank v. Chase Nat’l Bank*, 331 U.S. 28, 33 (1947) (stating that a secured creditor “may disregard bankruptcy proceedings, decline to file a claim, and rely solely upon his security . . .”); *Farrey v. Sanderfoot*, 500 U.S. 291, 297 (1991) (“Ordinarily, liens and other secured interests survive bankruptcy”); *Johnson v. Home State Bank*, 501 U.S. 78, 84 (1991) (“Rather, a bankruptcy discharge extinguishes only one mode of enforcing a claim -- namely, an action against the debtor in personam -- while leaving intact another -- namely, an action against the debtor in rem”).

The Eleventh Circuit has made clear that Joyce Shamah’s rights have travelled into this Receivership and survive independent of it. In *Sec. & Exch. Comm’n v. Wells Fargo Bank, N.A.*, 848 F.3d 1339 (11th Cir. 2017), a Receivership was established when the SEC brought an action in relation to a failed Ponzi scheme. Wells Fargo had perfected security interests in three properties that the Receivership had taken possession of. *See* 848 F.3d at 1341. The district court established a claims process and Wells Fargo missed the claims bar date for two of the three properties that it had previously established a security interest upon. *Id.* at 1342. Wells Fargo then filed a motion seeking a ruling from the district court that it did not need to file a claim because it had previously established a security interest in all three properties. *Id.* The district court disagreed and permitted the Receiver to sell two of the properties without regard to Wells Fargo’s liens. *Id.* at 1342–43. Wells Fargo appealed and the Eleventh Circuit reversed. *Id.*

In overruling the lower court, the Eleventh Circuit gave great weight to creditor rights in the context of Receiverships. “[W]hile a federal district court has wide-ranging authority to supervise a Receivership, we hold it does not have the authority to extinguish a creditor’s pre-existing state law security interest, as the district court purported to do here.” *Id.* at 1344. The

court explained that the “primary purpose of both Receivership and bankruptcy proceedings is to promote the efficient and orderly administration of estates for the benefit of creditors” and went on to analyze the question in the context of Eleventh Circuit bankruptcy decisions. *Id.* at 1344. The court noted that in the bankruptcy context, secured creditors’ liens remain intact without the need to file a claim. Significant to the case here, the court cited favorably, the following passage from a treatise on Receiverships:

The appointment of a Receiver does not invalidate liens existing at the time the Receiver is appointed, although it may affect or change the remedy or remedies which the lienholder may use to enforce his lien. Generally speaking, the person who has a specific lien on property is entitled by following proper procedure to pay himself out of the property and if it be insufficient, then to prove his claim for the deficiency. In the case of Receivership such claim must come out of the proceeds of property not covered by the specific lien and such claim for deficiency must prorate with the unsecured creditors. Generally speaking, no other creditor except the lienholder is entitled to any part of the proceeds of property covered by a lien until the lienor is first paid.

*Id.* at 1345. The court concluded by explaining that “[a] secured creditor certainly may file a proof of claim in a Receivership action, in turn submitting itself to the jurisdiction of the Receivership and entitling itself to access of the general pool of Receivership assets for any unsecured portion of its debt. In fact, this may often be advisable where a secured creditor is undersecured or anticipates having a claim for deficiency beyond what may be paid out of the collateral. However, a federal district court cannot order a secured creditor to either file a proof of claim and submit its claim for determination by the Receivership court or lose its secured state-law property right that existed prior to the Receivership.” *Id.*

Contrary to established precedent, the Claims Administration Order required Joyce Shamah to file a proof of claim. Furthermore, by permitting the Receiver to dispose of assets that are secured by Joyce Shamah’s valid UCC liens, the Claims Administration Order permits the disbursement of collateral to unsecured creditors. This runs afoul of longstanding precedent that

recognizes the superior rights of secured creditors. *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411-12 (1938) (“to the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”).

**Objection 2: Determination of Proposed Allowed Claim Amount**

Joyce Shamah’s Allowed Claim Amount should be \$241,875.00, consisting of \$225,000.00 outstanding principal and \$16,875.00 in interest due and unpaid as of July 27, 2020. This is the amount Joyce Shamah indicated in her Proof of Claim Form and which is supported by the voluminous documentation attached to her Proof of Claim Form. Joyce Shamah’s valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court extend to the full \$241,875.00 value of the outstanding principal and unpaid interest.

Dated: December 19, 2023

/s/ Joyce Shamah

Joyce Shamah

**SUMMARY OF THE RECEIVER'S DETERMINATION OF YOUR CLAIM(S)**

**EXHIBIT A - CLAIMS SUPERSEDED (DISALLOWED AS AMENDED OR DUPLICATE CLAIMS)**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:			Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	REASON FOR DISALLOWANCE	SURVIVING CLAIM NO. (1)		
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	

**EXHIBIT B - CLAIMS SUBJECT TO MODIFICATION**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED RECEIVERSHIP ENTITY (2)	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON		
CHERIE CHEHEBAR	500	3/21/23	\$164,375.00	<small>CHERIE CHEHEBAR, Individually and as Trustee of CHEHEBAR TRUST</small>	<small>CHERIE CHEHEBAR, Individually and as Trustee of CHEHEBAR TRUST</small>	\$36,250.00	Claim to be allowed in adjusted amount	Objection? <input checked="" type="checkbox"/>	
Cherie Chehebar hereby files her objections to the Receiver's Notice of Determination for Claim No. 500.									
Objection 1: UCC Lien Priority									
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT C - CLAIMS SUBJECT TO DISALLOWANCE**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON	DETERMINATION COMMENTS		
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
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**EXHIBIT D - CLAIMS PENDING REVIEW BY RECEIVER**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

**EXHIBIT E - CLAIMS ALLOWED AS FILED**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

(1) Note, the surviving claim supersedes the amended or duplicative claim. The surviving claims may be subject to other proposed treatment. Be sure to review the proposed treatment for all of your claims.  
 (2) The Proposed Receivership Entity is the correct entity obligated to you for the investment involved in your claim, per the Receiver's books and records.  
 (3) The Proposed Allowed Claim Amount is the net investment balance owed to you as calculated per the Receiver's books and records. The net investment balance is equal to money invested less any money you received. You are not entitled to unpaid accrued interest, profits, earnings or other damages.  
 \* Please note, the download of your completed form will only display the first 450 characters of your written response. Please know that written responses in excess of 450 characters will still be received and reviewed by the Receiver.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
CASE NO. 20-CIV-81205-RAR

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

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**CHERIE CHEHEBAR'S OBJECTIONS TO RECEIVER'S NOTICE OF  
DETERMINATION**

Cherie Chehebar hereby files her objections to the Receiver's Notice of Determination for Claim No. 500.

**Objection 1: UCC Lien Priority**

Cherie Chehebar has a valid secured claim against, and security interest in, the funds and property held by the Receivership because Cherie Chehebar filed a UCC Financing Statement in Delaware.<sup>1</sup> Through the filing of this UCC Financing Statement, Cherie Chehebar perfected valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court. These liens and their attendant rights have not been extinguished by the Receivership and Cherie Chehebar stands in priority to the Receivership and junior creditors and unsecured claimants of the Receivership estate. Accordingly, the Court should order funds

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<sup>1</sup> Cherie Chehebar's UCC Financing Statement was attached to her Proof of Claim Form.

sufficient to secure Cherie Chehebar's security interest in the Receivership estate to be segregated from other funds that are being used to pay unsecured creditors and claimants.

Security interests have long been recognized as property rights protected by the Constitution's prohibition against takings without just compensation. *See* U.S. Const. amend. V; *United States v. Security Indus. Bank*, 459 U.S. 70, 75, (1982); *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411–12 (1938) (“[T]o the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”); *In re George Ruggiere Chrysler-Plymouth, Inc.*, 727 F.2d 1017, 1019 (11th Cir. 1984). Moreover, it is without dispute that property interests are determined by state law, *see Butner v. United States*, 440 U.S. 48, 55 (1979), and that “a receiver appointed by a federal court takes property subject to all liens, priorities or privileges existing or accruing under the laws of the State,” *Marshall v. New York*, 254 U.S. 380, 385 (1920).

Here, the Receiver took the property of the estate subject to the valid security interests of Cherie Chehebar. It is clear that valid state law security interests pass through a receivership unaffected. *See Marshall*, 254 U.S. at 385; *SEC v. Madison Real Estate Group, LLC*, 647 F. Supp. 2d 1271, 1277 (D. Utah 2009) (“It is well-established that a ‘receiver appointed by a federal court takes property subject to all liens priorities or privileges existing or accruing under the laws of the state.’”) (internal citation omitted).

More than a century ago, the Supreme Court held that a bankruptcy discharge of a secured creditor's claim does not affect the status of the creditor's underlying lien on the debtor's property,

irrespective of any bar date order entered in the case. *See Long v. Bullard*, 117 U.S. 617, 620–21 (1886) (“Here the creditor neither proved his debt in bankruptcy nor released his lien. Consequently his security was preserved notwithstanding the bankruptcy of his debtor.”). Over the years, the Court has reiterated this holding. *See, e.g., United States Nat’l Bank v. Chase Nat’l Bank*, 331 U.S. 28, 33 (1947) (stating that a secured creditor “may disregard bankruptcy proceedings, decline to file a claim, and rely solely upon his security . . .”); *Farrey v. Sanderfoot*, 500 U.S. 291, 297 (1991) (“Ordinarily, liens and other secured interests survive bankruptcy”); *Johnson v. Home State Bank*, 501 U.S. 78, 84 (1991) (“Rather, a bankruptcy discharge extinguishes only one mode of enforcing a claim -- namely, an action against the debtor in personam -- while leaving intact another -- namely, an action against the debtor in rem”).

The Eleventh Circuit has made clear that Cherie Chehebar’s rights have travelled into this Receivership and survive independent of it. In *Sec. & Exch. Comm’n v. Wells Fargo Bank, N.A.*, 848 F.3d 1339 (11th Cir. 2017), a Receivership was established when the SEC brought an action in relation to a failed Ponzi scheme. Wells Fargo had perfected security interests in three properties that the Receivership had taken possession of. *See* 848 F.3d at 1341. The district court established a claims process and Wells Fargo missed the claims bar date for two of the three properties that it had previously established a security interest upon. *Id.* at 1342. Wells Fargo then filed a motion seeking a ruling from the district court that it did not need to file a claim because it had previously established a security interest in all three properties. *Id.* The district court disagreed and permitted the Receiver to sell two of the properties without regard to Wells Fargo’s liens. *Id.* at 1342–43. Wells Fargo appealed and the Eleventh Circuit reversed. *Id.*

In overruling the lower court, the Eleventh Circuit gave great weight to creditor rights in the context of Receiverships. “[W]hile a federal district court has wide-ranging authority to



supervise a Receivership, we hold it does not have the authority to extinguish a creditor's pre-existing state law security interest, as the district court purported to do here." *Id.* at 1344. The court explained that the "primary purpose of both Receivership and bankruptcy proceedings is to promote the efficient and orderly administration of estates for the benefit of creditors" and went on to analyze the question in the context of Eleventh Circuit bankruptcy decisions. *Id.* at 1344. The court noted that in the bankruptcy context, secured creditors' liens remain intact without the need to file a claim. Significant to the case here, the court cited favorably, the following passage from a treatise on Receiverships:

The appointment of a Receiver does not invalidate liens existing at the time the Receiver is appointed, although it may affect or change the remedy or remedies which the lienholder may use to enforce his lien. Generally speaking, the person who has a specific lien on property is entitled by following proper procedure to pay himself out of the property and if it be insufficient, then to prove his claim for the deficiency. In the case of Receivership such claim must come out of the proceeds of property not covered by the specific lien and such claim for deficiency must prorate with the unsecured creditors. Generally speaking, no other creditor except the lienholder is entitled to any part of the proceeds of property covered by a lien until the lienor is first paid.

*Id.* at 1345. The court concluded by explaining that "[a] secured creditor certainly may file a proof of claim in a Receivership action, in turn submitting itself to the jurisdiction of the Receivership and entitling itself to access of the general pool of Receivership assets for any unsecured portion of its debt. In fact, this may often be advisable where a secured creditor is undersecured or anticipates having a claim for deficiency beyond what may be paid out of the collateral. However, a federal district court cannot order a secured creditor to either file a proof of claim and submit its claim for determination by the Receivership court or lose its secured state-law property right that existed prior to the Receivership." *Id.*

Contrary to established precedent, the Claims Administration Order required Cherie Chehebar to file a proof of claim. Furthermore, by permitting the Receiver to dispose of assets

that are secured by Cherie Chehebar's valid UCC liens, the Claims Administration Order permits the disbursement of collateral to unsecured creditors. This runs afoul of longstanding precedent that recognizes the superior rights of secured creditors. *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat'l Bank v. Sprague*, 303 U.S. 406, 411-12 (1938) (“to the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”).

**Objection 2: Determination of Proposed Allowed Claim Amount**

Cherie Chehebar's Allowed Claim Amount should be \$164,375.00, consisting of \$150,000.00 outstanding principal and \$14,375.00 in interest due and unpaid as of July 27, 2020. This is the amount Cherie Chehebar indicated in her Proof of Claim Form and which is supported by the voluminous documentation attached to her Proof of Claim Form. Cherie Chehebar's valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court extend to the full \$164,375.00 value of the outstanding principal and unpaid interest.

Dated: December 19, 2023

/s/ Cherie Chehebar

Cherie Chehebar

**SUMMARY OF THE RECEIVER'S DETERMINATION OF YOUR CLAIM(S)**

**EXHIBIT A - CLAIMS SUPERSEDED (DISALLOWED AS AMENDED OR DUPLICATE CLAIMS)**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:			Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	REASON FOR DISALLOWANCE	SURVIVING CLAIM NO. (1)		
ALBERT CHEHEBAR	473	3/20/23	\$15,500,000.00	<small>Company Address: 10000 SW 15th St, Ft. Lauderdale, FL 33309</small>	AMENDED CLAIM	544	Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	

**EXHIBIT B - CLAIMS SUBJECT TO MODIFICATION**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:			Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED RECEIVERSHIP ENTITY (2)	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON	
ALBERT CHEHEBAR	544	3/31/23	\$15,500,000.00	<small>Company Address: 10000 SW 15th St, Ft. Lauderdale, FL 33309</small>	<small>Company Name: 10000 SW 15th St, Ft. Lauderdale, FL 33309</small>	\$6,134,479.11	Claim to be allowed in adjusted amount	Objection? <input checked="" type="checkbox"/>
Albert Chehebar hereby files his objections to the Receiver's Notice of Determination for Claim No. 544.								
Objection 1: Lien Priority								
								Objection? <input type="checkbox"/>
								Objection? <input type="checkbox"/>
								Objection? <input type="checkbox"/>
								Objection? <input type="checkbox"/>
								Objection? <input type="checkbox"/>

**EXHIBIT C - CLAIMS SUBJECT TO DISALLOWANCE**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:			Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON	DETERMINATION COMMENTS	
								Objection? <input type="checkbox"/>
								Objection? <input type="checkbox"/>
								Objection? <input type="checkbox"/>
								Objection? <input type="checkbox"/>
								Objection? <input type="checkbox"/>
								Objection? <input type="checkbox"/>

**EXHIBIT D - CLAIMS PENDING REVIEW BY RECEIVER**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

**EXHIBIT E - CLAIMS ALLOWED AS FILED**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

(1) Note, the surviving claim supersedes the amended or duplicative claim. The surviving claims may be subject to other proposed treatment. Be sure to review the proposed treatment for all of your claims.

(2) The Proposed Receivership Entity is the correct entity obligated to you for the investment involved in your claim, per the Receiver's books and records.

(3) The Proposed Allowed Claim Amount is the net investment balance owed to you as calculated per the Receiver's books and records. The net investment balance is equal to money invested less any money you received. You are not entitled to unpaid accrued interest, profits, earnings or other damages.

\* Please note, the download of your completed form will only display the first 450 characters of your written response. Please know that written responses in excess of 450 characters will still be received and reviewed by the Receiver.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
CASE NO. 20-CIV-81205-RAR

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

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**ALBERT CHEHEBAR'S OBJECTIONS TO RECEIVER'S NOTICE OF  
DETERMINATION**

Albert Chehebar hereby files his objections to the Receiver's Notice of Determination for Claim No. 544.

**Objection 1: Lien Priority**

Albert Chehebar has a valid secured claim against, and security interest in, the funds and property held by the Receivership because Albert Chehebar filed UCC Financing Statements in Delaware and Pennsylvania.<sup>1</sup> Through the filing of these UCC Financing Statements, Albert Chehebar perfected valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court. These liens and their attendant rights have not been extinguished by the Receivership and Albert Chehebar stands in priority to the Receivership and junior creditors and unsecured claimants of the Receivership estate. Accordingly, the Court should order funds sufficient to secure Albert Chehebar's security interest in the

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<sup>1</sup> Albert Chehebar's UCC Financing Statements were attached to his Proof of Claim Form.

Receivership estate to be segregated from other funds that are being used to pay unsecured creditors and claimants.

Security interests have long been recognized as property rights protected by the Constitution's prohibition against takings without just compensation. *See* U.S. Const. amend. V; *United States v. Security Indus. Bank*, 459 U.S. 70, 75, (1982); *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411–12 (1938) (“[T]o the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”); *In re George Ruggiere Chrysler-Plymouth, Inc.*, 727 F.2d 1017, 1019 (11th Cir. 1984). Moreover, it is without dispute that property interests are determined by state law, *see Butner v. United States*, 440 U.S. 48, 55 (1979), and that “a receiver appointed by a federal court takes property subject to all liens, priorities or privileges existing or accruing under the laws of the State,” *Marshall v. New York*, 254 U.S. 380, 385 (1920).

Here, the Receiver took the property of the estate subject to the valid security interests of Albert Chehebar. It is clear that valid state law security interests pass through a receivership unaffected. *See Marshall*, 254 U.S. at 385; *SEC v. Madison Real Estate Group, LLC*, 647 F. Supp. 2d 1271, 1277 (D. Utah 2009) (“It is well-established that a ‘receiver appointed by a federal court takes property subject to all liens priorities or privileges existing or accruing under the laws of the state.’”) (internal citation omitted).

More than a century ago, the Supreme Court held that a bankruptcy discharge of a secured creditor's claim does not affect the status of the creditor's underlying lien on the debtor's property,

irrespective of any bar date order entered in the case. *See Long v. Bullard*, 117 U.S. 617, 620–21 (1886) (“Here the creditor neither proved his debt in bankruptcy nor released his lien. Consequently his security was preserved notwithstanding the bankruptcy of his debtor.”). Over the years, the Court has reiterated this holding. *See, e.g., United States Nat’l Bank v. Chase Nat’l Bank*, 331 U.S. 28, 33 (1947) (stating that a secured creditor “may disregard bankruptcy proceedings, decline to file a claim, and rely solely upon his security . . .”); *Farrey v. Sanderfoot*, 500 U.S. 291, 297 (1991) (“Ordinarily, liens and other secured interests survive bankruptcy”); *Johnson v. Home State Bank*, 501 U.S. 78, 84 (1991) (“Rather, a bankruptcy discharge extinguishes only one mode of enforcing a claim -- namely, an action against the debtor in personam -- while leaving intact another -- namely, an action against the debtor in rem”).

The Eleventh Circuit has made clear that Albert Chehebar’s rights have travelled into this Receivership and survive independent of it. In *Sec. & Exch. Comm’n v. Wells Fargo Bank, N.A.*, 848 F.3d 1339 (11th Cir. 2017), a Receivership was established when the SEC brought an action in relation to a failed Ponzi scheme. Wells Fargo had perfected security interests in three properties that the Receivership had taken possession of. *See* 848 F.3d at 1341. The district court established a claims process and Wells Fargo missed the claims bar date for two of the three properties that it had previously established a security interest upon. *Id.* at 1342. Wells Fargo then filed a motion seeking a ruling from the district court that it did not need to file a claim because it had previously established a security interest in all three properties. *Id.* The district court disagreed and permitted the Receiver to sell two of the properties without regard to Wells Fargo’s liens. *Id.* at 1342–43. Wells Fargo appealed and the Eleventh Circuit reversed. *Id.*

In overruling the lower court, the Eleventh Circuit gave great weight to creditor rights in the context of Receiverships. “[W]hile a federal district court has wide-ranging authority to

supervise a Receivership, we hold it does not have the authority to extinguish a creditor's pre-existing state law security interest, as the district court purported to do here." *Id.* at 1344. The court explained that the "primary purpose of both Receivership and bankruptcy proceedings is to promote the efficient and orderly administration of estates for the benefit of creditors" and went on to analyze the question in the context of Eleventh Circuit bankruptcy decisions. *Id.* at 1344. The court noted that in the bankruptcy context, secured creditors' liens remain intact without the need to file a claim. Significant to the case here, the court cited favorably, the following passage from a treatise on Receiverships:

The appointment of a Receiver does not invalidate liens existing at the time the Receiver is appointed, although it may affect or change the remedy or remedies which the lienholder may use to enforce his lien. Generally speaking, the person who has a specific lien on property is entitled by following proper procedure to pay himself out of the property and if it be insufficient, then to prove his claim for the deficiency. In the case of Receivership such claim must come out of the proceeds of property not covered by the specific lien and such claim for deficiency must prorate with the unsecured creditors. Generally speaking, no other creditor except the lienholder is entitled to any part of the proceeds of property covered by a lien until the lienor is first paid.

*Id.* at 1345. The court concluded by explaining that "[a] secured creditor certainly may file a proof of claim in a Receivership action, in turn submitting itself to the jurisdiction of the Receivership and entitling itself to access of the general pool of Receivership assets for any unsecured portion of its debt. In fact, this may often be advisable where a secured creditor is undersecured or anticipates having a claim for deficiency beyond what may be paid out of the collateral. However, a federal district court cannot order a secured creditor to either file a proof of claim and submit its claim for determination by the Receivership court or lose its secured state-law property right that existed prior to the Receivership." *Id.*

Contrary to established precedent, the Claims Administration Order required Albert Chehebar to file a proof of claim. Furthermore, by permitting the Receiver to dispose of assets

that are secured by Albert Chehebar's valid UCC liens, the Claims Administration Order permits the disbursement of collateral to unsecured creditors. This runs afoul of longstanding precedent that recognizes the superior rights of secured creditors. *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411-12 (1938) (“to the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”).

**Objection 2: Determination of Proposed Allowed Claim Amount**

Albert Chehebar's Allowed Claim Amount should be the \$15,500,000.00 in outstanding principal plus any interest due and unpaid as of July 27, 2020. This is the amount Albert Chehebar indicated in his Proof of Claim Form and which is supported by the voluminous documentation attached to his Proof of Claim Form. Albert Chehebar's valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court extend to the full \$15,500,000.00 value of the outstanding principal plus any interest due and unpaid as of July 27, 2020.

**Objection 3: Determination of Net Investment Amount**

Albert Chehebar's Net Investment Amount should be \$6,447,812.44. This is the amount Albert Chehebar indicated as his claimed Net Investment in his Proof of Claim Form and which is supported by the voluminous documentation Albert Chehebar submitted in support of his Proof of Claim Form.

The Receiver's Proposed Allowed Claim Amount is \$6,134,479.11. According to the Receiver's claims processing agent, the \$313,333.33 difference between Albert Chehebar's claimed Net Investment and the Receiver's Proposed Allowed Claim Amount results “from two



interest payments [Albert Chehebar] missed in March 2018 for \$60,000 and \$253,333.33.” See Dec. 15, 2023 Email from G. Brenner to R. Keefe. But the Receiver’s claims processing agent has provided no documentation to support its assertion that Albert Chehebar received either of these purported payments in March 2018. Accordingly, Albert Chehebar objects to the inclusion of either payment in the calculation of his Net Investment amount.

Dated: December 21, 2023

/s/ Joyce Chehebar

Joyce Chehebar, widow of Albert Chehebar

**From:** [Gabria Brenner](#)  
**To:** [Robert Keefe](#)  
**Cc:** [Timothy Kolaya](#); [George E. Shoup](#)  
**Subject:** RE: Albert Chehebar - Claim No. 544 - Determination of Claim  
**Date:** Friday, December 15, 2023 12:59:05 PM  
**Attachments:** [image001.png](#)

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**CAUTION: External email. Please do not respond to or click on links/attachments unless you recognize the sender.**

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Hi Robert,

I am a financial advisor assisting the Receiver of Complete Business Solutions Group, Inc., d/b/a Par Funding, et al. ("CBSG") and I can answer your question on the letter received for Albert Chehebar.

The Claims Motion included instructions for investors to calculate their claims to determine the "Net Investment".

Pre-Receivership Claim Amount. For all Claims other than Administrative Claims, please state the amount of your claim as of July 28, 2020. Investors, if you claim to have made a loan to, obtained a promissory note from, or hold an interest in a Receivership Entity, please fill out and attach an "Investor Supplement to Proof of Claim Form" (see Exhibit A) to account for each time you made an investment with or provided funds to the applicable Receivership Entity and the date and amount of each transaction thereafter. You must also provide a chronological accounting indicating the date and amount of any withdrawals made by or payments received by you from any Receivership Entity, whether such payments were denominated as the return of principal, interest, commissions finder's fee, or otherwise.

Here is a recap of the original investments and cash received on each, showing the calculation of the net investment:

<u>Fund:</u>	<u>Invested</u>	<u>Distributions</u>	<u>Net Investment</u>
CBSG	15,500,000	(9,365,520.89)	6,134,479.11

The difference you have noted below of \$313,000 is resulting from two interest payments you have missed in March 2018 for \$60,000 and \$253,333.33.

The return to investors is still being determined, the amount shown is the basis of the allowed claims. The claims pool is still being refined and the Receivership is not in a position to estimate the recovery % on claims at this time.

The Receiver's office will be posting more information on the claims process and provide guidance on the status of future distributions in this matter. The link to the site is:

[General Information - Par Funding Receivership](#)

I hope this answers your question, please let me know if you have any additional questions.

Regards,



10 South LaSalle Street  
Suite 3300  
Chicago, IL 60603

**Gabria A. Brenner**  
Associate

**Phone:** (312) 263-4141  
**Direct:** (872) 201-8647  
**Email:** [gbrenner@dsiconsulting.com](mailto:gbrenner@dsiconsulting.com)

[www.dsiconsulting.com](http://www.dsiconsulting.com)

[vCard](#) | [LinkedIn](#)

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**From:** Robert Keefe <[rkeefe@bsfllp.com](mailto:rkeefe@bsfllp.com)>

**Sent:** Monday, December 11, 2023 10:03 AM

**To:** ParFunding <[ParFunding@epiqglobal.com](mailto:ParFunding@epiqglobal.com)>

**Cc:** Timothy Kolaya <[tkolaya@sknlaw.com](mailto:tkolaya@sknlaw.com)>; Bruce A. Weil <[bweil@BSFLLP.com](mailto:bweil@BSFLLP.com)>; Marshall Dore Louis <[mlouis@BSFLLP.com](mailto:mlouis@BSFLLP.com)>

**Subject:** Albert Chehebar - Claim No. 544 - Determination of Claim

**CAUTION:** This email originated from outside of Epiq. Do not click links or open attachments unless you recognize the sender and know the content is safe. Report phishing by using the "Phish Alert Report" button above.

Hello,

I represent Claimant Albert Chehebar, Claim No. 544. I write regarding the Receiver's Determination of Mr. Chehebar's claim.

Mr. Chehebar's claimed Net Investment amount was \$6,447,812.44. The Receiver's Proposed Allowed Claim Amount is \$6,134,479.11. There is a \$313,333.33 difference between Mr. Chehebar's claimed Net Investment and the Receiver's Proposed Allowed Claim.

Mr. Chehebar's claimed Net Investment amount was supported by bank records and Form 1099-INTs received from Complete Business Solutions Group. Can you please help us understand how the Receiver calculated the Proposed Allowed Claim?

Thank you,

**Robert Keefe**

Associate

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**BOIES SCHILLER FLEXNER LLP**

100 SE 2<sup>nd</sup> Street Suite 2800

Miami, FL 33131

(o) +1 305 357 8416

(m) +1 850 585 3414

[rkeefe@bsfllp.com](mailto:rkeefe@bsfllp.com)

[www.bsfillp.com](http://www.bsfillp.com)

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**SUMMARY OF THE RECEIVER'S DETERMINATION OF YOUR CLAIM(S)**

**EXHIBIT A - CLAIMS SUPERSEDED (DISALLOWED AS AMENDED OR DUPLICATE CLAIMS)**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:			Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	REASON FOR DISALLOWANCE	SURVIVING CLAIM NO. (1)		
ALBERT CHEHEBAR	473	3/20/23	\$15,500,000.00	<small>Company Address: 10000 SW 15th St, Ft. Lauderdale, FL 33309</small>	AMENDED CLAIM	544	Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	

**EXHIBIT B - CLAIMS SUBJECT TO MODIFICATION**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:			Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED RECEIVERSHIP ENTITY (2)	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON	
ALBERT CHEHEBAR	544	3/31/23	\$15,500,000.00	<small>Company Address: 10000 SW 15th St, Ft. Lauderdale, FL 33309</small>	<small>Company Name: Albert Chehebar LLC</small>	\$6,134,479.11	Claim to be allowed in adjusted amount	Objection? <input checked="" type="checkbox"/>
Albert Chehebar hereby files his objections to the Receiver's Notice of Determination for Claim No. 544.								
Objection 1: Lien Priority								
								Objection? <input type="checkbox"/>
								Objection? <input type="checkbox"/>
								Objection? <input type="checkbox"/>
								Objection? <input type="checkbox"/>
								Objection? <input type="checkbox"/>

**EXHIBIT C - CLAIMS SUBJECT TO DISALLOWANCE**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:			Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON	DETERMINATION COMMENTS	
								Objection? <input type="checkbox"/>
								Objection? <input type="checkbox"/>
								Objection? <input type="checkbox"/>
								Objection? <input type="checkbox"/>
								Objection? <input type="checkbox"/>
								Objection? <input type="checkbox"/>

**EXHIBIT D - CLAIMS PENDING REVIEW BY RECEIVER**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

**EXHIBIT E - CLAIMS ALLOWED AS FILED**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

(1) Note, the surviving claim supersedes the amended or duplicative claim. The surviving claims may be subject to other proposed treatment. Be sure to review the proposed treatment for all of your claims.  
 (2) The Proposed Receivership Entity is the correct entity obligated to you for the investment involved in your claim, per the Receiver's books and records.  
 (3) The Proposed Allowed Claim Amount is the net investment balance owed to you as calculated per the Receiver's books and records. The net investment balance is equal to money invested less any money you received. You are not entitled to unpaid accrued interest, profits, earnings or other damages.  
 \* Please note, the download of your completed form will only display the first 450 characters of your written response. Please know that written responses in excess of 450 characters will still be received and reviewed by the Receiver.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
CASE NO. 20-CIV-81205-RAR

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

---

**ALBERT CHEHEBAR'S OBJECTIONS TO RECEIVER'S NOTICE OF  
DETERMINATION**

Albert Chehebar hereby files his objections to the Receiver's Notice of Determination for Claim No. 544.

**Objection 1: Lien Priority**

Albert Chehebar has a valid secured claim against, and security interest in, the funds and property held by the Receivership because Albert Chehebar filed UCC Financing Statements in Delaware and Pennsylvania.<sup>1</sup> Through the filing of these UCC Financing Statements, Albert Chehebar perfected valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court. These liens and their attendant rights have not been extinguished by the Receivership and Albert Chehebar stands in priority to the Receivership and junior creditors and unsecured claimants of the Receivership estate. Accordingly, the Court should order funds sufficient to secure Albert Chehebar's security interest in the

---

<sup>1</sup> Albert Chehebar's UCC Financing Statements were attached to his Proof of Claim Form.

Receivership estate to be segregated from other funds that are being used to pay unsecured creditors and claimants.

Security interests have long been recognized as property rights protected by the Constitution's prohibition against takings without just compensation. *See* U.S. Const. amend. V; *United States v. Security Indus. Bank*, 459 U.S. 70, 75, (1982); *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411–12 (1938) (“[T]o the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”); *In re George Ruggiere Chrysler-Plymouth, Inc.*, 727 F.2d 1017, 1019 (11th Cir. 1984). Moreover, it is without dispute that property interests are determined by state law, *see Butner v. United States*, 440 U.S. 48, 55 (1979), and that “a receiver appointed by a federal court takes property subject to all liens, priorities or privileges existing or accruing under the laws of the State,” *Marshall v. New York*, 254 U.S. 380, 385 (1920).

Here, the Receiver took the property of the estate subject to the valid security interests of Albert Chehebar. It is clear that valid state law security interests pass through a receivership unaffected. *See Marshall*, 254 U.S. at 385; *SEC v. Madison Real Estate Group, LLC*, 647 F. Supp. 2d 1271, 1277 (D. Utah 2009) (“It is well-established that a ‘receiver appointed by a federal court takes property subject to all liens priorities or privileges existing or accruing under the laws of the state.’”) (internal citation omitted).

More than a century ago, the Supreme Court held that a bankruptcy discharge of a secured creditor's claim does not affect the status of the creditor's underlying lien on the debtor's property,

irrespective of any bar date order entered in the case. *See Long v. Bullard*, 117 U.S. 617, 620–21 (1886) (“Here the creditor neither proved his debt in bankruptcy nor released his lien. Consequently his security was preserved notwithstanding the bankruptcy of his debtor.”). Over the years, the Court has reiterated this holding. *See, e.g., United States Nat’l Bank v. Chase Nat’l Bank*, 331 U.S. 28, 33 (1947) (stating that a secured creditor “may disregard bankruptcy proceedings, decline to file a claim, and rely solely upon his security . . .”); *Farrey v. Sanderfoot*, 500 U.S. 291, 297 (1991) (“Ordinarily, liens and other secured interests survive bankruptcy”); *Johnson v. Home State Bank*, 501 U.S. 78, 84 (1991) (“Rather, a bankruptcy discharge extinguishes only one mode of enforcing a claim -- namely, an action against the debtor in personam -- while leaving intact another -- namely, an action against the debtor in rem”).

The Eleventh Circuit has made clear that Albert Chehebar’s rights have travelled into this Receivership and survive independent of it. In *Sec. & Exch. Comm’n v. Wells Fargo Bank, N.A.*, 848 F.3d 1339 (11th Cir. 2017), a Receivership was established when the SEC brought an action in relation to a failed Ponzi scheme. Wells Fargo had perfected security interests in three properties that the Receivership had taken possession of. *See* 848 F.3d at 1341. The district court established a claims process and Wells Fargo missed the claims bar date for two of the three properties that it had previously established a security interest upon. *Id.* at 1342. Wells Fargo then filed a motion seeking a ruling from the district court that it did not need to file a claim because it had previously established a security interest in all three properties. *Id.* The district court disagreed and permitted the Receiver to sell two of the properties without regard to Wells Fargo’s liens. *Id.* at 1342–43. Wells Fargo appealed and the Eleventh Circuit reversed. *Id.*

In overruling the lower court, the Eleventh Circuit gave great weight to creditor rights in the context of Receiverships. “[W]hile a federal district court has wide-ranging authority to



supervise a Receivership, we hold it does not have the authority to extinguish a creditor's pre-existing state law security interest, as the district court purported to do here." *Id.* at 1344. The court explained that the "primary purpose of both Receivership and bankruptcy proceedings is to promote the efficient and orderly administration of estates for the benefit of creditors" and went on to analyze the question in the context of Eleventh Circuit bankruptcy decisions. *Id.* at 1344. The court noted that in the bankruptcy context, secured creditors' liens remain intact without the need to file a claim. Significant to the case here, the court cited favorably, the following passage from a treatise on Receiverships:

The appointment of a Receiver does not invalidate liens existing at the time the Receiver is appointed, although it may affect or change the remedy or remedies which the lienholder may use to enforce his lien. Generally speaking, the person who has a specific lien on property is entitled by following proper procedure to pay himself out of the property and if it be insufficient, then to prove his claim for the deficiency. In the case of Receivership such claim must come out of the proceeds of property not covered by the specific lien and such claim for deficiency must prorate with the unsecured creditors. Generally speaking, no other creditor except the lienholder is entitled to any part of the proceeds of property covered by a lien until the lienor is first paid.

*Id.* at 1345. The court concluded by explaining that "[a] secured creditor certainly may file a proof of claim in a Receivership action, in turn submitting itself to the jurisdiction of the Receivership and entitling itself to access of the general pool of Receivership assets for any unsecured portion of its debt. In fact, this may often be advisable where a secured creditor is undersecured or anticipates having a claim for deficiency beyond what may be paid out of the collateral. However, a federal district court cannot order a secured creditor to either file a proof of claim and submit its claim for determination by the Receivership court or lose its secured state-law property right that existed prior to the Receivership." *Id.*

Contrary to established precedent, the Claims Administration Order required Albert Chehebar to file a proof of claim. Furthermore, by permitting the Receiver to dispose of assets

that are secured by Albert Chehebar's valid UCC liens, the Claims Administration Order permits the disbursement of collateral to unsecured creditors. This runs afoul of longstanding precedent that recognizes the superior rights of secured creditors. *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411-12 (1938) (“to the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”).

**Objection 2: Determination of Proposed Allowed Claim Amount**

Albert Chehebar's Allowed Claim Amount should be the \$15,500,000.00 in outstanding principal as of July 27, 2020. This is the amount Albert Chehebar indicated in his Proof of Claim Form and which is supported by the voluminous documentation attached to his Proof of Claim Form. Albert Chehebar's valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court extend to the full \$15,500,000.00 value of the outstanding principal.

**Objection 3: Determination of Net Investment Amount**

Albert Chehebar's Net Investment Amount should be \$6,447,812.44. This is the amount Albert Chehebar indicated as his claimed Net Investment in his Proof of Claim Form and which is supported by the voluminous documentation Albert Chehebar submitted in support of his Proof of Claim Form.

The Receiver's Proposed Allowed Claim Amount is \$6,134,479.11. According to the Receiver's claims processing agent, the \$313,333.33 difference between Albert Chehebar's claimed Net Investment and the Receiver's Proposed Allowed Claim Amount results “from two interest payments [Albert Chehebar] missed in March 2018 for \$60,000 and \$253,333.33.” *See*

Dec. 15, 2023 Email from G. Brenner to R. Keefe. But the Receiver's claims processing agent has provided no documentation to support its assertion that Albert Chehebar received either of these purported payments in March 2018. Accordingly, Albert Chehebar objects to the inclusion of either payment in the calculation of his Net Investment amount.

Dated: December 20, 2023

/s/ Joyce Chehebar

Joyce Chehebar, widow of Albert Chehebar

**From:** [Gabria Brenner](#)  
**To:** [Robert Keefe](#)  
**Cc:** [Timothy Kolaya](#); [George E. Shoup](#)  
**Subject:** RE: Albert Chehebar - Claim No. 544 - Determination of Claim  
**Date:** Friday, December 15, 2023 12:59:05 PM  
**Attachments:** [image001.png](#)

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**CAUTION: External email. Please do not respond to or click on links/attachments unless you recognize the sender.**

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Hi Robert,

I am a financial advisor assisting the Receiver of Complete Business Solutions Group, Inc., d/b/a Par Funding, et al. ("CBSG") and I can answer your question on the letter received for Albert Chehebar.

The Claims Motion included instructions for investors to calculate their claims to determine the "Net Investment".

Pre-Receivership Claim Amount. For all Claims other than Administrative Claims, please state the amount of your claim as of July 28, 2020. Investors, if you claim to have made a loan to, obtained a promissory note from, or hold an interest in a Receivership Entity, please fill out and attach an "Investor Supplement to Proof of Claim Form" (see Exhibit A) to account for each time you made an investment with or provided funds to the applicable Receivership Entity and the date and amount of each transaction thereafter. You must also provide a chronological accounting indicating the date and amount of any withdrawals made by or payments received by you from any Receivership Entity, whether such payments were denominated as the return of principal, interest, commissions finder's fee, or otherwise.

Here is a recap of the original investments and cash received on each, showing the calculation of the net investment:

<u>Fund:</u>	<u>Invested</u>	<u>Distributions</u>	<u>Net Investment</u>
CBSG	15,500,000	(9,365,520.89)	6,134,479.11

The difference you have noted below of \$313,000 is resulting from two interest payments you have missed in March 2018 for \$60,000 and \$253,333.33.

The return to investors is still being determined, the amount shown is the basis of the allowed claims. The claims pool is still being refined and the Receivership is not in a position to estimate the recovery % on claims at this time.

The Receiver's office will be posting more information on the claims process and provide guidance on the status of future distributions in this matter. The link to the site is:

[General Information - Par Funding Receivership](#)

I hope this answers your question, please let me know if you have any additional questions.

Regards,



10 South LaSalle Street  
Suite 3300  
Chicago, IL 60603

**Gabria A. Brenner**  
Associate

**Phone:** (312) 263-4141  
**Direct:** (872) 201-8647  
**Email:** [gbrenner@dsiconsulting.com](mailto:gbrenner@dsiconsulting.com)

[www.dsiconsulting.com](http://www.dsiconsulting.com)

[vCard](#) | [LinkedIn](#)

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**From:** Robert Keefe <[rkeefe@bsfllp.com](mailto:rkeefe@bsfllp.com)>

**Sent:** Monday, December 11, 2023 10:03 AM

**To:** ParFunding <[ParFunding@epiqglobal.com](mailto:ParFunding@epiqglobal.com)>

**Cc:** Timothy Kolaya <[tkolaya@sknlaw.com](mailto:tkolaya@sknlaw.com)>; Bruce A. Weil <[bweil@BSFLLP.com](mailto:bweil@BSFLLP.com)>; Marshall Dore Louis <[mlouis@BSFLLP.com](mailto:mlouis@BSFLLP.com)>

**Subject:** Albert Chehebar - Claim No. 544 - Determination of Claim

**CAUTION:** This email originated from outside of Epiq. Do not click links or open attachments unless you recognize the sender and know the content is safe. Report phishing by using the "Phish Alert Report" button above.

Hello,

I represent Claimant Albert Chehebar, Claim No. 544. I write regarding the Receiver's Determination of Mr. Chehebar's claim.

Mr. Chehebar's claimed Net Investment amount was \$6,447,812.44. The Receiver's Proposed Allowed Claim Amount is \$6,134,479.11. There is a \$313,333.33 difference between Mr. Chehebar's claimed Net Investment and the Receiver's Proposed Allowed Claim.

Mr. Chehebar's claimed Net Investment amount was supported by bank records and Form 1099-INTs received from Complete Business Solutions Group. Can you please help us understand how the Receiver calculated the Proposed Allowed Claim?

Thank you,

**Robert Keefe**

Associate

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**BOIES SCHILLER FLEXNER LLP**

100 SE 2<sup>nd</sup> Street Suite 2800

Miami, FL 33131

(o) +1 305 357 8416

(m) +1 850 585 3414

[rkeefe@bsfllp.com](mailto:rkeefe@bsfllp.com)

[www.bsfillp.com](http://www.bsfillp.com)

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**SUMMARY OF THE RECEIVER'S DETERMINATION OF YOUR CLAIM(S)**

**EXHIBIT A - CLAIMS SUPERSEDED (DISALLOWED AS AMENDED OR DUPLICATE CLAIMS)**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:			Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	REASON FOR DISALLOWANCE	SURVIVING CLAIM NO. (1)		
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	

**EXHIBIT B - CLAIMS SUBJECT TO MODIFICATION**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED RECEIVERSHIP ENTITY (2)	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON		
EZRA SHEHEBAR LLC	477	3/20/23	\$1,757,500.01			\$531,666.51	Claim to be allowed in adjusted amount	Objection? <input checked="" type="checkbox"/>	
Ezra Shehebar LLC hereby files its objections to the Receiver's Notice of Determination for Claim No. 477.									
Objection 1: Lien Priority									
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT C - CLAIMS SUBJECT TO DISALLOWANCE**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON	DETERMINATION COMMENTS		
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT D - CLAIMS PENDING REVIEW BY RECEIVER**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

**EXHIBIT E - CLAIMS ALLOWED AS FILED**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

(1) Note, the surviving claim supersedes the amended or duplicative claim. The surviving claims may be subject to other proposed treatment. Be sure to review the proposed treatment for all of your claims.  
 (2) The Proposed Receivership Entity is the correct entity obligated to you for the investment involved in your claim, per the Receiver's books and records.  
 (3) The Proposed Allowed Claim Amount is the net investment balance owed to you as calculated per the Receiver's books and records. The net investment balance is equal to money invested less any money you received. You are not entitled to unpaid accrued interest, profits, earnings or other damages.  
 \* Please note, the download of your completed form will only display the first 450 characters of your written response. Please know that written responses in excess of 450 characters will still be received and reviewed by the Receiver.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
CASE NO. 20-CIV-81205-RAR

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

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**EZRA SHEHEBAR LLC'S OBJECTIONS TO RECEIVER'S NOTICE OF  
DETERMINATION**

Ezra Shehebar LLC hereby files its objections to the Receiver's Notice of Determination for Claim No. 477.

**Objection 1: Lien Priority**

Ezra Shehebar LLC has a valid secured claim against, and security interest in, the funds and property held by the Receivership because Ezra Shehebar LLC filed UCC Financing Statements in Delaware.<sup>1</sup> Through the filing of these UCC Financing Statements, Ezra Shehebar LLC perfected valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court. These liens and their attendant rights have not been extinguished by the Receivership and Ezra Shehebar LLC stands in priority to the Receivership and junior creditors and unsecured claimants of the Receivership estate. Accordingly, the Court should order funds sufficient to secure Ezra Shehebar LLC's security interest in the

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<sup>1</sup> Ezra Shehebar LLC's UCC Financing Statements were attached to its Proof of Claim Form.



Receivership estate to be segregated from other funds that are being used to pay unsecured creditors and claimants.

Security interests have long been recognized as property rights protected by the Constitution's prohibition against takings without just compensation. *See* U.S. Const. amend. V; *United States v. Security Indus. Bank*, 459 U.S. 70, 75, (1982); *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411–12 (1938) (“[T]o the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”); *In re George Ruggiere Chrysler-Plymouth, Inc.*, 727 F.2d 1017, 1019 (11th Cir. 1984). Moreover, it is without dispute that property interests are determined by state law, *see Butner v. United States*, 440 U.S. 48, 55 (1979), and that “a receiver appointed by a federal court takes property subject to all liens, priorities or privileges existing or accruing under the laws of the State,” *Marshall v. New York*, 254 U.S. 380, 385 (1920).

Here, the Receiver took the property of the estate subject to the valid security interests of Ezra Shehebar LLC. It is clear that valid state law security interests pass through a receivership unaffected. *See Marshall*, 254 U.S. at 385; *SEC v. Madison Real Estate Group, LLC*, 647 F. Supp. 2d 1271, 1277 (D. Utah 2009) (“It is well-established that a ‘receiver appointed by a federal court takes property subject to all liens priorities or privileges existing or accruing under the laws of the state.’”) (internal citation omitted).

More than a century ago, the Supreme Court held that a bankruptcy discharge of a secured creditor's claim does not affect the status of the creditor's underlying lien on the debtor's property,

irrespective of any bar date order entered in the case. *See Long v. Bullard*, 117 U.S. 617, 620–21 (1886) (“Here the creditor neither proved his debt in bankruptcy nor released his lien. Consequently his security was preserved notwithstanding the bankruptcy of his debtor.”). Over the years, the Court has reiterated this holding. *See, e.g., United States Nat’l Bank v. Chase Nat’l Bank*, 331 U.S. 28, 33 (1947) (stating that a secured creditor “may disregard bankruptcy proceedings, decline to file a claim, and rely solely upon his security . . .”); *Farrey v. Sanderfoot*, 500 U.S. 291, 297 (1991) (“Ordinarily, liens and other secured interests survive bankruptcy”); *Johnson v. Home State Bank*, 501 U.S. 78, 84 (1991) (“Rather, a bankruptcy discharge extinguishes only one mode of enforcing a claim -- namely, an action against the debtor in personam -- while leaving intact another -- namely, an action against the debtor in rem”).

The Eleventh Circuit has made clear that Ezra Shehebar LLC’s rights have travelled into this Receivership and survive independent of it. In *Sec. & Exch. Comm’n v. Wells Fargo Bank, N.A.*, 848 F.3d 1339 (11th Cir. 2017), a Receivership was established when the SEC brought an action in relation to a failed Ponzi scheme. Wells Fargo had perfected security interests in three properties that the Receivership had taken possession of. *See* 848 F.3d at 1341. The district court established a claims process and Wells Fargo missed the claims bar date for two of the three properties that it had previously established a security interest upon. *Id.* at 1342. Wells Fargo then filed a motion seeking a ruling from the district court that it did not need to file a claim because it had previously established a security interest in all three properties. *Id.* The district court disagreed and permitted the Receiver to sell two of the properties without regard to Wells Fargo’s liens. *Id.* at 1342–43. Wells Fargo appealed and the Eleventh Circuit reversed. *Id.*

In overruling the lower court, the Eleventh Circuit gave great weight to creditor rights in the context of Receiverships. “[W]hile a federal district court has wide-ranging authority to

supervise a Receivership, we hold it does not have the authority to extinguish a creditor's pre-existing state law security interest, as the district court purported to do here." *Id.* at 1344. The court explained that the "primary purpose of both Receivership and bankruptcy proceedings is to promote the efficient and orderly administration of estates for the benefit of creditors" and went on to analyze the question in the context of Eleventh Circuit bankruptcy decisions. *Id.* at 1344. The court noted that in the bankruptcy context, secured creditors' liens remain intact without the need to file a claim. Significant to the case here, the court cited favorably, the following passage from a treatise on Receiverships:

The appointment of a Receiver does not invalidate liens existing at the time the Receiver is appointed, although it may affect or change the remedy or remedies which the lienholder may use to enforce his lien. Generally speaking, the person who has a specific lien on property is entitled by following proper procedure to pay himself out of the property and if it be insufficient, then to prove his claim for the deficiency. In the case of Receivership such claim must come out of the proceeds of property not covered by the specific lien and such claim for deficiency must prorate with the unsecured creditors. Generally speaking, no other creditor except the lienholder is entitled to any part of the proceeds of property covered by a lien until the lienor is first paid.

*Id.* at 1345. The court concluded by explaining that "[a] secured creditor certainly may file a proof of claim in a Receivership action, in turn submitting itself to the jurisdiction of the Receivership and entitling itself to access of the general pool of Receivership assets for any unsecured portion of its debt. In fact, this may often be advisable where a secured creditor is undersecured or anticipates having a claim for deficiency beyond what may be paid out of the collateral. However, a federal district court cannot order a secured creditor to either file a proof of claim and submit its claim for determination by the Receivership court or lose its secured state-law property right that existed prior to the Receivership." *Id.*

Contrary to established precedent, the Claims Administration Order required Ezra Shehebar LLC to file a proof of claim. Furthermore, by permitting the Receiver to dispose of

assets that are secured by Ezra Shehebar LLC's valid UCC liens, the Claims Administration Order permits the disbursement of collateral to unsecured creditors. This runs afoul of longstanding precedent that recognizes the superior rights of secured creditors. *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411-12 (1938) (“to the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”).

**Objection 2: Determination of Proposed Allowed Claim Amount**

Ezra Shehebar LLC's Allowed Claim Amount should be \$2,357,500.01, consisting of \$1,600,000.00 in outstanding principal and \$757,000.00 in interest due and unpaid as of July 27, 2020. This is the amount Ezra Shehebar LLC indicated in its Proof of Claim Form and which is supported by the voluminous documentation attached to its Proof of Claim Form. Ezra Shehebar LLC's valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court extend to the full \$2,357,500.01 value of the outstanding principal and interest.

**Objection 3: Determination of Net Investment Amount**

Ezra Shehebar LLC's Net Investment Amount should be \$689,999.00. The Receiver erroneously determined that Ezra Shehebar LLC's Net Investment Amount is \$531,666.51. Per the attached December 19, 2023 email from the Receiver's claims processing agent, the Receiver's Net Investment Amount erroneously excluded a \$158,333.00 investment by Ezra Shehebar LLC. See December 19, 2023 Email from G. Brenner to R. Keefe. Accordingly, the Receiver's claims processing agent has agreed that Ezra Shehebar LLC's Net Investment Amount “should be \$689,999.” See *id.*

Dated: December 20, 2023

/s/ Ezra Shehebar

Ezra Shehebar, Owner

**From:** [Gabria Brenner](#)  
**To:** [Robert Keefe](#)  
**Cc:** [Timothy Kolaya](#); [George E. Shoup](#); [Bruce A. Weil](#); [Marshall Dore Louis](#)  
**Subject:** RE: Ezra Shehebar LLC - Claim No. 477 - Determination of Claim  
**Date:** Wednesday, December 20, 2023 1:31:05 PM  
**Attachments:** [image004.png](#)  
[image005.png](#)  
[image006.png](#)  
[image007.png](#)

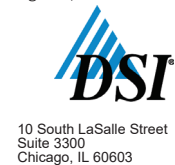
---

**CAUTION: External email. Please do not respond to or click on links/attachments unless you recognize the sender.**

---

Robert – please file your objection for claim 477 via the claims portal as it will help on our end.

Regards,



**Gabria A. Brenner**  
Associate  
**Phone:** (312) 263-4141  
**Direct:** (872) 201-8647  
**Email:** [gbrenner@dsiconsulting.com](mailto:gbrenner@dsiconsulting.com)  
[www.dsiconsulting.com](http://www.dsiconsulting.com)  
[vCard](#) | [LinkedIn](#)

---

**From:** Robert Keefe <[rkeefe@bsfllp.com](mailto:rkeefe@bsfllp.com)>  
**Sent:** Wednesday, December 20, 2023 11:10 AM  
**To:** Gabria Brenner <[GBrenner@DSIConsulting.com](mailto:GBrenner@DSIConsulting.com)>  
**Cc:** Timothy Kolaya <[tkolaya@sknlaw.com](mailto:tkolaya@sknlaw.com)>; George E. Shoup <[GShoup@DSIConsulting.com](mailto:GShoup@DSIConsulting.com)>; Bruce A. Weil <[bweil@BSFLLP.com](mailto:bweil@BSFLLP.com)>; Marshall Dore Louis <[mlouis@BSFLLP.com](mailto:mlouis@BSFLLP.com)>  
**Subject:** RE: Ezra Shehebar LLC - Claim No. 477 - Determination of Claim

Gabria,

Ahead of tomorrow's deadline to file objections, please confirm that Ezra Shehebar LLC does not need to file an objection to maintain or otherwise preserve the correct allowed claim amount of \$689,999.00.

Thank you,

**Robert Keefe**  
Associate

---

**BOIES SCHILLER FLEXNER LLP**

100 SE 2<sup>nd</sup> Street Suite 2800  
Miami, FL 33131  
(o) +1 305 357 8416  
(m) +1 850 585 3414  
[rkeefe@bsfllp.com](mailto:rkeefe@bsfllp.com)  
[www.bsfllp.com](http://www.bsfllp.com)

---

**From:** Robert Keefe  
**Sent:** Tuesday, December 19, 2023 10:40 AM  
**To:** Gabria Brenner <[GBrenner@DSIConsulting.com](mailto:GBrenner@DSIConsulting.com)>  
**Cc:** Timothy Kolaya <[tkolaya@sknlaw.com](mailto:tkolaya@sknlaw.com)>; George E. Shoup <[GShoup@DSIConsulting.com](mailto:GShoup@DSIConsulting.com)>; Bruce A. Weil <[BWeil@BSFLLP.com](mailto:BWeil@BSFLLP.com)>; Marshall Dore Louis <[mlouis@BSFLLP.com](mailto:mlouis@BSFLLP.com)>  
**Subject:** RE: Ezra Shehebar LLC - Claim No. 477 - Determination of Claim

Gabria,

Thank you for helping to reconcile this and for confirming that the proposed claim amount for Ezra Shehebar LLC (Claim No. 477) should be \$689,999.00.

Please confirm that Ezra Shehebar LLC does not need to file an objection to maintain or otherwise preserve the correct allowed claim amount of \$689,999.00.

Thanks,

**Robert Keefe**  
Associate

---

**BOIES SCHILLER FLEXNER LLP**

100 SE 2<sup>nd</sup> Street Suite 2800  
Miami, FL 33131  
(o) +1 305 357 8416

(m) +1 850 585 3414  
[rkeefe@bsflfp.com](mailto:rkeefe@bsflfp.com)  
[www.bsflfp.com](http://www.bsflfp.com)

**From:** Gabria Brenner <[GBrenner@DSIConsulting.com](mailto:GBrenner@DSIConsulting.com)>  
**Sent:** Tuesday, December 19, 2023 10:30 AM  
**To:** Robert Keefe <[rkeefe@bsflfp.com](mailto:rkeefe@bsflfp.com)>  
**Cc:** Timothy Kolaya <[tkolaya@sknlaw.com](mailto:tkolaya@sknlaw.com)>; George E. Shoup <[GShoup@DSIConsulting.com](mailto:GShoup@DSIConsulting.com)>  
**Subject:** RE: Ezra Shehebar LLC - Claim No. 477 - Determination of Claim

**CAUTION: External email. Please do not respond to or click on links/attachments unless you recognize the sender.**

Robert – below please find the response to your inquiry and support for the net investment claim.

Regarding the notice of determination for Claim no. 477, we have further reviewed the activity for Ezra Shehebar LLC and believe you are correct. The proposed allowed amount should be \$689,999.

We had a net investment of \$531,667 being coded to Ezra Shehebar LLC. Here is a recap of the original investments and cash received, showing the calculation of the net investment:

Date	Num	Name	Memo	Account	Disbursement	Receipt	Amount	Account Type	Bank/Acct	DSI-APPLIED TO ID
01/19/2017		Ezra Shehebar LLC	\$200K of \$500K	Investor - ESH		200,000.00	200,000.00	Liability	TD Bank - Operating 9790	Ezra Shehebar LLC
01/19/2017		Ezra Shehebar LLC	of \$500K	Investor - ESH		50,000.00	50,000.00	Liability	TD Bank - Operating 9790	Ezra Shehebar LLC
01/20/2017		Ezra Shehebar LLC	\$250K of \$500K	Investor - ESH		250,000.00	250,000.00	Liability	TD Bank - Operating 9790	Ezra Shehebar LLC
02/17/2017		Ezra Shehebar LLC		Interest Expense	10,416.67		(10,416.67)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
03/20/2017		Ezra Shehebar LLC		Interest Expense	10,416.67		(10,416.67)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
04/19/2017		Ezra Shehebar LLC		Interest Expense	10,416.67		(10,416.67)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
05/19/2017		Ezra Shehebar LLC		Interest Expense	10,416.67		(10,416.67)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
06/16/2017		Ezra Shehebar LLC		Interest Expense	10,416.67		(10,416.67)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
07/19/2017		Ezra Shehebar LLC		Interest Expense	10,416.67		(10,416.67)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
07/27/2017		Ezra Shehebar LLC	500	Investor - ESH		310,000.00	310,000.00	Liability	TD Bank - Operating 9790	Ezra Shehebar LLC
07/31/2017		Ezra Shehebar LLC	of 500	Investor - ESH		190,000.00	190,000.00	Liability	TD Bank - Operating 9790	Ezra Shehebar LLC
08/19/2017		Ezra Shehebar LLC		Interest Expense	20,833.34		(20,833.34)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
09/19/2017		Ezra Shehebar LLC		Interest Expense	20,833.34		(20,833.34)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
10/19/2017		Ezra Shehebar LLC		Interest Expense	20,833.34		(20,833.34)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
11/20/2017		Ezra Shehebar LLC		Interest Expense	20,833.34		(20,833.34)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
12/19/2017		Ezra Shehebar LLC		Interest Expense	20,833.34		(20,833.34)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
12/27/2017		Ezra Shehebar LLC	fund	Investor - ESH		100,000.00	100,000.00	Liability	TD Bank - Operating 9790	Ezra Shehebar LLC
01/19/2018		Ezra Shehebar LLC		Interest Expense	20,833.34		(20,833.34)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
01/26/2018		Ezra Shehebar LLC		Interest Expense	2,500.00		(2,500.00)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
02/20/2018		Ezra Shehebar LLC		Interest Expense	20,833.34		(20,833.34)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
02/27/2018		Ezra Shehebar LLC	zudy shehebar	Interest Expense	2,500.00		(2,500.00)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
03/19/2018		Ezra Shehebar LLC		Interest Expense	20,833.34		(20,833.34)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
03/27/2018		Ezra Shehebar LLC	zudy fund	Interest Expense	2,500.00		(2,500.00)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
04/19/2018		Ezra Shehebar LLC		Interest Expense	20,833.34		(20,833.34)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
04/27/2018		Ezra Shehebar LLC		Interest Expense	2,500.00		(2,500.00)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
05/19/2018		Ezra Shehebar LLC		Interest Expense	20,833.34		(20,833.34)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
05/25/2018		Ezra Shehebar LLC	zudy shehebar	Interest Expense	2,500.00		(2,500.00)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
06/19/2018		Ezra Shehebar LLC		Interest Expense	20,833.34		(20,833.34)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
06/27/2018		Ezra Shehebar LLC	zudy shehebar	Interest Expense	2,500.00		(2,500.00)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
07/19/2018		Ezra Shehebar LLC		Interest Expense	20,833.34		(20,833.34)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
07/27/2018		Ezra Shehebar LLC	zudy shehebar	Interest Expense	2,500.00		(2,500.00)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
08/20/2018		Ezra Shehebar LLC		Interest Expense	20,833.34		(20,833.34)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
08/27/2018		Ezra Shehebar LLC	zudy shehebar	Interest Expense	2,500.00		(2,500.00)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
09/19/2018		Ezra Shehebar LLC		Interest Expense	20,833.34		(20,833.34)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
09/27/2018		Ezra Shehebar LLC	zudy shehebar	Interest Expense	2,500.00		(2,500.00)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
10/19/2018		Ezra Shehebar LLC		Interest Expense	20,833.34		(20,833.34)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
10/26/2018		Ezra Shehebar LLC	zudy shehebar wire	Interest Expense	2,500.00		(2,500.00)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
11/19/2018		Ezra Shehebar LLC		Interest Expense	20,833.34		(20,833.34)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
11/27/2018		Ezra Shehebar LLC		Interest Expense	2,500.00		(2,500.00)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
12/19/2018		Ezra Shehebar LLC		Interest Expense	20,833.34		(20,833.34)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
12/27/2018		Ezra Shehebar LLC	zudy shehebar wire	Interest Expense	2,500.00		(2,500.00)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
01/19/2019		Ezra Shehebar LLC		Interest Expense	20,833.34		(20,833.34)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
01/28/2019		Ezra Shehebar LLC	zudy shehebar wire	Interest Expense	2,500.00		(2,500.00)	Other Expense	Republic Bank - Capital 4169	Ezra Shehebar LLC
02/19/2019		Ezra Shehebar LLC		Interest Expense	20,833.34		(20,833.34)	Other Expense	Bancoorp - Capital 6468	Ezra Shehebar LLC
02/27/2019		Ezra Shehebar LLC	zudy shehebar wire	Interest Expense	2,500.00		(2,500.00)	Other Expense	Bancoorp - Capital 6468	Ezra Shehebar LLC
01/17/2020		Ezra Shehebar LLC		Interest Expense	34,166.67		(34,166.67)	Other Expense	Prefund	Ezra Shehebar LLC
02/19/2020		Ezra Shehebar LLC	zudy	Interest Expense	34,166.67		(34,166.67)	Other Expense	Prefund	Ezra Shehebar LLC
07/01/2020		Ezra Shehebar LLC		Interest Expense	6,666.67		(6,666.67)	Other Expense	Prefund	Ezra Shehebar LLC
							531,666.67			

There was a net investment of \$158,333 being coded to Ezra Shehebar that was previously missed and will be added to the total proposed amount. Here is a summary of the original investments and cash, showing the calculation of the net investment:

Date	Num	Name	Memo	Account	Disbursement	Receipt	Amount	Account Type	Bank/Acct	DSI-APPLIED TO ID
02/19/2019		Ezra Shehebar	ezra note	Investor - ESH		400,000.00	400,000.00	Liability	Bancoorp - Operating 6442	Ezra Shehebar
02/19/2019		Ezra Shehebar	fund note	Investor - ESH		100,000.00	100,000.00	Liability	Bancoorp - Operating 6442	Ezra Shehebar
03/19/2019		Ezra Shehebar		Interest Expense	34,166.67		(34,166.67)	Other Expense	Bancoorp - Capital 6468	Ezra Shehebar
04/19/2019		Ezra Shehebar		Interest Expense	34,166.67		(34,166.67)	Other Expense	Bancoorp - Capital 6468	Ezra Shehebar
05/20/2019		Ezra Shehebar		Interest Expense	34,166.67		(34,166.67)	Other Expense	Bancoorp - Capital 6468	Ezra Shehebar
06/19/2019		Ezra Shehebar		Interest Expense	34,166.67		(34,166.67)	Other Expense	Bancoorp - Capital 6468	Ezra Shehebar
07/19/2019		Ezra Shehebar		Interest Expense	34,166.67		(34,166.67)	Other Expense	Bancoorp - Capital 6468	Ezra Shehebar
08/19/2019		Ezra Shehebar		Interest Expense	34,166.67		(34,166.67)	Other Expense	Bancoorp - Capital 6468	Ezra Shehebar
09/19/2019		Ezra Shehebar		Interest Expense	34,166.67		(34,166.67)	Other Expense	Bancoorp - Capital 6468	Ezra Shehebar
10/19/2019		Ezra Shehebar		Interest Expense	34,166.67		(34,166.67)	Other Expense	Bancoorp - Capital 6468	Ezra Shehebar
11/19/2019		Ezra Shehebar		Interest Expense	34,166.67		(34,166.67)	Other Expense	Bancoorp - Capital 6468	Ezra Shehebar
12/18/2019		Ezra Shehebar	zudy	Interest Expense	34,166.67		(34,166.67)	Other Expense	Prefund	Ezra Shehebar
							158,333.30			

With the total proposed amount of \$689,999, there is a difference of \$6,666.67 from your proposed amount. This difference is from a payment you are including on 6/1/20 that is coded to Ezra Chehebar and is being included in claim 502.

Date	Num	Name	Memo	Account	Disbursement	Receipt	Amount	Account Type	Bank/Acct	DSI-APPLIED TO ID
06/01/2020		Ezra Chehebar		Interest Expense	6,666.67		(6,666.67)	Other Expense	BOSJ - Operating 3352	Ezra Chehebar

I hope this answers your question, please let me know if you have any additional questions.

Regards,

**Gabria A. Brenner**  
 Associate  
 Phone: (312) 263-4141



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Suite 3300  
Chicago, IL 60603

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[vCard](#) | [LinkedIn](#)

---

**From:** Robert Keefe <[rkeefe@bsfillp.com](mailto:rkeefe@bsfillp.com)>  
**Sent:** Monday, December 11, 2023 10:24 AM  
**To:** ParFunding <[ParFunding@epiqglobal.com](mailto:ParFunding@epiqglobal.com)>  
**Cc:** Timothy Kolaya <[tkolaya@sknlaw.com](mailto:tkolaya@sknlaw.com)>; Bruce A. Weil <[bweil@BSFLLP.com](mailto:bweil@BSFLLP.com)>; Marshall Dore Louis <[mlouis@BSFLLP.com](mailto:mlouis@BSFLLP.com)>  
**Subject:** Ezra Shehebar LLC - Claim No. 477 - Determination of Claim

**CAUTION:** This email originated from outside of Epig. Do not click links or open attachments unless you recognize the sender and know the content is safe. Report phishing by using the "Phish Alert Report" button above.

Hello,

I represent Claimant Ezra Shehebar LLC, Claim No. 477. I write regarding the Receiver's Determination of Ezra Shehebar LLC's claim.

Ezra Shehebar LLC's claimed Net Investment amount was \$683,333.14. The Receiver's Proposed Allowed Claim Amount is \$531,666.51. There is a \$151,666.63 difference between Ezra Shehebar LLC's claimed Net Investment and the Receiver's Proposed Allowed Claim Amount.

Ezra Shehebar LLC's claimed Net Investment amount was supported by bank records and Form 1099-INTs received from Complete Business Solutions Group. Can you please help us understand how the Receiver calculated the Proposed Allowed Claim Amount?

Thank you,

**Robert Keefe**

Associate

**BOIES SCHILLER FLEXNER LLP**

100 SE 2<sup>nd</sup> Street Suite 2800

Miami, FL 33131

(o) +1 305 357 8416

(m) +1 850 585 3414

[rkeefe@bsfillp.com](mailto:rkeefe@bsfillp.com)

[www.bsfillp.com](http://www.bsfillp.com)

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**SUMMARY OF THE RECEIVER'S DETERMINATION OF YOUR CLAIM(S)**

**EXHIBIT A - CLAIMS SUPERSEDED (DISALLOWED AS AMENDED OR DUPLICATE CLAIMS)**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:			Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	REASON FOR DISALLOWANCE	SURVIVING CLAIM NO. (1)		
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	

**EXHIBIT B - CLAIMS SUBJECT TO MODIFICATION**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED RECEIVERSHIP ENTITY (2)	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON		
JOSEF CHEHEBAR	484	3/20/23	\$2,281,666.66	<small>Joseph's Business Activities Involving the Property (2023)</small>	<small>Joseph's Business Activities Involving the Property (2023)</small>	\$544,166.66	Claim to be allowed in adjusted amount	Objection? <input checked="" type="checkbox"/>	
Josef Chehebar hereby files his objections to the Receiver's Notice of Determination for Claim No. 484.									
Objection 1: Lien Priority									
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT C - CLAIMS SUBJECT TO DISALLOWANCE**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON	DETERMINATION COMMENTS		
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT D - CLAIMS PENDING REVIEW BY RECEIVER**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

**EXHIBIT E - CLAIMS ALLOWED AS FILED**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

(1) Note, the surviving claim supersedes the amended or duplicative claim. The surviving claims may be subject to other proposed treatment. Be sure to review the proposed treatment for all of your claims.  
 (2) The Proposed Receivership Entity is the correct entity obligated to you for the investment involved in your claim, per the Receiver's books and records.  
 (3) The Proposed Allowed Claim Amount is the net investment balance owed to you as calculated per the Receiver's books and records. The net investment balance is equal to money invested less any money you received. You are not entitled to unpaid accrued interest, profits, earnings or other damages.  
 \* Please note, the download of your completed form will only display the first 450 characters of your written response. Please know that written responses in excess of 450 characters will still be received and reviewed by the Receiver.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
CASE NO. 20-CIV-81205-RAR

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

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**JOSEF CHEHEBAR'S OBJECTIONS TO RECEIVER'S NOTICE OF  
DETERMINATION**

Josef Chehebar hereby files his objections to the Receiver's Notice of Determination for Claim No. 484.

**Objection 1: Lien Priority**

Josef Chehebar has a valid secured claim against, and security interest in, the funds and property held by the Receivership because Josef Chehebar filed UCC Financing Statements in Delaware.<sup>1</sup> Through the filing of these UCC Financing Statements, Josef Chehebar perfected valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court. These liens and their attendant rights have not been extinguished by the Receivership and Josef Chehebar stands in priority to the Receivership and junior creditors and unsecured claimants of the Receivership estate. Accordingly, the Court should order funds sufficient to secure Josef Chehebar's security interest in the Receivership estate to be segregated from other funds that are being used to pay unsecured creditors and claimants.

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<sup>1</sup>Josef Chehebar's UCC Financing Statements were attached to his Proof of Claim Form.

Security interests have long been recognized as property rights protected by the Constitution’s prohibition against takings without just compensation. *See* U.S. Const. amend. V; *United States v. Security Indus. Bank*, 459 U.S. 70, 75, (1982); *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411–12 (1938) (“[T]o the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”); *In re George Ruggiere Chrysler-Plymouth, Inc.*, 727 F.2d 1017, 1019 (11th Cir. 1984). Moreover, it is without dispute that property interests are determined by state law, *see Butner v. United States*, 440 U.S. 48, 55 (1979), and that “a receiver appointed by a federal court takes property subject to all liens, priorities or privileges existing or accruing under the laws of the State,” *Marshall v. New York*, 254 U.S. 380, 385 (1920).

Here, the Receiver took the property of the estate subject to the valid security interests of Josef Chehebar. It is clear that valid state law security interests pass through a receivership unaffected. *See Marshall*, 254 U.S. at 385; *SEC v. Madison Real Estate Group, LLC*, 647 F. Supp. 2d 1271, 1277 (D. Utah 2009) (“It is well-established that a ‘receiver appointed by a federal court takes property subject to all liens priorities or privileges existing or accruing under the laws of the state.’”) (internal citation omitted).

More than a century ago, the Supreme Court held that a bankruptcy discharge of a secured creditor’s claim does not affect the status of the creditor’s underlying lien on the debtor’s property, irrespective of any bar date order entered in the case. *See Long v. Bullard*, 117 U.S. 617, 620–21 (1886) (“Here the creditor neither proved his debt in bankruptcy nor released his lien.

Consequently his security was preserved notwithstanding the bankruptcy of his debtor.”). Over the years, the Court has reiterated this holding. *See, e.g., United States Nat’l Bank v. Chase Nat’l Bank*, 331 U.S. 28, 33 (1947) (stating that a secured creditor “may disregard bankruptcy proceedings, decline to file a claim, and rely solely upon his security . . .”); *Farrey v. Sanderfoot*, 500 U.S. 291, 297 (1991) (“Ordinarily, liens and other secured interests survive bankruptcy”); *Johnson v. Home State Bank*, 501 U.S. 78, 84 (1991) (“Rather, a bankruptcy discharge extinguishes only one mode of enforcing a claim -- namely, an action against the debtor in personam -- while leaving intact another -- namely, an action against the debtor in rem”).

The Eleventh Circuit has made clear that Josef Chehebar’s rights have travelled into this Receivership and survive independent of it. In *Sec. & Exch. Comm’n v. Wells Fargo Bank, N.A.*, 848 F.3d 1339 (11th Cir. 2017), a Receivership was established when the SEC brought an action in relation to a failed Ponzi scheme. Wells Fargo had perfected security interests in three properties that the Receivership had taken possession of. *See* 848 F.3d at 1341. The district court established a claims process and Wells Fargo missed the claims bar date for two of the three properties that it had previously established a security interest upon. *Id.* at 1342. Wells Fargo then filed a motion seeking a ruling from the district court that it did not need to file a claim because it had previously established a security interest in all three properties. *Id.* The district court disagreed and permitted the Receiver to sell two of the properties without regard to Wells Fargo’s liens. *Id.* at 1342–43. Wells Fargo appealed and the Eleventh Circuit reversed. *Id.*

In overruling the lower court, the Eleventh Circuit gave great weight to creditor rights in the context of Receiverships. “[W]hile a federal district court has wide-ranging authority to supervise a Receivership, we hold it does not have the authority to extinguish a creditor’s pre-existing state law security interest, as the district court purported to do here.” *Id.* at 1344. The

court explained that the “primary purpose of both Receivership and bankruptcy proceedings is to promote the efficient and orderly administration of estates for the benefit of creditors” and went on to analyze the question in the context of Eleventh Circuit bankruptcy decisions. *Id.* at 1344. The court noted that in the bankruptcy context, secured creditors’ liens remain intact without the need to file a claim. Significant to the case here, the court cited favorably, the following passage from a treatise on Receiverships:

The appointment of a Receiver does not invalidate liens existing at the time the Receiver is appointed, although it may affect or change the remedy or remedies which the lienholder may use to enforce his lien. Generally speaking, the person who has a specific lien on property is entitled by following proper procedure to pay himself out of the property and if it be insufficient, then to prove his claim for the deficiency. In the case of Receivership such claim must come out of the proceeds of property not covered by the specific lien and such claim for deficiency must prorate with the unsecured creditors. Generally speaking, no other creditor except the lienholder is entitled to any part of the proceeds of property covered by a lien until the lienor is first paid.

*Id.* at 1345. The court concluded by explaining that “[a] secured creditor certainly may file a proof of claim in a Receivership action, in turn submitting itself to the jurisdiction of the Receivership and entitling itself to access of the general pool of Receivership assets for any unsecured portion of its debt. In fact, this may often be advisable where a secured creditor is undersecured or anticipates having a claim for deficiency beyond what may be paid out of the collateral. However, a federal district court cannot order a secured creditor to either file a proof of claim and submit its claim for determination by the Receivership court or lose its secured state-law property right that existed prior to the Receivership.” *Id.*

Contrary to established precedent, the Claims Administration Order required Josef Chehebar to file a proof of claim. Furthermore, by permitting the Receiver to dispose of assets that are secured by Josef Chehebar’s valid UCC liens, the Claims Administration Order permits the disbursement of collateral to unsecured creditors. This runs afoul of longstanding precedent

that recognizes the superior rights of secured creditors. *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411-12 (1938) (“to the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”).

**Objection 2: Determination of Proposed Allowed Claim Amount**

Josef Chehebar’s Allowed Claim Amount should be the \$2,281,666.66, consisting of \$2,200,000.00 in outstanding principal and \$81,666.66 in interest due and unpaid as of July 27, 2020. This is the amount Josef Chehebar indicated in his Proof of Claim Form and which is supported by the voluminous documentation attached to his Proof of Claim Form. Josef Chehebar’s valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court extend to the full \$2,281,666.66 value of the outstanding principal.

**Objection 3: Determination of Net Investment Amount**

Josef Chehebar’s Net Investment Amount should be \$1,469,166.66. This is the amount Josef Chehebar indicated as his claimed Net Investment in his Proof of Claim Form and which is supported by the documentation he submitted in support of his proof of claim form.

The Receiver erroneously determined that Josef Chehebar’s Net Investment Amount is \$544,166.66. The Receiver’s Net Investment Amount erroneously excluded a \$300,000.00 investment by Josef Chehebar on January 7, 2019 from the calculation of Josef Chehebar’s Net Investment Amount as “a non-cash transaction.” See December 19, 2023 Email from G. Brenner to R. Keefe. The Receiver’s Net Investment Amount also erroneously excluded a \$600,000.00

investment by Josef Chehebar because it “was coded into” a different claimant. *See* December 20, 2023 Email from G. Brenner to R. Keefe.

Dated: December 21, 2023

*/s/ Josef Chehebar*

Josef Chehebar

**From:** [Gabria Brenner](#)  
**To:** [Robert Keefe](#)  
**Cc:** [George E. Shoup](#); [Timothy Kolaya](#); [Bruce A. Weil](#); [Marshall Dore Louis](#)  
**Subject:** RE: Josef Chehebar - Claim No. 484 - Determination of Claim  
**Date:** Wednesday, December 20, 2023 1:29:32 PM  
**Attachments:** [image001.png](#)

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Robert – the \$600k was coded into GEMJ Chehebar GRAT LLC on our end and is thus included in claim 478. Please file your objections via the claims portal.

Regards,



10 South LaSalle Street  
Suite 3300  
Chicago, IL 60603

**Gabria A. Brenner**  
Associate

**Phone:** (312) 263-4141  
**Direct:** (872) 201-8647  
**Email:** [gbrenner@dsiconsulting.com](mailto:gbrenner@dsiconsulting.com)

[www.dsiconsulting.com](http://www.dsiconsulting.com)

[vCard](#) | [LinkedIn](#)

---

**From:** Robert Keefe <rkeefe@bsfllp.com>  
**Sent:** Wednesday, December 20, 2023 11:45 AM  
**To:** Gabria Brenner <GBrenner@DSIConsulting.com>  
**Cc:** George E. Shoup <GShoup@DSIConsulting.com>; Timothy Kolaya <tkolaya@sknlaw.com>; Bruce A. Weil <bweil@BSFLLP.com>; Marshall Dore Louis <mlouis@BSFLLP.com>  
**Subject:** RE: Josef Chehebar - Claim No. 484 - Determination of Claim

Gabria,

Ahead of tomorrow's filing deadline, I am following up regarding the inclusion in claim 478 for GEMJ Chehebar GRAT LLC of Josef Chehebar's \$600k investment. Please advise.

Thank you,

**Robert Keefe**

Associate

---

**BOIES SCHILLER FLEXNER LLP**

100 SE 2<sup>nd</sup> Street Suite 2800

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(o) +1 305 357 8416

(m) +1 850 585 3414

[rkeefe@bsfllp.com](mailto:rkeefe@bsfllp.com)



[www.bsfllp.com](http://www.bsfllp.com)

---

**From:** Robert Keefe

**Sent:** Tuesday, December 19, 2023 10:46 AM

**To:** Gabria Brenner <[GBrenner@DSIConsulting.com](mailto:GBrenner@DSIConsulting.com)>

**Cc:** George E. Shoup <[GShoup@DSIConsulting.com](mailto:GShoup@DSIConsulting.com)>; Timothy Kolaya <[tkolaya@sknlaw.com](mailto:tkolaya@sknlaw.com)>

**Subject:** RE: Josef Chehebar - Claim No. 484 - Determination of Claim

Gabria,

Understood. We will object to the exclusion of the \$300k reinvestment.

Regarding the \$600k investment, can you please explain why this amount was "included in claim 478 for GEMJ CHEHEBAR GRAT LLC"?

Thanks

**Robert Keefe**

Associate

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[rkeefe@bsfllp.com](mailto:rkeefe@bsfllp.com)

[www.bsfllp.com](http://www.bsfllp.com)

---

**From:** Gabria Brenner <[GBrenner@DSIConsulting.com](mailto:GBrenner@DSIConsulting.com)>

**Sent:** Tuesday, December 19, 2023 10:21 AM

**To:** Robert Keefe <[rkeefe@bsfllp.com](mailto:rkeefe@bsfllp.com)>

**Cc:** George E. Shoup <[GShoup@DSIConsulting.com](mailto:GShoup@DSIConsulting.com)>; Timothy Kolaya <[tkolaya@sknlaw.com](mailto:tkolaya@sknlaw.com)>

**Subject:** RE: Josef Chehebar - Claim No. 484 - Determination of Claim

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Hi Robert,

The reinvestment of \$300,000 is considered a non-cash transaction and is not included in the determination of the net investment. The net investment is calculated only by cash in and cash out items and thus, any accrued interest that was used to reinvest is excluded. Please let me know if you

have any further questions.

Regards,



10 South LaSalle Street  
Suite 3300  
Chicago, IL 60603

**Gabria A. Brenner**  
Associate

**Phone:** (312) 263-4141  
**Direct:** (872) 201-8647  
**Email:** [gbrenner@dsiconsulting.com](mailto:gbrenner@dsiconsulting.com)

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[vCard](#) | [LinkedIn](#)

---

**From:** Robert Keefe <[rkeefe@bsfllp.com](mailto:rkeefe@bsfllp.com)>  
**Sent:** Friday, December 15, 2023 2:10 PM  
**To:** Gabria Brenner <[GBrenner@DSIConsulting.com](mailto:GBrenner@DSIConsulting.com)>  
**Cc:** George E. Shoup <[GShoup@DSIConsulting.com](mailto:GShoup@DSIConsulting.com)>; Timothy Kolaya <[tkolaya@sknlaw.com](mailto:tkolaya@sknlaw.com)>  
**Subject:** RE: Josef Chehebar - Claim No. 484 - Determination of Claim

Hi Gabria,

There were two investments on 1/7/2019 – one was an investment of \$300,000.00 of “new” money (reflected on page 5); the other was re-investment of \$300,000.00 in accrued interest (reflected on page 7).

Robby

**Robert Keefe**

Associate

---

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[rkeefe@bsfllp.com](mailto:rkeefe@bsfllp.com)

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---

**From:** Gabria Brenner <[GBrenner@DSIConsulting.com](mailto:GBrenner@DSIConsulting.com)>  
**Sent:** Friday, December 15, 2023 2:07 PM  
**To:** Robert Keefe <[rkeefe@bsfllp.com](mailto:rkeefe@bsfllp.com)>  
**Cc:** George E. Shoup <[GShoup@DSIConsulting.com](mailto:GShoup@DSIConsulting.com)>; Timothy Kolaya <[tkolaya@sknlaw.com](mailto:tkolaya@sknlaw.com)>  
**Subject:** RE: Josef Chehebar - Claim No. 484 - Determination of Claim

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the sender.

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Hi Robert,

I am only seeing the \$300,000 investment dated 1/7/19 on both pages 5 and 7 of your POC form. When was the initial investment?

Regards,



10 South LaSalle Street  
Suite 3300  
Chicago, IL 60603

**Gabria A. Brenner**  
Associate

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---

**From:** Robert Keefe <[rkeefe@bsfllp.com](mailto:rkeefe@bsfllp.com)>

**Sent:** Friday, December 15, 2023 1:56 PM

**To:** Gabria Brenner <[GBrenner@DSIConsulting.com](mailto:GBrenner@DSIConsulting.com)>

**Cc:** George E. Shoup <[GShoup@DSIConsulting.com](mailto:GShoup@DSIConsulting.com)>; Timothy Kolaya <[tkolaya@sknlaw.com](mailto:tkolaya@sknlaw.com)>

**Subject:** RE: Josef Chehebar - Claim No. 484 - Determination of Claim

Hi Gabria,

Thanks for your response. Per the attached proof of claim form, Josef Chehebar's total invested amount totals \$2,200,000, not \$1,900,000.00. It appears that you have missed the January 7, 2019 reinvestment of \$300,000.00 in interest that is listed on Exhibit A (page 7 of the PDF).

Can you please advise as to how this \$300,000.00 investment was treated in calculating the allowed claim amount?

Thank you,

**Robert Keefe**

Associate

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---

**From:** Gabria Brenner <[GBrenner@DSIConsulting.com](mailto:GBrenner@DSIConsulting.com)>  
**Sent:** Friday, December 15, 2023 1:34 PM  
**To:** Robert Keefe <[rkeefe@bsflp.com](mailto:rkeefe@bsflp.com)>  
**Cc:** George E. Shoup <[GShoup@DSIConsulting.com](mailto:GShoup@DSIConsulting.com)>; Timothy Kolaya <[tkolaya@sknlaw.com](mailto:tkolaya@sknlaw.com)>  
**Subject:** RE: Josef Chehebar - Claim No. 484 - Determination of Claim

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Hi Robert,

I am a financial advisor assisting the Receiver of Complete Business Solutions Group, Inc., d/b/a Par Funding, et al. ("CBSG") and I can answer your question on the letter received for Josef Chehebar.

The Claims Motion included instructions for investors to calculate their claims to determine the "Net Investment".

Pre-Receivership Claim Amount. For all Claims other than Administrative Claims, please state the amount of your claim as of July 28, 2020. Investors, if you claim to have made a loan to, obtained a promissory note from, or hold an interest in a Receivership Entity, please fill out and attach an "Investor Supplement to Proof of Claim Form" (see Exhibit A) to account for each time you made an investment with or provided funds to the applicable Receivership Entity and the date and amount of each transaction thereafter. You must also provide a chronological accounting indicating the date and amount of any withdrawals made by or payments received by you from any Receivership Entity, whether such payments were denominated as the return of principal, interest, commissions finder's fee, or otherwise.

Here is a recap of the original investments and cash received on each, showing the calculation of the net investment:

<u>Fund:</u>	<u>Invested</u>	<u>Distributions</u>	<u>Net Investment</u>
CBSG	1,300,000	(755,833.34)	544,166.66

The difference you have noted below of \$925,000 is incorrect as your total invested on your claim form actually sums to \$1,900,000. This results in a \$625,000 difference which is due to one interest payment missed for \$25,000 on 11/12/19 and the \$600k invested, which is already included in claim 478 for GEMJ CHEHEBAR GRAT LLC.

The return to investors is still being determined, the amount shown is the basis of the allowed claims. The claims pool is still being refined and the Receivership is not in a position to estimate the

recovery % on claims at this time.

The Receiver's office will be posting more information on the claims process and provide guidance on the status of future distributions in this matter. The link to the site is:

[General Information - Par Funding Receivership](#)

I hope this answers your question, please let me know if you have any additional questions.

Regards,



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Suite 3300  
Chicago, IL 60603

**Gabria A. Brenner**

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---

**From:** ParFundinginfo <[ParFundinginfo@epiqglobal.com](mailto:ParFundinginfo@epiqglobal.com)>

**Sent:** Tuesday, December 12, 2023 10:07 AM

**To:** George E. Shoup <[GShoup@DSIConsulting.com](mailto:GShoup@DSIConsulting.com)>

**Subject:** FW: Josef Chehebar - Claim No. 484 - Determination of Claim

Claim to be allowed in adjusted amount

**Thank you,**

**Wing Lai-Chan | She/Her**

Epiq | Case Manager

777 Third Avenue, 12th Floor

New York, NY 10017

Mobile: 347.235.7087

Email: [wchan@epiqglobal.com](mailto:wchan@epiqglobal.com)

---

**From:** Robert Keefe <[rkeefe@bsfllp.com](mailto:rkeefe@bsfllp.com)>

**Sent:** Monday, December 11, 2023 10:28 AM

**To:** ParFunding <[ParFunding@epiqglobal.com](mailto:ParFunding@epiqglobal.com)>

**Cc:** Timothy Kolaya <[tkolaya@sknlaw.com](mailto:tkolaya@sknlaw.com)>; Bruce A. Weil <[bweil@BSFLLP.com](mailto:bweil@BSFLLP.com)>; Marshall Dore Louis <[mlouis@BSFLLP.com](mailto:mlouis@BSFLLP.com)>

**Subject:** Josef Chehebar - Claim No. 484 - Determination of Claim

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Hello,

I represent Claimant Josef Chehebar, Claim No. 484. I write regarding the Receiver's Determination of Mr. Chehebar's claim.

Mr. Chehebar's claimed Net Investment amount was \$1,469,166.66. The Receiver's Proposed Allowed Claim Amount is \$544,166.66. There is a \$925,000.00 difference between Mr. Chehebar's claimed Net Investment and the Receiver's Proposed Allowed Claim Amount.

Mr. Chehebar's claimed Net Investment amount was supported by bank records and Form 1099-INTs received from Complete Business Solutions Group. Can you please help us understand how the Receiver calculated the Proposed Allowed Claim Amount?

Thank you,

**Robert Keefe**

Associate

---

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hereby notified that any dissemination, distribution, copying or other use of this communication is strictly prohibited and no privilege is waived. If you have received this communication in error, please immediately notify the sender by replying to this electronic message and then deleting this electronic message from your computer. [v.1 08201831BSF]

**SUMMARY OF THE RECEIVER'S DETERMINATION OF YOUR CLAIM(S)**

**EXHIBIT A - CLAIMS SUPERSEDED (DISALLOWED AS AMENDED OR DUPLICATE CLAIMS)**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:			Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	REASON FOR DISALLOWANCE	SURVIVING CLAIM NO. (1)		
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	

**EXHIBIT B - CLAIMS SUBJECT TO MODIFICATION**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED RECEIVERSHIP ENTITY (2)	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON		
ISAAC SHEHEBAR	483	3/20/23	\$10,710,333.32	<small>ISAAC SHEHEBAR, Individually and as Trustee of ISAC SHEHEBAR TRUST</small>	<small>RECEIVERSHIP ENTITY</small>	\$2,559,191.39	Claim to be allowed in adjusted amount	Objection? <input checked="" type="checkbox"/>	
Isaac Shehebar hereby files his objections to the Receiver's Notice of Determination for Claim No. 483.									
Objection 1: UCC Lien Priority									
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT C - CLAIMS SUBJECT TO DISALLOWANCE**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON	DETERMINATION COMMENTS		
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT D - CLAIMS PENDING REVIEW BY RECEIVER**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

**EXHIBIT E - CLAIMS ALLOWED AS FILED**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

(1) Note, the surviving claim supersedes the amended or duplicative claim. The surviving claims may be subject to other proposed treatment. Be sure to review the proposed treatment for all of your claims.  
 (2) The Proposed Receivership Entity is the correct entity obligated to you for the investment involved in your claim, per the Receiver's books and records.  
 (3) The Proposed Allowed Claim Amount is the net investment balance owed to you as calculated per the Receiver's books and records. The net investment balance is equal to money invested less any money you received. You are not entitled to unpaid accrued interest, profits, earnings or other damages.  
 \* Please note, the download of your completed form will only display the first 450 characters of your written response. Please know that written responses in excess of 450 characters will still be received and reviewed by the Receiver.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
CASE NO. 20-CIV-81205-RAR

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

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**ISAAC SHEHEBAR'S OBJECTIONS TO RECEIVER'S NOTICE OF  
DETERMINATION**

Isaac Shehebar hereby files his objections to the Receiver's Notice of Determination for Claim No. 483.

**Objection 1: UCC Lien Priority**

Isaac Shehebar has a valid secured claim against, and security interest in, the funds and property held by the Receivership because Isaac Shehebar filed UCC Financing Statements in Delaware and Pennsylvania.<sup>1</sup> Through the filing of these UCC Financing Statements, Isaac Shehebar perfected valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court. These liens and their attendant rights have not been extinguished by the Receivership and Isaac Shehebar stands in priority to the Receivership and junior creditors and unsecured claimants of the Receivership estate. Accordingly, the Court should order funds sufficient to secure Isaac Shehebar's security interest in the

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<sup>1</sup> Isaac Shehebar's UCC Financing Statements were attached to his Proof of Claim Form.

Receivership estate to be segregated from other funds that are being used to pay unsecured creditors and claimants.

Security interests have long been recognized as property rights protected by the Constitution's prohibition against takings without just compensation. *See* U.S. Const. amend. V; *United States v. Security Indus. Bank*, 459 U.S. 70, 75, (1982); *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411–12 (1938) (“[T]o the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”); *In re George Ruggiere Chrysler-Plymouth, Inc.*, 727 F.2d 1017, 1019 (11th Cir. 1984). Moreover, it is without dispute that property interests are determined by state law, *see Butner v. United States*, 440 U.S. 48, 55 (1979), and that “a receiver appointed by a federal court takes property subject to all liens, priorities or privileges existing or accruing under the laws of the State,” *Marshall v. New York*, 254 U.S. 380, 385 (1920).

Here, the Receiver took the property of the estate subject to the valid security interests of Isaac Shehebar. It is clear that valid state law security interests pass through a receivership unaffected. *See Marshall*, 254 U.S. at 385; *SEC v. Madison Real Estate Group, LLC*, 647 F. Supp. 2d 1271, 1277 (D. Utah 2009) (“It is well-established that a ‘receiver appointed by a federal court takes property subject to all liens priorities or privileges existing or accruing under the laws of the state.’”) (internal citation omitted).

More than a century ago, the Supreme Court held that a bankruptcy discharge of a secured creditor's claim does not affect the status of the creditor's underlying lien on the debtor's property,

irrespective of any bar date order entered in the case. *See Long v. Bullard*, 117 U.S. 617, 620–21 (1886) (“Here the creditor neither proved his debt in bankruptcy nor released his lien. Consequently his security was preserved notwithstanding the bankruptcy of his debtor.”). Over the years, the Court has reiterated this holding. *See, e.g., United States Nat’l Bank v. Chase Nat’l Bank*, 331 U.S. 28, 33 (1947) (stating that a secured creditor “may disregard bankruptcy proceedings, decline to file a claim, and rely solely upon his security . . .”); *Farrey v. Sanderfoot*, 500 U.S. 291, 297 (1991) (“Ordinarily, liens and other secured interests survive bankruptcy”); *Johnson v. Home State Bank*, 501 U.S. 78, 84 (1991) (“Rather, a bankruptcy discharge extinguishes only one mode of enforcing a claim -- namely, an action against the debtor in personam -- while leaving intact another -- namely, an action against the debtor in rem”).

The Eleventh Circuit has made clear that Isaac Shehebar’s rights have travelled into this Receivership and survive independent of it. In *Sec. & Exch. Comm’n v. Wells Fargo Bank, N.A.*, 848 F.3d 1339 (11th Cir. 2017), a Receivership was established when the SEC brought an action in relation to a failed Ponzi scheme. Wells Fargo had perfected security interests in three properties that the Receivership had taken possession of. *See* 848 F.3d at 1341. The district court established a claims process and Wells Fargo missed the claims bar date for two of the three properties that it had previously established a security interest upon. *Id.* at 1342. Wells Fargo then filed a motion seeking a ruling from the district court that it did not need to file a claim because it had previously established a security interest in all three properties. *Id.* The district court disagreed and permitted the Receiver to sell two of the properties without regard to Wells Fargo’s liens. *Id.* at 1342–43. Wells Fargo appealed and the Eleventh Circuit reversed. *Id.*

In overruling the lower court, the Eleventh Circuit gave great weight to creditor rights in the context of Receiverships. “[W]hile a federal district court has wide-ranging authority to

supervise a Receivership, we hold it does not have the authority to extinguish a creditor's pre-existing state law security interest, as the district court purported to do here." *Id.* at 1344. The court explained that the "primary purpose of both Receivership and bankruptcy proceedings is to promote the efficient and orderly administration of estates for the benefit of creditors" and went on to analyze the question in the context of Eleventh Circuit bankruptcy decisions. *Id.* at 1344. The court noted that in the bankruptcy context, secured creditors' liens remain intact without the need to file a claim. Significant to the case here, the court cited favorably, the following passage from a treatise on Receiverships:

The appointment of a Receiver does not invalidate liens existing at the time the Receiver is appointed, although it may affect or change the remedy or remedies which the lienholder may use to enforce his lien. Generally speaking, the person who has a specific lien on property is entitled by following proper procedure to pay himself out of the property and if it be insufficient, then to prove his claim for the deficiency. In the case of Receivership such claim must come out of the proceeds of property not covered by the specific lien and such claim for deficiency must prorate with the unsecured creditors. Generally speaking, no other creditor except the lienholder is entitled to any part of the proceeds of property covered by a lien until the lienor is first paid.

*Id.* at 1345. The court concluded by explaining that "[a] secured creditor certainly may file a proof of claim in a Receivership action, in turn submitting itself to the jurisdiction of the Receivership and entitling itself to access of the general pool of Receivership assets for any unsecured portion of its debt. In fact, this may often be advisable where a secured creditor is undersecured or anticipates having a claim for deficiency beyond what may be paid out of the collateral. However, a federal district court cannot order a secured creditor to either file a proof of claim and submit its claim for determination by the Receivership court or lose its secured state-law property right that existed prior to the Receivership." *Id.*

Contrary to established precedent, the Claims Administration Order required Isaac Shehebar to file a proof of claim. Furthermore, by permitting the Receiver to dispose of assets

that are secured by Isaac Shehebar's valid UCC liens, the Claims Administration Order permits the disbursement of collateral to unsecured creditors. This runs afoul of longstanding precedent that recognizes the superior rights of secured creditors. *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411-12 (1938) (“to the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”).

**Objection 2: Determination of Proposed Allowed Claim Amount**

Isaac Shehebar's Allowed Claim Amount should be \$10,710,333.32, consisting of \$10,000,000.00 outstanding principal and \$710,333.32 in interest due and unpaid as of July 27, 2020. This is the amount Isaac Shehebar indicated in his Proof of Claim Form and which is supported by the voluminous documentation attached to his Proof of Claim Form. Isaac Shehebar's valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court extend to the full \$10,710,333.32 value of the outstanding principal and unpaid interest.

Dated: December 19, 2023

/s/ Isaac Shehebar

Isaac Shehebar

**SUMMARY OF THE RECEIVER'S DETERMINATION OF YOUR CLAIM(S)**

**EXHIBIT A - CLAIMS SUPERSEDED (DISALLOWED AS AMENDED OR DUPLICATE CLAIMS)**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:			Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	REASON FOR DISALLOWANCE	SURVIVING CLAIM NO. (1)		
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	

**EXHIBIT B - CLAIMS SUBJECT TO MODIFICATION**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED RECEIVERSHIP ENTITY (2)	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON		
ISAAC BENNET SALES AGENCIES INC	409	3/15/23	\$2,000,000.00	<small>Isaac Bennet Sales Agencies, Inc. (ISAA)</small>	<small>Isaac Bennet Sales Agencies, Inc. (ISAA)</small>	\$1,200,000.08	Claim to be allowed in adjusted amount	Objection? <input checked="" type="checkbox"/>	
Isaac Bennet Sales Agencies, Inc. hereby files its objections to the Receiver's Notice of Determination for Claim No. 409.									
Objection 1: UCC Lien Priority									
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT C - CLAIMS SUBJECT TO DISALLOWANCE**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON	DETERMINATION COMMENTS		
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT D - CLAIMS PENDING REVIEW BY RECEIVER**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

**EXHIBIT E - CLAIMS ALLOWED AS FILED**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

(1) Note, the surviving claim supersedes the amended or duplicative claim. The surviving claims may be subject to other proposed treatment. Be sure to review the proposed treatment for all of your claims.  
 (2) The Proposed Receivership Entity is the correct entity obligated to you for the investment involved in your claim, per the Receiver's books and records.  
 (3) The Proposed Allowed Claim Amount is the net investment balance owed to you as calculated per the Receiver's books and records. The net investment balance is equal to money invested less any money you received. You are not entitled to unpaid accrued interest, profits, earnings or other damages.  
 \* Please note, the download of your completed form will only display the first 450 characters of your written response. Please know that written responses in excess of 450 characters will still be received and reviewed by the Receiver.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**SUMMARY OF THE RECEIVER'S DETERMINATION OF YOUR CLAIM(S)**

**EXHIBIT A - CLAIMS SUPERSEDED (DISALLOWED AS AMENDED OR DUPLICATE CLAIMS)**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:			Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	REASON FOR DISALLOWANCE	SURVIVING CLAIM NO. (1)		
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	
							Objection? <input type="checkbox"/>	

**EXHIBIT B - CLAIMS SUBJECT TO MODIFICATION**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED RECEIVERSHIP ENTITY (2)	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON		
GEMJ CHEHEBAR GRAT LLC	478	3/20/23	\$4,956,666.61			\$1,442,677.99	Claim to be allowed in adjusted amount	Objection? <input checked="" type="checkbox"/>	
GEMJ Chehebar GRAT, LLC hereby files its objections to the Receiver's Notice of Determination for Claim No. 478.									
Objection 1: Lien Priority									
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT C - CLAIMS SUBJECT TO DISALLOWANCE**

Information you submitted in your proof(s) of claim:					Receiver's Proposed Treatment of your Claim:				Claimant's Response
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM	PROPOSED ALLOWED CLAIM AMOUNT (3)	DETERMINATION REASON	DETERMINATION COMMENTS		
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	
								Objection? <input type="checkbox"/>	

**EXHIBIT D - CLAIMS PENDING REVIEW BY RECEIVER**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

**EXHIBIT E - CLAIMS ALLOWED AS FILED**

Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM

(1) Note, the surviving claim supersedes the amended or duplicative claim. The surviving claims may be subject to other proposed treatment. Be sure to review the proposed treatment for all of your claims.  
 (2) The Proposed Receivership Entity is the correct entity obligated to you for the investment involved in your claim, per the Receiver's books and records.  
 (3) The Proposed Allowed Claim Amount is the net investment balance owed to you as calculated per the Receiver's books and records. The net investment balance is equal to money invested less any money you received. You are not entitled to unpaid accrued interest, profits, earnings or other damages.  
 \* Please note, the download of your completed form will only display the first 450 characters of your written response. Please know that written responses in excess of 450 characters will still be received and reviewed by the Receiver.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
CASE NO. 20-CIV-81205-RAR

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

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**GEMJ CHEHEBAR GRAT, LLC'S OBJECTIONS TO RECEIVER'S NOTICE OF  
DETERMINATION**

GEMJ Chehebar GRAT, LLC hereby files its objections to the Receiver's Notice of Determination for Claim No. 478.

**Objection 1: Lien Priority**

GEMJ Chehebar GRAT, LLC has a valid secured claim against, and security interest in, the funds and property held by the Receivership because GEMJ Chehebar GRAT, LLC filed UCC Financing Statements in Delaware and Pennsylvania.<sup>1</sup> Through the filing of these UCC Financing Statements, GEMJ Chehebar GRAT, LLC perfected valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court. These liens and their attendant rights have not been extinguished by the Receivership and GEMJ Chehebar GRAT, LLC stands in priority to the Receivership and junior creditors and unsecured claimants of the Receivership estate. Accordingly, the Court should order funds sufficient to secure

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<sup>1</sup> GEMJ Chehebar GRAT, LLC's UCC Financing Statements were attached to its Proof of Claim Form.



GEMJ Chehebar GRAT, LLC's security interest in the Receivership estate to be segregated from other funds that are being used to pay unsecured creditors and claimants.

Security interests have long been recognized as property rights protected by the Constitution's prohibition against takings without just compensation. *See* U.S. Const. amend. V; *United States v. Security Indus. Bank*, 459 U.S. 70, 75, (1982); *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411–12 (1938) (“[T]o the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”); *In re George Ruggiere Chrysler-Plymouth, Inc.*, 727 F.2d 1017, 1019 (11th Cir. 1984). Moreover, it is without dispute that property interests are determined by state law, *see Butner v. United States*, 440 U.S. 48, 55 (1979), and that “a receiver appointed by a federal court takes property subject to all liens, priorities or privileges existing or accruing under the laws of the State,” *Marshall v. New York*, 254 U.S. 380, 385 (1920).

Here, the Receiver took the property of the estate subject to the valid security interests of GEMJ Chehebar GRAT, LLC. It is clear that valid state law security interests pass through a receivership unaffected. *See Marshall*, 254 U.S. at 385; *SEC v. Madison Real Estate Group, LLC*, 647 F. Supp. 2d 1271, 1277 (D. Utah 2009) (“It is well-established that a ‘receiver appointed by a federal court takes property subject to all liens priorities or privileges existing or accruing under the laws of the state.’”) (internal citation omitted).

More than a century ago, the Supreme Court held that a bankruptcy discharge of a secured creditor's claim does not affect the status of the creditor's underlying lien on the debtor's property,

irrespective of any bar date order entered in the case. *See Long v. Bullard*, 117 U.S. 617, 620–21 (1886) (“Here the creditor neither proved his debt in bankruptcy nor released his lien. Consequently his security was preserved notwithstanding the bankruptcy of his debtor.”). Over the years, the Court has reiterated this holding. *See, e.g., United States Nat’l Bank v. Chase Nat’l Bank*, 331 U.S. 28, 33 (1947) (stating that a secured creditor “may disregard bankruptcy proceedings, decline to file a claim, and rely solely upon his security . . .”); *Farrey v. Sanderfoot*, 500 U.S. 291, 297 (1991) (“Ordinarily, liens and other secured interests survive bankruptcy”); *Johnson v. Home State Bank*, 501 U.S. 78, 84 (1991) (“Rather, a bankruptcy discharge extinguishes only one mode of enforcing a claim -- namely, an action against the debtor in personam -- while leaving intact another -- namely, an action against the debtor in rem”).

The Eleventh Circuit has made clear that GEMJ Chehebar GRAT, LLC’s rights have travelled into this Receivership and survive independent of it. In *Sec. & Exch. Comm’n v. Wells Fargo Bank, N.A.*, 848 F.3d 1339 (11th Cir. 2017), a Receivership was established when the SEC brought an action in relation to a failed Ponzi scheme. Wells Fargo had perfected security interests in three properties that the Receivership had taken possession of. *See* 848 F.3d at 1341. The district court established a claims process and Wells Fargo missed the claims bar date for two of the three properties that it had previously established a security interest upon. *Id.* at 1342. Wells Fargo then filed a motion seeking a ruling from the district court that it did not need to file a claim because it had previously established a security interest in all three properties. *Id.* The district court disagreed and permitted the Receiver to sell two of the properties without regard to Wells Fargo’s liens. *Id.* at 1342–43. Wells Fargo appealed and the Eleventh Circuit reversed. *Id.*

In overruling the lower court, the Eleventh Circuit gave great weight to creditor rights in the context of Receiverships. “[W]hile a federal district court has wide-ranging authority to

supervise a Receivership, we hold it does not have the authority to extinguish a creditor's pre-existing state law security interest, as the district court purported to do here." *Id.* at 1344. The court explained that the "primary purpose of both Receivership and bankruptcy proceedings is to promote the efficient and orderly administration of estates for the benefit of creditors" and went on to analyze the question in the context of Eleventh Circuit bankruptcy decisions. *Id.* at 1344. The court noted that in the bankruptcy context, secured creditors' liens remain intact without the need to file a claim. Significant to the case here, the court cited favorably, the following passage from a treatise on Receiverships:

The appointment of a Receiver does not invalidate liens existing at the time the Receiver is appointed, although it may affect or change the remedy or remedies which the lienholder may use to enforce his lien. Generally speaking, the person who has a specific lien on property is entitled by following proper procedure to pay himself out of the property and if it be insufficient, then to prove his claim for the deficiency. In the case of Receivership such claim must come out of the proceeds of property not covered by the specific lien and such claim for deficiency must prorate with the unsecured creditors. Generally speaking, no other creditor except the lienholder is entitled to any part of the proceeds of property covered by a lien until the lienor is first paid.

*Id.* at 1345. The court concluded by explaining that "[a] secured creditor certainly may file a proof of claim in a Receivership action, in turn submitting itself to the jurisdiction of the Receivership and entitling itself to access of the general pool of Receivership assets for any unsecured portion of its debt. In fact, this may often be advisable where a secured creditor is undersecured or anticipates having a claim for deficiency beyond what may be paid out of the collateral. However, a federal district court cannot order a secured creditor to either file a proof of claim and submit its claim for determination by the Receivership court or lose its secured state-law property right that existed prior to the Receivership." *Id.*

Contrary to established precedent, the Claims Administration Order required GEMJ Chehebar GRAT, LLC to file a proof of claim. Furthermore, by permitting the Receiver to dispose

of assets that are secured by GEMJ Chehebar GRAT, LLC's valid UCC liens, the Claims Administration Order permits the disbursement of collateral to unsecured creditors. This runs afoul of longstanding precedent that recognizes the superior rights of secured creditors. *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. at 589 (“[T]he position of a secured creditor, who has rights in the specific property, differs fundamentally from that of an unsecured creditor, who has none.”); *Ticonic Nat’l Bank v. Sprague*, 303 U.S. 406, 411-12 (1938) (“to the extent that one debt is secured and another is not there is manifestly an inequality of rights between the secured and unsecured creditors, which cannot be affected by the principal of equality of distribution.”).

**Objection 2: Determination of Proposed Allowed Claim Amount**

GEMJ Chehebar GRAT, LLC's Allowed Claim Amount should be \$4,956,666.61, consisting of \$4,400,000.00 in outstanding principal and \$556,666.61 in interest due and unpaid as of July 27, 2020. This is the amount GEMJ Chehebar GRAT, LLC indicated in its Proof of Claim Form and which is supported by the voluminous documentation attached to its Proof of Claim Form. GEMJ Chehebar GRAT, LLC's valid and enforceable liens against the property and assets that have been brought into the Receivership pending before this Court extend to the full \$4,956,666.61 value of the outstanding principal and interest.

Dated: December 21, 2023

/s/ Josef Chehebar

Josef Chehebar, Manager