

**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.

**REPLY TO JOSEPH COLE BARLETA, MHL UNION ALLIANCE LLC,
JOSEPH LAFORTE, AND LISA MCELHONE’S RESPONSES REGARDING
DETERMINATION OF PONZI SCHEME AND CLAIMS DETERMINATIONS**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver (“Receiver”) of the Receivership Entities,¹ by and through his undersigned counsel, files this Reply to Joseph Cole Barleta’s (“Barleta”) Response in Opposition [ECF No. 1855], the Response of MHL Union Alliance LLC

¹ The “Receivership Entities” are Complete Business Solutions Group, Inc. d/b/a Par Funding (“CBSG”); Full Spectrum Processing, Inc.; ABetterFinancialPlan.com LLC d/b/a A Better Financial Plan; ABFP Management Company, LLC f/k/a Pillar Life Settlement Management Company, LLC; ABFP Income Fund, LLC; ABFP Income Fund 2, L.P.; United Fidelis Group Corp.; Fidelis Financial Planning LLC; Retirement Evolution Group, LLC; RE Income Fund LLC; RE Income Fund 2 LLC; ABFP Income Fund 3, LLC; ABFP Income Fund 4, LLC; ABFP Income Fund 6, LLC; ABFP Income Fund Parallel LLC; ABFP Income Fund 2 Parallel; ABFP Income Fund 3 Parallel; ABFP Income Fund 4 Parallel; and ABFP Income Fund 6 Parallel; ABFP Multi-Strategy Investment Fund LP; ABFP Multi-Strategy Fund 2 LP; MK Corporate Debt Investment Company LLC; Fast Advance Funding LLC; Beta Abigail, LLC; New Field Ventures, LLC; Heritage Business Consulting, Inc.; Eagle Six Consulting, Inc.; 20 N. 3rd St. Ltd.; 118 Olive PA LLC; 135-137 N. 3rd St. LLC; 205 B Arch St Management LLC; 242 S. 21st St. LLC; 300 Market St. LLC; 627-629 E. Girard LLC; 715 Sansom St. LLC; 803 S. 4th St. LLC; 861 N. 3rd St. LLC; 915-917 S. 11th LLC; 1250 N. 25th St. LLC; 1427 Melon St. LLC; 1530 Christian St. LLC; 1635 East Passyunk LLC; 1932 Spruce St. LLC; 4633 Walnut St. LLC; 1223 N. 25th St. LLC; 500 Fairmount Avenue, LLC; Liberty Eighth Avenue LLC; Blue Valley Holdings, LLC; LWP

(“MHL Union”) [ECF No. 1860], and Joseph LaForte (“LaForte”) and Lisa McElhone’s (“McElhone”) (Barleta, LaForte, and McElhone, collectively, are referred to as the “Defendants”) Memorandum of Law in Opposition [ECF No. 1890] (collectively, the “Responses”) to the Receiver’s Motion (1) to Approve Proposed Treatment of Claims and (2) for Determination of Ponzi Scheme [ECF No. 1843] (the “Claims Motion”).

INTRODUCTION

The Defendants dispute the Receiver’s request for a determination that CBSG was a Ponzi scheme. In doing so, they conflate the *previous judgments* the Court entered against the individual Defendants with the Receiver’s proposed *distributions to claimants*. The Receiver is not requesting the Court to amend the previous judgments it entered against the Defendants. Nor does the Receiver seek to go back to challenge expenses the Court credited to the Defendants in calculating the disgorgement amounts. See *Order Granting in Part Plaintiff’s Amended Omnibus Motion for Final Judgment*. [ECF No. 1432]. Rather, the Receiver seeks the Ponzi determination to facilitate an equitable plan of distribution of Receivership Assets.

The Ponzi determination is critical for equality among all claimants. This is paramount given the Receiver’s equitable appointment. See *SEC v. Wealth Mgmt. LLC*, 628 F.3d 323, 333 (7th Cir. 2010) (“equality is equity.”). As the Court must ensure that distributions to claimants are “fair and reasonable,” it should overrule the Responses. See *SEC v. Wang*, 944 F.2d 80, 84 (2d Cir. 1991).

North LLC; The LME 2017 Family Trust; Recruiting and Marketing Resources, Inc.; Contract Financing Solutions, Inc.; Stone Harbor Processing LLC; LM Property Management LLC; and ALB Management, LLC; and the receivership also includes the property located at 107 Quayside Dr., Jupiter FL 33477.

Moreover, LaForte's and McElhone's claims should be denied due to their status as insiders who perpetrated the fraud underlying this case. MHL Union's claims should also be denied because it never produced the documentation the Receiver requested regarding the legitimacy of its claims. In addition, MHL Union's response underplays Anthony Zingarelli's role as a CBSG insider, who is also in default on, and has not cooperated with the Receiver in connection with, several debts his other companies owe to the Receivership Estate. Thus, the objections from the Defendants and MHL Union should be overruled, and the Receiver's Claims Motion should be granted.

I. Barleta lacks standing to challenge claims determinations or treatment under the plan as he failed to submit a claim.

Barleta's lack of standing undermines and defeats his Response from the outset. Although Barleta purports to challenge the Receiver's Ponzi scheme determination, he fails to plead identifiable damages he would suffer as a result of such a determination. Contrary to his assertions, the Receiver is not seeking to amend Barleta's judgment. Nor does the Receiver believe he has standing to seek that relief – that is the SEC's judgment. Rather, the Receiver requests the Ponzi determination to aid in determining claims treatment and, ultimately, to make distributions.

Barleta did not file a claim with the Receiver. Thus, he has no claim to determine or from which to receive a distribution. Indeed, Barleta not only failed to file a claim in his personal capacity, but he also conceded that his related entity, Capital Source 2000, does not object to the Receiver's Claims Motion. [ECF No. 1855 p. 5 (“Finally, although Capital Source 2000, Inc. is not objecting to the Receiver's determination . . .”).]. With no claim or potential for distribution, Barleta lacks standing to object to the Claims Motion.

In order to be heard on an objection to the Claims Motion, a party must have a direct interest that would be impacted by the Court's determination. *See SEC v. Michael Kenwood Cap. Mgmt.*,

LLC, 630 F. App'x 89 (2d Cir. 2015). In *Michael Kenwood*, a claimant objected to a receiver's proposed claims distributions to two other claimants. *Id.* at 90. The Second Circuit concluded that the objecting claimant lacked standing to challenge distributions to *other* claimants, given that there was no traceable injury to that objecting claimant from those other distributions he was challenging. *Id.* at 91. That reasoning would apply equally in this case. Here, not only has Barleta failed to identify a specific injury, but he failed to assert a claim. Should the Court classify CBSG as a Ponzi scheme for claims purposes, Barleta will not gain or lose from that determination, because he has no claim. Thus, he lacks standing to object to the requested Ponzi determination. *Id.* at 90 (citing *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 125 (2014)).

II. The Receiver properly seeks a determination that CBSG operated as a Ponzi scheme as part of his proposed claims distribution process.

The Responses from the Defendants improperly conflate the Court's previous judgments with the Receiver's steps to propose an equitable plan for distribution of Receivership Assets. This error undermines both objections. Although the Defendants are correct that the Court declined to classify CBSG as a Ponzi scheme when entering judgments against the Defendants, the context of that decision is important. Namely, the Court recognized that the SEC had not included in its operative Complaint allegations that CBSG was operating as a Ponzi scheme. Thus, when the Defendants consented to liability and agreed that the Court could enter judgments against them based on the allegations in the operative Complaint, the Defendants were not agreeing to have these judgments calculated based on the assumption that CBSG was operating as a Ponzi scheme.

The Court is now at a different phase of this case. This is the first time the Receiver has requested the Court to consider how to calculate claims in anticipation of a distribution of funds to claimants. In connection with that request, the Receiver has explained why CBSG should be

designated as a Ponzi scheme for the purpose of claims distributions. Specifically, the Court should reach this determination to ensure equal treatment across claimant classes.

Contrary to the Defendants' arguments, the Receiver is not seeking a Ponzi classification to relitigate the Defendants' existing judgments. In fact, the Receiver is not seeking to amend the existing judgments at all. Instead, the Receiver seeks the Ponzi classification for CBSG to aid in an equitable plan of distribution. The Court, through its court-appointed Receiver, possesses wide latitude in authorizing a plan of distribution. The Court has the authority to approve any plan, provided it is "fair and reasonable." *See SEC v. Wang*, 944 F.2d 80, 81 (2d Cir.1991) (distribution plan should be "reviewed under [the District Court's] general equitable powers to ensure that it is fair and reasonable"); *see also SEC v. Enter. Trust Co.*, 2008 WL 4534154, at *3, (N.D. Ill. Oct. 7, 2008) ("There are no hard rules governing a district court's decisions in matters like these. The standard is whether a distribution is equitable and fair in the eyes of a reasonable judge."). The Receiver has worked diligently to collect assets and has submitted proposed claims determinations that will treat claimants in a fair manner and ensure appropriate and fair compensation to victims.

A Ponzi determination in this case will ensure a fair and reasonable plan of distribution. The Ponzi determination will support the Receiver's efforts to treat investors equally under his proposed net distribution method. It is consistent with the Receiver's proposal of allowing later-in-time investors to receive the same proportional benefit as earlier investors, who received substantial interest payments, which were funded by later-in-time investors' money. Without application of the proposed net investment methodology, which is supported by the requested Ponzi determination, similar investors would receive dissimilar treatment. *See SEC v. Wealth Mgmt. LLC*, 628 F.3d 323, 333 (7th Cir. 2010) ("equality is equity."). Thus, the Receiver's request is well founded.

Moreover, despite Defendants' arguments to the contrary, the Receiver does not seek to amend or alter the existing judgments against the Defendants. Rules 59 and 60 of the Federal Rules of Civil Procedure are therefore inapplicable. In fact, each final judgment expects the Receiver to submit to the Court a proposed claims determination and plan of distribution. Each judgment provides that "[t]he Commission or the Receiver may propose a plan to distribute the funds subject to the Court's approval" [ECF No. 1434 p. 2] [ECF No. 1451 p. 3]. The Receiver is now taking the steps necessary to perform the expected distribution process, as contemplated by the existing judgments. Applying the Ponzi determination at this stage will not increase the Defendants' previously imposed penalties, disgorgement, or liability. Instead, it will help implement CBSG's winddown and the equitable distribution of the Receivership Assets.

To that end, neither collateral estoppel nor res judicata prohibit the proposed Ponzi determination. Defendants' collateral estoppel arguments fail, given that the question of whether CBSG operated as a Ponzi scheme was not actively litigated at a prior stage of this case, and certainly not on the part of the Receiver. The Defendants acknowledge that the SEC withdrew its request for a Ponzi scheme determination in calculating the judgments before the Court adjudicated the issue. [ECF No. 1890 p. 9 (conceding the SEC voluntarily withdrew the Ponzi claim); ECF No. 1855 p. 3 (same)]. The elements of collateral estoppel demand that "the issue must have been actually litigated in the prior proceeding." *In re St. Laurent*, 991 F.2d 672, 676 (11th Cir. 1993), *as corrected on reh'g* (June 22, 1993).² In addition, the Receiver did not assert, and was not involved in litigating, the motions for entry of final judgments against the Defendants. Rather, it

² The four elements required to establish collateral estoppel are: (1) the issue at stake must be identical to the one decided in the prior litigation; (2) the issue must have been actually litigated in the prior proceeding; (3) the prior determination of the issue must have been a critical and necessary part of the judgment in that earlier decision; and (4) the standard of proof in the prior action must have been at least as stringent as the standard of proof in the later case *Id.*

was the SEC who was seeking and actively litigating those judgments. As such, the Defendants cannot establish that “the parties in the two proceedings were identical.” *Martinez v. Mkt. Traders Inst., Inc.*, 757 Fed. Appx. 815, 817 (11th Cir. 2018). Without these essential elements, collateral estoppel is inapplicable. *See Matter of Sankner*, 69 B.R. 312, 315 (Bankr. M.D. Fla. 1987) (“Each element of collateral estoppel must be satisfied . . .”).

Defendants’ res judicata objections are similarly misplaced. Res judicata, or claims preclusion, bars “repetitious suits involving the same cause of action.” *Cnty. State Bank v. Strong*, 651 F.3d 1241, 1263 (11th Cir. 2011). “[A] final judgment forecloses successive litigation of the very same claim, whether or not relitigation of the claim raises the same issues as the earlier suit.” *Andreu v. HP Inc.*, 272 F. Supp. 3d 1329, 1331 (S.D. Fla. 2017). Claims preclusion applies only to claims. *Id.* (contrasting claims preclusion and issue preclusion); *see also In re Justice Oaks II, Ltd.*, 898 F.2d 1544, 1550 (11th Cir. 1990) (identifying that res judicata applies in new suit). The Receiver is not seeking to assert (or reassert) any claims against the Defendants, nor is he proposing new litigation against the Defendants. Rather, the Receiver is seeking the Ponzi determination in connection with the Court’s review of the Receiver’s proposed claims treatment and equitable distribution of the Receivership Assets. *See Wang*, 944 F.2d at 81 (2d Cir. 1991).

Even if claims preclusion applied (which it does not), courts should not apply the doctrine in a manner that promotes injustice. *See, e.g., Moch v. E. Baton Rouge Par. Sch. Bd.*, 548 F.2d 594, 598 (5th Cir. 1977) (“We are unwilling to hold . . . that [the doctrine of res judicata] constitute[s] an absolute from which we must never stray, even when a mechanical application would result in manifest injustice. Rather, we believe that the occasional adoption of an exception to the finality rule when public policy so demands does not undermine its general effectiveness.”). The Receiver’s proposed Ponzi determination helps avoid injustice by ensuring equal treatment of

similar investors. *See Maldonado v. U.S. Atty. Gen.*, 664 F.3d 1369, 1375 (11th Cir. 2011) (identifying that application of res judicata is not strictly mechanical).

Finally, Defendants' citations to the Glick report and the Dunkelberger declaration are unavailing. For instance, Defendants' assertions that CBSG's cash flow on its merchant cash advance business (\$923.6 million) were sufficient to cover interest and principal payments to investors (\$233.0 million) is exceedingly misleading. [ECF No. 1843-27, Ex. A]. Although CBSG received \$923.6 million in cash flow from merchants, the Defendants (relying on the Glick Report) fail to account for any advances, operating expenses, or commissions paid from the cash flow. *Id.* When properly acknowledging CBSG's expenses—other than just investor payments—CBSG's records show it operated at a \$437.7 million cash loss. *Id.* The only way CBSG covered this shortfall is through the inflow of new investor proceeds. [ECF No. 1843-27 ¶ 8].

Beyond the misleading assertions on cash flow, Defendants' reliance on the Glick and Dunkelberger reports are fundamentally flawed. Each report applies an accrual-based income analysis to show the purported income that CBSG earned. [ECF No. 1890 p. 14]. These reports show CBSG suffered a \$6.5 million loss in 2017, followed by purported income of \$29.1 million and \$36.6 in 2018 and 2019, respectively, under the accrual method.³ [ECF No. 1855-4]. As provided in the *Declaration of Yale Scott Bogen*, this "income" is a fabrication based on CBSG's reload practice, which artificially increased its MCA balances, combined with its failure to account for uncollectable receivables. [ECF No. 1843-27 ¶¶ 8, 14]; *see also* Declaration of Bradley D.

³ The Receiver addresses Defendants' accrual argument, without conceding it as the correct accounting methodology for this analysis. Although accrual accounting is an appropriate methodology under GAAP, it is not necessarily the appropriate methodology for determining whether a company was operating as a Ponzi scheme. Given a Ponzi scheme's need for a constant flow of money to entice new investors, a cash-based reporting analysis more accurately depicts the issues relevant to a Ponzi analysis. [ECF No. 1843-27, ¶ 39]

Sharp [ECF 426-1 ¶¶ 21—22]. In 2018 and 2019, CBSG increased its factoring fee “income” by 200%, primarily through “reloads” with 16 merchants in the “Exception Portfolio.” *See* Declaration of Bradley D. Sharp [ECF 426-1 ¶ 19]. These reloads served no legitimate business purpose, and simply acted to artificially increase CBSG’s outstanding accounts receivable balances. [ECF No. 1843-27 ¶ 45].

Not only did this practice falsely increase the account balance, CBSG failed to record its uncollectable accounts receivable. [ECF No. 1843-27 ¶¶ 21, 28]. The Receiver identified \$49,320,784 and \$52,718,137 in reserves for uncollectable accounts for 2017 and 2018, respectively, that CBSG failed to book. *Id.* Had CBSG properly accounted for reserves under the accrual method, instead of reporting income of \$29.1 million and \$36.6 in 2018 and 2019, respectively, it would have incurred losses in those years of \$20,207,076 and \$16,084,178, respectively. [ECF No. 1843-27, ¶¶ 21, 28, Ex. A]. Thus, even when utilizing the Defendants’ proposed accrual method, the inescapable conclusion is that CBSG operated as a Ponzi scheme when proper consideration is given to the shortcomings in CBSG’s prior accounting practices.

Simply stated, from 2012 onward CBSG lacked the cash necessary to repay its existing investors and could only satisfy these investor obligations through the receipt of new investor money. *Id.* This is the *sine qua non* of a Ponzi scheme. *See Hafen v. Howell*, 2023 WL 2188566, at *9 (D. Utah Feb. 23, 2023). While CBSG satisfied the “essence” of a Ponzi by using new investors’ funds to pay existing investors, it similarly satisfied the other “hallmarks” of a Ponzi scheme. *See Claims Motion* [ECF No. 1843 pp. 45-47]. These factors include substantial commingling of funds, extraordinary promises of return, and lucrative commission payments. *Id.* The Defendants fail to address in their Responses the overwhelming number of factors supporting the determination that CBSG operated as a Ponzi scheme.

Classification of CBSG as a Ponzi scheme helps achieve the Receiver's directive to implement a "fair and reasonable" plan of distribution. *Wang*, 944 F.2d at 81 (2d Cir. 1991). Defendants' obfuscation between the previously entered judgments and the forthcoming distribution to claimants does not prevent the Court from making this determination. Respectfully, the Court should dismiss these irrelevant arguments and enter an order determining that CBSG was a Ponzi scheme.

III. The Receiver properly denied LaFaforte and McElhone's claims based on their fraudulent conduct and status as insiders.

The Receiver properly rejected LaForte and McElhone's attempt to benefit from their fraudulent conduct. Courts uniformly approve receivers' denials of insider claims. *See, e.g., SEC v. Byers*, 637 F. Supp. 2d 166, 184 (S.D.N.Y. 2009) (approving distribution plan that excluded "those involved in the fraudulent scheme" and describing the plan as "eminently reasonable and [] supported by caselaw"); *SEC v. Basic Energy & Affiliated Res., Inc.*, 273 F.3d 657, 660–61, 667 (6th Cir. 2001) (upholding distribution plan that reduced the recovery for any investor who received a commission for referring additional investors); *SEC v. Pension Fund of Am. L.C.*, 377 F. App'x 957, 963 (11th Cir. 2001) (upholding distribution plan that excluded a sales agent who received commissions for recruiting investors when the agent had no knowledge the pension fund was a fraudulent investment scheme).

A claimant can be excluded from receivership distributions as an "insider" when they are involved with a scheme at a "more intimate level" than the typical investor, even when the insider had no knowledge the scheme was fraudulent. *SEC v. Merrill Scott & Assocs., Ltd.*, No. 2:02 CV 39, 2006 WL 3813320, at *11 (D. Utah Dec. 26, 2006) (approving distribution plan that excluded an investor who claimed to have no knowledge of the fraudulent nature of the investment scheme because he was an "insider" because he was involved in the operation of the scheme and allowed

his name to be used to recruit additional investors); *Pension Fund of Am. L.C.*, 377 Fed. Appx. at 962 (affirming denial of claim from employees, regardless of whether the employees personally committed fraud).

LaForte and McElhone's request to benefit from their fraudulent conduct approaches the absurd. Both made the voluntary decision not to contest their direct involvement in the operation of CBSG and the Receivership Entities, and allowed judgments to be entered against them on the basis that the allegations in the SEC's Complaint would be accepted as undisputed. Each lived lavish lifestyles using money they bilked from investor victims. Criminal prosecutions for their conduct are approaching resolution. Their insider status and conduct mandate the denial of their claims. *See Byers*, 637 F. Supp. 2d at 184 (S.D.N.Y. 2009) (excluding insiders from claims distribution).

IV. The Receiver properly denied the claims of MHL Union, a company owned and controlled by CBSG insider Anthony Zingarelli.

Anthony Zingarelli, a former CBSG insider who has defaulted on multiple settlement agreements with Receivership Entities, personally submitted a response to the Claims Motion on behalf of MHL Union [ECF No. 1860], arguing that the Receiver improperly recommended the denial of its \$85.4 million claims, including \$57.7 million of principal and \$27.7 million of interest. As the Court may recall, MHL Union purportedly purchased CBSG promissory notes from two of the largest agent funds, AGM Capital Fund I and AGM Capital Fund II, with principal balances totaling \$44,895,365 and \$12,761,411, respectively. *Id.*⁴ MHL Union purportedly acquired these

⁴ AGM Capital Funds I and II were managed by a AG Morgan, a registered investment advisor based in Massapequa, New York. The SEC filed a lawsuit in the Eastern District of New York alleging that AG Morgan, its owner (Vincent Camarda) and its Chief Compliance Officer (James McArthur) engaged in the sale of unregistered securities, as well as violations of the Advisers Act. *See Securities & Exchange Commission v. A.G. Morgan Advisors et al.*, Case No. 22-CV-03421 (E.D. N.Y.).

promissory notes pursuant to an “Assignment and Assumption Agreement” dated August 10, 2020, less than three weeks after the SEC filed this lawsuit. Importantly, Zingarelli has confirmed through counsel that he is the 100% owner of MHL Union.

MHL Union asserts two primary objections. First, MHL argues that it provided adequate documentary support for its claims, contrary to the Receiver’s assertion, including a copy of the “Assignment and Assumption Agreement,” a W-9 form, an accounting of the principal and accumulated interest, as well as letters from Vincent Camarda, the principal of AGM, confirming MHL Union’s purchase of the notes. There were, however, two important items that were conspicuously absent from MHL Union’s claim: Schedule II to the Assignment and Assumption Agreement (which purportedly specifies the payment terms) and any bank records or other objective documentary evidence indicating that such payments were actually made under this agreement. MHL Union failed to submit any such evidence even *after* the Receiver specifically requested these documents from AGM (*see* emails to counsel for AGM Capital, requesting copies of Schedule II, attached as Exhibit 1), and later recommended denial of MHL Union’s claims because it failed to provide proof that it “entered into legitimate agreements to purchase or acquire the notes payable from CBSG.” [ECF No. 1843, p. 17].

Second, MHL Union argues that the Receiver failed to prove that Zingarelli was a “corporate insider” or the functional “right hand” of Defendant Joseph LaForte. As an initial matter, this argument is not only disingenuous, but also paradoxical, because Mr. Zingarelli has steadfastly avoided and delayed the Receiver’s ongoing efforts to depose him, which started in September 2023. *See* emails with counsel for Zingarelli, attached as Exhibit 2. Despite extensive correspondence with Zingarelli’s counsel, and repeated requests for a deposition, Zingarelli claims he is unavailable to sit for a deposition, cooperate with the Receiver’s efforts to recover

Receivership Property, or otherwise resolve these issues, because he is “outside the country” until an unspecified date in 2024..

More importantly, the Receiver has ample evidence that Zingarelli not only exercised management discretion with respect to merchant cash advance deals (Exhs. 3 and 4), but also was hand-picked by LaForte to handle the most delicate issues impacting CBSG, including: (i) responding to media reports and inquiries that exposed Par Funding’s business practices (Exhs. 5, 6, 7); (ii) interfacing with and pressuring Friedman auditors that issued a draft *unqualified* audit opinion on CBSG’s financial statements, presented in accordance with GAAP, that revealed an operating *loss*, but later issued a *qualified* opinion on non-GAAP financial statements that revealed an operating *gain* (*see, e.g.*, Exh. 8); (iii) corresponding with, and providing instructions to, CBSG’s attorneys at Fox Rothschild and other firms (Exhs. 9, 10, 11); and (iv) interfacing with representatives of Euler Hermes, which advised Par Funding that its insurance “did not cover uncollectible accounts receivable,” despite contrary representations to investors (Exh. 12).

Additionally, Zingarelli’s own emails belie any suggestion he is not a corporate insider. Indeed, Zingarelli has identified himself as, among other things, CBSG’s Director of Collections, Chief Strategic Planning Officer, Operations Manager, or Chief Operating Officer—depending upon the circumstances and his objectives. (*See, e.g.*, Exhs. 13 & 14). Finally, as the Receiver noted previously, Zingarelli controlled several business entities that were CBSG merchants or counterparties—including Colorado Sky Industrial Supplies, CNP Operating, and Millennium Holding (“Zingarelli Companies”)—that obtained loans or merchant cash advances from Receivership Entities. Zingarelli personally guaranteed those obligations. Later, when the Zingarelli Companies defaulted on those obligations, with balances totaling approximately \$6.9 million, Zingarelli negotiated and was a party to two Agreements Relating to Certain Underlying

Agreements (“Forbearance Agreements”) with the Receiver. Zingarelli eventually defaulted on the Forbearance Agreements as well, to the detriment of investors.

In an equitable Receivership, Zingarelli should not be permitted to claim a stake to \$85.4 million of the funds the Receiver has worked diligently to recover, while simultaneously flouting the discovery process, and after defaulting on merchant cash advances, loans, and ensuing Forbearance Agreements with Receivership Entities. Even in the absence of such defaults, a corporate insider who facilitated and perpetuated the underlying fraud scheme—such as Zingarelli—should not be permitted to use a corporate alter-ego, MHL Union, to share in the recovery due to the victim investors.

V. Conclusion.

For the foregoing reasons, the Court should reject the Defendants’ objections to the Receiver’s Claims Motion. Rather, the Court should determine that CBSG operated as a Ponzi scheme; deny the claims from McElhone, LaForte, and MHL Union; approve the Receiver’s proposed claims determinations; and grant such further relief as the Court deems just and proper.

Dated: May 21, 2024

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on May 21, 2024, I electronically filed the foregoing document with the clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on counsel of record via transmission of Notices of Electronic Filing generated by CM/ECF.

/s/ Timothy A. Kolaya
TIMOTHY A. KOLAYA

EXHIBIT 1

Timothy Kolaya

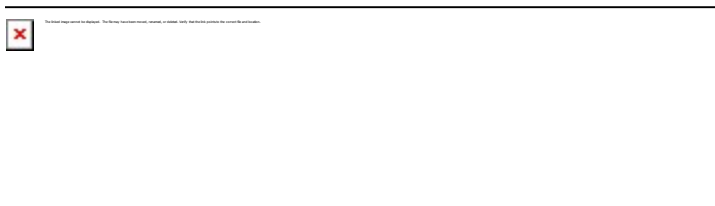
From: Timothy Kolaya
Sent: Wednesday, January 12, 2022 8:55 AM
To: Benjamin J. Biard
Subject: RE: Par Funding / AGM Capital

Ben:

We are nearing the claims and distribution process in the receivership and need to review Schedule II to these Assignment and Assumption Agreements, as well as any documents reflecting any payments under the Assignment and Assumption Agreements. Please let me know whether you will be providing us this information.

Regards,

Tim



TIMOTHY A. KOLAYA
PARTNER

DIRECT 305. 614. 1405
MAIN 305. 614. 1400
MOBILE **REDACTED**
E-MAIL TKOLAYA@SFSLAW.COM
WEB WWW.SFSLAW.COM

ONE BISCAYNE TOWER
2 SOUTH BISCAYNE BOULEVARD
SUITE 1600
MIAMI, FL 33131

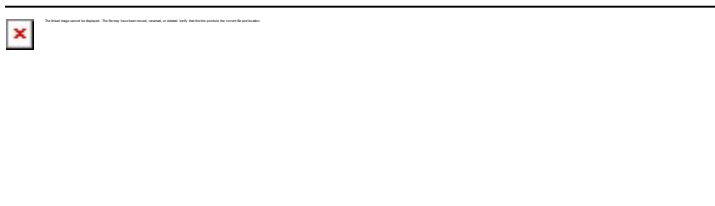
From: Timothy Kolaya
Sent: Thursday, October 21, 2021 10:45 AM
To: Benjamin J. Biard <biard.b@wsslip.com>
Subject: RE: Par Funding / AGM Capital

Ben:

I don't believe we ever heard back from you on this. Can you please provide us Schedule II to these agreements?

Regards,

Tim



TIMOTHY A. KOLAYA
PARTNER

DIRECT 305. 614. 1405
MAIN 305. 614. 1400
MOBILE **REDACTED**
E-MAIL TKOLAYA@SFSLAW.COM
WEB WWW.SFSLAW.COM

ONE BISCAYNE TOWER
2 SOUTH BISCAYNE BOULEVARD
SUITE 1600
MIAMI, FL 33131

From: Benjamin J. Biard <biard.b@wssllp.com>
Sent: Wednesday, June 9, 2021 7:45 PM
To: Timothy Kolaya <tkolaya@sfslaw.com>
Subject: RE: Par Funding / AGM Capital

Tim,
I thought we had already provided these to you. I am going to check with my associate now.

Ben

Benjamin J. Biard, Esq.
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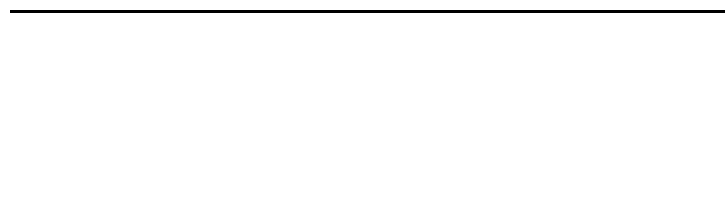
From: Timothy Kolaya <tkolaya@sfslaw.com>
Sent: Wednesday, June 9, 2021 5:32 PM
To: Benjamin J. Biard <biard.b@wssllp.com>
Subject: RE: Par Funding / AGM Capital

Ben:

Where are we on item 2 (Schedule II to the two Assignment and Assumption Agreements)? I'm asking your clients to produce two documents that are likely only a page or a few pages each, and it has already been several months. Please provide these to us by the end of this week or we will be forced to bring this to the attention of the court.

Regards,

Tim



TIMOTHY A. KOLAYA
PARTNER

DIRECT	305. 614. 1405
MAIN	305. 614. 1400
MOBILE	REDACTED
E-MAIL	TKOLAYA@SFSLAW.COM
WEB	WWW.SFSLAW.COM

ONE BISCAYNE TOWER
2 SOUTH BISCAYNE BOULEVARD
SUITE 1600
MIAMI, FL 33131

From: Benjamin J. Biard <biard.b@wssllp.com>
Sent: Monday, April 19, 2021 4:37 PM
To: Timothy Kolaya <tkolaya@sfslaw.com>
Subject: RE: Par Funding / AGM Capital

Tim,
My apologies – this completely dropped off my radar. I will get on that first thing tomorrow.

Ben

Benjamin J. Biard, Esq.
Winget, Spadafora & Schwartzberg, LLP
SunTrust International Center
One Southeast Third Avenue, Suite 1950
Miami, Florida 33131
305-830-0604 (direct)
305-830-0600 (main)
305-830-0601 (facsimile)
biard.b@wssllp.com
www.wssllp.com

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From: Timothy Kolaya <tkolaya@sflaw.com>
Sent: Monday, April 19, 2021 4:30 PM
To: Benjamin J. Biard <biard.b@wssllp.com>
Subject: Par Funding / AGM Capital

Ben:

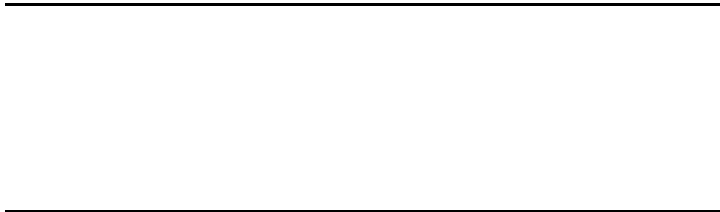
I hope all is well. We still have not received the following documents:

1. Corrected copy of investor lists for both funds (prior versions were missing characters due to an apparent conversion issue); and
2. Schedule II to the Assignment and Assumption Agreements.

Can you please get those over to us as soon as possible?

Regards,

Tim



TIMOTHY A. KOLAYA
PARTNER

DIRECT 305. 614. 1405
MAIN 305. 614. 1400

ONE BISCAYNE TOWER
2 SOUTH BISCAYNE BOULEVARD

MOBILE

REDACTED

SUITE 1600

E-MAIL

TKOLAYA@SFSLAW.COM

MIAMI, FL 33131

WEB

WWW.SFSLAW.COM

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EXHIBIT 2

John W. Kettering

From: Poluka, Joseph G. <joseph.poluka@blankrome.com>
Sent: Friday, December 1, 2023 6:15 PM
To: John W. Kettering
Cc: Gaetan J. Alfano
Subject: Re:

John, just left you a vm.

Sent from my iPhone

On Dec 1, 2023, at 5:02 PM, Poluka, Joseph G. <joseph.poluka@blankrome.com> wrote:

John, just finished a client meeting and will call when I'm off the train. I would cancel next week's depositions.

Sent from my iPhone

On Dec 1, 2023, at 1:09 PM, John W. Kettering <JK@pietragallo.com> wrote:

Joe,

I received no response to the voicemail on Wednesday or the email below. I also called your office and cell again today.

We have extended every professional courtesy trying to schedule (and reschedule) these depositions but have gotten nothing in response. If Zingarelli is not going to attend please let us know so we can cancel the court reporter and avoid the associated costs.

Thanks

John

John W. Kettering, Esquire

Pietragallo Gordon Alfano Bosick & Raspanti, LLP

7 West State Street, Suite 100

Sharon, PA 16146

Office: 724-981-1397 Ext: 1609 | Fax: (724) 981-1398

JK@Pietragallo.com | [BIO](#) | [vCard](#)

Connect with me on LinkedIn: [---](#)

—
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From: John W. Kettering <JK@Pietragallo.com>
Sent: Wednesday, November 29, 2023 9:52 AM
To: Poluka, Joseph G. <joseph.poluka@blankrome.com>; Gaetan J. Alfano <GJA@Pietragallo.com>
Subject: RE:
Importance: High

Joe,

This is a follow up to voicemail I left at your office. Please confirm or deny Zingarelli's attendance at the depositions scheduled for next Friday. We need to ensure proper accommodations and confirm with the court reporter.

Thank you

John

John W. Kettering, Esquire
Pietragallo Gordon Alfano Bosick & Raspanti, LLP
7 West State Street, Suite 100
Sharon, PA 16146
Office: 724-981-1397 Ext: 1609 | Fax: (724) 981-1398
JK@Pietragallo.com | [BIO](#) | [vCard](#)
Connect with me on LinkedIn:

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From: John W. Kettering <JK@Pietragallo.com>
Sent: Tuesday, November 21, 2023 10:22 AM
To: Poluka, Joseph G. <joseph.poluka@blankrome.com>; Gaetan J. Alfano <GJA@Pietragallo.com>
Subject: RE:

Joe,

We have served our notices of deposition in aid of execution except for Colorado Sky and CNP Operating. We've tried multiple addresses for both entities but they've been returned. Each entity also refused copies served on their statutorily designed agent. This refusal by an designed agent is clearly improper under the law.

Please advise. Given the improper refusal by the agent, we're prepared to treat our service on you as constructive service upon the entities.

John

John W. Kettering, Esquire

Pietragallo Gordon Alfano Bosick & Raspanti, LLP
7 West State Street, Suite 100
Sharon, PA 16146

Office: 724-981-1397 Ext: 1609 | Fax: (724) 981-1398

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From: John W. Kettering <JK@Pietragallo.com>

Sent: Monday, November 13, 2023 3:45 PM

To: Poluka, Joseph G. <joseph.poluka@blankrome.com>; Gaetan J. Alfano <GJA@Pietragallo.com>

Subject: RE:

Joe,

The CNP notice accidentally indicated 10pm rather than 10am. Just to make sure it's straight attached is the updated version. The copies out for service have the correct time listed.

Thank you

John

John W. Kettering, Esquire

Pietragallo Gordon Alfano Bosick & Raspanti, LLP
7 West State Street, Suite 100
Sharon, PA 16146

Office: 724-981-1397 Ext: 1609 | Fax: (724) 981-1398

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From: John W. Kettering <JK@Pietragallo.com>
Sent: Monday, November 13, 2023 2:40 PM
To: Poluka, Joseph G. <joseph.poluka@blankrome.com>; Gaetan J. Alfano <GJA@Pietragallo.com>
Subject: RE:

Joe,

Attached are notices of deposition being issued today. Copies are being provided to you and being served directly on the client.

Thank you

John

John W. Kettering, Esquire
Pietragallo Gordon Alfano Bosick & Raspanti, LLP
7 West State Street, Suite 100
Sharon, PA 16146
Office: 724-981-1397 Ext: 1609 | Fax: (724) 981-1398
JK@Pietragallo.com | [BIO](#) | [vCard](#)
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From: John W. Kettering <JK@Pietragallo.com>
Sent: Monday, October 23, 2023 11:30 AM
To: Poluka, Joseph G. <joseph.poluka@blankrome.com>; Gaetan J. Alfano <GJA@Pietragallo.com>
Subject: RE:

Joe,

I wanted to follow up on the call from last week. You indicated that you were speaking to Anthony and would have a date for us on depositions. Please advise regarding the date.

Thank you

John

John W. Kettering, Esquire

Pietragallo Gordon Alfano Bosick & Raspanti, LLP

7 West State Street, Suite 100

Sharon, PA 16146

Office: 724-981-1397 Ext: 1609 | Fax: (724) 981-1398

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From: John W. Kettering <JK@Pietragallo.com>

Sent: Friday, October 6, 2023 3:20 PM

To: Poluka, Joseph G. <joseph.poluka@blankrome.com>; Gaetan J. Alfano

<GJA@Pietragallo.com>

Subject: RE:

Joe,

Following up – we've received no response. We postponed the previous deposition as a courtesy. Please advise a date within the next 3 weeks that Mr. Zingarelli will attend. If we do not receive a response, we'll be forced to unilaterally schedule it. We do not anticipate rescheduling again.

Thank you

John

John W. Kettering, Esquire

Pietragallo Gordon Alfano Bosick & Raspanti, LLP

7 West State Street, Suite 100

Sharon, PA 16146

Office: 724-981-1397 Ext: 1609 | Fax: (724) 981-1398

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From: John W. Kettering <JK@Pietragallo.com>

Sent: Tuesday, September 26, 2023 6:33 PM

To: Poluka, Joseph G. <joseph.poluka@blankrome.com>; Gaetan J. Alfano <GJA@Pietragallo.com>

Subject: RE:

Joe,

We postponed to deposition from today as courtesy. Is Mr. Zingarelli proposing a date where he will attend?

Thank you

John

John W. Kettering, Esquire

Pietragallo Gordon Alfano Bosick & Raspanti, LLP

7 West State Street, Suite 100

Sharon, PA 16146

Office: 724-981-1397 Ext: 1609 | Fax: (724) 981-1398

JK@Pietragallo.com | [BIO](#) | [vCard](#)

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From: Poluka, Joseph G. <joseph.poluka@blankrome.com>

Sent: Friday, September 22, 2023 10:24 AM

To: Gaetan J. Alfano <GJA@Pietragallo.com>; John W. Kettering <JK@Pietragallo.com>

Subject: RE:

Yes.

Joseph G. Poluka | BLANKROME

One Logan Square | 130 North 18th Street | Philadelphia, PA 19103

O: 215.569.5624 | M: **REDACTED** | joseph.poluka@blankrome.com

From: Gaetan J. Alfano <GJA@Pietragallo.com>

Sent: Thursday, September 21, 2023 12:48 PM

To: John W. Kettering <JK@Pietragallo.com>; Poluka, Joseph G.

<joseph.poluka@blankrome.com>

Subject: RE:

Joe,

Is Mr. Zingarelli requesting a postponement?

Thanks

Gaetan

Gaetan J. Alfano, Esquire

Pietragallo Gordon Alfano Bosick & Raspanti, LLP
1818 Market Street, Suite 3402
Philadelphia, PA 19103
Office: (215) 988-1441 | Fax: (215) 754-5181
GJA@Pietragallo.com | [BIO](#) | [vCard](#)

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From: John W. Kettering <JK@Pietragallo.com>
Sent: Thursday, September 21, 2023 11:08 AM
To: Poluka, Joseph G. <joseph.poluka@blankrome.com>; Gaetan J. Alfano <GJA@Pietragallo.com>
Subject: RE:

Zingarelli, and each entity, were served the notices of deposition on September 6, 2023. That is the day after the notices were issued. Attached are proof of delivery confirmations.

John W. Kettering, Esquire

Office: 724-981-1397 Ext: 1609
Fax: (724) 981-1398

From: Poluka, Joseph G. <joseph.poluka@blankrome.com>
Sent: Thursday, September 21, 2023 10:10 AM
To: Gaetan J. Alfano <GJA@Pietragallo.com>
Cc: John W. Kettering <JK@Pietragallo.com>
Subject: RE:

Gaetan, apologies, I meant to respond to John earlier this week. My understanding is that Anthony is out of town until the end of the month. Has he been served?

Joseph G. Poluka | BLANKROME

One Logan Square | 130 North 18th Street | Philadelphia, PA 19103
O: 215.569.5624 | M: **REDACTED** | joseph.poluka@blankrome.com

From: Gaetan J. Alfano <GJA@Pietragallo.com>
Sent: Wednesday, September 20, 2023 4:27 PM
To: Poluka, Joseph G. <joseph.poluka@blankrome.com>

Cc: John W. Kettering <JK@Pietragallo.com>

Subject:

Good afternoon Joe. Please advise whether Mr. Zingarelli intends to appear for his deposition next week. We have until Monday to cancel the court reporter and we would like to avoid the time and expense of preparing if he does not intend to appear.

Thank you.

Sent from my iPhone

Gaetan J. Alfano, Esquire

Pietragallo Gordon Alfano Bosick & Raspanti, LLP

1818 Market Street, Suite 3402

Philadelphia, PA 19103

Office: (215) 988-1441 | Fax: (215) 754-5181

GJA@Pietragallo.com | [BIO](#) | [vCard](#)

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EXHIBIT 3

From: Anthony Z <anthonyz@parfunding.com>
Sent: Wednesday, June 10, 2020 1:53 PM EDT
To: Aida Lau <aida@parfunding.com>; Asta Kaupaite <asta@tfcfactoring.com>; Anthony Ronn <anthonyr@parfunding.com>
CC: Danielle Loser <dloser@parfunding.com>; Berman, Brett <bberman@foxrothschild.com>; Corey Kalkanoglu <ckalkanoglu@parfunding.com>
Subject: RE: [EXT] RE: Payoff

Brett and Corey

Wire has been received – if anything needs to be released such as UCCs please follow through with it as soon as possible
They sent the wire today as promised, I want to make sure we can help them be successful with their clients

From: Aida Lau <aida@parfunding.com>
Sent: Wednesday, June 10, 2020 1:44 PM
To: Asta Kaupaite <asta@tfcfactoring.com>; Anthony Z <anthonyz@parfunding.com>; Anthony Ronn <anthonyr@parfunding.com>
Cc: Danielle Loser <dloser@parfunding.com>
Subject: RE: [EXT] RE: Payoff

Wire received.

Thanks.

Aida lau

From: Asta Kaupaite <asta@tfcfactoring.com>
Sent: Wednesday, June 10, 2020 1:31 PM
To: Anthony Z <anthonyz@parfunding.com>; Aida Lau <aida@parfunding.com>; Anthony Ronn <anthonyr@parfunding.com>
Subject: Re: [EXT] RE: Payoff

We received notification that wire was received, could you please confirm that?

Asta Kaupaite
Account Manager
Direct 630-852-2228
P# 888-810-7888
E# asta@tfcfactoring.com

~~~~~  
**Transportation Finance Corp.**  
14007 S Bell Road # 169  
Homer Glen, IL 60491  
~~~~~

On 6/10/2020 11:12 AM, Anthony Z wrote:

Eva Logistics

You reached out to me
You made an offer to me

I accepted the offer
The offer never involved this, it never involved additional legal documents and lawyer reviews.

It is unfair to change your offer now, it is unfair to ask me to drop legal fees and then once i agree to it you send me a document a lawyer needs to read.

Thats not fair

You have a payoff letter
And
I agreed once payment is made i am more than willing to help you with your clients

Please let me know what day you can wire funds so we can all put this behind us and move forward with business.

Thank you
ANTHONY ZINGARELLI

On Wed, Jun 10, 2020, 11:01 AM Berman, Brett <BBerman@foxrothschild.com> wrote:

Thanks, Aida.

Few minor points to revise agreement:

Par should be changed to Funder not Lender.

In section 1, the end of the sentence should say all of its right, title and interest in "TFC's receivables."

In section 2, remove.

I have no idea what section 3 means.

It should be PA law not Illinois.

No idea what section 7 means.

No 8 – add confirmation that this is only deal.

Brett A. Berman, Esq.
Partner
Co-Chair of Litigation Department

foxRothschildCRGB

[Firm Website](#) | [COVID-19 Resource Center](#)

PA: 2000 Market Street | 20th Floor | Philadelphia, PA 19103

NY: 101 Park Avenue | Suite 1700 | New York, NY 10178

(215) 299-2842 (Philadelphia office)

(212) 878-7945 (New York office)

(215) 299-2150 (facsimile)

bberman@foxrothschild.com

California | Colorado | Connecticut | Delaware | DC | Florida | Georgia | Illinois | Minnesota | Nevada | New Jersey | New York | North Carolina | Pennsylvania | South Carolina | Texas | Washington

From: Aida Lau <aida@parfunding.com>

Sent: Wednesday, June 10, 2020 11:54 AM

To: EVA <evalog12@gmail.com>

Cc: Asta Kaupaite <asta@tfcfactoring.com>; Anthony Z <anthonyz@parfunding.com>; brent feldman <brentfeld@gmail.com>; Anthony Ronn <anthonyr@parfunding.com>; Berman, Brett <BBerman@foxrothschild.com>

Subject: [EXT] RE: Payoff

I have our attorneys Brett tagged in this email, we need a revise form from you and he has a few questions.

Also the bank account needs to be changed on the agreement as well.

However, our Payoff letter attached should be sufficient for the settlement payment on this account.

Thanks.

Aida Lau

From: EVA <evalog12@gmail.com>

Sent: Wednesday, June 10, 2020 10:25 AM

To: Aida Lau <aida@parfunding.com>

Cc: Asta Kaupaite <asta@tfcfactoring.com>; Anthony Z <anthonyz@parfunding.com>; brent feldman <brentfeld@gmail.com>; Anthony Ronn <anthonyr@parfunding.com>

Subject: Re: Payoff

Best regards,
Eva Logistics, Inc.

Dispatch

Eva: 708-634-1996
Lukas: 708-634-1998
Paul: 708-634-1992
Karl: 708-634-1994

--

Accounting: 708-634-2942 ext 209
Safety: 708-634-2942 ext 210
Billing: evalogbilling@gmail.com
Fax: 708-634-2940

On Tue, Jun 9, 2020 at 9:00 PM Aida Lau <aida@parfunding.com> wrote:

I'm sending this to our attorney to review, but first I want to point out that the bank info on this agreement is totally wrong, you have used our Ach routing # as the account number.

Thanks.

Aida Lau

From: Asta Kaupaite <asta@tfcfactoring.com>
Sent: Tuesday, June 9, 2020 6:47 PM
To: Aida Lau <aida@parfunding.com>; Anthony Z <anthonyz@parfunding.com>
Cc: EVA <evalog12@gmail.com>; brent feldman <brentfeld@gmail.com>; Anthony Ronn <anthonyr@parfunding.com>
Subject: Re: Payoff

Please see attached agreement. Please sign and send it back to us tomorrow morning.

Asta Kaupaite
Account Manager
Direct # 630-852-2228
P# 888-810-7888
E# asta@tfcfactoring.com

~~~~~  
**Transportation Finance Corp.**  
14007 S Bell Road # 169  
Homer Glen, IL 60491  
~~~~~

On 6/9/2020 1:00 PM, Aida Lau wrote:

Yup as soon as we receive the wire we will prepare for it.

Thanks.

Aida Lau

From: Asta Kaupaite <asta@tfcfactoring.com>
Sent: Tuesday, June 9, 2020 1:50 PM
To: Aida Lau <aida@parfunding.com>; Anthony Z <anthonyz@parfunding.com>
Cc: EVA <evalog12@gmail.com>; brent feldman <brentfeld@gmail.com>; Anthony Ronn <anthonyr@parfunding.com>
Subject: Re: Payoff

Aida,

In addition to UCC lien termination we will need LOR after you receive funding tomorrow morning.

Asta Kaupaite
Account Manager

P# 888-810-7888
E# asta@tfcfactoring.com

~~~~~  
**Transportation Finance Corp.**  
14007 S Bell Road # 169

Homer Glen, IL 60491  
~~~~~

On 6/9/2020 12:09 PM, Aida Lau wrote:

Good afternoon,

Please see attached for Eva Logistic settlement payoff letter.

The settlement payoff amount is only valid until 5pm EST on 06/10/20

Let me know if you have any questions.

Thank you.

Aida Lau
Accounting Manager



20 N 3rd St
Philadelphia, PA 19106

- Office: (215) 922-2636 x444
- Office: (215) 268-3594
- Fax: (888) 803-4886
- aida@parfunding.com



From: Anthony Z <anthonyz@parfunding.com>
Sent: Tuesday, June 9, 2020 11:55 AM
To: Asta Kaupaite <asta@tfcfactoring.com>; Aida Lau <aida@parfunding.com>
Cc: EVA <evalog12@gmail.com>; brent feldman <brentfeld@gmail.com>; Anthony Ronn <anthonyr@parfunding.com>
Subject: Re: Payoff

Aida
please send a payoff letter for Eva Logistics for tomorrow the 10th and wiring instructions

On Tue, Jun 9, 2020 at 11:47 AM Asta Kaupaite <asta@tfcfactoring.com> wrote:

Good afternoon,

We were planing to complete this buyout 06/10/20. I will need from you exact amount and wiring instructions so we could prepare necessary documents.

Asta Kaupaite
Account Manager
Direct # 630-852-2228
P# 888-810-7888
E# asta@tfcfactoring.com

~~~~~  
**Transportation Finance Corp.**  
14007 S Bell Road # 169  
Homer Glen, IL 60491  
~~~~~

On 6/9/2020 10:20 AM, Anthony Z wrote:

Payoff letter is for 80K

please confirm this can be paid on or before Friday of this week

On Tue, Jun 9, 2020 at 10:54 AM EVA <evalog12@gmail.com> wrote:

The pay of will be handled by transportation finance.
Asta Kaupaite is our rep at that company.
I am CC'ing her on this email, she will be able to answer all questions.

**Best regards,
Eva Logistics, Inc.**

Dispatch

**Eva: 708-634-1996
Lukas: 708-634-1998
Paul: 708-634-1992
Karl: 708-634-1994**

--

**Accounting: 708-634-2942 ext 209
Safety: 708-634-2942 ext 210
Billing: evalogbilling@gmail.com
Fax: 708-634-2940**

On Tue, Jun 9, 2020 at 9:45 AM Anthony Z <anthonyz@parfunding.com>
wrote:

Anthony

please send us what the payoff total is less the legal fees

Eva- let me know what day you are planning on a payoff

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EXHIBIT 4

Case 9:20-cv-81205-RAR Document 1933-4 Entered on FLSD Docket 05/22/2024 Page 2 of 2

From: Anthony Z <anthonyz@parfunding.com>
Sent: Thu, 1 Aug 2019 14:32:18 -0400
Subject: AR Kingdom
To: Anthony Ronn <anthonyr@parfunding.com>, Joe Mack <joe@parfunding.com>, Legal Department <legaldepartment@parfunding.com>

Bridget and Anthony

The Company in default with us is Kingdom Logistics:
Owner is: Scott Haire

Strong AR for Kingdom is: Appalachian - they buy from him frequently
Appalachian Carbon Energy llc is a big one
George Naylor is the owner or someone high up in the company
he definitely handles purchasing
His number: 859-REDACTED

Please contact George and let him know that Kingdom is in Default and we own the AR and that any all payments should be directed to Par directly

EXHIBIT 5

From: Anthony Z <anthonyz@parfunding.com>
Sent: Tuesday, December 18, 2018 7:09 PM EST
To: Jimmy S <jimmy@parfunding.com>
Subject: FW: [EXT] FW: Bloomberg News questions

From: Zeke Faux (BLOOMBERG/ NEWSROOM:) <zfaux@bloomberg.net>
Sent: Wednesday, December 12, 2018 12:59 PM
To: joe@parfunding.com
Subject: Bloomberg News questions

Hi Joe, I talked with Zach Mider and we would like to take you up on your invitation to visit. What's your schedule like tomorrow? We could be in Philadelphia by 10.

Thank you, Zeke 212 **REDACTED**

Here are the key points- I know we've been over a lot of this already:

General

-Par Funding says on its website that it has advanced \$600 million to more than 2,500 businesses.
-The effective annualized interest rates on Par's loans can top 250 percent. We calculated this based on contracts Par filed in court. **NO interest is ever charged on any document, every agreement the company ever wrote has been a factoring agreement and no where near 250%. Further we are only business to business. FALSE STATEMENT**

LaForte

-Gioe's boss at Par was Joseph LaForte. Gioe has told people they are cousins, but he said in an interview that is not true
Gioe never at anytime worked for Par, LaForte is not his "Boss" - Gioe worked for an outside collections agency we contracted with

- LaForte founded Par with his wife in 2011, shortly after serving about three years in prison for stealing \$14 million in a real-estate scam, and for running an illegal gambling operation. **It was not for a real-estate scam FALSE STATEMENT, him and his wife did start the company together**

-LaForte goes by Joe Macke, an alias derived from his wife's maiden name - **he is a salesmen here at the firm and as all salesmen he uses a different name. The writer of this story is actually using a fictitious name "Faux" actually means fake or false- NOTHING MALICIOUS ABOUT THIS**

Gioe

-Gioe's rap sheet includes convictions for assaulting a woman, smashing a car with a baseball bat, violating a protective order, harassing phone calls, stealing a Jeep, and dealing drugs.
-He says that since getting out of prison in 2011 and joining Par, he's paid more than 700 surprise visits to deadbeat business owners.
-Old newspaper and magazine stories about Gioe and his prison bodybuilding routine say he has mob ties, but Gioe says that's not true - **Gioe is not even Italian so I imagine he is not in the Mafia, which is an alleged "Italian only membership"**
-Joseph LaForte said in an interview that even though Gioe was helping borrowers, a few did complain about getting a visit. To avoid any more trouble, he replaced Gioe earlier this year with two female negotiators who call ahead and make appointments.

Visits by Gioe - **I don't really know Gioe well but I imagine most of the below is a massive embellishment being that it is coming from someone upset that they owe money they can't pay. Further Par has legal contracts and lawyers, also to put it in perspective about Gioe being "scary" - he is about 5'5" tall and 130 lbs and is in his 50's and has failing health.**

-Gioe's visits followed a pattern. Bloomberg News has descriptions of 10 of these visits from court records or interviews with people who were there. He would show up unannounced, declare he was inspecting his collateral and say he wasn't leaving until he got paid. All of the people said Gioe seemed to be trying to intimidate them. Four said they called the police.

-Radiant Images: Gioe made a surprise visit in February. He demanded to know why they had stopped making payments. He told Michael Mansouri a story about another borrower who had died in a car crash and then said: "These are the kind of things which strongly affect

wives and children." Afterward, Mansouri says he was so scared that he bought a gun and learned how to use it. Mansouri says Gioe seemed to choose his words carefully to scare without making explicit threats of violence.

-Dual Diagnosis said that Gioe "made threats of physical violence" to employees

-Accompanied by another tough-looking guy, he walked into a tire shop near Boston and demanded to "inspect my chattel."

-Last year, Gioe showed up in the waiting room of a south Florida chiropractor and exclaimed, "He owes me money. I want my f---ing money!"

- When Gioe showed up at a beauty-supply warehouse in Chicago last year, the new owner told him a bankruptcy judge had ordered a stop to collections. "We don't deal with the courts, we have our own ways to collect," he responded, according to a court affidavit. When the owner forbid him from speaking with the warehouse's former proprietor, Gioe remarked, "We'll go to her house and deal with her there." The owner glanced at Gioe's phone and noticed a photo of the woman was already there.

LaForte family

-Joseph LaForte's grandfather and uncle were both named Joseph LaForte.

-His grandfather, nicknamed Joe the Cat, and his uncle, Joe Buddy, were made men in the Gambino crime family under boss John Gotti, according to George Gabriel, the lead FBI agent on the Gotti investigation. Both were loan sharks, Gabriel said.

I believe Gabriel said he "alleges" they were loan sharks, I highly doubt he said they were "Made Men" – because the grandfather was never convicted of a felony, Mind you also the grandfather lived to 93. So I imagine if you were a massive gangster for 70 plus years you would have a massive rap sheet, which he does not. Also note the man died about three agos leaving an estate of about 100 million plus in real estate. No shoe boxes of cash, but rather a massive real estate portfolio- A mark of a successful legitimate businessman
I DOUBT THIS IS CONFIRMED BY THE FBI

-Joseph LaForte of Par has never been accused by prosecutors of having mob ties. ONLY TRUE STATEMENT, further note Joseph's father was a very famous hair dresser, all highly documented and easy to find as well, as he worked on many movie and tv sets in Hollywood.

James LaForte

-We have tried to contact James but haven't talked with him. Could you forward this to him please? We don't have his email.

-James LaForte is the brother of Joseph LaForte - True

-Three brokers who work with Par say they've done business with James there. James is a broker himself, its called a "broker-broker" deal

-Tonmoy Sharma of Dual Diagnosis said in his court complaint that he received threatening texts from James regarding a loan from Par. In September, the complaint states, James texted Sharma and warned he was on his way to his house. "You guys didn't think I was going away did you?" he wrote. NOT TRUE, James showed me his texts and actually the man replied to James that "god sent him here to help his children" and thanked him

-In a 2012 court memo, federal prosecutors in Brooklyn described James as associate of the Gambino family. He has served time for loan sharking, the real-estate scam and the gambling operation, and for having someone's cars torched for revenge. His most recent stint in prison, for violating his parole by associating with gangsters, ended in 2015. James adamantly denies being a gangster and at no time in his life admitted this, and the charges listed are incorrect. James takes great offense to the inference. He works 16 hour days and pays taxes.

Zeke Faux / Reporter / Bloomberg News+Businessweek Mag / Office: 212-REDACTED

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EXHIBIT 6

From: Justin White <jwhite@testalawyers.com>
Sent: Thursday, December 20, 2018 2:17 PM EST
To: Anthony Z <anthonyz@parfunding.com>; Kathryn Green <kgreen@rubensteinpr.com>
Subject: RE: introduction
Attachment(s): "Justin R_ White.vcf"

Hi Katie! My complete contact information is below.
Very Truly Yours,



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From: Anthony Z <anthonyz@parfunding.com>
Sent: Thursday, December 20, 2018 11:55 AM
To: Justin White <jwhite@testalawyers.com>; Kathryn Green <KGreen@rubensteinpr.com>
Subject: introduction

Justin and Katie I wanted to make the introduction

You guys saw the article that came out today from Bloomberg

We are looking to address this as well as get better press out there about us

I wanted to the two of you to meet as I believe you would need to work together in our strategy to combat the slander

Anthony Zingarelli

PAR
FUNDING
20 N 3rd St
Philadelphia, PA 19106

 Mobile: 215-**REDACTED**

 Desk: 267-540-8127

 anthonyz@parfunding.com



EXHIBIT 7

From: Anthony Z <anthonyz@parfunding.com>
Sent: Thursday, January 10, 2019 2:02 PM EST
To: hewitt@mhewittlaw.com <hewitt@mhewittlaw.com>
CC: Cynthia Clark <caclark@parfunding.com>
Subject: Par Funding NJ Bureau of securities

Martin

This is Anthony Zingarelli from Par Funding

I have Cynthia Clark copied on the email as well

Joe Cole and Cynthia informed me that you have been retained to handle the NJ Securities C&D letter sent to our firm

Robert Wolf from Moses and Singer is retained by us to deal with media outlets and General Counsel for media companies such as Bloomberg, yahoo, NY Times and others

Robert would like to discuss the securities situation with you to ensure that we are all on the same team

Can I pass your info to Robert so you can both speak and strategize together ?

Let us know

Thank you

Anthony Zingarelli



20 N 3rd St
Philadelphia, PA 19106



Mobile: 215-REDACTED



Desk: 267-540-8127



anthonyz@parfunding.com



EXHIBIT 8

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 20-cv-81205-RAR

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

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

Defendant.

_____ /

VOLUME II

DEPOSITION OF JAMES KLENK

TAKEN ON BEHALF OF THE DEFENDANT

JULY 26, 2021
9:30 A.M. TO 6:55 P.M.

ALL PARTIES APPEARED REMOTELY
PURSUANT TO
FLORIDA SUPREME COURT ORDER AOSC20-23

REPORTED BY:
GABRIELA ARGENAL, COURT REPORTER
NOTARY PUBLIC, STATE OF FLORIDA



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1 Q Okay. And then you were asked a couple of
2 questions about -- by Ms. Berlin about traveling to
3 speak with Mr. Willem and tax partner. Do you remember
4 that?

5 A Willem was the partner at Friedman Associates.
6 That was in-charge of the audit.

7 Q Okay.

8 A And ex-partner was the person there that was
9 Anthony Zingerelli's -- that was his, how should I
10 say --

11 Q Okay. Is that how Friedman was selected in
12 the first place?

13 A My understanding is they came -- Friedman came
14 as a referral from Anthony Zingerelli because he knew
15 the tax partner.

16 Q Okay. So, when you and Mr. Zingerelli, so did
17 you have a meeting -- did you have a meeting in a
18 conference room or in an office somewhere?

19 A When?

20 Q You said you travelled --

21 A I don't understand.

22 Q Okay. I made mistake. I'm trying to go
23 quickly.

24 A Sure.

25 Q I believe your answers to Ms. Berlin, you said



1 that you and Mr. Zingerelli traveled to Friedman LLP to
2 have a meeting?

3 A Yes.

4 Q Okay. So, did you actually have that meeting?

5 A Yes.

6 Q Okay. And was it a professional appropriate
7 CPA to CPA meeting?

8 MS. BERLIN: Objection.

9 A The meeting was --

10 MS. BERLIN: Wait just a moment. Just a
11 moment. Objection. Mr. Futerfas, are you ask --
12 maybe I'm lost. Are you asking about meeting with
13 Mr. Zingerelli?

14 Q (By Mr. Futerfas) I'm asking Mr. -- well, I
15 will rephrase the question. You and Mr. Zingerelli met
16 with people at Friedman LLP. Is that right?

17 A Correct.

18 Q And were you present at that meeting?

19 A Yes.

20 Q Okay. So, I'll ask you very -- if you can
21 tell us briefly, so we can all get out of here. What
22 was discussed at that meeting?

23 A Anthony Zingerelli was making a passionate
24 plea to adjust to bad debt numbers.

25 Q Okay. And what was your position?



1 A My position, I did not speak per se in the
2 meeting, but my role was to just sit there and go with
3 Anthony Zingerelli. Okay. So, did you support Mr.
4 Zingerelli's position in Par?

5 MS. BERLIN: Objection, asked and answered.
6 He said he just sat there.

7 **Q (By Mr. Futerfas) You can answer the question.**

8 A My role was just to go with him because I knew
9 Willem and to see if I can persuade Willem to make an
10 adjustment to those numbers.

11 **Q Okay. And did you have a discussion with**
12 **Willem about the pros and cons of adjusting those**
13 **numbers?**

14 A Friedman LLP said that they would get their
15 lengthy discussions with Mr. Zingerelli. Said, they
16 were adjusted, but it'd be an adverse opinion.

17 **Q Okay. And that's how we end up with the**
18 **adverse opinion, right?**

19 A Correct.

20 **Q Now, Ms. Berlin asked you if the Friedman**
21 **audit was a completed audit. Do you recall those**
22 **questions?**

23 A Yes.

24 **Q Let me ask you this, though. Can you -- could**
25 **anyone use an audit with an adverse opinion to go and**



1 **seek funding from a financial institution?**

2 A That was the paper, it was written on.

3 **Q You answered my question. Thank you. Turning**
4 **to -- okay. Quickly, you were asked some questions**
5 **about the Shehebars and other individuals who had notes**
6 **with -- promissory notes with CBSG. Do you recall those**
7 **questions?**

8 A Yes.

9 **Q Okay. And I want to ask you. You used the**
10 **word creditor and Ms. Berlin seemed to use the word**
11 **investor.**

12 **And could you just tell us why you choose the**
13 **word creditor? And why are you using that that word as**
14 **opposed to investor?**

15 MS. BERLIN: Objection, he explained that on
16 cross examination. So, it was asked and answered.

17 **Q (By Mr. Futerfas) Go ahead. You can answer**
18 **the question, please.**

19 A To repeat what I said earlier, I used Apple as
20 an example. If you buy stock in Apple, you're an
21 investor. If you buy a note or you loan money to Apple,
22 you're a creditor.

23 **Q Okay.**

24 A That's what a creditor. Someone that's
25 loaning money to the company.



EXHIBIT 9

From: Anthony Z <anthonyz@parfunding.com>
Sent: Tuesday, June 09, 2020 5:04 PM EDT
To: Berman, Brett <bberman@foxrothschild.com>
Subject: Re: [EXT] Fwd: extension request
Attachment(s): "image001.jpg", "image001.jpg"

I did

On Tue, Jun 9, 2020, 4:03 PM Berman, Brett <BBerman@foxrothschild.com> wrote:

Thank you. Just write back confirming the 30 day extension. Perfect. Thanks.

Brett A. Berman, Esq.

Partner

Co-Chair of Litigation Department

foxRothschildCRGB

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PA: 2000 Market Street | 20th Floor | Philadelphia, PA 19103

NY: 101 Park Avenue | Suite 1700 | New York, NY 10178

(215) 299-2842 (Philadelphia office)

(212) 878-7945 (New York office)

(215) 299-2150 (facsimile)
bberman@foxrothschild.com

California | Colorado | Connecticut | Delaware | DC | Florida | Georgia | Illinois | Minnesota | Nevada | New Jersey | New York | North Carolina | Pennsylvania | South Carolina | Texas | Washington

From: Anthony Z <anthonyz@parfunding.com>
Sent: Tuesday, June 09, 2020 5:02 PM
To: Berman, Brett <BBerman@foxrothschild.com>
Subject: [EXT] Fwd: extension request

----- Forwarded message -----

From: **Rafael R. Garcia-Salgado** <rgarcia@goeforlaw.com>
Date: Thu, Jun 4, 2020, 3:32 PM
Subject: RE: extension request
To: anthonyz@parfunding.com <anthonyz@parfunding.com>
Cc: Rob Goe <rgoe@goeforlaw.com>

Anthony, thank you for contacting us. You may have a 30-day extension to file a responsive pleading to the complaint, but

not 60 days. The current deadline is 6/22, so you will have until the following month. Once another Defendant prepares a stipulation we're anticipating, we will add your information to that draft and have you sign. Thanks.

From: Anthony Z [mailto:anthonyz@parfunding.com]
Sent: Thursday, June 04, 2020 12:48 PM
To: Rob Goe
Subject: extension request

Robert

This is Anthony Zingarelli from Complete Business Solutions Group

I received a legal action from you case no 2:18-bk-15972-WB

PH DIP inc Versus Complete Business Solutions Group Inc

I am requesting a 60 day extension on this to attain counsel

I also left you a voice mail

Please let me know

Anthony Zingarelli

215 [REDACTED]

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EXHIBIT 10

From: AnthonyZ <anthonyz@parfunding.com>
Sent: Tuesday, May 22, 2018 8:18 AM EDT
To: Pippett, Christopher J. <cpippett@foxrothschild.com>
CC: Berman, Brett <bberman@foxrothschild.com>
Subject: need help on a call today

Chris

I just spoke to Brett, I have a call today involving a company we may merge with
We need a lawyer on the call to speak about usury in a Business to business situation and how it does not apply

Are you available for that call? And are you available for a call now to discuss

Anthony Zingarelli



20 N 3rd St
Philadelphia, PA 19106



Mobile: 215-REDACTED



Desk: 267-540-8127



anthonyz@parfunding.com

EXHIBIT 11

Sent: Tuesday, March 10, 2020 11:49 AM

To: Anthony Z <anthonyz@parfunding.com>; Berman, Brett <BBerman@foxrothschild.com>; John W. Pauciulo <JPauciulo@eckertseamans.com>

Subject: [EXT] RE: Update, life settlement deal

I can arrange my calander to accomdate any time today. This is that important.

I'll wait for everyone else's response

Sent from my T-Mobile 4G LTE Device

----- Original message -----

From: Anthony Z <anthonyz@parfunding.com>

Date: 3/10/20 11:47 AM (GMT-05:00)

To: Dean Vagnozzi <dean@abetterfinancialplan.com>, "Berman, Brett" <BBerman@foxrothschild.com>, "John W. Pauciulo" <JPauciulo@eckertseamans.com>

Subject: RE: Update, life settlement deal

Let me know what time is good for everyone please

From: Anthony Z <anthonyz@parfunding.com>

Sent: Tuesday, March 10, 2020 10:14 AM

To: 'Dean Vagnozzi' <dean@abetterfinancialplan.com>; 'Berman, Brett' <BBerman@foxrothschild.com>; 'John W. Pauciulo' <JPauciulo@eckertseamans.com>

Subject: RE: Update, life settlement deal

Team

I would like all of us to get on a call today

Dean you and your lawyer and Brett and I

I would like Dean on this call to explain the product in more depth so we have the correct understanding

Thank you

From: Dean Vagnozzi <dean@abetterfinancialplan.com>

Sent: Thursday, March 5, 2020 9:05 AM

To: Berman, Brett <BBerman@foxrothschild.com>; John W. Pauciulo <JPauciulo@eckertseamans.com>; Anthony Z <anthonyz@parfunding.com>

Subject: Update, life settlement deal

Hey everyone....where do things stand?

I have 250 people that I need to corral for this buy out...its gonna a be like herding cats, and I'd like to get started as soon as possible.

I realized you attorneys have your process but if there's any way it can be expedited I'd appreciate it.

Again I'm not suggesting that anybody cuts corners on the documentation. Just seeing if it could be sped up so that I can start getting all these people in to fill out whatever paperwork you guys create.

Thank you for understanding

Dean

Sent from my T-Mobile 4G LTE Device

----- Original message -----

From: "Berman, Brett" <BBerman@foxrothschild.com>

Date: 3/1/20 7:57 AM (GMT-05:00)

To: "John W. Pauciulo" <JPauciulo@eckertseamans.com>, Anthony Z <anthonyz@parfunding.com>, Dean Vagnozzi <dean@abetterfinancialplan.com>

Cc: "Burke, Maura L." <MBurke@foxrothschild.com>

Subject: RE: [EXT] life settlement deal

John

Yes, I can make some time Monday morning. How about 930?

Brett Berman

Partner

Fox Rothschild LLP

2000 Market Street

20th Floor

Philadelphia, PA 19103-3222

215.299.2842 – direct

215.299.2150 – fax

101 Park Avenue

Suite 1700

New York, NY 10178

215.299.2842

212.692.0940

BBerman@foxrothschild.com

www.foxrothschild.com

California | Colorado | Connecticut | Delaware | DC | Florida | Georgia | Illinois | Minnesota | Nevada | New Jersey | New York | North Carolina | Pennsylvania | South Carolina | Texas | Washington

From: John W. Pauciulo <JPauciulo@eckertseamans.com>

Sent: Sunday, March 01, 2020 7:12 AM

To: Berman, Brett <BBerman@foxrothschild.com>; Anthony Z <anthonyz@parfunding.com>; Dean Vagnozzi <dean@abetterfinancialplan.com>

Cc: Burke, Maura L. <MBurke@foxrothschild.com>

Subject: RE: [EXT] life settlement deal

Brett:

Would you be available for a call Monday morning? I'm generally available.

We have not drafted any documents yet because we want to confirm the transaction structure will both parties first.

Look forward to speaking with you.

Regards,

John W. Pauciulo

ECKERT SEAMANS CHERIN & MELLOTT, LLC

Two Liberty Place

50 South 16th Street • 22nd Floor • Philadelphia, PA 19102

Direct (215) 851-8480 | Fax (215) 851-8383

Cell (484) REDACTED

jpauciulo@eckertseamans.com

ECKERT
SEAMANS
ATTORNEYS AT LAW

From: Berman, Brett [<mailto:BBerman@foxrothschild.com>]

Sent: Friday, February 28, 2020 6:23 PM

To: Anthony Z <anthonyz@parfunding.com>; Dean Vagnozzi <dean@abetterfinancialplan.com>; John W. Pauciulo <JPauciulo@eckertseamans.com>

Cc: Burke, Maura L. <MBurke@foxrothschild.com>

Subject: [External] RE: [EXT] life settlement deal

Thanks anthony.

John let me know when you want to speak this weekend or Monday.

Brett Berman

Partner

Fox Rothschild LLP

2000 Market Street

20th Floor

Philadelphia, PA 19103-3222

215.299.2842 – direct

215.299.2150 – fax

101 Park Avenue

Suite 1700

New York, NY 10178

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From: Anthony Z <anthonyz@parfunding.com>

Sent: Friday, February 28, 2020 6:12 PM

To: Dean Vagnozzi <dean@abetterfinancialplan.com>; John W. Pauciulo <JPauciulo@eckertseamans.com>

Cc: Berman, Brett <BBerman@foxrothschild.com>; Burke, Maura L. <MBurke@foxrothschild.com>

Subject: [EXT] life settlement deal

Brett

I have Dean Vagnozzi and his lawyer John Pauciulo on the email

We are doing a life settlement deal with them

He has about 250 clients in 5 different PPMs that have money in a life settlement product

The majority of the life settlement paper represents people in their 90's that just are not dying, these groups did not expect to be in the deals this long

They want to sell the paper to Joe for .50 on the dollar. The money they receive for the buyout of the policies will then be invested in CBSG

Dean's company is ABFP Management, he represents and manages 5 different PPMS

These groups through ABFP are going to sell to Eagle Six approximately 20 mil in life settlement paper for \$10mil (approximate numbers)

The PPMs are then going to invest the 10mil into CBSG for a return

Eagle Six will then own the rights to the life settlement paper, as people pass on the payouts will go to ABFP who will then be obligated to pay Eagle Six

John Pauciulo already papered the deal up, from my understanding, but we wanted him to share these docs with your team for review and to assist in finalizing the docs

Anthony

215-REDACTED

From: Dean Vagnozzi <dean@abetterfinancialplan.com>

Sent: Friday, February 28, 2020 1:15 PM

To: Anthony Z <anthonyz@parfunding.com>; John W. Pauciulo <JPauciulo@eckertseamans.com>

Subject: RE: My info

John...

I am at par funding as I type this. Sitting with joe and Anthony zingarelli.

Anthony is copied on this. He will coordinate paperwork with the par attorneys.

Anthony... take it from here....

Dean

EXHIBIT 12

From: Anthony Z <anthonyz@parfunding.com>
Sent: Monday, July 22, 2019 2:35 PM EDT
To: bret.dunbar@eulerhermes.com <bret.dunbar@eulerhermes.com>; Alexis Houser <ahouser@parfunding.com>
CC: roohi.kake@eulerhermes.com <roohi.kake@eulerhermes.com>; Ben Mannes <bmannes@parfunding.com>
Subject: RE: Insurance Claims Followup

We sent these contracts in at the time of funding to and your firm approved them

We paid our insurance bill

You are required to either complete the claim or provide an official response as to why we are being denied the claim

We paid for the insurance – we deserve a more sincere effort on your part to satisfy the terms of agreement

Anthony Zingarelli

From: Bret.Dunbar@eulerhermes.com <Bret.Dunbar@eulerhermes.com>
Sent: Monday, July 22, 2019 2:02 PM
To: Alexis Houser <ahouser@parfunding.com>; Anthony Z <anthonyz@parfunding.com>
Cc: Roohi.Kake@eulerhermes.com
Subject: RE: Insurance Claims Followup

We do not provide loan guarantee insurance. We provide Accounts Receivable (invoice) insurance.

Bret Dunbar

Euler Hermes North America | One Penn Plaza, Suite 3325, New York, NY | USA - 10119
Phone: +1 212.502.0533 | Mobile: +1 732-REDACTED | Fax: +1 212.502.0508 | bret.dunbar@eulerhermes.com
eulerhermes.us



This is not an automatic email and is sent directly from my business email account. Please reply with “unsubscribe” if you wish for me not to reach out moving forward.

From: Alexis Houser [<mailto:ahouser@parfunding.com>]
Sent: Monday, July 22, 2019 1:40 PM
To: DUNBAR, Bret (EH:AMER); Anthony Z
Cc: KAKE, Roohi (EH:USA)
Subject: Re: Insurance Claims Followup

This is loan guarantee insurance, so why would there be an invoice instead of a contract?

On Mon, Jul 22, 2019 at 1:11 PM Bret.Dunbar@eulerhermes.com <Bret.Dunbar@eulerhermes.com> wrote:

Hi Lexi,

You have noted to our Claims Department that there were no invoices. If there are no invoices, there is no A/R, and therefore there is nothing we are covering.

Regards,

Bret

Bret Dunbar

Euler Hermes North America | One Penn Plaza, Suite 3325, New York, NY | USA - 10119
Phone: +1 212.502.0533 | Mobile: +1 732-REDACTED | Fax: +1 212.502.0508 | bret.dunbar@eulerhermes.com
eulerhermes.us



This is not an automatic email and is sent directly from my business email account. Please reply with "unsubscribe" if you wish for me not to reach out moving forward.

From: Alexis Houser [mailto:ahouser@parfunding.com]
Sent: Monday, July 22, 2019 9:52 AM
To: KAKE, Roohi (EH:USA); DUNBAR, Bret (EH:AMER)
Subject: Insurance Claims Followup

Good Morning,

I'm reaching out because I haven't heard back about the insurance claims that I submitted. I just went through my email, and I submitted all of the necessary documentation for the following claims (listed below) at the end of march/early April. The supporting documentation was sent from the email insurance@parfunding.com, and was sent to Roohi's email as well as CCAdmin@eulerhermes.com. Can you please let me know the status of these ASAP?

1. Shore Break Electric/ Tony Nuzzo
2. Ameripro Auto Glass
3. Street Games
4. El Bouza inc
5. Club X
6. J&J Trucking
7. Happy Hands Auto Spa
8. Hybrid Mechanical
9. New Shepard Quality Windows
10. Diamat
11. Gurndoor Chicagos Pizza
12. Catalyst Construction
13. OMS Moving and Storage

Thank you so much,

--
Lexi Huff

Error! Filename not specified.
20 N. 3rd St
Philadelphia, PA 19106

Error! Office: (267) 450-9367
Filename not specified.
Error! Fax: (888) 305-7562
Filename not specified.

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Read our full e-mail disclaimer statement and monitoring policy (<http://www.eulerhermes.com/Pages/legals.aspx>) before taking any action based on the contents of this e-mail.

--
Lexi Huff



EXHIBIT 13

From: AnthonyZ <anthonyz@parfunding.com>
Sent: Monday, October 23, 2017 1:51 PM EDT
To: Mich Zing <michzing@yahoo.com>
Subject: UNion league essay

Outline for our essay for the union league (we got to get this in this week)

Write the letter as it is coming from me

Charities:

Hero Plaque Program with Jimmy Binns

Mr. Binns founded the Hero Firefighter Plaque Program in 2006. As of today, 65 Hero Plaques have been dedicated. A total of 285 plaques will be dedicated in memory of heroic firefighters and police officers.

Cops Wheels with Jimmy Binns, where we raise money to buy new equipment for the police department

We decided on these two above charities because my grandfather was a Philadelphia police officer for years, and was always very proud of that experience in his life. When we got involved in charities we wanted to be apart of one that would honor everything he believes in.

Challenge Program- The challenge program provides vocational training for Delaware's at-risk youth to empower them with the confidence, skills and purpose needed to become productive members of society. Since 1995, the Challenge Program has offered young people the opportunity to learn valuable construction skills, assistance in earning a high school diploma or GED and job placement services.

Republican

Mention that you are the republican inspector and how long you have done that for and that you work the polls

Also speak of how we both help Vinnie Minnitti with the New Republican GOP organization, we help them raise money, support their events, and assist in going neighborhood to neighborhood to get people to register republican

Business – Work

UA Supply Chain Inc

Owner and CEO, An operations consulting and special financial servicing company serving companies all over the united states

I also hold the position of COO of Military Construction LLC, this company is the a Service Disabled Veteran Owned construction company based out of Philadelphia . I handle all the companies financing and surety. The company performs all federal government projects, mostly for VA MEDICAL FACILITIES.

I also hold the position of Chief Strategic Planning Officer for Complete Business Solutions Group, A finance company based out of Philadelphia serving clients all over the united states

I am also an authorize outreach osha trainer, certified and licensed by OSHA as a 30 hr training professional

School

Germantown Academy '94

NYU '97

NYU graduate certificate in construction management

Currently attending Philadelphia University MBA program

Authorized outreach OSHA training professional

Church

Practicing catholics

St Monica's parish

Our kids attend St Monicas

We attend mass ever Sunday at 10am

Free Enterprise

Obviously we believe in the free enterprise system just by looking at jobs

I specialize in helping small businesses grow, be it with financing or business consulting, I am also obviously a major supporter our military, As I decided to take an equity stake in Military Construction which is a service disable veteran owned construction company, I provide that company with financing and surety to help enable them to grow. My daily work performance is based around help businesses grow, helping businesses take advantage of the free market place that our fine country provides.

Family:

Wife – mention how long we have been together and how long we have been married

Two kids - attend catholic school and are a swim team at friends select

Anthony Zingarelli



141 N 2nd St
Philadelphia, PA 19106



Office: 215-REDACTED



Fax: scan & email



anthonyz@parfunding.com



EXHIBIT 14

CONFIDENTIAL DISCLOSURE,
NON-CIRCUMVENT AND
NON-COMPETE AGREEMENT

This Confidential Disclosure, non-Circumvent and non-Compete Agreement ("Agreement") is dated ("Effective Date") _____ and is between Anthony Zingarelli of Par Funding hereinafter, ("the Contracting Party") and US Business Finance Corporation and its affiliated companies ("USBFC").

WHEREAS, the Contracting Party and USBFC acknowledge that certain 'Confidential Information' may be disclosed between themselves and their affiliates or clients and the Contracting Party identified below, the Parties agree that:

1. Confidential information may include customer details, operations, marketing plans, strategies or product information and plans, data, equipment, business associates, names or other technical or business information. Any tangible Confidential Information disclosed must be marked as confidential at the time of disclosure, and any oral or non-tangible Confidential Information disclosed may include information relating to various Domestic and International Projects ("Projects") or the marketing, sale and distribution of products or services, as well as organization structures and business development in both the United States and international markets.
2. The Party receiving Confidential Information under this Agreement shall use the Confidential Information only for the purpose of review and analysis for possible participation in the Projects.
3. Non-Disclosure. The recipient shall not use disclosing party's Confidential Information for any other purpose and shall protect the disclosed information by using the same degree of care, and no less than a reasonable degree of care, to prevent the unauthorized use, dissemination or publication of Confidential Information as it uses to protect its own Confidential Information of a like nature including (a) identifying documentation or communications as "Confidential or Proprietary Information" as directed by the sender of the communication, (b) taking reasonable precautions to insure that the Confidential or Proprietary Information is not disseminated without prior authorization, (c) taking reasonable precautions to insure that the Confidential or Proprietary Information is not misappropriated or stolen, (d) to affix appropriate notices or labels to all physical expressions of Party's Confidential Information, (e) to notify disclosing party of any unauthorized possession, use or knowledge of Confidential Information and to furnish details of such possession in the event of any injunctions, suit or proceeding to enforce confidentiality, and (t) to promptly return to disclosing party upon written request, all tangible expressions of disclosing Party's Confidential Information.
4. This Agreement imposes no obligation upon a recipient with respect to Confidential Information which (a) was the recipient's possession before receipt from the disclosure; (b) is or becomes a matter of public knowledge through no fault of the recipient, (c) is rightfully received by the recipient from a third party, (d) is independently developed by recipient, (c) is disclosed under operation of law, or (t) is disclosed to recipient with other Party's prior written approval.
5. No license, trademark, patent, copyright or other intellectual property right is either granted or implied by the disclosure of Confidential Information.

6. DISCLOSURE. No representation relating to disclosing party, its financial performance or any other document, exhibit or other information furnished by disclosing party in connection with the execution, delivery and performance of any Projects, or the consummation of the transactions contemplated hereby, contains or will contain any untrue statement of material fact or omit to state a material fact, required to be stated in order to make the statement, in light of the circumstances in which it is made, not misleading. In connection with this Agreement and the documents, descriptions, opinions, certificates, exhibits or written material delivered or to be delivered between disclosing party and the receiving party, the receiving party agrees to disclose to disclosing party any facts known which would effect the disclosing party's decision to proceed with the execution of the Projects or which, in disclosing party's reasonable opinion, adversely effect any performance, condition, ownership, operation, financial or prospective financial aspects of the Projects which have not been disclosed by either Party.
7. NON-CIRCUMVENT. It is anticipated that during the course of dealings between the Parties, each may reveal to the other, certain names, client lists, and other information ("Designated Party"), which is the proprietary information and property of the disclosing Party. A Designated Party shall be identified in writing to the other Party. Neither Party shall have any obligations to offer or consummate a transaction to or with neither each other nor a Designated Party of the other.
8. The Parties shall agree not to circumvent, attempt to circumvent, or cause a third party to act on their behalf to circumvent each other in any way, manner or form regarding any transactions during the term of this Agreement and not to contact, call on, solicit, or take away either directly or indirectly any Designated Party of the other during the effective period of this Agreement.
9. The Parties agree to use their best efforts to preserve the goodwill and reputation of each other. The Parties agrees to notify each other of all inquires and proposed transactions from any Designated Party of the other in their respective product lines. The parties shall supply to each other a timely report of the transactions with a Designated Party of the other. The Parties further agree that this Agreement and respective obligations hereunder shall be binding upon the owners, officers, employees, and any other representative or agent of the Contracting Party and USBFC who might financially benefit from this Agreement.
10. NON-COMPETE. The Parties hereby agrees that for three (3) years following the month of termination of this Agreement, the parties shall not directly nor indirectly compete with each other through the use of their client contracts or Designated Parties. In the event of termination, the receiving Party shall surrender all material, information, scripts and procedure manuals, promotional packages, demonstration kits and sales guides, technical material and all other material which is identified as disclosing party's material, whether confidential or otherwise, and in any medium.
11. Neither Party has an obligation under this Agreement to purchase any service or item from the other Party.
12. Neither Party has an obligation under this Agreement to offer for sale products using or incorporating the Confidential Information. The Parties may offer, at their sole discretion, products for sale or may modify or discount sales at any time.
13. As a sanction, the Parties recognize that in the event of an intentional violation of this Agreement, the extent and nature of the damages directly associated with the violation shall be difficult to

determine. Therefore, in the event of a breach of confidentiality, disclosure or circumvention occurs, either Party shall have the right to (1) initiate a legal action in any court of competent jurisdiction to secure an Ex Parte Temporary Injunction to restrain offending Party's further acts, and (2) in the event of a Judgment in favor of Non-Offending Party in the entry of a permanent restraining, including without limitation court costs and reasonable attorney's fees incurred by the Non-Offending Party in enforcing the provisions hereof. Such remedies, however, shall not be deemed to be the exclusive remedies for any breach of this Agreement but shall be in addition to all other remedies available at law or equity.

14. In the event of a dispute between the parties where litigation is initiated by the either Party The validity of interpretation of this Agreement shall be governed by the laws of the State of Colorado without regard to any conflict of laws, rules or policies. In the event of a dispute between the parties, the validity of interpretation of this Agreement shall be governed by the laws of the State of Colorado without regard to any conflict of laws, rules or policies.
15. The Parties irrevocably and unconditionally submit in any legal action or proceeding related to this agreement or for recognition of any judgment in respect thereof, to the jurisdiction of any of Douglas County in the State of Colorado.
16. No Amendment or modification of this Agreement shall be valid unless evidenced by a written Amendment, signed on the behalf of the Parties hereunto by their duly authorized representatives, provided that either Party may change its address as provided above.
17. This Agreement sets forth the full and complete Agreement of the parties; provided that this Agreement does not amend, supersede, terminate or otherwise effect any other Agreements between all Parties regarding other Agreements of any kind.
18. This written Agreement shall apply to any performance after prior to the execution of this Agreement, as if this written Agreement was executed before such performance commenced.
19. This Agreement is executed and effective for five (5) years as of the date first written above.

Par Funding:

Anthony Zingarelli, COO

Date

US Business Finance Corporation:

Kathleen Naschinski, Vice President

Date