

IN THE UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

SECURITIES AND EXCHANGE :  
COMMISSION, :  
 :  
Plaintiff :  
 :  
vs. :  
 :  
COMPLETE BUSINESS SOLUTIONS :  
GROUP, INC. d/b/a PAR FUNDING, et al. :  
 :  
 :  
Defendant :  
 :  
\_\_\_\_\_ :

Case No: 9:20-cv-81205-RAR

FILED BY MC D.C.  
MAY 08 2024  
ANGELA E. NOBLE  
CLERK U.S. DIST. CT.  
S. D. OF FLA. - MIAMI

**OBJECTIONS OF CLAIMANT, JOSEPH GASSMAN (Pro Se),  
TO THE RECEIVER’S MOTION TO (1) APPROVE PROPOSED TREATMENT OF  
CLAIMS AND (2) FOR DETERMINATION OF PONZI SCHEME**

The undersigned, Mr. Joseph Gassman (acting “Pro Se”), is a lawful claimant with a cognizable interest in this Court’s decision with respect to the Receiver’s Motion as described above. For the reasons set forth with particularity below, the Motion ought to be denied:

1) The Receiver’s “net investment” methodology, as applied to the Agent Funds organized by Mr. Dean Vagnozzi, neglects to consider the ABFP retained fees from Vagnozzi organized Agent Fund Managers. The retained fees ought to be returned to Agent Funds in order to permit the Agents to return same to their investors. **SEE: Case 9:20-cv-81205-RAR**

**Document 1843 Entered on FLSD Docket 04/22/2024**

2) The Receiver’s plan assumes that all interest, less the amount paid to investors, was retained by the fund managers. In the case of the Vagnozzi organized funds, 25% of the difference between wholesale interest rates paid to the funds and the retail rates paid to the investors was retained by ABFP. In order to permit fund managers to return these funds to the retail investor, the Receiver (EPIQ) must accept the claim made against ABFP (**SEE: EPIQ Claim No.: 0000020584, which was denied.**)

3) The Receiver is improperly holding approximately \$10MM in cash and securities from ABFP plus the approximately \$5MM that was paid as part of his settlement. These funds should be directly applied to Vagnozzi organized Agent Funds. **SEE: Case 9:20-cv-81205-RAR Document 1850-1 Entered on FLSD Docket 04/30/2024 Page 5 of 17.**

4) The Receivership is holding approximately \$10.3MM in assets from the ABFP entities which includes cash and marketable securities.

5) The Receiver's "net investment" methodology, to the extent it characterizes all investments as "virtually" one continuous investment, is unfair. The undersigned, with respect to funds he managed, insisted that all funds be returned to investors at the conclusion of each note. A completely new investment decision, and a new note if necessary, was prepared for each subsequent investment. At times more was invested, on other occasions, less. Additionally, current investors are penalized to the benefit of investors who are no longer in the fund and the Receiver is taking no action to "claw back" proceeds from prior investors.

6) The Receiver's calculation of the total allowed amount of the accepted claims fails to properly protect investors in the MSIF funds. The Receiver should have acted to make a claim on behalf of the investors in the Multi-Strategy Investment Funds (MSIF) against the Estate. This undervalues the total claims by approximately \$10MM compromising the MSIF investors' investments. **SEE: Case 9:20-cv-81205-RAR Document 1843 Entered on FLSD Docket 04/22/2024 Page 15 of 53.**

7) On Receiver's Exhibit 1, there is no indication of a claim made by the Receiver on behalf of either of the MSIF entities. All Agent Funds are listed (see Chart below), but neither of the MSIF funds appear on the list. This suggests that no claim was made on behalf of the Funds. There should be approximately \$10MM of investments from the MSIF funds into PAR,

projected to payout 10% per year per the MSIF private placement documents (Vagnozzi retained the 10% difference between retail and wholesale interest rates on the notes).

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Allowed Investor Claims

| Confirmation Number / Claim Number | Who is the current creditor?          | Allowed Claim Amount |
|------------------------------------|---------------------------------------|----------------------|
| 20019                              | Redacted                              | 86,117.41            |
| 490                                | Redacted                              | 83,133.33            |
| Bulk                               | Redacted                              | 49,796,546.95        |
| 20482                              | Cape Cod Income Fund                  | 1,002,683.49         |
| 20338                              | Capricorn Income & Capricorn Parallel | 14,582,727.80        |

8) The Receiver's defective claims process in regard to the MSIF investments, results in a miscalculation of the subsequent Total Allowed Claims Amount which is, in turn, critical to distribution calculations.

9) The Receiver's / EPIQ's claims process forced CamaPlan to submit MSIF, mischaracterized as an MCA investment, neglecting to consider that the fund was 2/3 invested in life insurance policies, **with only 1/3 of the funds targeted to invest in Par Funding**, to generate interest payments to pay premiums on the purchased policies. Additionally, it neglects the fact that the payments received by the investors were payouts of life insurance policies, **not interest payments from the PAR investments**. The entire methodology is not aligned with this Fund category. **SEE: Case 9:20-cv-81205-RAR Document 1843 Entered on FLSD Docket 04/22/2024 Page 15 of 53.**

10) A spreadsheet detailing the Receiver's proposed determination and treatment of Defrauded Investor claims is attached as Exhibit 1 to Receiver's Motion.<sup>5</sup> In addition, a spreadsheet detailing the Receiver's proposed determination and treatment of the CamaPlan bulk

claim for investors who invested through a CamaPlan individual retirement account is attached as Exhibit 2 to Receiver’s Motion.

<sup>5</sup> In detailing these claims, the Receiver has included the unique claim number assigned to each claimant, the amount the investor sought through the claim, the Receiver’s proposed treatment of the claim, and the amount (if any) at which the Receiver is recommending approval of the claim. For privacy, confidentiality, and security reasons, however, the Receiver has not included the names of the individual investors in this motion.

11) As set forth in Receiver’s Exhibit 2, the Receiver’s / EPIQ’s claims process forced CamaPlan to submit MSIF, mischaracterized as an MCA investment, as seen in Exhibit 2 of Doc 1843-2.

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 CamaPlan Bulk Claim

| ID  | Account Holder | Claim Entity (B)                    | Agent Fund - Receivership or Non-Receivership Entity? | Allowed Claim |
|-----|----------------|-------------------------------------|---|---------------|
| 367 | Redacted       | ABFP Income Fund 6 - Parallel       | Receivership  | 50,760        |
| 190 | Redacted       | ABFP Income Fund 3                  | Receivership  | -             |
| 444 | Redacted       | ABFP Multi Strategy Investment Fund | Receivership  | 138,439       |

12) The Receiver’s settlement with the “class action” attorneys fails to consider the full scope of the malpractice in which the Eckert firm engaged and distributes funds to **investors who had no exposure to Eckert Seamans work**. Additionally, as an Agent Fund Manager, Mr. John Pauciulo misrepresented his background and created PPM structures that were deemed in violation of prevailing regulations by the SEC. As a result of his actions, in addition to investor impact, fund managers suffered reputational and businesses damages. After the SEC takeover of PAR, Eckert failed initially, and has declined for more than three years, to communicate to managers the need to seek new counsel. The settlement proposed would **wrongfully bar these managers** from seeking compensation for the actions of Pauciulo and Eckert. **SEE: Case 9:20-cv-81205-RAR Document 1850 Entered on FLSD Docket 04/30/2024 Page 6 of 15.**

13) The Receiver generally treated claims from Agent Fund investors in this same manner. To the extent that individual investors in Agent Funds submitted their own individual

claims, the Receiver recommended rejection of those individual claims as duplicative of the claims the Agent Funds submitted. Additionally, the Receiver generally recommended approval of claims from Agent Funds in modified amounts to account for the net investment calculation.

14) The Receiver’s proposed plan to sell (footnote 8 below) the policies held by the MSIF funds should be rejected. An alternative specialized management organization has been identified by the undersigned and suggested to the receiver. This entity performs life settlement portfolio management work for other Receivers and can be relied upon to professionally manage the portfolio, handle investor relations, and report back, as necessary, to the Receiver. To date, the Receiver has not been willing to evaluate this alternative to better serve the investors versus selling at an extreme discount for expediency. **SEE: Case 9:20-cv-81205-RAR Document 1850**

**Entered on FLSD Docket 04/30/2024 Page 5 of 15.**

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Mr. Ryan K. Stumphauzer  
 April 30, 2024  
 Page 6

| <b>Asset:</b>  | <b>Estimated value</b> |
|--|------------------------|
| Investment in third parties <sup>7</sup>                     | \$2,300,000            |
| Life settlement policies (gross death benefits) <sup>8</sup> | \$18,050,000           |
| Real estate  | \$26,500,000           |
| Other Assets (see Exhibit B)                                 | \$596,000              |
| Furniture and fixtures                                       | \$15,000               |

<sup>8</sup> Approximate death benefit of life settlement insurance policies owned by Receivership Entities under the A Better Financial Plan after adjustment for death benefits received and included in the cash balance. The value of the life insurance policies necessarily depends on the availability of critical documentation including but not limited to the insurance policy, actuarial detail and the purchase and sale agreement for the policy. Based on the incomplete documentation that has been made available to us to date and, in turn, provided to Maple Life Analytics, LLC (“Maple”), Maple concluded the market value of the policies in the portfolio (as of the February 2021 valuation) is less than \$10.0MM. Since February 2021, policies have matured with death benefits received totaling approximately \$13.2MM. In the event the Receivership receives additional documentation, we will provide such documentation to Maple and will provide additional updates in future reports if any such additional information affects the Maple valuation of these policies. Additionally, during the Reporting Period, one additional policy matured and the proceeds were received during the Reporting Period.

15) There is no reason for the Receiver to continue to manage the portfolios of life settlement policies owned by ABFP Multi-Strategy Investment Fund LP (“MSIF”) and ABFP Multi-Strategy Investment Fund II LP (“MSIF II”). On February 27, 2024, the Receiver was notified that one of the MSIF II life settlement policies had matured, and deposited the proceeds totaling \$750,000 in March 2024. To date, the Receiver has received total death benefits payable for policies owned by MSIF in the amount of \$5,532,479, and for policies owned by MSIF II in the amount of \$7,700,000. These amounts only include the policy face value the Receiver has received on these policies and do not include any interest or dividends the Receiver may have received for these policies.

16) The Ponzi scheme analysis offered by the Receiver should be rejected. The undersigned joins in the objections of John Cole, as set forth in document 1855, as if fully set forth at length.

Respectfully submitted,

/s/ Joseph Gassman  
Joseph Gassman (Pro Se)

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File No.

24302

Clerk's Office  
Southern District of Florida  
Wilkie D. Ferguson Jr. US Courthouse  
400 North Miami Avenue  
Miami, FL 33128

May 6, 2024

**RE: SEC v Complete Business Solutions Group Inc. et al;  
Case No. 9:20-cv-81205-RAR**

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Dear Sir/Madam:


Enclosed herewith, please find the following:

1. Objections of Claimant, Joseph Gassman (Pro Se) to the Receiver's Motion to (1) Approve Proposed Treatment of Claims and (2) for Determine of Ponzi Scheme

Please accept the original document for filing of record, time-stamp the enclosed copy of the first page, and return it the undersigned in the self-addressed stamped envelope which is enclosed for your convenience.

Thank you for your assistance and cooperation.

Very truly yours,

  
Brian P. McVan, Esquire

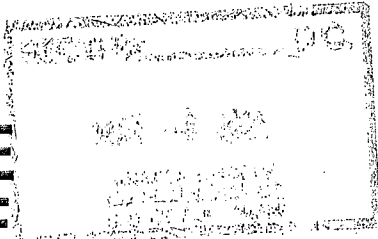
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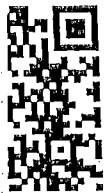
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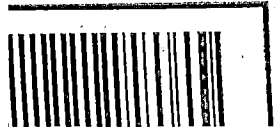


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