

20183

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.: 20-CV-81205-RAR

FILED BY MC D.C.
MAY 07 2024
ANGELA E. NOBLE
CLERK U.S. DIST. CT.
S. D. OF FLA. - MIAMI

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff, v.

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

Defendants.

**RESPONSE AND OBJECTION OF CERTAIN INVESTORS IN CS2000 TO
RECEIVER'S MOTION TO APPROVE PROPOSED TREATMENT OF CLAIMS AND
FOR DETERMINATION OF A PONZI SCHEME**

GARY AND MARY FLEMING ("the Flemings"), submit their Resonse and Objection to the Receiver's Motion to Approve Proposed Treatment of Claims and for Determination of a Ponzi Scheme and state the following:

**STATEMENT OF FACTS RELEVANT TO CLAIMS OF GARY AND MARY
FLEMING:**

The Flemings are investors in Capital Source 2000 ("CS2000"). The Flemings timely submitted a valid claim to the Receiver on January 28, 2023, denominated by the Receiver as Claim Number 20183, pursuant to the claims process established by the Receiver.

On November 21, 2023, the Flemings received their Notice of Receiver's Determination of Your Claim. According to the Notice, the Flemings' claim was classified as a "Claim Subject to Disallowance". Exhibit C to the Notice was entitled "Summary of the Receiver's Determination of Your Claim". However, under the Summary's heading "Determination Reason", the only explanation given for the Determination was to refer to the claim as a "General No Liability Claim".

20183

No further details or explanation were provided in the Notice to support the Receiver's Determination, nor was there any attempt to define a "General No Liability Claim". Exhibit C to the Notice did contain one comment, which was, in total, "Claimant has a potential claim against Capital Source 2000 Inc, which is not a Receivership Entity". Despite the Receiver's Determination, the Flemings timely filed an Objection to the Receiver's Determination of their claim 20183. However, based upon this comment made by the Receiver, and the Flemings' knowledge that CS 2000 had also submitted timely claims to the Receiver, the Flemings believed that the Receiver would protect their interest via its determination of the claims submitted by CS2000.

The Flemings received a copy of the Receiver's Motion to Approve Proposed Treatment of Claims and for Determination of Ponzi Scheme. In that Motion, the Receiver recommended that the claim of CS2000 be the claims of individual investors in CS2000 who filed Objections to their Determinations be disallowed ostensibly because "to the extent these individual investors have claims, those claims would be against CS2000, which is no longer a Receivership Entity. Moreover, CS2000 has submitted its own claim against CBSG to recover the funds it invested with CBSG under its syndication arrangements."

The Receiver's Motion recommended that the claim of CS2000 be approved in the amount of \$8,130,039.00. Nevertheless, and despite the valid claims of the Flemings and other individual CS2000 investors, the Receiver placed a caveat on the recommended approval of the CS2000 claim that the Receiver "reserves the right, as part of the distribution process or otherwise, to challenge CS2000's ability to receive a distribution in this case...."

OBJECTION TO RECEIVER'S MOTION:

The Flemings find themselves in the same position as when they filed their original Objection. The Flemings contend that either their original claim against Par Funding or a claim against CS2000 must be valid. The Flemings are told that their claim is solely against CS2000. Further, the Receiver has recommended approval of CS2000's claim in the amount of \$8,130,039.00 a sum that could be made available to address the claims of CS2000's individual investors. Yet, the Receiver has provided no explanation of what as yet unspecified action may cause the

20183

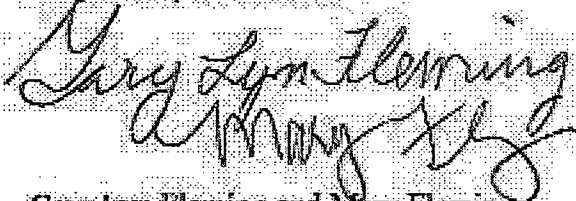
Receiver to challenge that distribution and what would become of the recommended claim amount in the event the distribution to CS2000 is challenged.

The Flemings have been deprived of the use of a considerable sum of money that they have no way of replacing. They are told by the Receiver that they must look to CS2000 as the sole source to satisfy their claim. Now they are told CS2000 may receive a sizeable distribution from the Receivership but that the Receiver may ultimately choose to challenge that distribution. All the while, remaining assets of CS2000 continue to be frozen and unavailable to individual investors like the Flemings. In its Motion, the Receiver cites to precedent for the proposition that distribution of assets in a receivership be "fair and equitable" and that similarly situated investors should be treated alike because "equality is equity." The treatment that the Flemings' claim is receiving from the Receiver cannot be characterized as either fair or equitable by any definition.

WHEREFORE, the Flemings ask that The Receiver's Motion to Approve Proposed Treatment of Claims and for Determination of Ponzi Scheme should be denied.

Date: May 3, 2024

Respectfully submitted,

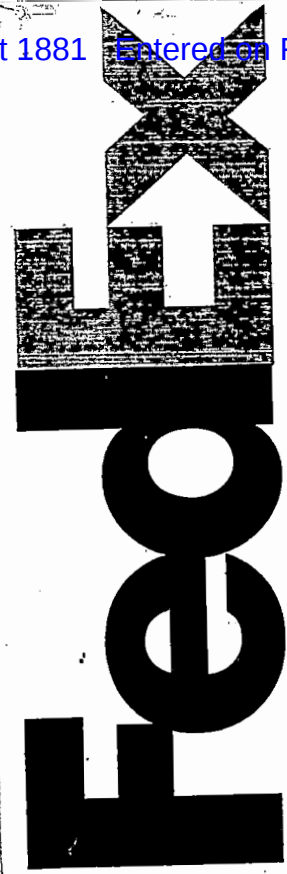


Gary Lyn Fleming and Mary Fleming

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on May 06, 2024, I deposited the foregoing Response and Objection addressed to the Clerk of the Court for overnight mailing by U.S. Mail.

Gary L. Fleming



657 74
458
10:30
E

ORIGIN DRIVER (970) 320-4653
ROBERT GALE
570 SPRUCE ST
ASPEN, CO 81611
UNITED STATES US
SHIP DATE: 06MAY24
ACTIVITY: 0 30 13
CREDIT: 6571847458702500
BILL CREDIT CARD

TO
WILKIE D FERGUSON JR. US COURT
SOUTHERN DIST FLORIDA CLERKS OFFICE
400 NORTH MIAMI AVE

MIAMI FL 33128

Envelopes
Recycle



TUE - 07 MAY 10:30A
PRIORITY OVERNIGHT

TRK 2743 2134 4376

XG MPBA

33128
FL-US MIA



FILED BY: D.C.
MAY 07 2024
FEDERAL PUBLIC
COURT - MIAMI