

**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.

_____ /

**RECEIVER'S MOTION TO (1) APPROVE PROPOSED PLAN OF
DISTRIBUTION AND (2) AUTHORIZE FIRST INTERIM DISTRIBUTION**

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Ryan K. Stumphauzer, Esq., Court-Appointed Receiver (“Receiver”) of the Receivership Entities,¹ by and through his undersigned counsel, respectfully requests the Court to approve his proposed plan of distribution of assets within the Receivership Estate, and to authorize a first interim distribution. In support thereof, the Receiver states:

I. INTRODUCTION

CBSG, including its principals, Lisa McElhone and Joseph LaForte, together with certain other individuals, violated the securities laws in an offering that raised hundreds of millions of dollars from investors, including direct investors and through several “agent funds.” Based on evidence the Securities and Exchange Commission (the “SEC”) submitted, the Court granted various relief, including the appointment of a Receiver to marshal and safeguard assets for the benefit of defrauded investors. *See* Amended Order Appointing Receiver [ECF No. 141] (the “Amended Receivership Order”). The Receiver has made significant progress since his

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 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.

appointment, recovering or otherwise obtaining control of more than \$165 million in cash and tens of millions of dollars in other assets the Defendants obtained with commingled investor funds. The Receiver is also continuing to pursue other recoveries, including a substantial settlement with Eckert Seamans Cherin & Mellott LLC, the law firm that was integrally involved in setting up the agent-fund model CBSG and its primary fundraiser, Dean Vagnozzi, utilized in their fraudulent scheme to raise investor funds through lies and misrepresentations.

Despite these recoveries, the records of the Receivership Entities reflect that, as of the Receiver's appointment, CBSG owed approximately \$365 million in principal to its investors. Although CBSG had recorded on its books hundreds of millions of dollars in "profit" based on the accounts receivable for its outstanding merchant cash advances, the Receiver conducted a thorough investigation into the prior operations and current status of the Receivership Estate, and determined that a substantial percentage of these receivables were uncollectable. Nevertheless, CBSG did not write off these uncollectable amounts. To the contrary, CBSG represented to investors that these uncollectable amounts were "profits," promised investors above-market interest rates based on these "profits," and made significant "profits payments" to Lisa McElhone and other insiders based on these purported profits.

When these uncollectable amounts are recognized for what they truly are—substantial losses—the liabilities of the Receivership Estate significantly exceed its assets. Indeed, the Receiver's investigation into CBSG has determined that CBSG was *never* a profitable business and was only able to repay older investors by raising additional funds from newer investors. As of 2019, CBSG owed its investors and client funding creditors \$128,823,548 more than the assets available to satisfy these debts. As this Court determined in its Order Granting Receiver's Motion

to (1) Approve Proposed Treatment of Claims and (2) for Ponzi Determination [ECF No. 1976], (the “Order Granting Claims Motion”), CBSG operated as a Ponzi scheme.

Given the financial condition of CBSG, all investors cannot be “made whole” and recover their full principal investment from the company’s available assets. As a result, when formulating a process for distributing the available funds, the district court has extremely broad powers and wide discretion “to determine to whom and how the assets of the Receivership Estate will be distributed.”² “No specific distribution scheme is mandated so long as the distribution is fair and equitable.”³ In general, “any distribution should be done equitably and fairly, with similarly situated investors or customers treated alike,” and “equity should not permit one group a preference over another, because ‘equality is equity.’”⁴

With this backdrop, the Receiver’s proposed plan for distributing funds back to investors is aimed at achieving these goals of equity and fairness. The Court previously approved the Receiver’s utilization of the “net investment” methodology in calculating the amounts at which investors’ claims were approved. This methodology accounts for all cash an investor paid into CBSG (or an agent fund), minus all cash the investor received back from CBSG (regardless of whether it was characterized as the payment of interest, the return of principal, or otherwise).

As described more fully below, the Receiver has detailed in this motion his recommendations for how the funds within the Receivership Estate should be distributed, including a summary of the funds within the Receivership Estate that are available for distribution and the proposed priority between and among the various categories of claimants with allowed

² See *SEC v. Elliot*, 953 F.2d 1560, 1566 (11th Cir. 1992).

³ *SEC v. Homeland Communications Corp.*, 07-80802 CIV, 2010 WL 2035326, at *2 (S.D. Fla. May 24, 2010).

⁴ *Id.*

claims. After accounting for an appropriate holdback of funds, the Receiver is proposing a plan that will authorize distributions of more than \$110 million to investors with Allowed Claims. For the reasons stated herein, the Court should approve the Receiver's proposed distribution plan and authorize the Receiver to proceed with an initial interim distribution to claimants of funds from within the Receivership Estate.

II. BACKGROUND

A. Procedural Background

On July 24, 2020, the SEC filed a complaint (the "Complaint") [ECF No. 1] in the United States District Court for the Southern District of Florida (the "Court"), alleging that the Defendants violated the securities laws by, among other things, making false or materially misleading representations to investors relating to their investment in CBSG. On July 27, 2020, the Court entered the Order Appointing Receiver which, in relevant part, directed the Receiver to "[t]o take custody, control and possession of all Receivership Entity records, documents, and materials, and to safeguard these items until further Order of the Court." [ECF No. 36 ¶ 1]. The Court later entered an Amended Order Appointing Receiver on August 13, 2020, which authorized the Receiver to "develop a plan for the fair, reasonable, and efficient recovery and liquidation of all remaining, recovered and recoverable Receivership Property." [ECF No. 141 ¶ 52].

On December 21, 2022, the Receiver filed a Motion to Establish and Approve the : (1) Proof of Claim Form; (2) Claims Bar Date and Notice Procedures; and (3) Procedure to Administer and Determine Claims (the "Claims Process Motion") [ECF No. 1467]. The Court entered an Order granting the Claims Process Motion on December 23, 2022 (the "Claims Process Order") [ECF No. 1471]. By granting the Claims Process Motion, the Court approved a procedure for individuals or entities who believed they may have a claim against any Receivership Entity to submit a claim to the Receivership assets.

All claims were due to be filed before March 22, 2023. Thereafter, the Receiver and his professional consultants reviewed and analyzed these Proofs of Claim to determine the validity of each claim and to determine, based on the records of the Receivership Entities, whether the Receiver agreed with the amount each claimant included on the Proof of Claim Form. The Receiver's Claims Agent then began the process of providing each claimant with a Notice of Determination, as well as with the Receiver's determinations on the validity and approved amount of each claim. These Notices of Determination were sent out by U.S. Mail to the address each claimant included on the Proof of Claim Form, as well as by email, if the claimant included an email address on their Proof of Claim Form. Claimants were afforded 30 days to review and, if applicable, object to the Receiver's Notices of Determination.

Thereafter, the Receiver filed his Motion to (1) Approve Proposed Treatment of Claims and (2) for Determination of Ponzi Scheme ("Claims Motion") [ECF No. 1843]. In the Claims Motion, the Receiver requested the Court to determine that CBSG operated as a Ponzi scheme, and to approve his approved treatment of the Proofs of Claim that claimants submitted to the Receiver. After providing all claimants an opportunity to respond to the Claims Motion, the Court entered its Order Granting Claims Motion [ECF No. 1976].

In the Order Granting Claims Motion, the Court determined that CBSG operated as a Ponzi scheme, approved the Receiver's "net investment" methodology for calculating investors' claims, and adjudicated the Receiver's claims determinations for all Proofs of Claim. The Court considered the Receiver's proposed determinations, and either denied, approved, or approved as modified each of the Proofs of Claim. With an approved set of claims, the Court further instructed the Receiver to proceed with preparing and filing a motion to establish a distribution plan and to

seek authorization for an initial distribution. The Receiver now requests approval of this motion to establish a plan of distribution and to authorize a first interim distribution.

B. Sources of Recovery for Distribution to Claimants

Following the Court's ruling on the Receiver's Claims Motion, the Receiver has been working with his consultants at Development Solutions, Inc. ("DSI") to analyze the funds and other assets within the Receivership Estate, classify and categorize those funds and assets, and calculate the proposed amounts to be distributed to claimants with allowed claims. As part of this process, the Receiver has afforded proper consideration to issues relating to the priority of classes of claims, the classification of certain claimants as "insiders," and appropriate holdbacks from the proposed distribution amounts based on disputed issues and claims that are likely to be the subject of appeals and other challenges in the future.

The vast majority of assets recovered to date generally fall into three categories: (1) funds recovered from bank accounts or otherwise collected from individuals or entities that were obligated to pay funds to the Receivership Entities; (2) real estate the Receiver has identified and secured that the Defendants purchased with commingled investor funds; and (3) other property, including vehicles, watercraft, artwork, and luxury watches, that the Defendants obtained with commingled investor funds. The Receiver has been diligently working to sell the real estate and other property, so that the proceeds from the sale of those assets will be available for the proposed distributions. In addition to the assets secured to date, the Receiver anticipates he will recover additional funds from individuals and entities that have remaining obligations to the Receivership Entities, including tax refunds from the Internal Revenue Service and the State of Florida, and he continues to analyze and pursue other claims against third parties.

C. Proposed Process for Resolving this Motion

Through this motion, the Receiver requests that the Court review and approve his proposed plan for distributing funds to claimants with allowed claims, and to authorize a first interim distribution to claimants. The Receiver proposes that claimants and other parties be afforded 14 days, should they deem it appropriate, to prepare and file a response to this motion, which should be limited to 10 pages. Thereafter, the Receiver would request a period of 14 days to prepare and file separate replies to the responses, which shall also be limited to 10 pages. Although the Receiver requests the ability to file a separate reply to each response, the Receiver would, where appropriate, reply to multiple, similar responses in a single filing to minimize the time and expense of this process.

Thereafter, depending on the responses that are filed, the Receiver suggests that the Court may consider and resolve this Motion, with or without a hearing to address certain disputed issues, such as the arguments from the Chehebar Investors that they purportedly possess superior liens over CBSG's assets by virtue of UCC-1 filings, as well as the Receiver's recommended classification of the Chehebar Investors and Capital Source 2000 as "Insiders." This process, which comports with the summary procedures permitted under equitable receiverships, affords all interested parties a fair opportunity to present evidence when the facts are in dispute and to make arguments regarding those facts. *See S.E.C. v. Elliott*, 953 F.2d 1560, 1567 (11th Cir. 1992).

III. THE COURT HAS BROAD AUTHORITY IN THE CLAIMS PROCESS

A district court possesses extremely "broad power to remedy violations of federal securities laws." *Eberhard v. Marcu*, 530 F.3d 122 (2d Cir. 2008); *see also SEC v. Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992) ("The district court has broad powers and wide discretion to determine relief in an equity receivership."); *SEC v. Credit Bancorp, Ltd.*, 290 F.3d 80, 82–83 (2d Cir. 2002) (affirming approval of proposed plan for returning funds to claimants as "within the equitable

discretion of the District Court”). In particular, “[a]s an exercise of its equity powers, the court may order wrongdoers to disgorge their fraudulently obtained profits,” and, “[o]nce the profits have been disgorged, it remains within the court’s discretion to determine how and to whom the money will be distributed, and the district court’s distribution plan will not be disturbed on appeal unless that discretion has been abused.” *SEC v. Fishbach Corp.*, 133 F.3d 170, 175 (2d Cir. 1997).

The Court’s power to supervise an equity receivership and determine the appropriate actions to be taken in its administration is extremely broad. *Elliott*, 953 F.2d at 1566. It is appropriate for a receiver to seek guidance from a court when devising a process for distributing funds within an equity receivership, given the importance of such a matter and wide discretion in how such a process could be structured. As has been noted, “[i]t is the court itself which has the care of the property in dispute . . . [and the] receiver is but the creature of the court.” *SEC v. Safety Finance Service, Inc.*, 674 F.2d 368, 373 (5th Cir. 1982).

The Court may approve the proposed distribution of the assets of a receivership estate in a manner that it deems fair and equitable. *See Elliot* at 1569–70. In cases involving fraud, some assets may be “fortuitously identifiable by virtue of the liquidation or encumbering of the assets of [certain investors],” but the ability to trace a particular claimant’s funds into specific assets within the receivership does not provide a basis for giving priority to one claimant over another. *See SEC v. Credit Bancorp*, 194 F.R.D. at 463; *United States v. Real Property*, 89 F.3d 551, 552, 553 (9th Cir. 1996) (holding that it is inequitable to allow creditors to use tracing fictions to recover full amount of its claim at expense of equally innocent fraud victims). Rather, the goal of any plan of distribution is to ensure that the process is “done equitably and fairly, with similarly situated investors or customers treated alike,” and “equity should not permit one group a preference over

another, because ‘equality is equity.’” *S.E.C. v. Homeland Communications Corp.*, 07-80802 CIV, 2010 WL 2035326, at *2 (S.D. Fla. May 24, 2010).

IV. DISTRIBUTION PLAN

A. Definitions

When used in the Receiver’s proposed plan of distribution (the “Distribution Plan”), the capitalized terms identified below and their plural forms have the following meanings:

“Allowed Claim” means a Claim that a Claimant submitted to the Receiver, and which was determined to be a timely-filed, valid, and allowed claim pursuant to the Court’s Order on the Receiver’s Claims Motion. An Allowed Claim is a necessary condition to the receipt of a Distribution.

“Allowed Claim Amount” means the maximum amount the Court has determined a Claimant is entitled to receive based on an Allowed Claim, as established in the Order on the Receiver’s Claims Motion. The Allowed Claim Amount is not the amount the Claimant will, in fact, receive in Distributions from the Receivership Estate. Rather, it is the maximum amount that the Claimant is entitled to receive from the Receivership Estate, subject to other considerations, if a full recovery is made to all Claimants.

“Claim” means any alleged right to a Distribution, regardless of whether or not such right to payment is reduced to judgment, liquidated, unliquidated, fixed or contingent, asserted or unasserted, matured, disputed, undisputed, legal, secured or unsecured.

“Claimant” means the holder of an Allowed Claim.

“Class” means a category of Claims as set forth in the Distribution Plan. As the Receiver administers the Distribution Plan, he reserves the right to move Claims from one Class to another, subject to an Order from the Court approving such reclassification.

“Court” means the United States District Court for the Southern District of Florida, before which this action is pending.

“Distribution” means any payment the Receiver makes to a Claimant on an Allowed Claim in accordance with the procedures outlined in this Distribution Plan.

“Person” means an individual, corporation, partnership, limited liability company, trust, association, retirement or pension plan, or other entity who holds an Approved Claim.

“Receivership Assets” means all assets of the Receivership Entities that have or will be collected by the Receiver.

“Receivership Estate” means all of the property interests of the Receivership Entities, including, but not limited to, monies, funds, securities, credits, effects, goods, chattels, lands, premises, leases, claims, rights and other assets, together with all rents, profits, dividends, interest or other income attributable thereto, of whatever kind, which the Receivership Entities own, possess, have a beneficial interest in, or control directly or indirectly.

B. Priority of Classification of Claims for Distribution

The priority of each Allowed Claim will be determined according to its classification, as listed below in decreasing order of priority:

- (1) Administrative Claims of the Receivership Estate;
- (2) Government Tax Liabilities of the Receivership Estate;
- (3) Secured Investors under the Exchange Offering;
- (4) Other Defrauded Investors;
- (5) Employees;
- (6) Vendors / Trade Creditors / Governmental Entities;
- (7) Merchants; and
- (8) Insider Investors.

Each classification and its corresponding priority status is described in further detail below.

1. Class 1: Administrative Claims / Professional Claims

Class 1 Claims include Administrative Claims for the actual and necessary expenses of administering the Receivership Estate, including fees and expenses paid in connection with operating the Receivership Entities; marshaling, preserving, and distributing Receivership Assets; fees and expenses paid in accordance with the Receivership Orders or other Court Orders; and other related fees and expenses. All Administrative Claims are subject to the Receiver's review and analysis, and such claims will be paid only after the Receiver determines, in his sole professional judgment, that the total amount claimed is equal to the actual value provided by such Claimant and received by the Receivership Estate.

Class 1 Claims also include Professional Claims for the fees and expenses to the Receiver and his attorneys and consultants that have provided services for the benefit of the Receivership Estate following the appointment of the Receiver. The Receiver will continue to submit quarterly applications to the Court for payment of Professional Claims and, in accordance with the Court's Orders, satisfy these Professional Claims in the ordinary course.

All current and future Class 1 Claims will be paid in full from funds held in the bank accounts of the Receivership Estate, and shall be accorded priority over all other Claims. The Receiver will not know the full amount of the Class 1 Claims until the conclusion of this case. Accordingly, the Receiver will, in the exercise of his discretion, hold back a sum to fund the cost of administering the Receivership Estate and to satisfy all future Administrative Claims / Professional Claims. The Receiver may reserve additional amounts from additional funds he recovers for the benefit of the Receivership Estate, but will endeavor to reserve no more for Administrative Claims and Professional Claims than he reasonably believes to be necessary to pay out such Claims. Any amount left in reserve for Class 1 Claims at the conclusion of this case shall

be distributed to Claimants in lower priority classifications, pursuant to the terms of this Distribution Plan.

2. Class 2: Government Tax Liabilities of the Estate

This claim category includes all post-Receivership tax and other liabilities that the Receivership Entities owe to a local, state, federal, or foreign governmental body. All current and future Class 2 Claims will be paid in full from funds held in the bank accounts of the Receivership Estate, and shall be accorded priority over all other Allowed Claims. The Receiver will not know the full amount of the Class 2 Claims until the conclusion of this case. Accordingly, the Receiver will, in the exercise of his discretion, hold back a sum to satisfy all future Class 2 Claims. The Receiver may reserve additional amounts from additional funds he recovers for the benefit of the Receivership Estate, but will endeavor to reserve no more for Class 2 Claims than he reasonably believes to be necessary to pay out such Claims. Any amount left in reserve for Class 2 Claims at the conclusion of this case shall be distributed to Claimants in lower priority classifications, pursuant to the terms of this Plan. All Class 2 Claims shall have priority over Class 3, 4, 5, 6, 7, and 8 Claims.

3. Class 3: Secured Investors in CBSG under the Exchange Offering

This claim category includes the Allowed Claims of a Claimant that invested money directly with CBSG and obtained an Exchange Note and Security Agreement in 2020, prior to the commencement of this action. Class 3 is comprised of direct investors and agent funds who invested directly in CBSG's merchant cash advance business based on misrepresentations from CBSG and the agents who touted these investments in the company.

These investors were provided a Security Agreement, pursuant to which a UCC-1 financing statement was filed in April 2020, reflecting these investors' security interest in CBSG's assets. In accordance with the terms of these security agreements and the UCC-1 financing statement that

was recorded on their behalf, all security interests of all Class 3 Claims are of equal priority. Under this Distribution Plan, all Class 3 Claims shall have priority over all Class 4, 5, 6, 7, and 8 Claims, and—with the exception of Class 4 Claims against Receivership Entities other than CBSG, as discussed below—must be paid in full before a Distribution will be made to a lower Class. The Receiver believes that he will be able to make pro-rata Distributions to Class 3 Claimants, but it is uncertain whether he will be able to pay such Claims in full.

4. Class 4: Other Defrauded Investors:

This claim category includes the Allowed Claims of a Claimant that invested money with one or more of the Receivership Entities, but did not obtain a security agreement that is supported by a properly-filed and valid UCC-1 financing statement. All Class 4 Claims shall have priority over all Class 5, 6, 7, and 8 Claims, and must be paid in full before a Distribution will be made to a lower Class.

Based on the current assets within the Receivership Estate, the Receiver will not be able to make pro-rata Distributions to Class 4 Claimants who invested directly in CBSG. Although it is possible, the Receiver believes it is unlikely that future recoveries will permit a pro-rata Distribution from CBSG to Class 4 Claimants who invested directly in CBSG.

The Receiver will, however, be able to make pro-rata Distributions to Class 4 Claimants with Allowed Claims against Receivership Entities other than CBSG (*i.e.*, the ABFP entities, Fidelis Financial Planning, and the Retirement Evolution entities). It is uncertain, however, whether he will be able to pay such Claims in full. Most of these other Receivership Entities, as Class 3 Claimants, will receive a Distribution from CBSG. The Receivership Entity will combine the funds it receives from CBSG with other funds solely attributable to that specific Receivership Entity, and then make these Distributions of the combined funds to Claimants with Allowed Claims against the fund, on a pro-rata basis.

5. Class 5: Employees

This claim category includes the Allowed Claims of a Person who was formerly an employee of the Receivership Entities, seeking wages and other amounts for services they provided to the Receivership Entities prior to the appointment of the Receiver. All Class 5 Claims shall have priority over all Class 6, 7, and 8 Claims, and must be paid in full before a Distribution will be made to a lower Class. The Receiver believes that no Distributions will be made to Class 5 Claimants. Should the Receiver be able to make a Distribution to Class 5 Claimants, however, such Distributions will be without consideration for payroll- and wage-related taxes.

6. Class 6: Vendors / Trade Creditors / Governmental Entities

This claim category includes the Allowed Claims of businesses that have not been paid for goods, services, and credit they provided to the Receivership Entities prior to the appointment of the Receiver, credit card companies seeking to collect on unpaid amounts that the Receivership Entities and their owners and representatives incurred prior to the appointment of the Receiver, and governmental entities seeking to collect unpaid taxes for amounts attributable to periods prior to the appointment of the Receiver. All Class 6 Claims shall have priority over all Class 7 and Class 8 Claims, and must be paid in full before a Distribution will be made to a lower Class. The Receiver believes that no Distributions will be made to Class 6 Claimants.

7. Class 7: Merchants

This claim category includes the Allowed Claims of companies that received funding through merchant cash advance agreements with the Receivership Entities and were parties to litigation against one of the Receivership Entities as of the appointment of the Receiver. All Class 7 Claims shall have priority over all Class 8 Claims and must be paid in full before a Distribution will be made to a lower Class. The Receiver believes that no Distributions will be made to Class 7 Claimants.

8. Class 8: Insider Investors

This claim category includes the Allowed Claims of individuals and companies that invested in CBSG, including through other Receivership Entities, but have been determined by the Receiver to be subordinate in priority of payment to Classes 1 through 7, as compelled by the equities of the case and the actions of the relevant Claimant. Class 8 Claims include Claimants who were involved in the underlying fraud scheme or otherwise had access to additional information not made available to the Defrauded Investors. All Class 8 Claims will be paid after all other Classes are paid in full. The Receiver believes that no Distributions will be made to Class 8 Claimants.

C. The UCC Liens of the Chehebars are Invalid and Their Claims should be Subordinated to those of other Claimants based on their Status as Insider Investors.

A group of investors, previously defined as the “Chehebars,” have asserted that their claims should be paid first, and in full, before any other Claimants receive any distributions in this receivership. They take this position based on the existence of certain UCC-1 financing statements they filed, which purport to create a lien against all of CBSG’s assets. This Court should not grant the Chehebars distributive priority. The Chehebars’ purported liens are either expired or directly violate this Court’s Order appointing the Receiver. Moreover, even if the purported liens were valid and enforceable, this Court possesses broad equitable powers in overseeing this receivership that allow it to disregard liens from Ponzi-scheme insiders. The Court should disregard the Chehebars’ purported liens and approve the Receiver’s classification of the Chehebars as Insider Investors.

1. **The Chehebars' liens are invalid and unenforceable against the Receivership Estate.**

a) **The Court prohibited the Chehebars from renewing, extending, or enforcing their 2017 liens, which expired in 2022.**

In January 2017, in exchange for investing in, and loaning money to, CBSG, four of the Chehebars—GEMJ Chehebar GRAT, LLC, Albert Shehebar, Isaac Shehebar, and Isaac Shehebar 2008 AIJJ Grantor Retained Annuity Trust—executed promissory notes and security agreements, and recorded UCC-1 Financing Statements in Delaware and Pennsylvania against all CBSG's assets. [ECF No. 1889 at 15; ECF No. 1843–3 at 2]. These UCC-1 Financing Statements purported to reflect security interests that those Chehebars held against CBSG's assets (the “2017 liens”).

Approximately three-and-a-half years later, in July of 2020, the Court appointed the Receiver. [ECF No. 36 (hereafter, the “Initial Receivership Order” or “IRO”)]. At the time the Court entered the IRO, it had identified CBSG and several other companies as the “Receivership Entities.” (*Id.* at 1). In the IRO, the Court ordered that the “Receivership Entities and *all persons receiving notice* of this Order *shall not hinder or interfere* with the Receiver's efforts to take control or possession of the *Receivership Entities' property interests* identified [in the IRO], or hinder his efforts to preserve them.” [*Id.* ¶ 9 (emphasis added)]. The Court defined “persons receiving notice” of the IRO as including “all known officers, directors, agents, employees, shareholders, *creditors*, debtors, managers, and general and limited partners of each Receivership Entity, as the Receiver deems necessary or advisable to effectuate the operation of the receivership.” (*Id.* ¶ 6 (emphasis added)). In addition, the Court defined the “property interests” of the Receivership Entities as including their respective “business affairs, funds, assets, causes of action, and any other property.” (*Id.* at 2).

When the Court entered the IRO, the Chehebars were unquestionably “persons receiving notice” thereof; they were creditors of CBSG with interests in Receivership Property by virtue of

their 2017 liens. As such, the Chehebars were precluded from “hinder[ing] or interfere[ing] with the Receiver’s efforts to take control or possession of the Receivership Entities’ property interests . . . or hinder[ing] his efforts to preserve them.” (*Id.* ¶ 9).

The Chehebars cannot plausibly dispute that they received notice of the IRO when it was entered in July 2020. Indeed, only a few days after the Court entered the IRO, then-counsel for CBSG defendants Lisa McElhone, Joseph Barleta, James LaForte, and others (*see* ECF No. 16–18) corresponded with several of the Chehebar Investors with respect to supporting the defendants’ opposition to the SEC’s motion for a preliminary injunction. (*See Exhibit 1*) (emails from attorney Brett Berman to Isaac Shehebar regarding draft declarations). In Isaac Shehebar’s and Albert Chehebar’s proposed declarations, they identify themselves, their relatives, and one of the Chehebars’ foundations (*i.e.*, the JENJ Foundation) as lenders of approximately \$48 million to CBSG. (*See Exhibit 2*) (draft declarations).⁵ Thus, even if the Chehebars did not learn of the IRO on the day it was entered (*i.e.*, July 27, 2020), they received notice of it a few days later (*i.e.*, July 30, 2020), at the latest.

In January 2022, the Chehebar’s 2017 liens expired. *See* Del. Code Tit. 6, § 9-515(a) (providing a general effectiveness period of 5 years for financing statements); 13 Pa. C.S. § 9515(a) (same). The Chehebars failed to request leave of Court to file continuation statements for the 2017 liens, and failed to file continuations, as required by both Delaware and Pennsylvania UCC codes to maintain the 2017 Financing Statements’ effectiveness. *See* Del. Code Tit. 6, § 9-515(c)–(e); 13 Pa. C.S. § 9515(c)–(e).

⁵ These attorneys withdrew from representing the corporate defendants, CBSG and Full Spectrum Processing, about a week after corresponding with Isaac Shehebar and Albert Chehebar. (*See* ECF Nos. 139, 158). Subsequently, the Receivership Entities and individual defendants consented to the entry of permanent injunctions, so the proposed declarations were never filed. (*See* ECF No. 391).

The Chehebars previously argued that they were not required to re-record or file continuations for the 2017 liens because the rights of creditors should be considered “fixed” on the date the Receiver was appointed, as is purportedly the case in bankruptcy. (ECF No. 1889 at 16). But there is no support for this position. The Delaware and Pennsylvania UCC codes do not carve out such an exception. Notably, the Chehebars have cited only bankruptcy cases for this argument—they do not identify a single receivership case where this practice was followed. *See Liberte Cap. Grp., L.L.C. v. Capwill*, 462 F.3d 543, 551 (6th Cir. 2006) (distinguishing between bankruptcies, for which “Congress has spoken by setting forth broad and detailed statutes to guide federal courts[,]” and equity receiverships, which “fall outside the statutory bankruptcy proceedings” and are instead governed by “the traditional, common law powers of equity”).

Moreover, even in the bankruptcy context, the Chehebars’ purported authority, *Toranto v. Dzikowski*, is shaky, at best. *See*, 380 B.R. 96, 100 (S.D. Fla. 2007). *Toranto* relied on a 1987 bankruptcy opinion, *In re Neuenschwander*, 73 B.R. 327 (Bankr. S.D. Fla. 1987), which was decided before the 1994 amendment of the Bankruptcy Code. Subsequent cases have specifically rejected *In re Neuenschwander*’s holding, because there is no support in the **current** Bankruptcy Code that “a creditor’s rights are frozen on the petition date excusing it from maintaining its secured position during the administration of the case for purposes of an objection to claim.” *See In re 800 Bourbon St., LLC*, 541 B.R. 616, 626 (Bankr. E.D. La. 2015). Rather, the current Bankruptcy Code provides that, upon filing a petition for bankruptcy, there is an automatic stay of, among other things, “any act to create, perfect, or enforce any lien against property of the estate.” 11 U.S.C. 362(a)(4). The automatic stay “does not operate as a stay,” however, of actions “to maintain or continue the perfection of” an interest in property of the estate.” 11 U.S.C. 362(b)(3). In other words:

The Bankruptcy Code specifically allows creditors . . . to file continuation statements without violating the automatic stay. As stated above, property rights are determined by state law. The fact that a lien exists on the petition date does not mean that the lien cannot be lost if the lienholder fails to comply with state law.

In re 800 Bourbon St., LLC, 541 B.R. at 627.

Moreover, the Delaware UCC specifically provides that a debtor’s entering bankruptcy or other insolvency proceeding **does not** toll the lapse of a financing statement. *See* Del. Code Tit. 6, § 9-515, Cmt. 4. Rather, the Delaware UCC “deletes the former tolling provision and thereby imposes a new burden on the secured party: to be sure that a financing statement does not lapse during the debtor’s bankruptcy.” *Id.* If the secured party wishes to preserve its priority status, it **must** file a continuation statement, which can be accomplished in a bankruptcy proceeding without obtaining relief from the automatic stay. *Id.* The Pennsylvania UCC is identical to the Delaware UCC on this issue. *See* 13 Pa. C.S. § 9515, Cmt. 4. In other words, current bankruptcy and UCC law is directly contrary to the arguments the Chehebars previously advanced about whether they were required to take any action to preserve the priority of their 2017 liens.

Similarly, in this receivership action, the Chehebars were obligated to act if they desired to maintain any priority rights that might have existed under their pre-receivership liens. If they intended to continue the effectiveness of those 2017 liens or record new liens—which would have violated the IRO and Amended Receivership Order [ECF No. 141] (the “ARO”)—they were required to seek leave of Court to extend the liens. This is no different than the many litigants over the past several years who requested and obtained this Court’s permission to pursue litigation or take other action to enforce their legal rights in connection with cases in which Receivership Entities were parties. (*See, e.g.*, [ECF Nos. 1422, 1481, 1325]). But the Chehebar Investors never asked the Receiver for his position on such a request. Nor did they request or obtain this Court’s permission to file continuations of the 2017 liens after the Court entered the IRO. Thus, the 2017

liens expired under applicable state law in 2022, five years after they were filed. *See* Del. Code Tit. 6, § 9-515(a); 13 Pa. C.S. § 9515(a). Having failed to follow the Court’s orders and, as a result, having failed to follow state legal procedures in place to preserve any effectiveness of their 2017 liens, the Chehebar Investors cannot now enforce the invalid and expired 2017 liens.

b) **The Chehebars defied the Court’s Order by recording additional liens on Receivership Property in August 2020.**

Ten days after the Court entered the IRO, on August 7, 2020, the Chehebars recorded an additional set of liens (the “2020 liens”). [ECF No. 1889-5]. Four of the 2020 liens were efforts to re-record the interests reflected in the 2017 liens, though not filed as continuations and falling outside the six-month continuation period provided for under Delaware and Pennsylvania law. *See* Del. Code Tit. 6, § 9-515(d); 13 Pa. C.S. § 9515(d). The remaining 2020 liens were newly recorded liens on behalf of the other Chehebars who had not previously recorded a lien, specifically: Michael Chehebar, Ezra Chehebar, Cheric Chehebar, Josef Chehebar, Ezra Shehebar, LLC, Steven Chehebar, and Joyce Chehebar. [ECF No. 1889-5].

Regardless, *all* the 2020 liens defied the Court’s July 27, 2020 IRO, which prohibited noticed persons—including the Chehebars—from taking action that would:

. . . interfere with the Receiver’s efforts to take control or possession of the Receivership Entities’ property interests identified [in the IRO], or hinder his efforts to preserve them.

IRO ¶ 9 (emphasis added).

The intent behind the IRO was clear. Indeed, just days later, on August 13, 2020, the Court entered the ARO, which clarified the preexisting provisions in the IRO and expanded it in other ways. Like the IRO, the ARO enjoined certain actions involving “Receivership Property” without the Receiver’s *express and written agreement*, including actions that:

... *interfere with the Receiver's efforts* to take control, possession, or management of *any Receivership Property*; such prohibited actions *include, but are not limited to, ... creating or enforcing a lien upon any Receivership Property*; ...

Id. ¶ 29, § (A) (emphasis added).

The Chehebars seem to concede that they were prohibited from recording liens *after* the entry of the ARO on August 13, 2020, but have taken positions in this receivership suggesting that they believe they were permitted to record them on August 7, 2020, following the entry of the IRO. [ECF No. 1889 at 16]. This defies logic. The relevant language in the IRO and the ARO, cited above, is nearly identical. Both Orders forbid interference with the Receiver's efforts to take control, possession, or management of CBSG assets. The ARO merely reiterated the prohibition of interference from the IRO, and included a list of examples of specific actions that would have constituted interference with the Receiver's efforts to take possession of Receivership Property—including creating or enforcing a lien upon any Receivership Property. *See* ARO ¶ 29, § (A).

Despite the IRO's clear intent to prohibit conduct that would hinder the Receiver's efforts to take control of and preserve CBSG's property interests, the Chehebars nevertheless recorded the 2020 liens in August 2020 against *all* CBSG assets, holdings, interests and accounts—in clear violation of the IRO. Because filing the 2020 liens violated this Court's clear Order and directive, they are void *ab initio*. *See* IRO ¶ 9. In addition, for the same reason, they are wrongfully filed under Delaware and Pennsylvania law. *See* Del. Code Tit. 6, § 9-518(a); 13 Pa. C.S. § 9518(a). The 2020 liens are ineffective and invalid, and this Court should reject the Chehebars' attempts to invoke them to attain distributive priority.

c) **Prioritizing the Chehebars' claims would frustrate the Receiver's obligation to strive for equitable results benefiting all Ponzi scheme victims.**

Even if the Court were to conclude that the Chehebars' 2017 liens had not expired or that their 2020 liens did not defy the Court's Orders—which it should not, for the reasons explained

above—the Receiver should not be forced to honor the Chehebars’ liens over the claims of Defrauded Investors because the Chehebars are Insider Investors⁶ who aided-and-abetted the Defendants in this case to perpetrate the CBSG Ponzi scheme. As a result, the Court should approve the Receiver’s classification of the Chehebars as Insider Investors.

- i. *Courts have broad equitable powers to displace or limit Insider-Investor property interests in receiverships.*

It is often the case in equitable receiverships that “equality is equity.” *See Cunningham v. Brown*, 265 U.S. 1, 13 (1924) (circumstances surrounding Charles Ponzi’s scheme “call strongly for the principle that equality is equity”). As a result, the exercise of equity powers sometimes results in forfeited or superseded rights. *SEC v. Credit Bancorp, Ltd.*, No. 99-cv-11395, 2000 WL 1752979, at *17 (S.D.N.Y. Nov. 29, 2000) (“ . . . equitable principles may supersede rights investor would have under other law. . .”). For example, “[a]s an exercise of its equity powers, the court may order wrongdoers to disgorge their fraudulently obtained profits [and] . . . determine how and to whom the money will be distributed . . .” *SEC v. Fishbach Corp.*, 133 F.3d 170, 175 (2d Cir. 1997); *see also Credit Bancorp*, 2000 WL 1752979, at *19 (“[T]his is a case in which numerous victims of a fraud have competing claims to a limited receivership *res*. The relief sought by the [i]ntervenors would come at the direct expense of the other . . . victims.”). A Receivership’s equitable powers can also supersede state law rights to recover assets through tracing. *United States v. Vanguard Inv. Co.*, 6 F.3d 222, 226 (4th Cir. 1993) (“[E]ven if entitlement [to trace assets] under state law could be established, that wouldn’t end the matter in this federal receivership.”).

Consistent with these guiding equitable principles, courts routinely allow receivers to deny claims made by insiders to a fraudulent investment scheme, even where there is insufficient

⁶ Insider Investors are defined as investors “who provided funding to the Receivership Entities, but were involved in the underlying fraud or otherwise had access to additional information not made available to the Defrauded Investors.” [ECF No. 1843 at 10].

evidence regarding the insiders' knowledge of the underlying fraud. *See, e.g., SEC v. Pension Fund of Am. L.C.*, 377 F. App'x 957, 963 (11th Cir. 2001) (upholding plan that excluded sales agent who received commissions for recruiting investors although he had no knowledge that the investment fund 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" who was involved in the operation of the scheme and allowed his name to be used to recruit additional investors).

ii. *CBSG was a long-running Ponzi Scheme.*

In June 2024, the Court concluded that CBSG operated as a Ponzi scheme. [ECF No. 1976]. To reach that conclusion, the Court carefully considered the "well-developed record," which contained "overwhelming evidence" supporting the Receiver's position that CBSG was a Ponzi scheme from at least as early as 2012 through the Receiver's appointment in 2020. (*Id.* at 11–12).

The Court made several findings of fact in support of its CBSG Ponzi scheme determination. First, the Court concluded that CBSG accepted substantial deposits from investors between 2012 and 2019—at least \$478.6 million worth. [ECF No. 1976 at 23]. The Court further concluded that, although ostensibly floating promissory notes, CBSG was in fact soliciting investments subject to the Securities Act. [*Id.*, citing ECF No. 1032].

Second, the Court found that CBSG conducted little-to-no legitimate business operations. Although some aspects of the business were legitimate, "CBSG's overall operations were not legitimate." [ECF No. 1976]. Indeed, as this Court concluded, CBSG operated at a loss "for eight straight years[,] . . . declined to account for uncollectable debt[,] . . . [and] maintained an artificially higher advance balance through its 'reload' practice, which served no legitimate business purpose." [*Id.* at 23–24].

Third, the Court concluded that CBSG’s business operations produced little-to-no business profit. The core of its business resulted in a net-cash deficit of hundreds of millions between 2012 and 2019. External auditors identified millions in losses during their engagements. (*Id.*) Despite significant losses, CBSG continued to distribute tens of millions to its principals and other insiders like the Chehebars. [*Id.*].

Fourth, CBSG’s businesses did not generate cash sufficient to cover its operating expenses and thus paid existing investors with funds from new investors. [*Id.* at 25]. From 2012 through 2019, the company suffered a net cash deficit of \$301.3 million from its operations and constantly required new investor funds. During this period, CBSG raised \$478.6 million in investments and distributed \$136.5 million to investors—principal and interest payments that were entirely dependent on newer investor proceeds. [*Id.*].

Given this overwhelming evidence, the Court concluded that CBSG was a “textbook Ponzi scheme.” [*Id.*].

iii. *The Chehebars were CBSG Insiders.*

For years, the Chehebars were involved and uniquely positioned in CBSG—a “textbook” Ponzi scheme. Under the direction of certain family members who took primary responsibility for overseeing these investments, the Chehebars operated collectively, shared information, and invested as a family. (*See Exhibit 2*) (draft declaration of Isaac Shehebar, indicating that Isaac Shehebar, “[o]n behalf of my family,” was “intimately involved in [his] family’s loan of approximately \$48 million with CBSG.”); (*see also Exhibit 3*) (emails arranging group Zoom meetings between GBSG and the Chehebars).

Two of the most significant misrepresentations that CBSG and its principals made to investors—which were the foundation of the SEC’s claims in this case—involved Joseph LaForte’s criminal background and the true financial performance of CBSG. Unlike the defrauded

investors in this case, the Chehebars were aware “from day one” that LaForte had multiple felony convictions in his past. (See **Exhibit 1**) (email from attorney Brett Berman to Isaac Shehebar, attaching draft declarations that were “done based on the notes [Berman] took from the call yesterday”). In fact, “[n]othing was kept secret” from the Chehebars, and they “were fully aware of how CBSG conducted its business and who was involved in the business.” (See **Exhibit 2**) (draft declarations of Albert Chehebar and Isaac Shehebar, which were intended to support Defendants’ opposition to motion for preliminary injunction in this case).

The Receiver has reviewed several categories of evidence, including text messages between various Chehebar family members and CBSG’s key insiders, voluminous emails, internal accounting records (*e.g.*, profit-sharing calculations), and bank records. These records evidence the date, amount, and cadence of various investments into, and profit-sharing distributions and commissions received from, CBSG. Based on that review, and for the reasons articulated below, the Chehebars are markedly different than other investors, and more analogous to CBSG’s senior managers.

Indeed, the Chehebars’ access to information—much of which information undergirds the Court’s determination that CBSG was a Ponzi scheme—was broad and surpassed only by the Defendants; many of whom have been indicted in the United States District Court for the Eastern District of Pennsylvania for their involvement in this fraudulent operation. Abundant evidence supports the Receiver’s designation of the Chehebars as CBSG Insider Investors.

(a) Access to CBSG Financial Records.

CBSG was an elaborate ruse to the Defrauded Investors and other outsiders, who believed they were investing in a profitable merchant cash advance business. But CBSG was no mystery to the Chehebars. The Chehebars had near unparalleled access to CBSG’s confidential internal accounting records, weekly cash reports, and key performance indicators. For example, CBSG sent

weekly cash summaries to the Chehebars, showed the granular details of the company’s financial performance, including the actual versus projected weekly deposits, new funding, and returned payments, as depicted below:

Par Funding Weekly Cash Summary - 12/09/16


Cash Accounts:	\$	1,932,382.90
ACH Reserve:	\$	1,269,375.57
Outstanding Checks:	\$	(18,501.15)
Deals Pending:	\$	(4,223,184.63)
Credit Cards:	\$	(14,307.00)
Accounts Receivable:	\$	55,470,454.09
YTD Bad Debt:	\$	5,165,191.94
Total:	\$	59,581,411.72

Deposits This Week:	\$	1,909,866.53
Projected Deposits:	\$	1,649,332.40
Deposits Needed:	\$	(260,534.13)

Funded This Week:	\$	2,568,508.35
Projected New Funding:	\$	1,840,416.67
New Funding Needed:	\$	(728,091.68)

Returned Payments This Week:	\$	(30,795.52)
Recovered Returned Payments:	\$	20,213.28
Net Returned Payments:	\$	(10,582.24)

Projected Returned Payments:	\$	(82,466.62)
Returned Payment Difference:	\$	(71,884.38)
Recovery Percentage:		65.6%

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(See, e.g., **Exhibit 4**) (Chehebar Weekly Cash Summary Report); (see also **Exhibit 5**) (emails reflecting Chehebar access to additional financial information). Some CBSG financial records that the Chehebars had access to were not even available to CBSG’s auditors or attorneys, let alone the Defrauded Investors.

Moreover, the Chehebars’ access to CBSG’s financial records went well beyond historical financial information and summary reports. Contemporaneous communications show that CBSG provided the Chehebars with direct access and passwords to view CBSG’s bank accounts, providing real-time access to CBSG finances. (See **Exhibit 6**) (email from Joe Cole to the

Chehebars, providing them with direct online access to CBSG’s bank account). CBSG did not extend this privilege to anyone else, beyond its own senior management.

Finally, beyond informal access, the Chehebars were allowed to send their own accountant to audit CBSG, a privilege not extended to other Investors. (*See Exhibit 7*) (emails between Joe Cole, the Chehebars, and their accountant, regarding audit rights into CBSG in 2016). And, in fact, the Chehebars exercised this right, conducting a detailed review of the financial records of CBSG. (*See Exhibit 8*) (emails from Joe Cole to the Chehebars and their accountant, providing detailed financial information for review).

The Chehebars’ unique access to CBSG’s financial accounts and information places them in a far different situation than Defrauded Investors.

(b) The Chehebars profited from recruiting new investors through formal agreements with CBSG.

As this Court identified in its determination that CBSG was a Ponzi scheme, a defining characteristic of any Ponzi scheme is substantial investment and improper use of new investor proceeds. [ECF No. 1976 at 23–25]. The lead family members of the Chehebars formally assisted CBSG and the CBSG defendants in this regard—for profit. For example, in 2017, Issac Chehebar signed a consulting agreement with CBSG, aimed at the singular purpose of compensating him for bringing in new investor proceeds, which further fueled the Ponzi scheme:

(1) in consultation with the Company, Consultant shall assist the Company in establishing contact with potential Investors; it being understood that there is no guaranty that Consultant will be able to identify or establish contact with any such potential Investors satisfactory to the Company other than those previously identified;

(*See Exhibit 9*) (Issac Chehebar Consulting Agreement).

Under the terms of the five-year consulting agreement, Issac Chehebar was handsomely compensated, receiving a profits-based bonus based in part on **gross** funding (*i.e.*, the gross amount

of advances to GBSG's factoring business, regardless of whether such funds were provided by Investors or other sources, and regardless of whether CBSG actually generated a profit on those advances). (*Id.* at 2–3). Between 2017 and 2020, Issac Chehebar received \$977,200.99 in commissions for recruiting and raising additional funds from new investors. These new monies played a crucial role in perpetuating the CBSG Ponzi scheme.

Issac Chehebar was not the only Chehebar to sign a consulting agreement. GEMJ Chehebar GRAT, LLC, also served as a recruiter for CBSG pursuant to a consulting agreement. (*See Exhibit 10*) (GEMJ Chehebar GRAT, LLC Consulting Agreement). That agreement, executed in January 2017 by manager Josef Chehebar, bearing the same scope of work, using the same gross-funding compensation formula, and offering an even higher profit percentage, helped raise additional investor funds to prop up the CBSG Ponzi scheme. (*Id.*). In return, CBSG paid GEMJ Chehebar GRAT, LLC \$1,378,388.25 in “consulting fees.” Thus, through their efforts in ensuring additional investor funds were available to keep the Ponzi scheme afloat, the Chehebars, collectively, profited to the tune of \$2,355,589.24 in “consulting fees.” (*See Exhibit 11*) (CBSG Consulting Payments Summary, previously filed as part of McElhone, LaForte and Cole's Notice of Filing Exhibits to Amended Responses in Opposition to Motion for Final Judgments, ECF No. 1330-6).

Courts heavily weigh the existence of such commission-based earning in insider-status determinations, even where no evidence exists that the insider had knowledge of the illicit nature of the Ponzi scheme. *See, e.g., Merrill Scott & Assocs., Ltd.*, 2006 WL 3813320, at *11 (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” who was involved in the operation of the scheme and allowed his name to be used to recruit additional investors); *S.E.C. v. Basic Energy & Affiliated Res., Inc.*, 273 F.3d 657, 660–51, 667 (6th Cir. 2001) (upholding distribution

plan that reduced the recovery for any investor who received a commission for referring additional investors); *S.E.C. v. Pension Fund of Am. L.C.*, 377 F. App'x 957, 963 (11th Cir. 2010) (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). And, in this receivership, this Court has likewise placed great weight on the receipt of commissions by other individuals involved in raising investor funds when deeming them Insiders. [ECF No. 1976 at 35–36] (“ . . . there is sufficient evidence that [Michael] Tierney was involved in wrongdoing in connection with his actions of raising funds for CBSG. But, even if that were not the case, there would be a sufficient basis for rejecting his claim based on his status as a sales agent and, thus, an insider. . .”). For this reason alone, the Chehebars should be classified as Insider Investors.

(c) Access to CBSG Decision-Makers.

Beyond the Chehebars’ near-unqualified informational access and their participation in bringing new money into the Ponzi scheme, the Chehebars had atypical, direct, and continuous access to CBSG’s key decision-makers, including Defendants Joseph LaForte, Perry Abbonizio, and Joe Cole. Text messages with the Chehebars—which display a mutual sense of trust, admiration, and loyalty—show that the Chehebars and CBSG’s principals worked jointly and cooperatively to solicit investors, analyze non-merchant cash advance investment opportunities, and resolve other business matters. For example, the Chehebars and CBSG principals were engaged in a cannabis venture together. (*See Exhibit 12*) (messages between Ezra Chehebar and Joseph LaForte a/k/a “Joe Mack”). Their conversations display extensive collaboration, mutual trust, and common purpose. (*See Exhibit 13*) (conversations displaying coordination between Chehebars and CBSG to recruit new investors and launch new businesses); (*see Exhibit 14*) (collected correspondence discussing trust and family-like relationship between CBSG principals

and Chehebars); (*see Exhibit 15*) (collected correspondence showing access to decision makers and common purpose).

Access to these decision-makers paid dividends throughout the Chehebars' relationship with CBSG. The Chehebars received significant payments from CBSG, recouping "interest" payments totaling more than 50 percent of their invested principal. (*See Exhibit 16*) (summary of Chehebar claims in receivership).

(d) *Participation in "profit"-sharing pool.*

The nature of the Chehebars' stake in CBSG also weighs in favor of concluding that they were Insider Investors. The Chehebars participated in CBSG's profit-sharing pool, under which they received "waterfall" bonuses. (*See Exhibit 17*) (CBSG Profit Sharing 2018 Spreadsheet showing profit sharing for CBSG's inner-sanctum, including Chehebars). Specifically, they received a percentage-based commission calculated from the **gross** amount of new merchant cash advances that CBSG **funded** on a quarterly basis. In normal circumstances, and even if the Chehebars had an equity-stake in CBSG, one would expect they would only share in the **net profits** CBSG derived from these deals, which inherently account for potential losses associated with non-performing accounts. Not so here. (*See Exhibit 18*) (Corrected Declaration of James Klenk dated August 17, 2020, ¶¶ 7–12).

Notably, the Chehebars were the only investors that received these financial incentives. Not even CBSG's largest agent fund managers, including Defendants Dean Vagnozzi and John Gissas, were offered such opportunities. Indeed, the other people that received these financial incentives were Chuck Frei (a prior "finder" for CBSG, who introduced the Chehebars to CBSG,⁷

⁷ (*See Exhibit 19*, Chehebar-Subp-009153 (introductory meeting between Chuck Frei, Isaac Shehebar, and CBSG in April 2016); Chehebar-Subp-007757 (Joe Cole sending promissory notes and security agreements to Chuck Frei for initial Chehebar investments, and discussing payment of "commissions" to Frei for introduction)).

and who was convicted on three felony counts for defrauding the federal government in an unrelated scheme⁸), and CBSG’s senior executives who directly conducted the Ponzi scheme (such as Defendants Joseph Laforte, Lisa McElhone, Perry Abbonizio and Joe Cole, all of whom have been indicted criminally for their involvement in the fraudulent operations of CBSG).

(e) *Facially absurd rates of return.*

The Chehebars are sophisticated businesspeople and accredited investors. The family owns Rainbow Shops, a privately-held retail apparel chain “with over 1,000 locations in the United States, Puerto Rico, US Virgin Islands”⁹ and, according to its own marketing firm, annual revenues exceeding \$1 billion.¹⁰ Moreover, the Chehebars have consistently been represented by elite international law firms in their business dealings.

Yet the Chehebars engaged with CBSG and invested pursuant to promissory notes guaranteeing up to **30 percent** in annual interest payments, and for terms as long as six years. (ECF No. 1330-5). The notes’ interest rates consistently ranged from 18 percent to 30 percent, with the majority offering 25 percent and 30 percent interest. (*Id.*) In total, the Chehebars received returns of over \$28.5 million through these promised rates of return, which far exceed any measure of normal market returns. (*See Exhibit 16*) (Summary of Chehebar claims in receivership). Indeed, the Chehebars executed most of these high-interest-rate notes between 2017 and 2020, over a period when prime rates ranged between approximately 3.25 percent to 5.5 percent.¹¹ Such guaranteed rates of return over long periods in a low-interest-rate environment are absurd, facially

⁸ (*See Exhibit 20*, Docket Sheet, *United States v. Frei*, Case No. 1:18-cr-00822-JSR-1 (S.D.N.Y.)).

⁹ (*See Exhibit 21*, Rainbow Shops Website, “About Us” Page, available at <https://www.rainbowshops.com/pages/about-us> (last accessed Aug. 23, 2024)).

¹⁰ (*See Exhibit 22*, CB/I Digital Website, “Case Study - Rainbow Shops” Page, available at <https://www.cbidigital.com/case-study-rainbowshops> (last accessed Aug. 23, 2024)).

¹¹ (*See Exhibit 23*, Federal Reserve Bank of St. Louis, Historical Bank Prime Loan Rate Changes, available at <https://fred.stlouisfed.org/data/PRIME> (last accessed Aug 23, 2024)).

unreasonable, signal illegality, and serve as common trademarks of textbook Ponzi schemes—like CBSG. The sophisticated Chehebars nonetheless participated in (and profited from) the Ponzi scheme, formally recruited others to participate, and maintained a close relationship with CBSG’s principals.

The Chehebars’ continuous access to absurdly high, guaranteed return rates was also exclusive. CBSG’s other investors received a fixed percentage pursuant to a promissory note, and that interest rate was slashed at the outset of the COVID-19 pandemic. [ECF No. 1, Compl. at ¶¶ 124-141]. The Receiver has reviewed the records of the Receivership Entities, including communications between CBSG’s executives and the Chehebars, and there is no evidence that the Chehebars ever agreed to an “Exchange Offering,” whereby these promised rates of return would be reduced significantly for a period of many years.

(f) VIP Access to CBSG Investment Classes.

Finally, LaForte gave the Chehebars access to invitation-only investments in non-merchant cash advance businesses, such as mining and hemp/marijuana-related ventures. Emails also evidence that some of the Chehebar family members were involved in the management of, and made granular operational decisions for, the non-merchant cash advance businesses they jointly invested in with LaForte. (*See Exhibit 24*) (Composite of emails between Chehebars and other CBSG insiders). Indeed, the Chehebars facilitated LaForte’s access to exclusive investment opportunities, seemingly in return for equity-type interest in GBSG.

In sum, record evidence provides strong support for the Receiver’s conclusion that the Chehebars were Insider Investors at CBSG and should be treated as such in equity. On the other hand, there has been no evidence advanced that would exculpate or materially mitigate the Chehebars’ insider involvement with CBSG. The Chehebars—having propped up the Ponzi

scheme and profited from it for many years—should not be entitled to the return of their full investment before the Defrauded Investors receive a pro rata share of their net investment.

2. The Chehebars’ reliance on Wells Fargo is misplaced.

The Chehebars have relied on *SEC v. Wells Fargo Bank, N.A.*, 848 F.3d 1339 (11th Cir. 2017), to argue that their purportedly valid 2017 and 2020 liens should grant them priority over other claimants. [ECF No. 1889 at 8–15]. As explained above, neither the 2017 liens nor the 2020 liens are valid. But even if that were not the case, *Wells Fargo*’s holding does not usurp or limit a district court’s inherent equitable power over a receivership. In *Wells Fargo*, the district court established a claims-administration process wherein claimants were required to submit to the receiver “proof of claim” documentation by a certain date. Any claims submitted after the deadline would be barred, without regard to whether the creditors were secured or unsecured. *See Wells Fargo*, 848 F.3d at 1342. Wells Fargo, a creditor, had perfected security interests through mortgages on typical loans it advanced for three receivership properties, but missed the deadline to submit claims on two of the properties. The district court held that, notwithstanding Wells Fargo’s status as a secured creditor, it was obliged to follow the claims administration procedures set forth in the court’s orders. *Id.* at 1342–43.

The Eleventh Circuit reversed, holding that a district court “does not have the authority to extinguish a creditor’s pre-existing state law security interest,” and that the court erred by “order[ing] a secured creditor to either file a proof of claim and submit its claim for determination by the Receivership court or lose its secured state-law property right that existed prior to the Receivership.” *Id.* at 1344–45. Stated differently, *Wells Fargo* does **not** hold that receivers must prioritize purportedly secured claims of insiders to a fraudulent scheme over the unsecured claims of victims.

Wells Fargo is distinguishable from the situation here. *Wells Fargo* involved a non-investor, outsider mortgagee whose secured interests in property predated by years the receivership and SEC enforcement action. *Compare Sec. & Exch. Comm'n v. Nadel*, No. 8:09-CV-87-T-26TBM, 2016 WL 398026, at *4 (M.D. Fla. Feb. 2, 2016), *rev'd sub nom. Wells Fargo Bank, N.A.*, 848 F.3d 1339, *with Nadel*, No. 8:09-CV-87-T-26TBM, Decl. Burton W. Wiand, ECF No. 1210 ¶¶ 6–7 (indicating that the secured interests at issue in *Wells Fargo* originated in 2006 and 2008). Unlike *Wells Fargo*, where the underlying legality of the secured interest was not at issue, here, the validity of the Chehebars' purported priority interests is directly at issue. Through these liens—many of which they recorded immediately after CBSG's owners informed them about the SEC's fraud allegations in this case—the Chehebars attempt to enforce purported contractual rights that they obtained in connection with their knowledge of and involvement in, and against property derived from, a Ponzi scheme.

Put differently, the purported contractual rights the Chehebars recorded and seek to enforce arise from the very fraud they were involved in perpetuating. Moreover, Wells Fargo's lien was secured against select, identifiable receivership assets. Here, in contrast, the Chehebars seek to encumber and establish their priority to recover from *all assets* of CBSG. Indeed, as detailed above, the Chehebars—without the Receiver's prior authorization and in defiance of this Court's IRO—recorded UCC liens against all CBSG assets. And, most shockingly, the Chehebars are asking this Court to grant them superior lien rights over CBSG's assets based on interests they tried to create *after* they learned about the SEC's lawsuit in this case, and after allegations that the company was operating an illegal and fraudulent business became public.

The heightened equity concerns that are present here were not at issue in *Wells Fargo*, a decision fundamentally addressing waiver of an outside party's recorded property interests.

Although the Eleventh Circuit understandably turned to bankruptcy principles to decide *Wells Fargo*, the decision did not address issues bearing on a receivership's considerable equitable powers. The Court should not interpret *Wells Fargo* as curtailing a court's authority to fashion equitable results here. As Judge Altonaga recently explained:

Certainly, there are cases in which courts fashioning relief in the equity receivership context find 'bankruptcy law . . . analogous and instructive[.]' But the two bodies of law are distinct in that one must acquiesce to the bankruptcy code, while the other serves equity alone.

SEC v. TCA Fund Mgmt. Grp. Corp., No. 20-cv-21964, 2022 WL 17816956, at *4 (S.D. Fla. Dec. 2, 2022) (internal citation omitted) (alterations in original) (quoting *Wells Fargo*, 848 F.3d at 1344); *see also Capwill*, 462 F.3d at 551 (distinguishing between bankruptcy, for which "Congress has spoken by setting forth broad and detailed statutes to guide federal courts[,] and equity receiverships, which "fall outside the statutory bankruptcy proceedings" and are instead governed by "the traditional, common law powers of equity"), *discussed by TCA Fund*, 2022 WL 17816956, at *4.

Bankruptcy law, while occasionally helpful in equity receivership cases, does not control the result here. *See TCA Fund Mgmt. Grp. Corp.*, 2022 WL 17816956, at *4 (citing *CFTC v. Eustace*, No. 05-cv-2973, 2008 WL 471574, at *7 (E.D. Pa. Feb. 19, 2008)). For example, in *TCA Fund*, the court assessed whether equity "compels preferential treatment" for creditors over defrauded investors with respect to distributions of receivership property. 2022 WL 17816956, at *5. The creditors asked the court to look to the bankruptcy code, "which instructs that creditors must be 'paid in full before any funds can be returned to a bankrupt entity for the benefit of the entity's shareholder or []members.'" *Id.* (citing 11 U.S.C. § 507(a)). Although the court acknowledged that one of the "general principles in bankruptcy law is that creditors are typically paid ahead of shareholders in the distribution of corporate assets," that "firm bankruptcy principle

rests on shakier foundations in the equity context.” *TCA Fund*, 2022 WL 17816956, at *5 (internal citation and quotations omitted) (quoting *In re Am. Wagering, Inc.*, 493 F.3d 1067, 1071 (9th Cir. 2007)). That is because, when reviewing proposed distribution plans in a receivership, “courts strive for equality, not priority.” *TCA Fund*, 2022 WL 17816956, at *5 (internal citation, quotations and alterations omitted) (quoting *Cunningham*, 265 U.S. at 13).

Wells Fargo should not be read to discount the equitable power of a district court when presiding over a receivership. No aspect of that decision calls for such an interpretation. Indeed, to do so would create perverse incentives for insider investors and other culpable parties—upon learning of the impending collapse of the fraudulent scheme—to rush (like the Chehebars did here) to record purported interests and interfere with a Receiver’s duties and control over receivership assets.

3. Equity requires the subordination of the Chehebars’ claims, which should be classified as Insider Investor claims.

Regardless of the existence of the Chehebars’ liens, questions regarding the validity and priority of the Chehebars’ claims would still reduce to whether the Chehebars, as Insiders, are entitled to preferential treatment over all other claimants. Given the above-detailed evidence of the Chehebars’ Insider Investor status, the Court should so classify them and reject their requests for preferential treatment.

“[D]istrict courts have very broad powers and wide discretion to fashion remedies and determine to whom and how the assets of the Receivership Estate will be distributed.” *SEC v. Homeland Commc ’ns Corp.*, No. 07-cv-80802, 2010 WL 2035326, at *2 (S.D. Fla. May 24, 2010). “This discretion derives from the inherent powers of an equity court to fashion relief.” *SEC v. Elliot*, 953 F.2d 1560, 1566 (11th Cir. 1992). And, any action of a trial court supervising a receivership will not be disturbed unless there is a clear showing of abuse.” *Bendall v. Lancer*

Mgmt. Grp., LLC, 523 F. App'x 554, 557 (11th Cir. 2013). “A distribution plan that is supported by both the SEC and the receiver is entitled to deference from the Court.” *SEC v. Quan*, No. 11-cv-723, 2015 WL 8328050, at *6 (D. Minn. Dec. 8, 2015), *aff'd*, 870 F.3d 754 (8th Cir. 2017), *quoted by Alleca*, 2017 WL 5494434, at *2–3. In other words, “no specific distribution scheme is mandated so long as the distribution is fair and equitable.” *Homeland*, 2010 WL 2035326, at *2; *see also Elliot*, 953 F.2d at 1570; *SEC v. Drucker*, 318 F. Supp. 2d 1205, 1207 (N.D. Ga. 2004).

As detailed above, the Chehebars' access to information, profit-sharing rights, and access to CBSG decisionmakers and opportunities were nearly unparalleled in the CBSG Ponzi scheme. Some Chehebars were even paid millions of dollars to recruit additional victims whose funds were used to perpetuate the CBSG Ponzi scheme. The Chehebars are unquestionably, at a minimum, Insider Investors, and more analogous to CBSG's senior managers than to Defrauded Investors.

In view of the Chehebars' status as Insider Investors, the Court need not honor their liens—even if the Court determines that the liens are not expired and otherwise enforceable. *See, e.g., Fishbach Corp.*, 133 F.3d at 175 (“[a]s an exercise of its equity powers, the court may order wrongdoers to disgorge their fraudulently obtained profits [and] . . . determine how and to whom the money will be distributed . . .”); *Credit Bancorp*, 2000 WL 1752979, at *19 (“[T]his is a case in which numerous victims of a fraud have competing claims to a limited receivership *res*. The relief sought by the [i]ntervenors would come at the direct expense of the other . . . victims.”); *Vanguard Inv. Co.*, 6 F.3d at 226 (“[E]ven if entitlement [to trace assets] under state law could be established, that wouldn't end the matter in this federal receivership.”). To the contrary, fairness and equity require the Court to reject their requests for distributive priority and warrant placing them in a lower class in the distribution plan. Only after the Defrauded Investors recover their net

investment should insiders like the Chehebars share in any recovery of the money they provided to CBSG to perpetrate this massive Ponzi scheme.

This Court should approve the Receiver’s classification of the Chehebars as Insider Investors, subordinating the Chehebars’ claims to Class 8, which would be paid under the Receiver’s Distribution Plan after all other Classes are paid in full.

D. Investors who Accepted the Exchange Offering have Priority Claims Based on the Valid UCC Lien Albert Vagnozzi, as Security Agent, Filed on their Behalf.

Albert Vagnozzi—the manager for an agent fund, Capricorn Income Fund I, LLC and Capricorn Income Fund I Parallel, LLC—recorded a UCC-1 financing statement on April 13, 2020, several months before the SEC filed this action and the Court appointed the Receiver. (*See Exhibit 25*) (UCC-1 Financing Statement dated April 13, 2020). This UCC-1 financing statement was intended to establish a priority interest over the assets of CBSG for all investors who accepted the “exchange offering” from CBSG in 2020. Under these exchange notes, CBSG asked its investors to accept a substantially lower interest rate and extended the repayment period on these promissory notes from one year to seven years.

In exchange, CBSG promised these investors that they would be provided a recorded security interest over CBSG’s assets. To accomplish this, each of the exchange notes included a provision that identified Albert Vagnozzi as the “Security Agent”:

(i) “Security Agent” means Albert Vagnozzi, in his capacity as security agent hereunder or any successor Security Agent appointed pursuant to Section 8.01 hereof.

(*See, e.g., Exhibit 26*) (Exchange Note for ABFP Income Fund 3, LLC, at p. 13). The standard terms in each of the exchange notes and security agreements are identical, including the provisions relating to the creation of these security interests. The security agreements made clear that Albert Vagnozzi, as the Security Agent, would “file a UCC-1 Financing Statement in favor of Secured

Party and the Other Secured Lenders as secured parties having equal priority.” (*Id.* at p. 45, 2(c)).

The security agreements further provided the following:

The security interest granted hereunder shall be *pari passu* with the security interests granted by [CBSG] to the Other Secured Lenders under the Other Restated Loan Documents. . . . [T]he Security Agent, as representative of the Secured Party and the Other Secured Lenders, will file a UCC-1 Financing Statement in favor of Secured Party and the Other Secured Lenders as secured parties having equal priority . . .

(*Id.*, Security Agreement at 2(b)–(c)).

The overwhelming majority of Claimants with Allowed Claims against CBSG accepted the exchange offering, which included these terms. In fact, other than the Chehebars and other investors the Chehebars recruited to CBSG (all of whom did not execute an Exchange Note), there are only four other CBSG Claimants with Allowed Claims who did not accept the exchange offering. In other words, excluding the Chehebars and the other investors they recruited, 49 of the 52 Claimants with Allowed Claims against CBSG (which includes direct investors and agent funds) accepted the exchange offering and obtained these security interests of equivalent priority.

CBSG prepared a document titled “Appointment as Security Agent,” which was supposed to include an exhibit that identified each of the “Other Secured Lenders” that were intended to receive the benefit of the priority security interest from the UCC-1 that Albert Vagnozzi filed. The Receiver has reviewed the records of the Receivership Entities, but has not been able to locate that exhibit. Nevertheless, it is clear from the express terms of the Exchange Notes, which every single one of the “Other Secured Lenders” executed, that each investor who signed the Exchange Notes was identified as a represented party on whose behalf Albert Vagnozzi would be filing the UCC-1 financing statement.

An agent who is serving in a representative capacity for others is permitted to record a UCC financing statement, and establish a lien, on behalf of the represented parties. *See* Del. Code

Tit. 6, § 9-502 (a financing statement is valid if it, among other things, “provides the name of the secured party *or a representative of the secured party*” (emphasis added)). Additionally, it is not necessary for the financing statement to identify who the secured parties are. *See In re Adirondack Timber Enter., Inc.*, 08-12553, 2010 WL 1741378, at *4 (Bankr. N.D.N.Y. Apr. 28, 2010) (“A financing statement, however, is effective if it names as a secured party the collateral agent and not the actual secured parties, even if it omits the collateral agent’s representative capacity.”). Rather, to enforce a recorded security interest on behalf of represented parties, “the alleged representative must be able to demonstrate some source of its authority to be deemed the ‘representative of the secured party.’” *In re QuVIS, Inc.*, 09-10706, 2010 WL 2228246, at *6 (Bankr. D. Kan. June 1, 2010).

Here, the Exchange Notes—all of which were signed by an authorized CBSG representative—clearly state that Albert Vagnozzi was granted the authority to serve as the representative for each of those secured parties. As such, each of the investors who signed the Exchange Notes and have Allowed Claims possesses a valid recorded security interest that maintains equal priority as of April 13, 2020. The Receiver thus recommends that these investors who accepted the Exchange Note be afforded a priority claim over CBSG’s assets and, therefore, be included in Class 3, as secured investors.¹²

E. CS2000 is an “Insider Investor” and, Therefore, Falls within Class 8.

In the Court’s Order on the Receiver’s Claims Motion, the claim from Capital Source 2000 Inc. (“CS2000”) was determined to be an “Allowed Claim” in the amount of \$8,130,039.00.

¹² Relatedly, all of the “2020 Liens” that the Chehebars filed in August 2020—after learning about the SEC Complaint and the appointment of a Receiver in this case—were filed several months after April 2020, when Albert Vagnozzi filed his UCC-1 Financing Statement as a “Security Agent” for the investors who agreed to the exchange note. Thus, even if the Chehebars’ 2020 liens were valid they would be junior to the liens of the defrauded investors who executed the Exchange Notes.

Notwithstanding this determination, the Receiver reserved the right, as part of the distribution process or otherwise, to challenge CS2000's ability to receive a distribution in this case due to, among other things, its knowledge of and participation in the fraudulent conduct at issue in the underlying case.

Again, courts uniformly allow receivers to deny claims made by insiders, whether as part of the claims process or the distribution plan. *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”); *Basic Energy & Affiliated Res., Inc.*, 273 F.3d at 660–61, 667 (upholding distribution plan that reduced the recovery for any investor who received a commission for referring additional investors); *Pension Fund of Am. L.C.*, 377 F. App'x at 963 (upholding distribution plan that excluded a sales agent who received commissions for recruiting investors, even though the agent had no knowledge the pension fund was a fraudulent investment scheme). A claimant can be excluded from receivership distributions as an “insider,” or have its claim subordinated to those of other claimants, 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. *Merrill Scott & Assocs., Ltd.*, No2006 WL 3813320, at *11 (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” who 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).

CS2000 was a merchant cash advance company that Joe Cole Barleta created, together with his business partner, William Bromley. Cole utilized CS2000 to raise additional investor funds

and to collaborate with CBSG in advancing those invested funds to merchants. Specifically, CS2000 participated with CBSG in a syndication arrangement, under which CS2000 would provide the funding for a portion of certain merchant cash advance agreements and share in the amounts CBSG recovered from the merchants under those advances.

Cole was intimately involved in the fraudulent operations of CBSG. Indeed, Cole made the voluntary decision in this case not to contest or dispute liability based on his direct involvement in the operation of CBSG, and consented to the entry of a judgment of disgorgement and a permanent injunction based on his conduct in the fraudulent scheme. [ECF No. 1016]. Cole is also a defendant in a pending criminal case in the United States District Court for the Eastern District of Pennsylvania. According to the indictment in the criminal case, Cole was part of a Racketeer Influenced and Corrupt Organizations Act (RICO) enterprise that conspired to commit a number of predicate crimes, including crimes related to the fleecing of CBSG's many investors and concealing Joseph LaForte's true role as the person operating the company and his significant criminal history from investors. *See* Amended Second Superseding Indictment, ECF No. 136, *United States v. LaForte, et al.*, Case No. 2:24-cr-00065-MAK (E.D. Pa. Feb. 26, 2024). The indictment against Cole also alleges that he committed perjury by lying under oath during his deposition in these proceedings. *Id.*

Cole is unquestionably an "insider" at CBSG and, therefore, CS2000—which Cole operated as a sister company to CBSG—is also properly deemed an insider. As a result of its insider status, the Receiver recommends that CS2000's claim be relegated to a Class 8 Claim. Only if there are sufficient funds to satisfy the Allowed Claims of the Defrauded Investors and other Claimants with superior categories of claims should CS2000 be permitted to recover on its claim against CBSG.

F. John Gissas and Shannon Westhead are “Insider Investors” and, Therefore, Fall within Class 8.

John Gissas, the principal of Retirement Evolution, was named as a Defendant in this case based on his actions in defrauding investors. Rather than dispute these allegations, Mr. Gissas consented to the entry of a judgment of disgorgement and a permanent injunction based on his conduct in the fraudulent scheme. [ECF No. 1131]. As part of this consent judgment, Mr. Gissas agreed to a disgorgement judgment in the amount of \$1,075,000.00.

Notwithstanding his involvement in the underlying fraud scheme, Mr. Gissas has submitted two claims against the Receivership Estate. Specifically, Mr. Gissas apparently invested some of his own money in RE Income Fund, which invested in and obtained promissory notes from CBSG. These investments were through two entities Mr. Gissas wholly owned and controlled, Retirement Evolution Group, LLC and Blue Diamond Fund LLC.

As described above, claims from insiders are properly rejected. *See, e.g., Byers*, 637 F. Supp. 2d at 184 (approving distribution plan that excluded “those involved in the fraudulent scheme” and describing the plan as “eminently reasonable and [] supported by caselaw”); *Basic Energy & Affiliated Res., Inc.*, 273 F.3d at 660–61, 667 (upholding distribution plan that reduced the recovery for any investor who received a commission for referring additional investors); *Pension Fund of Am. L.C.*, 377 F. App’x at 963 (upholding distribution plan that excluded a sales agent who received commissions for recruiting investors, even though the agent had no knowledge the pension fund was a fraudulent investment scheme). Here, Mr. Gissas should not be permitted to receive any distributions from the Receivership Estate, thereby offsetting the disgorgement and civil penalties he agreed to pay pursuant to his consent. As a result, the Receiver recommends that the claims of Mr. Gissas, who is undeniably an Insider, be relegated to Class 8 Claims.

Similarly, Shannon Westhead worked for Dean Vagnozzi at ABFP and was placed in charge as an agent fund manager for Pisces Income Fund, LLC. In that role, Ms Westhead was responsible for soliciting investors for CBSG and managing their investments through Pisces. The SEC has sued Ms. Westhead, alleging that she violated the federal securities laws by offering unregistered securities to investors, and by making material misrepresentations to and omitting material information regarding the CBSG investment from these investors. *See* Complaint, ECF No. 1, *Securities and Exchange Commission v. Shannon Westhead, et al.*, Case No. 1:23-cv-23749 (S.D Fla. Sep. 9, 2023).

Ms. Westhead has submitted a claim against ABFP Multi Strategy Investment Fund for amount she invested through that fund. The Court has already concluded that individuals who were involved in raising funds for investment into CBSG, like Ms. Westhead, qualify as insiders. (Order, ECF No. 1976 at 35–36) (“ . . . there is sufficient evidence that [Michael] Tierney was involved in wrongdoing in connection with his actions of raising funds for CBSG. But, even if that were not the case, there would be a sufficient basis for rejecting his claim based on his status as a sales agent and, thus, an insider. . .”). In fact, regardless of whether Ms. Westhead is found liable for violating the federal securities laws, and regardless of whether she had any knowledge that CBSG was a fraudulent scheme, her claim is properly denied based on her role in recruiting additional investors. *See Merrill Scott & Assocs., Ltd.*, 2006 WL 3813320, at *11 (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” who 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). As such, the Receiver recommends that Ms. Westhead's claim be relegated to a Class 8 Claim.

G. Procedures for Making Distributions

1. Utilization of a Pro Rata Distribution.

In carrying out the Distribution Plan, the Receiver will begin distributing funds on an interim basis to Claimants in accordance with the priority classifications set forth above. The interim Distributions will be calculated based on a "pro rata" amount that will be allocated to each of the Allowed Claims within the various Classes described above, and the Receiver will seek Court approval prior to making any such Distributions.

The Receiver recommends that Claimants with Allowed Claims receive pro rata distributions of their Allowed Claim Amounts. In establishing a plan of distribution, a district court acts as a court of equity and seeks to do justice under the circumstances for all the defrauded investors. *See SEC v. Credit Bancorp, Ltd.*, 290 F.3d 80, 88–90 (2d Cir. 2002); *SEC v. Forex Asset Mgmt., LLC*, 242 F.3d 325, 331 (5th Cir. 2001). As a general matter, courts have approved distribution plans that provide for the pro rata distribution of assets where victims were similarly situated with respect to the fraudulent operations. *See, e.g., Credit Bancorp*, 290 F.3d at 89.

Where multiple investors "were defrauded in a similar way" and, therefore, "shared a common fortune and fate," it is appropriate to return funds to the victim investors through a pro rata distribution. *U.S. Commodity Futures Trading Com'n v. Rolando*, 3:08-CV-0064(MRK), 2008 WL 5225851, at *4 (D. Conn. Dec. 10, 2008). That is because it would be "inequitable to allow [one investor] to benefit merely because the defendants spent the other victim's funds first . . . all fraud victims were in equal positions and should be treated as such." *United States v. Durham*, 86 F.3d 70, 73 (5th Cir. 1996); *SEC v. Elliott*, 953 F.2d 1560, 1570 (11th Cir. 1992) (finding that it would be inequitable to give some investors preferential treatment over other

similarly situated investors). Even though the specific details of each investor's dealings and interactions with CBSG might have varied, all investors were defrauded in a similar manner and, therefore, a pro rata distribution is an equitable remedy. *See S.E.C. v. Merrill Scott & Associates, Ltd.*, 2:02 CV 39, 2007 WL 26981, at *2 (D. Utah Jan. 3, 2007).

As described in further detail in Section V, the Receiver recommends a two-step distribution process. First, the Receiver will distribute CBSG funds on a pro rata basis to those investors with Allowed Claims against CBSG. These Claimants include direct investors, as well as agent funds. Regardless of the investor type, the Plan provides for the distribution of a pro rata percentage of the Allowed Claim Amount to the investors within each Class, on a successive basis.

Some of the agent funds are also Receivership Entities. In those circumstances, the Receiver will first distribute funds from CBSG to the Receivership Entity agent fund through an internal transfer. The Receiver will then combine those distributed CBSG funds with other assets belonging to the specific Receivership Entity, and make a distribution to the Claimants with Allowed Claims against that Receivership Entity.

For example, ABFP Income Fund 3 will receive a pro rata distribution from CBSG at the same pro rata percentage as other investors in the same class with Allowed Claims against CBSG. That distribution from CBSG to ABFP Income Fund 3 will be accomplished through an internal accounting transaction, allocating these funds from CBSG to ABFP Income Fund 3. Those funds would then be combined with the other separate funds attributable solely to ABFP Income Fund 3, and the Receiver would make a distribution of those combined funds to the Claimants with

Allowed Claims against ABFP Income Fund 3,¹³ which will be a pro rata distribution to those Claimants.

2. Payment Method.

The Receiver will issue Distributions under the Distribution Plan by sending a check in the name of the Claimant to the address identified in said Claimant's Claim documentation or to the address specified by any change of address notices the Receiver has received prior to distribution of the funds. Claimants are required to advise the Receiver, in writing, of any change of address or party in interest.

3. Duty to Provide Information.

As part of the Proof of Claim form, the Receiver instructed all Claimants to submit appropriate tax forms (*i.e.*, IRS Form W-9) and other documentation. In the event the Receiver requires additional information or forms from a Claimant prior to making a Distribution, the Receiver may condition any payment upon receiving such information or forms from the Claimant. A Claimant's failure to provide any such information or forms to the Receiver within 60 days after the Receiver's written request for such information will be treated as a forfeiture of that Claimant's Allowed Claim and the Claimant will be barred from receiving any distribution.

4. Distributions to Agent Funds.

Certain of the Agent Funds that are not Receivership Entities have indicated to the Receiver that they are not equipped to send funds back to their individual investors because, for example, the agent fund entity is no longer active and does not maintain a bank account. Therefore, these agent funds have requested that the Receiver bypass the Agent Fund and disburse any distribution

¹³ Certain of the Receivership Entities created a "parallel" fund, which they utilized in connection with the issuance of "exchange notes" to their funds' investors in 2020. For the purposes of this Distribution Plan, the parallel fund is combined with the prior fund entity.

payments directly to the individual investors within the Agent Fund. In those circumstances, the Receiver anticipates recommending to the Court that the distribution payments, in fact, be paid directly to the individual investors in that fund, provided the Agent Fund has produced sufficient information to the Receiver to confirm how funds should be allocated to the individual investors within that fund. For example, the Agent Fund will need to provide the Receiver with an IRS Form W-9 for each of its investors and other appropriate documentation. In addition, the Agent Funds should be required to handle any tax obligation for these distributions, including issuing an IRS Form 1099 to each of the investors in their Agent Funds receiving a Distribution.

The Receiver anticipates that some of the Agent Funds will prefer to make distributions directly to their own investors and, in fact, object to any process that allows the Receiver to make payments directly to investors in those Agent Funds. To ensure that the Agent Funds distribute any funds it receives from CBSG in an equitable fashion, and to hold the Agent Fund Managers directly accountable to the Court, the Receiver intends to draft a detailed document, to be reviewed and approved by the SEC, with instructions for the Agent Fund Managers, including the steps to be performed and the analytical framework to be utilized, in making distributions to their individual investors. The Receiver anticipates this document would require the Agent Funds, among other things, to (i) identify all current and former investors, (ii) submit a standardized spreadsheet with detailed information regarding the funds received from, and paid to, each of the current and former investors, (iii) identify “net winners” within each fund, and (iv) calculate the pro-rata share to be distributed to each investor within the Agent Fund. Moreover, the Receiver will propose deadlines and instructions to submit the above materials to the Receiver and SEC to ensure these steps are properly and accurately performed. Thereafter, the Receiver will request the Court to enter a formal order incorporating these requests and directing the Agent Fund

Managers to follow the proscribed process, either as originally contemplated by the Receiver, or as amended by the Court in a subsequent Order, as a condition precedent to the agent fund receiving any Distribution from the Receivership Estate.

Once the Agent Fund Managers submit the investor information, the transactional history of each investor, and the calculation of the proposed amount to be distributed to each investor, the Receiver will consult with the SEC to determine whether the Agent Fund Managers performed all the requisite steps, provided appropriate supporting documentation, and properly calculated the distribution amounts. Thereafter, the Receiver recommends that the Court be notified in the event of any dispute regarding the proposed distributions of any Agent Funds, but otherwise instruct the Agent Fund Manager to proceed with the proposed distribution plan at the Agent Fund level. The Receiver believes this process will not only hold the Agent Fund Managers accountable to the Court, and ensure that Agent Fund Managers follow a uniform process that is subject to verification by the Receiver and the SEC, but will also minimize the burden on the Court in approving the distribution plans on a fund-by-fund basis.

Under the Receiver's proposed Distribution Plan, the Receiver will not issue an approved Distribution to an agent fund until the agent fund has complied with the procedures or requirements to be established hereunder, or pending a further Order from the Court.

5. Interest on Claims.

Interest will not accrue or be paid on any Claim, and no holder of an Allowed Claim shall be entitled to any interest accruing on any Claim.

6. No De Minimis Distributions.

The Receiver is not required to make a Distribution to a Claimant if the total amount to be paid to the Claimant is less than \$50.00. The Receiver has determined that the cost involved in making a Distribution in amounts less than \$50.00 would not be cost effective. Any holder of an

Allowed Claim that does not receive a Distribution, including an interim Distribution, solely because of this provision will have such payment reserved until that Claimant would receive a Distribution amount of \$50.00 or more.

7. Unclaimed Distributions.

Except as otherwise provided herein, any Claimant who fails to deposit any Distribution within 90 days from any payment date shall forfeit all rights to such payment, and the funds at issue will revert back to the Receivership Estate. The forfeiture of that Distribution shall not preclude the Claimant from receiving a future Distribution, provided the Claimant complies with the procedures under this Distribution Plan for any future Distribution.

8. Undeliverable Distributions.

The Receiver is under no affirmative obligation to attempt to locate a Claimant. Accordingly, if any Distribution is returned to the Receiver as undeliverable and no appropriate forwarding address is received by the Receiver within 90 days after the attempted Distribution, the Receiver will treat the Distribution as forfeited by that Claimant, and the funds at issue will revert back to the Receivership Estate. The forfeiture of that Distribution shall not preclude the Claimant from receiving a future Distribution, provided the Claimant complies with the procedures under this Distribution Plan for any future Distribution.

9. Final Distribution.

When the Receiver determines that further efforts to liquidate the Receivership Estate are not required or would not be economical, the Receiver will, after receiving authorization from the Court, make a final Distribution. In the event that any payment subject to this final Distribution is unclaimed, undeliverable, or forfeited by any Claimant, the Receiver will donate such funds to a non-denominational charity (to be determined at a later date) if the total amount of such funds does not exceed \$10,000. If more than \$10,000 remain after this final Distribution, the Receiver will

seek Court approval to determine whether to redistribute such funds to Claimants or to donate the remaining funds to charity in accordance with this provision.

H. Additional Provisions

1. Court Approval.

The provisions of this Plan, upon confirmation of the Court, shall be binding upon all creditors of and parties in interest to the Receivership Estate.

2. Right to Modify.

This Plan may be modified both before and after the Court approves this Plan, on such notice as this Court deems appropriate, or subject to such future Orders as this Court may issue.

3. Payment Effects Release.

If an Allowed Claim, or any portion thereof, is paid by the Receiver pursuant to this Plan, then any and all claims, demands, rights, and causes of action of any nature whatsoever, whether arising at law or in equity, known or unknown, asserted or unasserted, for all damages (whether actual or punitive, known or unknown, latent or patent, foreseen or unforeseen, direct or indirect or consequential, matured or unmatured, and accrued or not accrued), debts, putative interest, and liabilities of whatever nature that are or could be asserted by the Claimant or any other person against the Receiver or his agents, the Receivership Estate, any Receivership Entity, the Securities and Exchange Commission, or any Receivership Assets, are hereby forever discharged, released, extinguished, and satisfied.

Neither the Receiver nor any Person acting at his direction shall have any liability in any respect for having paid or otherwise satisfied an Allowed Claim, nor for any other action taken in good faith under or relating to this Plan or arising out of the processing of any Claim, including but not limited to, any act or omission in connection with or arising out of the administration of Claims or this Plan or the Receivership Estate. In the event of any Claim being made against the

Receiver for such matters—whether or not willful misconduct is alleged—the Receiver shall be entitled to a defense by counsel of his choice, payable as any other professional expense herein, and the provisions of the Receivership Order shall otherwise apply.

4. Waiver.

The Receiver, his agents, attorneys, accountants, other retained professionals, and employees, whether currently employed by the Receivership Estate or any of the foregoing, or previously employed by the Receivership Estate or any of the foregoing, shall be held harmless for any damages or liability that may arise through the discharge of their duties under the Plan, in accordance with the Court’s Amended Order Appointing Receiver dated August 13, 2020, except upon a finding by this Court that they acted or failed to act as a result of malfeasance, bad faith, gross negligence, or in reckless disregard of their duties. [*See* ECF No. 141 at ¶ 49].

5. Reserve.

The Receiver is expressly authorized to pay Claims according to the terms of this Plan without regard for the possibility that a Claim may, with good cause, be submitted to the Receiver after the Claims Bar Date. The Court will not expect the Receiver to have accrued Receivership Assets to guard against this possibility. For the purpose of making interim Distributions, the Receiver shall establish, in his discretion and without further order of this Court, reserves for Claims for which there is still a pending good faith dispute at the time of a Distribution. The Receiver shall not be required to segregate such reserved funds in a separate bank account.

6. Retention of Jurisdiction.

This Court shall continue to retain exclusive jurisdiction over the Receiver, the Receivership Estate, and all Receivership Assets. No action taken by or against the Receiver with regard to any pending matter in any other court shall be deemed to have terminated, limited, reduced, waived, or relinquished this Court's exclusive jurisdiction. Moreover, this Plan and the

Order approving this Plan are not, and are not intended to be, either a final adjudication of this matter or a termination, limitation, reduction waiver or relinquishment of this Court's exclusive jurisdiction with regard to all Receivership Assets and all matters in controversy in this case. Instead, this Court shall continue to have and retain exclusive jurisdiction over all matters existing or arising in this receivership or related in any way thereto, including, but not limited to, all matters relating to approving or denying Claims, making Distributions, locating, recovering, and settling claims, and liquidating Receivership Assets.

V. LEGAL ANALYSIS

A. The Court has Broad Authority in Authorizing a Distribution Plan.

It is well established that a district court has broad discretion in determining relief in an equity receivership. *S.E.C. v. Vescor Capital Corp.*, 599 F.3d 1189, 1194 (10th Cir. 2010) (noting that a court has “broad powers and wide discretion” to determine relief in an equity receivership); *S.E.C. v. Credit Bancorp, Ltd.*, 290 F.3d 80, 91 (2d Cir. 2002) (finding that the district court's approval of a plan of distribution was “within the Court's equitable discretion”); *S.E.C. v. Infinity Group Co.*, 226 Fed. App'x 217, 218 (3d Cir. 2007) (“District Courts have wide equitable discretion in fashioning distribution plans in receivership proceedings.”); *S.E.C. v. Forex Asset Mgmt. LLC*, 242 F.3d 325, 331 (5th Cir. 2001) (stating that the district court enjoys “broad discretionary power” in shaping equity decrees); *Elliott*, 953 F.2d at 1566–67 (“The district court has broad powers and wide discretion to determine relief in an equity receivership.”); *S.E.C. v. Wang*, 944 F.2d 80, 85 (2d Cir. 1991) (stating that the trial court is vested with “broad discretionary power to craft an equitable decree”); *S.E.C. v. Hardy*, 803 F.2d 1034, 1037–39 (9th Cir. 1986) (“[I]t is a recognized principle of law that the district court has broad power and wide discretion to determine the appropriate relief in an equity receivership.”) (citations omitted).

Pursuant to these broad discretionary powers, courts tasked with overseeing the administration of a receivership for a Ponzi scheme may authorize any distribution protocol for receivership assets that is “fair and reasonable” in the overseeing court’s opinion. *S.E.C. v. Wealth Mgmt. LLC*, 628 F.3d 323, 332 (7th Cir. 2010); *Byers*, 637 F. Supp. 2d at 174 (citing *Wang*, 944 F.2d at 81) (“The Court has the authority to approve any plan provided it is ‘fair and reasonable.’”); *S.E.C. 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.”).

And, unlike a case arising under Title 11 of the United States Code, there is no statutory mandate that prescribes how the assets recovered in a receivership should be distributed. Thus, it is well within this Court’s discretion to approve a distribution plan that utilizes a pro rata approach—such as the one the Receiver has presented—rather than one that attempts to trace a claimant’s investment into a fraudulent scheme. *See, e.g., S.E.C. v. Quan*, 870 F.3d 754, 762 (8th Cir. 2017) (“Courts have ‘routinely endorsed’ the pro rata distribution of assets to investors as the most fair and equitable approach in fraud cases.”); *United States v. Durham*, 86 F.3d 70, 73 (5th Cir. 1996) (affirming district court’s approval of pro rata distribution plan even though the majority of funds were traceable to specific claimants); *Credit Bancorp, Ltd.*, 290 F.3d at 89 (noting that the use of pro rata distributions “has been deemed especially appropriate for fraud victims of a ‘Ponzi scheme’” because whether a customer’s assets are traceable is “a result of the merely fortuitous fact that the defrauders spent the money of the other victims first.” (quoting *Durham*, 86 F.3d at 72)); *Elliott*, 953 F.2d at 1569 (holding that a district court did not abuse its discretion by disallowing tracing where “certain investors would recoup 100% of their investment while others would receive substantially less”).

B. Pooling of Receivership Assets

For purposes of a distribution plan in an equity receivership, courts may ignore the separate identity of entities that are part of “a unified scheme to defraud.” *S.E.C. v. Sunwest Mgmt., Inc.*, 2009 WL 3245879 (D. Or. Oct. 2, 2009) (receivership entities considered “unitary enterprise” for distribution purposes due to extensive commingling of funds); *S.E.C. v. AmeriFirst Funding, Inc.*, 2008 WL 919546, at *4 (“a pooled distribution is equitable when the separate legal entities were involved in a unified scheme to defraud”); *see also S.E.C. v. Forex Asset Mgmt. LLC*, 242 F.3d 325, 331 (5th Cir. 2001) (affirming plan adopted by district court pooling assets of entities for distribution); *U.S. v. Durham*, 86 F.3d 70, 71-73 (5th Cir. 1996) (same). Here, the funds used by CBSG and its related entities—such as Full Spectrum Processing, Inc.; Heritage Business Consulting, Inc.; Eagle Six Consultants, Inc.; and the other related entities that CBSG’s owners created for the purpose of holding other assets, such as the numerous commercial investment properties they purchased—were sourced with commingled investor funds. Indeed, the books and records of CBSG reflect that the company’s owners, Lisa McElhone and Joseph LaForte, commingled funds between all of these entities and used investor funds to support the various operations of these related entities. As such, the Court is authorized to treat these various receivership entities “as one substantively pooled estate for the purposes of distribution” under the Plan. *Sec. & Exch. Comm'n v. Detroit Mem'l Partners, LLC*, 2016 WL 6595942, at *6 (N.D. Ga. Nov. 8, 2016) (quoting *S.E.C. v. Founding Partners Capital Mgmt.*, 2014 WL 2993780, at *6 (M.D. Fla. July 3, 2014)). Accordingly, the Receiver proposes distributing funds from CBSG and its related entities under the Distribution Plan from a single pool of Receivership Assets.

C. Claim Priority and Classification

Under the Distribution Plan, the Receiver proposes classifying different Claims into different priority Classes based on the equities and factual circumstances surrounding each

Claim. When deciding what claims should be recognized and in what amounts, “the fundamental principle which emerges from case law is that any distribution should be done equitably and fairly, with similarly situated investors or customers treated alike.” *S.E.C. v. Homeland Commc’ns Corp.*, 2010 WL 2035326, at *2 (S.D. Fla. May 24, 2010) (quoting *S.E.C. v. Credit Bancorp. Ltd.*, 2000 WL 1752979, at *13 (S.D.N.Y. Nov. 29, 2000)). Because the Receiver’s analysis of the Claims submitted in this matter show that investors in CBSG were generally situated similarly, the Distribution Plan places the defrauded investors within the same Class and anticipates the same pro rata percentage of distribution.

The Receiver also proposes subordinating certain Claims under the Distribution Plan based on the factual circumstances and equities of each Claim. A court’s power to approve a Receiver’s decision on claim determinations and priority is well-settled. *See Elliott*, 953 F.2d at 1566. This power includes the exercise of the court’s equitable powers to subordinate claims. *See, e.g., S.E.C. v. Ariz. Fuels Corp.*, 739 F.2d 455, 459 (9th Cir. 1984) “Receivership courts have the general power to use summary procedures in allowing, disallowing, or subordinating the claims of creditors.”); *In re Westgate Cal. Corp.*, 642 F.2d 1174, 1177 (9th Cir. 1981) (“Subordination is an equitable power and is therefore governed by equitable principles.”). Subordination of a claim is particularly appropriate where the Claimant has engaged in misconduct or participated in, or was mor intimately aware of, the fraudulent scheme. *Durham*, 86 F.3d at 73 (“Sitting in equity, the district court is a ‘court of conscience.’”) (quoting *Wilson v. Wall*, 73 U.S. 83 (1867)). Accordingly, the Receiver believes it is in the best interest of the Receivership Estate to subordinate certain Claims if, in the Receiver’s professional judgment, equity supports placing such Claimants in a subordinate position to other defrauded investors.

VI. AUTHORIZATION OF INITIAL DISTRIBUTION

As of August 9, 2024, the bank and investment accounts of the Receivership Entities contained a total of \$167,252,030.84. The Receiver intends to distribute as much of these funds as possible, provided that sufficient funds are held back for disputed claims and other ongoing costs and expenses. There are certain disputed claims from the Chehebar Investors in the amount of approximately \$36.5 million that may be the subject of appeals and future challenges, which the Receiver intends to hold back from the proposed initial distribution. In addition, the Receiver intends to hold back an additional \$23.5 million for the anticipated additional costs and expenses of administering the Receivership Estate, including the payment of premiums on the life insurance policies that certain of the Receivership Entities continue to own.

After accounting for those holdbacks, the Receiver intends to make a distribution of \$110,009,878.15 to the Claimants identified on **Exhibit 27** (List of First Interim Distributions for All Receivership Entities),¹⁴ in the amounts set forth therein. These distributions will be on a pro rata basis within each of the Receivership Entities, subject to applicable exceptions, priorities, and other parameters outlined in Section V of this motion, which describes the Distribution Plan. Because the assets available to each of the Receivership Entities varies, Claimants who have claims against different Receivership Entities will not necessarily receive the same pro rata percentage of their Allowed Claims through this proposed first interim distribution. This proposed distribution would result in payments ranging from approximately 22.1% to 55.4% of the amount of these Claimants' Allowed Claims. Those variances are discussed in more detail below.

¹⁴ For privacy purposes, the names of individual investors and other individual claimants in this spreadsheet and the other spreadsheets listing the Claimants with Allowed Claims have been abbreviated by their initials. Claimants with Allowed Claims can locate themselves on these spreadsheets by looking for their unique claim numbers, which are included on all spreadsheets.

A. Total Funds within the Receivership Estate as of August 2, 2024

As of August 2, 2024, the Receiver had a total of \$165,347,009.84 in cash. In addition, one of the Receivership Entities, ABFP Income Fund 2, has \$1,905,021.00 in a Charles Schwab investment account, which the Receiver would anticipate liquidating in advance of the first interim distribution. The total cash (including the value of the Schwab investment account) attributable to each of the Receivership Entities is as follows:

CBSG:	\$152,281,445.84 ¹⁵
Fast Advance Funding:	\$1,631,319.00
ABFP Income Fund/Parallel:	\$66,445.96
ABFP Income Fund 2:	\$1,934,822.17 ¹⁶
ABFP Income Fund 3 (Parallel):	\$114,362.63
ABFP Income Fund 4 (Parallel):	\$84,078.46
ABFP Income Fund 6 (Parallel):	\$73,544.99
ABFP MSIF:	\$2,769,552.91 ¹⁷
ABFP MSIF II:	\$6,830,785.87

¹⁵ This amount includes funds held not only in CBSG bank accounts, but also funds in the accounts of the Receiver's qualified settlement fund, as well as the related companies of Contract Financing Solutions, Full Spectrum Processing, Eagle Six Consulting, Heritage Business Consulting, LME 2017 Family Trust, LWP North, Blue Valley Holdings LLC, Recruiting and Marketing Res., Liberty Eighth Avenue, and the various single purpose entities Lisa McElhone set up for the purpose of holding the multiple real estate properties she purchased with commingled funds from CBSG's investors.

¹⁶ As discussed above, this amount includes this entity's investment in a Charles Schwab account that holds cash and stock in FS KKR Capital Corp. As of August 9, 2024, the total value of this account was \$1,905,021. The Receiver anticipates liquidating this investment account in advance of the first interim distribution and, therefore, has included the current value of this account within these calculations.

¹⁷ This amount, as well as the amount for ABFP MSIF II only includes the cash these entities have in their bank accounts, and does not include the value of the death benefits for the remaining, unexpired life insurance policies these entities own.

Fidelis Financial Planning:	\$195,422.00
Retirement Evolution:	<u>\$1,270,251.00</u>
Total:	\$167,252,030.84

B. Reserves from Cash Availability

Certain Claimants and other parties have taken the position that they have priority claims against certain of CBSG’s assets, or otherwise have claims against the Receivership Entities and should be entitled to recover on those claims under any distribution. Although the Court has adjudicated all Claimants’ objections to the Receiver’s claim determinations, some Claimants (such as certain merchant Claimants) have attempted to appeal that ruling [ECF No. 1996], and others have made clear that they intend to challenge the Receiver’s proposed Distribution Plan (such as the Chehebar investors).

“Disputed claims against a receivership estate do not prevent a court from authorizing a distribution, provided the receiver sets aside funds sufficient to cover those claims.” *SEC v. TCA Fund Mgmt. Grp. Corp.*, No. 20-cv-21964, 2022 WL 3334488, at *17 (S.D. Fla. Aug. 4, 2022), *appeal dismissed*, No. 22-13412, 2024 WL 448385 (11th Cir. Feb. 6, 2024). *See S.E.C. v. Michael Kenwood Cap. Mgmt.*, 630 F. App’x 89, 91 (2d Cir. 2015) (affirming a district court’s approval of a distribution plan that set aside funds equal to what the receiver concluded was the “maximum possible value” of the claims against the receivership entities), *cited by TCA Fund Mgmt.*, 2022 WL 3334488, at *17.

The question of how much a receiver should set aside and reserve for disputed claims is fact dependent and may be subject to modification in the face of changing circumstances. *See In re Reserve Fund Secs. & Derivative Litig.*, 673 F. Supp. 2d 182, 206 (S.D.N.Y. 2009) (approving distribution subject to monitor’s retention of funds to make future payments, on a pro rata basis, to shareholders for indemnification expenses and management fees). To that end, in some cases,

the “proper set-aside amount” to be retained by the receiver “is an academic question” at the time the court decides whether to approve a distribution plan, since one or more objectors may file an appeal or decide not to pursue spinoff litigation. *TCA Fund Mgmt.*, 2022 WL 3334488, at *17. In such cases, the receivership court may approve distributions based on the court’s approved treatment of claims, and may later reconsider whether it is appropriate to set aside amounts for those disputed claims in the event there is an appeal or further challenge. *See id.* at *17. Moreover, given that the “value of the Receivership Assets will continue to grow and shrink” as the receivership proceedings advance, “[s]peculating whether a set-aside suitable to present conditions will be equally well-suited to future conditions is a fool’s errand.” *Id.*

With this backdrop, the Receiver believes it is appropriate to hold back funds from the total cash in the Receivership Estate, based on certain disputed claims and other anticipated future expenses and potential contingencies. Specifically, the Receiver intends to hold back from the CBSG funds a sum of \$36,513.666.61 for the purported senior secured claims from certain of the Chehebar Investors, \$728,486.08 for a claim from the condominium association for the property the Receiver controls at 20 North Third Street in Philadelphia, Pennsylvania,¹⁸ and \$20,000,000 for continuing operations and other future expenses and contingencies of the Receivership Estate, including other potential claims against the Receivership Estates. In addition, the Receiver intends to hold back \$2,101,641.00 from the ABFP MSIF cash and \$829,362.00 from the ABFP MSIF II cash as a reserve of three years of the continuing payment of premiums for the life insurance policies these entities own.

¹⁸ This is the current amount of the claim the association is asserting against the entity that owns this condominium unit. The Receiver does not believe the claim should be valued at this amount but, out of an abundance of caution, recommends holding back the full amount of the current claim.

The Chehebar Investors, collectively, have asserted claims against the Receivership Estate in the amount of \$50,871,124.89. As described above in Section IV(C), the Chehebar Investors have asserted that they are entitled to senior secured liens, based on UCC-1 financing statements they recorded, against all of CBSG's assets. The Receiver has responded that these UCC-1 financing statements are invalid, thereby nullifying any priority the Chehebar Investors' claims might have over CBSG's assets. Moreover, only a portion of the disputed liens of the Chehebar Investors have priority over the UCC-1 that Albert Vagnozzi filed on behalf of the investors who accepted the Exchange Offer. Specifically, \$36,513,666.61 of the more than \$50 million in Claims from the Chehebar Investors are for the four Chehebar Investors who filed liens in 2017. The remaining Chehebar Investors recorded their UCC-1 financing statements in August 2020, after the Albert Vagnozzi lien was recorded in April 2020. In addition, the Chehebar Investors' claims are subject to disallowance in their entirety, given their status as Insider Investors.

It would be difficult, if not impossible, to claw back more than \$36 million in funds from other Claimants if the Receiver failed to hold back this amount, the Chehebar Investors were successful in an appeal or other challenge to the disallowance or subordination of their claims, and those funds were distributed to other Claimants. As a result, despite the Receiver's belief in the strength of his arguments on these issues, he nevertheless recommends holding back \$36,513,666.61 from the first interim distribution on account of a portion of the Chehebar Investors' claims that allegedly have senior secured status.

In addition, the condominium association for the property the Receiver controls at 20 North Third Street in Philadelphia, Pennsylvania has asserted a claim against the Receivership Entity that owns the property in the amount of \$728,486.08. This claim is for common area expenses the association claims to have incurred for maintenance, repairs, and other costs associated with the

building where CBSG's main office is located in Philadelphia. The Receiver is marketing this property for sale and will likely need to resolve the condominium association's claim prior to entering into an agreement for the sale of this property, or the eventual closing of the sale of that property. If the Receiver does elect to resolve this claim, it will likely resolve for less than the claimed amount. The Receiver anticipates filing a separate motion with the Court in the future, whereby the Receiver will seek to resolve this claim outside of the standard claim and distribution process in this case. Additionally, the proceeds for the sale of that property will more than satisfy the amount of this claim. Nevertheless, the Receiver intends to hold back this sum from the first interim Distribution, out of an abundance of caution, to ensure that there are sufficient funds available to resolve this claim.

The Receiver is still in control of Receivership Entities that are actively involved in collecting on merchant account balances and resolving claims and litigation, and he is also responsible for winding down the operations of these Receivership Entities. Between the operational expenses of these entities, professional fees, other expenses and potential contingencies, and potential additional claims against the Receivership Entities, the Receiver recommends holding back an additional \$20,000,000 from the first interim distribution. The Receiver is recommending an extremely conservative amount as a holdback, given the difficulties that would potentially arise if the Receiver failed to hold back a sufficient amount for these unknown costs and expenses. As the distribution process advances, the Receiver will recommend reducing these hold backs and making any amounts left in this reserve available for distribution to Claimants with Allowed Claims as part of subsequent interim distributions.

Finally, ABFP MSIF and ABFP MSIF II continue to own several life insurance policies. These policies have premiums that are payable on a periodic basis (either monthly, quarterly, semi-

annually, or annually, depending on the particular policy). To avoid a situation where the Receivership Estate is without sufficient cash to pay these premiums when they come due, the Receiver recommends holding back \$2,101,641.00 from the ABFP MSIF cash and \$829,362.00 (representing three years' worth of policy premiums), to ensure that these policies remain active and do not lapse.

C. The Receiver Recommends Allocating, but Not Distributing, Any Distributions to Claimants who are Seeking Collateral Sources of Recovery.

Certain Claimants with Allowed Claims—namely the agent funds that have been described as the “Parker Plaintiffs”—are seeking to recover their investment losses in claims they have asserted against the law firm of Eckert Seamans. Given that the Receiver’s responsibilities in this case involve, among other things, attempting to ensure that any plan of distribution is fair and equitable to all Claimants, the Receiver believes it is appropriate to allocate, but not distribute at this time, any Distributions to the Parker Plaintiffs, given their stated intention to pursue these collateral sources of recovery.

Deferring distributions to claimants who choose to litigate against another party may be “the most equitable and pragmatic method for distributing . . . receivership assets.” *United States v. Petters*, No. 08-cv-5348, 2011 WL 281031, at *11 (D. Minn. Jan. 25, 2011) (approving distribution plan, but deferring distribution of a portion of the assets until the resolution of a claw-back action from certain claimants). Indeed, deferred distributions are ideal where the distributions will be subject to future review by the receivership court and immediate distributions may be made to afford relief to harmed investors on a timely basis. *See id.*, at *11. Although some parties may be unsatisfied with this balance, “[w]hen funds are limited, hard choices must be made.” *SEC v. Byers*, 637 F. Supp. 2d 166, 174 (S.D.N.Y. 2009) (quoting *Official Comm. of Unsecured Creditors of WorldCom, Inc. v. SEC*, 467 F.3d 73, 84 (2d Cir. 2006)).

“An equitable plan is not necessarily a plan that everyone will like.” *SEC v. Credit Bancorp, Ltd.*, No. 99-cv-11395, 2000 WL 1752979, at *29 (S.D.N.Y. Nov. 29, 2000). That is because “[n]o plan is capable of erasing the financial and emotional pain caused by [a] massive fraudulent scheme,” but a distribution plan that “makes an equitable attempt to ease the devastation of some victims without doing so entirely at the expense of others” should be approved. *Petters*, 2011 WL 281031, at *7.

The Receiver doubts that the Parker Plaintiffs will ultimately be successful in their separate litigation efforts against Eckert Seamans. If they are, however, it would be inequitable for the Parker Plaintiffs to receive a sizable Distribution from the Receiver’s Distribution Plan, and then obtain a disproportionate additional recovery from another source, which would place their total recovery at a much greater percentage of their net-investment loss than other similarly-situated investors. To avoid this potential imbalance, the Receiver intends to allocate to the Parker Plaintiffs their proportionate share of the first interim distribution, but not distribute those funds to the Parker Plaintiffs until there is a final resolution and determination regarding their separate claims against (and potential recovery from) Eckert Seamans and its insurers.

D. Recommended Interim Distribution Amounts.

After accounting for these holdbacks, the amount of cash attributable to all Receivership Entities that will be available for distribution as part of the Receiver’s first interim distribution is \$110,009,878.15. As described in the proposed procedures for the Distribution Plan, the first step of this Distribution will be to distribute funds, on a pro rata basis, from CBSG to the Claimants with Allowed Claims against CBSG. The net cash from CBSG that would be available for this first interim distribution is \$98,198,090.45. Based on the total value of the Allowed Claims against CBSG, a pro rata distribution of this CBSG cash would result in a distribution to each Claimant of approximately 50.7% of their total Allowed Claim Amount. Attached as **Exhibit 28** is a chart

reflecting these proposed distribution amounts (including distributions to other Receivership Entities).

Fast Advance Funding is a sister company to CBSG that operated a related merchant cash advance company. The only investors with allowed claims against Fast Advance Funding are ABFP MSIF and ABFP MSIF II. As described above, Fast Advance Funding has \$1,631,319.00 in cash. After an appropriate allocation of the expenses of the Receivership Estate among the various Receivership Entities, Fast Advance Funding will have \$1,502,665.94 available for distribution. Based on the net investment amounts for ABFP MSIF and ABFP MSIF II in Fast Advance Funding, these entities would be entitled to the following pro rata distributions:

<u>Entity</u>	<u>Allowed Claim Amount</u>	<u>Initial Distribution</u>
ABFP MSIF	\$4,954,925.02	\$1,402,864.29
ABFP MSIF II	\$352,500.02	\$99,801.65
		Total: \$1,502,665.94

Given that these two entities are Receivership Entities, the Receiver will make an internal transfer of these amounts from Fast Advance Funding to those two entities. Those distributions would be combined with the other cash those two funds currently maintain in their separate bank accounts. Those entities would then distribute the total amount of those funds on a pro rata basis to the investor Claimants with Allowed Claims against ABFP MSIF and ABFP MSIF II.

Similarly, several of the other Receivership Entities are agent funds that invested in CBSG. Specifically, the following Receivership Entities all obtained promissory notes from CBSG and would be entitled to a distribution from CBSG. Like with the distributions from Fast Advance Funding, the Receiver would make an internal transfer from CBSG to those Receivership Entities, and would then distribute those funds, together with any other funds those entities hold, to the

investor Claimants with Allowed Claims in these other Receivership Entities. The amounts to be distributed as part of this first interim distribution from CBSG, after an appropriate allocation of the expenses for the administration of the Receivership Estate among these different entities,¹⁹ is as follows:

<u>Entity</u>	<u>Allowed Claim Amount</u>	<u>Initial CBSG Distribution</u>
Non- Receivership Entities: ²⁰	\$100,644,648.68	\$51,061,991.63
ABFP Income Fund:	\$11,308,368.64	\$5,378,535.83
ABFP Income Fund 2:	\$4,305,458.73	\$2,026,467.52
ABFP Income Fund 3:	\$24,416,692.50	\$11,770,202.80
ABFP Income Fund 4:	\$19,210,105.40	\$9,291,574.10
ABFP Income Fund 6:	\$17,875,791.31	\$8,672,755.35
Fidelis Fin. Planning:	\$5,673,275.94	\$2,743,524.30
Retirement Evolution:	\$10,116,907.10	\$4,862,759.15
Total:	\$193,551,246.30	\$95,807,810.68

When these amounts that are to be distributed from CBSG are combined with the other available cash within the accounts for those specific Receivership Entities, the total amount available for distribution from each of these other Receivership Entities as part of the first interim distribution would be:

¹⁹ The Receiver has allocated a percentage of the costs of administering the Receivership Estate to each of these additional Receivership Entities. The allocation was calculated based, in part, on the total value of the Allowed Claims for the investors within each of these other Receivership Entities.

²⁰ This includes Agent Funds that are not Receivership Entities and individuals that invested directly with CBSG, including through the use of a self-directed individual retirement account.

<u>Entity</u>	Investor Claims	
	<u>Allowed Claim Amounts</u>	<u>Available for Distribution</u>
ABFP Income Fund:	\$14,800,088.32	\$5,444,981.80
ABFP Income Fund 2:	\$6,514,135.79	\$3,961,289.69
ABFP Income Fund 3:	\$25,477,888.66	\$11,884,565.42
ABFP Income Fund 4:	\$18,756,424.60	\$9,375,652.56
ABFP Income Fund 6:	\$16,357,741.13	\$8,746,300.34
ABFP MSIF:	\$15,727,471.46	\$3,791,180.10
ABFP MSIF II:	\$10,669,356.37	\$6,671,960.16
Fidelis Financial Planning:	\$5,561,352.18	\$2,938,946.30
Retirement Evolution:	<u>\$11,140,444.92</u>	<u>\$6,133,010.15</u>
Total:	\$125,409,049.66	\$58,947,886.52

In turn, each of these Receivership Entities would then distribute the funds that are available for Distribution on a pro rata basis to the investor Claimants that have Allowed Claims against those Receivership Entities. A detailed list of the Allowed Claim Amounts and initial distributions from Fast Advance Funding is attached as **Exhibit 29**, from the ABFP entities is attached as **Exhibit 30**, from Fidelis Financial Planning is attached as **Exhibit 31**, and from Retirement Evolution is attached as **Exhibit 32**.²¹

These pro rata distributions would result in the payment of somewhere in the range of 24.1% (ABFP Multi-Strategy Investment Fund) to 62.5% (ABFP Multi-Strategy Investment Fund 2) of the Allowed Claim Amounts to each of the individual investors with Allowed Claims against these Receivership Entities. These variances are based on the differences between and among

²¹ For privacy purposes, these charts identify the individual claimants by Claim ID number, rather than the individual investors' names. The names of the Agent Funds are included in these charts.

these entities, and the fact that different Receivership Entities have different amounts of cash—separate and apart from the amounts they will be receiving from their merchant cash advance investments—available for distribution to the Claimants with Allowed Claims against those entities.

For example, ABFP Multi-Strategy Investment Fund would be able to distribute a total of \$3,791,180.10 to the Claimants with Allowed Claims against that fund. These payments would reflect a pro rata distribution of 24.1% of those Claimants' Allowed Claim Amounts. That is because the majority of this entity's investments were in life settlements. Only a handful of the life insurance policies this fund owns have matured over the past several years. As a result, the fund has been paying out the premiums to maintain its policies as valid and active, but the value for most of these policies has not yet been converted to cash. Therefore, most of this fund's assets are still tied up in life settlements, and are not available as cash for distribution to Claimants at the present time.

ABFP Multi-Strategy Investment Fund 2, on the other hand, would be able to make a distribution at the rate of 62.5% of the Claimants' Allowed Claim Amounts. Like ABFP Multi-Strategy Investment Fund, this fund invested in the merchant cash business, with a small portion also invested in life settlements. In contrast to the ABFP Multi-Strategy Investment Fund, however, several of the life settlements in ABFP Multi-Strategy Investment Fund 2 have matured over the past four years, bringing several million dollars of additional cash into that fund's bank account from the death benefits on those policies. Therefore, this fund will be able to make a larger percentage pro rata distribution to the Claimants with Allowed Claims against that fund.

In addition, ABFP Income Fund 2 would distribute a total of \$3,961,289.69 to its Claimants with Allowed Claims. The total amount of all Allowed Claim Amounts for the investors in this

fund is \$6,514,135.79. Thus, the proposed pro rata distribution would result in a payment of 60.8% of the Allowed Claim Amounts for the Claimants with Allowed Claims against that fund. As described above, included within this amount is \$1,945,093.30 that ABFP Income Fund 2 holds in a Charles Schwab investment account. This investment has remained relatively flat over the past several years. The assets in this investment account have not yet been liquidated, but the Receiver would plan to sell and convert those assets into cash in advance of an initial interim distribution.

The pro rata distributions to Claimants with Allowed Claims against other agent funds that are Receivership Entities, as a percentage of the total Allowed Claim Amounts for investors in those funds, will vary to some degree. But the average distribution to investors in these Receivership Entity agent funds will be in the range of approximately 47% of the Allowed Claim Amounts for the Claimants with Allowed Claims against those funds.

E. The Recommended Interim Distribution is Reasonable

This proposed distribution of \$110,009,878.15 will provide a significant amount of money to Claimants, while still maintaining adequate funds to cover the ongoing expenses of administering the Receivership Estate and as a hold back for certain disputed claims and other pending issues. The Receiver believes he has reserved an appropriate amount for these purposes, and intends to distribute the excess funds in a future distribution, as appropriate, depending on the outcome of these other pending matters.

VII. CONCLUSION

The Receiver requests that this Court grant the relief requested above, including: (1) approving the Receiver's proposed Distribution Plan; and (2) authorizing the Receiver to make the first interim Distribution of assets from the Receivership Estate. The Receiver will file a proposed Order in connection with his reply(ies) to any responses to this Motion.

Dated: August 23, 2024

Respectfully Submitted,

**STUMPHAUZER KOLAYA
NADLER & SLOMAN, PLLC**
Two South Biscayne Blvd., Suite 1600
Miami, FL 33131
Telephone: (305) 614-1400

By: /s/ Timothy A. Kolaya
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Co-Counsel for Receiver

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GJA@Pietragallo.com
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Pennsylvania Bar No. 90989
(Admitted Pro Hac Vice)
DKR@Pietragallo.com

Co-Counsel for Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on August 23, 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”

Message

From: Isaac Shehebar [/O=SKIVA INTERNATIONAL/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=CHEHEBAR]
Sent: 7/30/2020 12:03:19 PM
To: Eddie Chehebar [eddie@[REDACTED]]
Subject: Fwd: Declaration
Attachments: image001.jpg; ATT00001.htm; 112764913_1_Declaration of Albert Chehebar-C1.DOCX; ATT00002.htm; 112764935_1_Declaration Issac Chehebar-C1.DOCX; ATT00003.htm

Sent from my iPhone

Begin forwarded message:

From: "Berman, Brett" <BBerman@foxrothschild.com>
Date: July 30, 2020 at 10:48:59 AM EDT
To: Isaac Shehebar <isaac@[REDACTED]>
Subject: Declaration

Isaac

Attached are the draft declarations for Albert and you. These are done based on the notes I took from the call yesterday. Please review. If you have any comments let me know. If none, please execute and return.

Thanks again.

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

Message

From: Isaac Shehebar [/O=SKIVA INTERNATIONAL/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=CHEHEBAR]
Sent: 7/31/2020 10:00:43 AM
To: Eddie Chehebar [eddie@REDACTED]
BCC: Isaac Shehebar [isaac@REDACTED]
Subject: Fwd: Revised Declarations
Attachments: image001.jpg; ATT00001.htm; 112777215_1_Declaration Isaac Shehebar Rev ALB-C3.DOCX; ATT00002.htm; 112777054_1_Declaration of Albert Chehebar rev alb-C3.DOCX; ATT00003.htm

Sent from my iPhone

Begin forwarded message:

From: "Berman, Brett" <BBerman@foxrothschild.com>
Date: July 30, 2020 at 1:00:42 PM EDT
To: Isaac Shehebar <isaac@skiva.com>
Subject: Revised Declarations

Per our call a few minutes ago, attached are the revised declarations for your review. If you have no further comments, please execute and return. Thanks.

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

Exhibit “2”

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

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

Defendants.

Civil Action No. 20-cv-81205-RAR

DECLARATION OF ISAAC SHEHEBAR

I, Isaac Chehebar, being duly sworn according to law, hereby jointly depose and say:

1. I am Isaac Shehebar, am a lender to Complete Business Solutions Group, Inc. d/b/a Par Funding (“CBSG”), and I am over 18 years of age. I have personal knowledge of the following facts, and if called to testify as a witness, I would testify competently as to the following facts.

2. On behalf of my family, which includes Ezra Shehabar, Albert Chehebar, Isaac Chehbar, Ezra Chehebar, Michael Chehebar, Josef Chehebar Gabriel Chehebar, and our foundation, JENJ Foundation, I was intimately involved in our family’s loan of approximately \$48 million with CBSG.

3. Before my family loaned CBSG any money, I was also involved with the complete review of all CBSG’s financials and documents to ensure our loan. I participated in asking questions of CBSG’s officers, directors, and employees with questions regarding the business. Further, I reviewed our accountants work after he was able to conduct a review of CBSG.

4. CBSG answered each question, and did not hide any facts or details. They

provided me with as much information as possible, including records to support many of its responses. While reviewing the records, I did not have to rely upon CBSG's representations, as I was able to see various data points, which included default rates, interest rates, etc. for myself. CBSG's business records confirmed their representations.

5. From day one, I was also made aware by both Mr. LaForte and CBSG of Joseph LaForte's involvement, as well as his past criminal history (and convictions). Nothing was kept secret and I were fully aware of how CBSG conducted its business and who was involved in the business.

6. Since 2016, I have remained in regular communication with CBSG, its officers, directors, employees, and agents, which includes Joseph Cole Barleta a/k/a Joe Cole.

7. I reviewed the Securities and Exchange Commission's (the "Commission") Complaint against CBSG et al. and disagree with the allegations asserted therein.

8. The Commission did not spoken to me, despite their claims that they are trying to protect the public, which would include by family. The Commission also not asked whether I was aware of CBSG relationship to any of the individuals named in the Complaint or as to any disclosures were made.

9. I have reviewed the Declaration of Albert Chehebar and I agree with all representations, facts, and opinions stated therein. I thus, echo all points stated in his Declaration. I am also deeply opposed the Commission's objective to liquidate CBSG, as it will place \$48 million of my family's money in jeopardy.

I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct, to the best of my knowledge, information and belief.

Dated: July 30, 2020

Isaac Chehebar

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

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

Defendants.

Civil Action No. 20-cv-81205-RAR

DECLARATION OF ALBERT CHEHEBAR

I, Albert Chehebar, being duly sworn according to law, hereby jointly depose and say:

1. I am Albert Chebar, a lender to Complete Business Solutions Group, Inc. d/b/a Par Funding (“CBSG”), and I am over 18 years of age. I have personal knowledge of the following facts, and if called to testify as a witness, I would testify competently as to the following facts.

2. My family, which includes Isaac Shehebar, Ezra Shehebar, Ezra Chehebar, Michael Chehebar, Josef Chehebar Gabriel Chehebar, and our foundation, JENJ Foundation, have jointly loaned a total of \$48 million with CBSG.

3. In 2016, I first became aware of CBSG and around that time, I was introduced to Joseph LaForte.

4. After considering loaning CBSG money for its business, I wanted a complete review of all CBSG’s financials and documents done to ensure our loan. My family hired an accountant who was afforded with the ability to do a complete and independent review of the company. CBSG fully opened its books and records, including all of its financial information,

and cooperated completely with our accountant's review. Additionally, CBSG made its officers, directors, and employees available to answer all of our questions.

5. In fact, CBSG answered each question, and did not hide any facts or details. They provided us with as much information as possible, including records to support many of its responses. While reviewing the records, I did not have to rely upon CBSG's representations, as I was able to see various data points, which included default rates, interest rates, etc. for my self. However, the business records confirm the representations made by CBSG.

6. From day one, both Mr. LaForte and CBSG fully disclosed Joseph LaForte's involvement, as well as his past criminal history (and convictions). Nothing was kept secret and I were fully aware of how CBSG conducted its business and who was involved in the business.

7. Such information could also be learned from doing a simple google search on either the company or Mr. LaForte.

8. I also understood that this was an investment in a company that was in the Merchant Cash Advance ("MCA") industry.

9. Further, I was not told otherwise by CBSG or made to believe otherwise by any of its officers, directors, agents, or employees.

10. In 2016, my family investment started with smaller loans to CBSG.

11. As a result of each and every loan being paid in full and as promised, without any issues, my family increased its loans to CBSG.

12. Since the inception of our loan, I have remained in regular communication with CBSG, its officers, directors, employees, and agents. Specifically, I have remained in close communication with Joseph Cole Barleta a/k/a Joe Cole.

13. From 2016 through February 2020, CBSG made every payment due and owed to us. Because of the COVID-19 pandemic, certain payments were missed. However, timely payments resumed again in June 2020 and I was kept informed regarding the reason for the missed payments.

14. Each and every question I asked to CBSG, including during the COVID-19 pandemic, was answered and I was provided any documentation I requested to review.

15. As I was aware of the risk in the MCA industry, it was no surprise that the economic downturn caused by the COVID-19 pandemic effected CBSG's business. However, there were no misrepresentations and I found the company to be open an honest with what was going on.

16. I have reviewed the Securities and Exchange Commission's (the "Commission") Complaint against CBSG et al. and disagree with the representations, allegations and facts asserted therein by the Commission.

17. The Commission has not spoken to myself or anyone in my family, despite their claims that they are trying to protect us. They have also not asked whether I was aware of CBSG relationship to any of the individuals named in the Complaint. I was not asked about what disclosures were made, such as to my family or myself.

18. I deeply oppose the Commission's objective to liquidate CBSG, as it will place our \$48,000,000.00 loan in substantial jeopardy.

19. I wish to tell this Court not to allow the Commission to shut down this business, as it should be considering my family, who would be drastically effected. Liquidation of the company, caused by the Commission, is not in the public's best interest.

I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct, to the best of my knowledge, information and belief.

Dated: July 30, 2020

Albert Chehebar

Exhibit “3”

Message

From: Eddie Chehebar [eddie@REDACTED]
Sent: 3/18/2020 4:28:10 PM
To: Anthony Z [anthonyz@parfunding.com]
CC: Kevin Young [kyoung@parfunding.com]
Subject: Re: web conference

Ok jojo setup the zoom meeting please click on the link below Tom at 1

<https://zoom.us/j/9176702015>

Thanks
Eddie Chehebar

On Mar 17, 2020, at 7:20 PM, Anthony Z <anthonyz@parfunding.com> wrote:

1pm Thursday

On Tue, Mar 17, 2020, 7:14 PM Eddie Chehebar <eddie@chehebar.com> wrote:

albertc@REDACTED
Eddie@REDACTED
Jojob123@REDACTED
Michael@REDACTED
Gaby@REDACTED
Isaac@REDACTED
Gs@REDACTED
Zudy@REDACTED

Here are all the email addresses if you want my brother has a zoom meeting account he can set it up fr all of us if you need

Thanks
Eddie Chehebar

On Mar 17, 2020, at 3:44 PM, Anthony Z <anthonyz@parfunding.com> wrote:

Eddie

Kevin is on the email

Please send to him all the emails for the people that will be in attendance
And he will arrange to send out the invites

Exhibit “4”

From: Joe Cole <joe@parfunding.com>
Sent: Friday, December 09, 2016 3:01 PM EST
To: JoJo Chehebar <jojo@REDACTED.com>; isaac@skiva.com <isaac@REDACTED.com>
Subject: Par Funding Weekly Cash Summary - 12/09/16

Good afternoon,

We heard that Chuck unfortunately had a death in his family today and is out of the office.

I wanted to make sure you guys still received the weekly report from us and have copied the numbers for today below.

Let me know if you have any questions.

I wish Chuck's family strength during this time of great loss.

Par Funding Weekly Cash Summary - 12/09/16

Cash Accounts:	\$	1,932,382.90
ACH Reserve:	\$	1,269,375.57
Outstanding Checks:	\$	(18,501.15)
Deals Pending:	\$	(4,223,184.63)
Credit Cards:	\$	(14,307.00)
Accounts Receivable:	\$	55,470,454.09
YTD Bad Debt:	\$	5,165,191.94
Total:	\$	59,581,411.72

Deposits This Week:	\$	1,909,866.53
Projected Deposits:	\$	1,649,332.40
Deposits Needed:	\$	(260,534.13)

Funded This Week:	\$	2,568,508.35
Projected New Funding:	\$	1,840,416.67
New Funding Needed:	\$	(728,091.68)

Returned Payments This Week:	\$	(30,795.52)
Recovered Returned Payments:	\$	20,213.28
Net Returned Payments:	\$	(10,582.24)

Projected Returned Payments:	\$	(82,466.62)
Returned Payment Difference:	\$	(71,884.38)
Recovery Percentage:		65.6%

Joe Cole
CFO



141 N 2nd St
 Philadelphia, PA 19106
 Office 1: 215.613.4126
 Office 2: 215.922.2636 x106
 Cell: 949.232.2463

Exhibit “5”

Message

From: Joe Cole [joecole@parfunding.com]
Sent: 11/13/2018 5:53:45 PM
To: JoJo Chehebar [REDACTED]; chuckfrei [REDACTED]; Perry Abbonizio [perry@parfunding.com]
Subject: CBSG Funding Analysis - 10/31/18
Attachments: CBSG Funding Analysis - 1018.pdf; image.png

Please see our updated funding analysis report through September attached.

We are still working with our auditors to make GAAP compliant amendments on the corresponding AR analysis report which details the performance of assets.


Let me know if you have any questions. Thanks.

Joe Cole
CFO



20 N 3rd St
Philadelphia, PA 19106

 Office: (215) 613-4126

 Cell: (949) 232-2463

 joecole@parfunding.com

Message

From: Joe Cole [joecole@parfunding.com]
Sent: 8/25/2017 9:45:14 AM
To: joemack [REDACTED]; 'JoJo Chehebar' [REDACTED]; 'chuck frei' [REDACTED]; 'Perry Abbonizio' [perry@parfunding.com]
Subject: Par Funding Weekly Cash Summary - 08/25/17
Attachments: image001.png; image002.png; image003.png; image004.png

Par Funding Weekly Cash Summary - 08/25/17

Cash Accounts:	\$	3,930,792.92
ACH Reserve:	\$	2,517,583.48
Outstanding Checks:	\$	(39,492.80)
Deals Pending:	\$	(15,263,539.35)
Credit Cards:	\$	(39,432.68)
Accounts Receivable:	\$	130,776,602.35
YTD Bad Debt:	\$	4,250,968.19
Total:	\$	126,133,482.11




Deposits This Week:	\$	3,505,206.86
Projected Deposits:	\$	3,082,767.87
Deposits Needed:	\$	(422,438.99)

Funded This Week:	\$	2,982,915.72
Projected New Funding:	\$	3,039,583.33
New Funding Needed:	\$	56,667.61

Returned Payments This Week:	\$	(152,435.45)
Projected Returned Payments:	\$	(154,138.39)
Recovered Returned Payments:	\$	24,027.82
Net Returned Payments:	\$	(128,407.63)
Net Return Percentage:		3.66%

Joe Cole
CFO

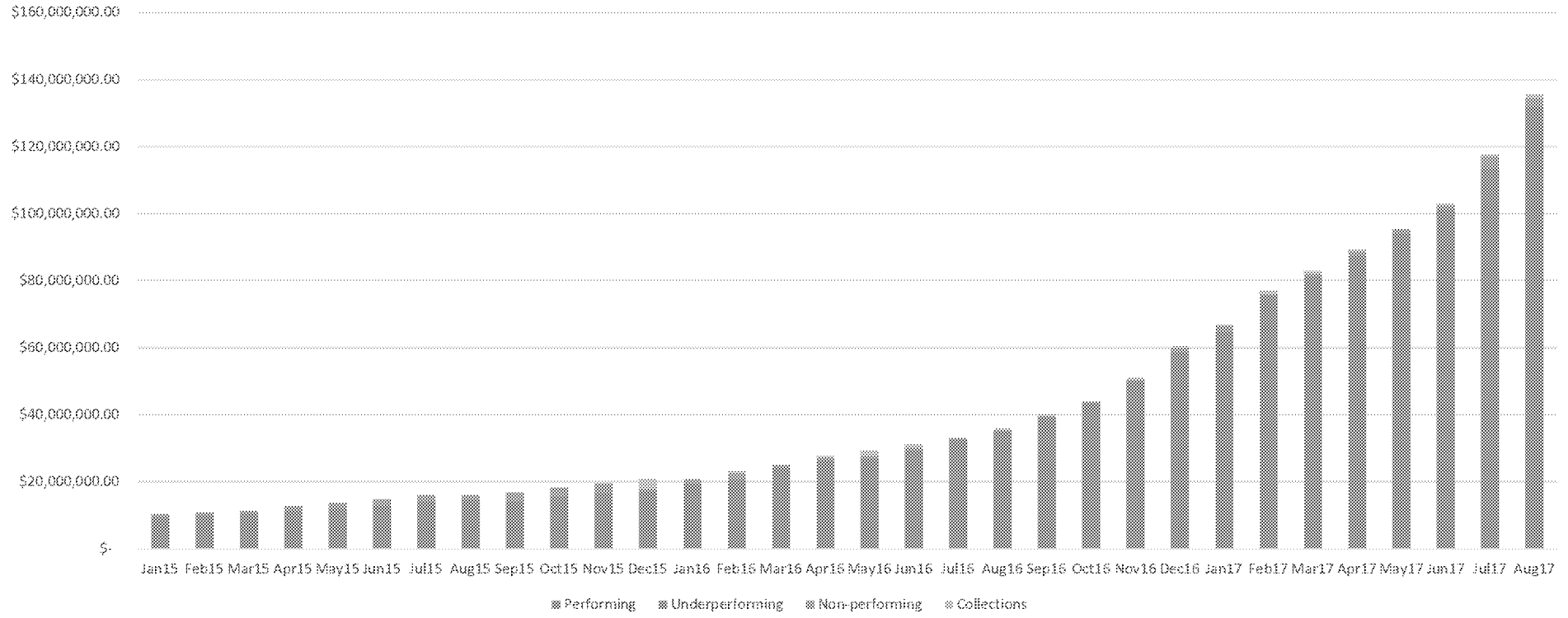
PAR
FUNDING
141 N 2nd St
Philadelphia, PA 19106

-  Office: (215) 613-4126
-  Cell: (949) 232-2463
-  joecole@parfunding.com

CBSG 2015 - August 2017 AR Analysis

Month	Year	Performing	%	Underperforming	%	Non-performing	%	Collections	%	Total AR	AR Change	ACH Deposit	ACH - AR Ratio
Jan15	2015	\$ 7,484,962.61	72.5%	\$ 1,938,800.31	18.8%	\$ 877,124.32	8.5%	\$ 23,309.94	0.2%	\$ 10,324,197.18	\$ -	\$ 1,318,674.98	12.8%
Feb15	2015	\$ 7,014,139.84	65.7%	\$ 2,734,837.77	25.6%	\$ 916,723.36	8.6%	\$ 10,083.44	0.1%	\$ 10,675,784.41	\$ 351,587.23	\$ 1,229,079.02	11.5%
Mar15	2015	\$ 9,096,522.65	79.6%	\$ 1,528,684.84	13.4%	\$ 694,505.84	6.1%	\$ 112,647.70	1.0%	\$ 11,432,361.03	\$ 756,576.62	\$ 1,506,124.10	13.2%
Apr15	2015	\$ 8,502,192.41	67.4%	\$ 2,820,676.58	22.4%	\$ 1,276,028.07	10.1%	\$ 18,359.36	0.1%	\$ 12,617,256.42	\$ 1,184,895.39	\$ 1,805,138.32	14.3%
May15	2015	\$ 9,603,159.57	71.0%	\$ 2,355,092.62	17.4%	\$ 1,543,523.91	11.4%	\$ 25,618.15	0.2%	\$ 13,527,394.25	\$ 910,137.83	\$ 1,836,591.34	13.6%
Jun15	2015	\$ 11,436,533.34	77.9%	\$ 1,445,501.74	9.8%	\$ 1,793,836.24	12.2%	\$ -	0.0%	\$ 14,675,871.32	\$ 1,148,477.07	\$ 2,434,643.69	16.6%
Jul15	2015	\$ 9,800,205.78	61.6%	\$ 4,290,513.47	27.0%	\$ 1,721,604.32	10.8%	\$ 97,728.56	0.6%	\$ 15,910,052.13	\$ 1,234,180.81	\$ 2,662,620.07	16.7%
Aug15	2015	\$ 12,138,321.65	75.3%	\$ 2,359,249.13	14.6%	\$ 1,607,671.17	10.0%	\$ 7,152.84	0.0%	\$ 16,112,394.79	\$ 202,342.66	\$ 2,405,935.02	14.9%
Sep15	2015	\$ 12,474,380.31	74.4%	\$ 2,006,496.48	12.0%	\$ 2,279,110.06	13.6%	\$ 11,777.41	0.1%	\$ 16,771,764.26	\$ 659,369.47	\$ 2,410,848.28	14.4%
Oct15	2015	\$ 11,564,542.48	63.6%	\$ 4,076,327.99	22.4%	\$ 2,458,625.50	13.5%	\$ 76,796.62	0.4%	\$ 18,176,292.59	\$ 1,404,528.33	\$ 2,522,103.46	13.9%
Nov15	2015	\$ 12,434,153.54	63.9%	\$ 4,240,914.58	21.8%	\$ 2,760,082.87	14.2%	\$ 21,275.04	0.1%	\$ 19,456,426.03	\$ 1,280,133.44	\$ 2,255,768.86	11.6%
Dec15	2015	\$ 14,357,161.88	69.6%	\$ 2,733,911.90	13.2%	\$ 894,632.49	4.3%	\$ 2,655,086.56	12.9%	\$ 20,640,792.83	\$ 1,184,366.79	\$ 2,860,882.36	13.9%
Jan16	2016	\$ 14,302,344.79	68.6%	\$ 5,404,658.23	25.9%	\$ 965,769.39	4.6%	\$ 177,837.58	0.9%	\$ 20,850,609.99	\$ 209,817.17	\$ 2,716,950.57	13.0%
Feb16	2016	\$ 18,490,378.86	79.6%	\$ 2,676,262.45	11.5%	\$ 1,621,033.03	7.0%	\$ 446,820.26	1.9%	\$ 23,234,494.60	\$ 2,383,884.61	\$ 3,075,275.28	13.2%
Mar16	2016	\$ 20,834,629.74	83.2%	\$ 3,541,676.34	14.1%	\$ 550,807.21	2.2%	\$ 119,240.54	0.5%	\$ 25,046,353.83	\$ 1,811,859.23	\$ 3,945,773.36	15.8%
Apr16	2016	\$ 21,320,031.04	77.1%	\$ 5,155,183.30	18.6%	\$ 790,416.62	2.9%	\$ 387,353.29	1.4%	\$ 27,652,984.25	\$ 2,606,630.42	\$ 3,605,328.93	13.0%
May16	2016	\$ 23,820,251.16	81.2%	\$ 3,380,511.86	11.5%	\$ 769,543.56	2.6%	\$ 1,365,798.09	4.7%	\$ 29,336,104.67	\$ 1,683,120.42	\$ 3,934,368.90	13.4%
Jun16	2016	\$ 29,129,100.24	93.9%	\$ 500,978.40	1.6%	\$ 703,394.25	2.3%	\$ 673,921.27	2.2%	\$ 31,007,394.16	\$ 1,671,289.49	\$ 4,267,890.84	13.8%
Jul16	2016	\$ 30,416,674.54	92.2%	\$ 2,302,618.06	7.0%	\$ 96,717.81	0.3%	\$ 160,308.50	0.5%	\$ 32,976,318.91	\$ 1,968,924.75	\$ 4,241,911.73	12.9%
Aug16	2016	\$ 33,718,865.56	94.2%	\$ 1,338,471.75	3.7%	\$ 384,553.37	1.1%	\$ 370,128.50	1.0%	\$ 35,812,019.18	\$ 2,835,700.27	\$ 5,262,175.41	14.7%
Sep16	2016	\$ 36,732,890.85	91.8%	\$ 2,678,264.65	6.7%	\$ 222,105.25	0.6%	\$ 360,638.72	0.9%	\$ 39,993,899.47	\$ 4,181,880.29	\$ 5,190,865.85	13.0%
Oct16	2016	\$ 38,730,925.20	88.2%	\$ 4,621,016.70	10.5%	\$ 265,768.47	0.6%	\$ 282,400.59	0.6%	\$ 43,900,110.96	\$ 3,906,211.49	\$ 5,438,533.56	12.4%
Nov16	2016	\$ 46,557,197.54	91.6%	\$ 3,457,415.41	6.8%	\$ 348,031.95	0.7%	\$ 471,231.24	0.9%	\$ 50,833,876.14	\$ 6,933,765.18	\$ 6,051,134.10	11.9%
Dec16	2016	\$ 54,256,068.22	89.6%	\$ 4,654,997.98	7.7%	\$ 1,075,931.16	1.8%	\$ 593,942.40	1.0%	\$ 60,580,939.76	\$ 9,747,063.62	\$ 7,213,052.29	11.9%
Jan17	2017	\$ 60,973,200.12	91.2%	\$ 3,968,282.00	5.9%	\$ 1,330,793.36	2.0%	\$ 566,876.18	0.8%	\$ 66,839,151.66	\$ 6,258,211.90	\$ 7,613,348.99	11.4%
Feb17	2017	\$ 72,053,217.70	93.5%	\$ 3,465,679.73	4.5%	\$ 592,409.78	0.8%	\$ 949,652.32	1.2%	\$ 77,060,959.53	\$ 10,221,807.87	\$ 8,106,842.88	10.5%
Mar17	2017	\$ 77,139,919.04	93.0%	\$ 4,212,150.17	5.1%	\$ 703,804.34	0.8%	\$ 849,319.92	1.0%	\$ 82,905,193.47	\$ 5,844,233.94	\$ 10,016,639.61	12.1%
Apr17	2017	\$ 82,100,207.11	92.0%	\$ 5,077,122.21	5.7%	\$ 1,464,212.09	1.6%	\$ 636,990.71	0.7%	\$ 89,278,532.12	\$ 6,373,338.65	\$ 8,565,932.18	9.6%
May17	2017	\$ 91,319,897.93	95.6%	\$ 2,899,103.71	3.0%	\$ 862,119.59	0.9%	\$ 400,428.98	0.4%	\$ 95,481,550.21	\$ 6,203,018.09	\$ 9,528,831.48	10.0%
Jun17	2017	\$ 95,850,947.05	93.1%	\$ 5,542,036.07	5.4%	\$ 1,150,161.28	1.1%	\$ 442,988.22	0.4%	\$ 102,986,132.62	\$ 7,504,582.41	\$ 10,176,925.07	9.9%
Jul17	2017	\$ 110,589,465.52	94.1%	\$ 2,720,548.26	2.3%	\$ 3,867,037.71	3.3%	\$ 404,711.86	0.3%	\$ 117,581,763.35	\$ 14,595,630.73	\$ 10,019,246.68	8.5%
Aug17	2017	\$ 124,537,534.85	91.9%	\$ 7,351,932.69	5.4%	\$ 2,757,165.66	2.0%	\$ 838,597.72	0.6%	\$ 135,485,230.92	\$ 17,903,467.57	\$ 13,585,400.92	10.0%
												\$ 157,804,838.13	11.5%

Complete Business Solutions Group Account Receivables 2015 - August 2017



Message

From: Joe Mack [REDACTED]
Sent: 8/20/2018 10:40:23 AM
To: zudy@[REDACTED]; cfrei@[REDACTED] [cfrei@[REDACTED]]; perry@parfunding.com [perry@parfunding.com]; Joe Cole [joecole@parfunding.com]
Subject: Fwd: Industry Update: Funder Rankings (By 2017 Revenue)

We won't report revenue to these publications. But we are right on top with the biggest in the industry. On deck raised over a billion. We raised 140 million and are about half the size and profitable. We are taking this public soon after audit is over.

Sent from my iPhone

Begin forwarded message:

From: "Sean Murray" <Sean@deBanked.news>
Date: August 16, 2018 at 2:57:50 PM EDT
To: "Nathan Trunfio" <nate@parfunding.com>
Subject: Industry Update: Funder Rankings (By 2017 Revenue)

deBanked

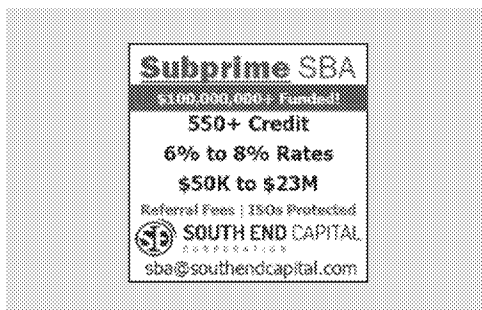
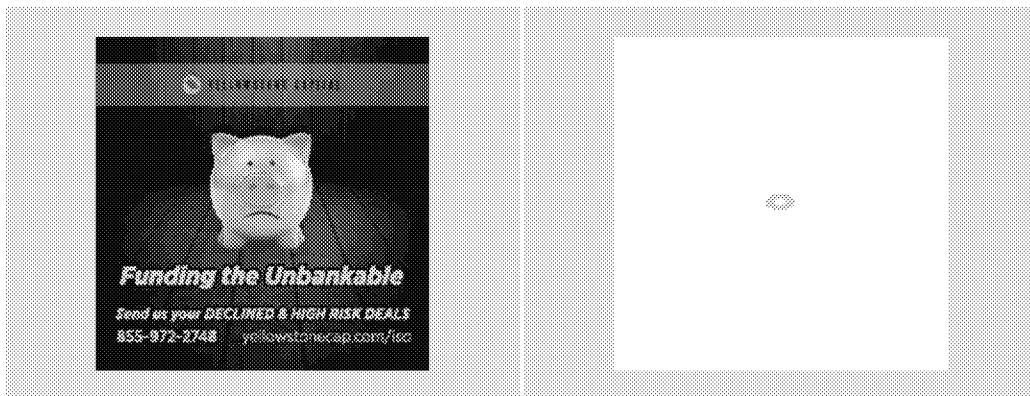
Company	2017	2016	2015	2014	2013
Square	\$2,214,253,000	\$1,708,721,000	\$1,267,118,000	\$850,192,000	\$552,433,000
OnDeck	\$350,950,000	\$291,300,000	\$254,700,000	\$158,100,000	\$65,200,000
Kabbage	\$200,000,000+*	\$171,784,000	\$97,461,712	\$40,193,000	
Bankers Healthcare Group	\$160,300,000			\$93,825,129	\$61,332,289
Global Lending Services	\$125,700,000				
National Funding	\$94,500,000	\$75,693,096	\$59,075,878	\$39,048,959	\$26,707,000
Reliant Funding	\$55,400,000	\$51,946,000	\$11,294,044	\$9,723,924	\$5,968,009
Fora Financial	\$50,800,000	\$41,590,720	\$33,974,000	\$26,932,581	\$18,418,300
Forward Financing	\$42,100,000	\$28,305,078			

The Top Small Business Funders By Revenue

[Read more](#)

Underwriting 101 - Veteran Funders Share Tools of the Trade

For brokers, funding partnerships are critical to success. But making the most of these connections can be elusive. [Read more](#)

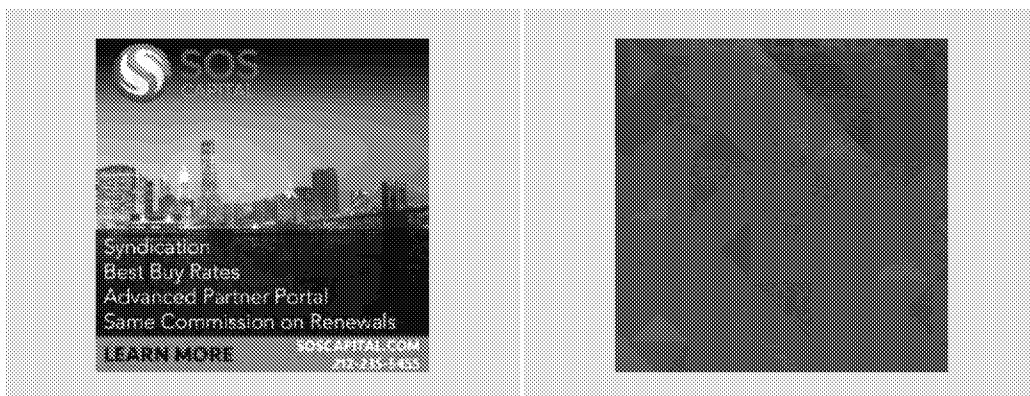


Why is P2P Lending Unraveling in China?

Renton said that this implosion is largely the result of lax Chinese regulation for a number of years. But the Chinese government is now making up for it. In November 2017, China's central bank said that no new licenses would be issued to online lending platforms. And with Chinese P2P platforms failing daily this summer, the central government has proposed new measures, according to Xinhua, the official government news agency [Read more](#)

As Ripple's XRP Drops, Legal Trouble Builds

Ripple's cryptocurrency, XRP, has dropped by about 90 percent from a high of \$3.84 per token in January of this year to \$0.29 [Read more](#)



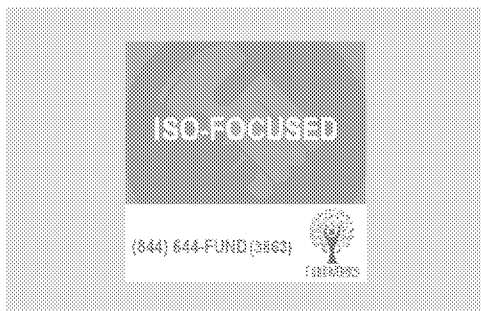
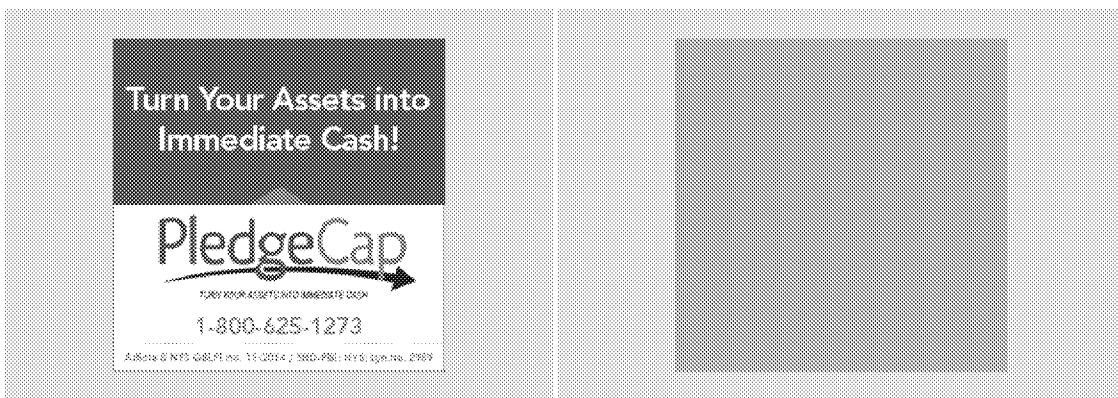


Survey Indicates That Senior Loan Officers Have Eased Standards

Domestic banks eased standards or terms on commercial and industrial (C&I) loans over the past three months, according to a July 2018 Federal Reserve survey that gathered information from senior loan officers at banks. The survey received responses from 72 U.S. banks. [Read more](#)

Survey Reveals U.S. Small Business Owner Outlook

Confidence among small business owners in the U.S. is up, according to a quarterly online survey produced by CNBC and SurveyMonkey. [Read more](#)

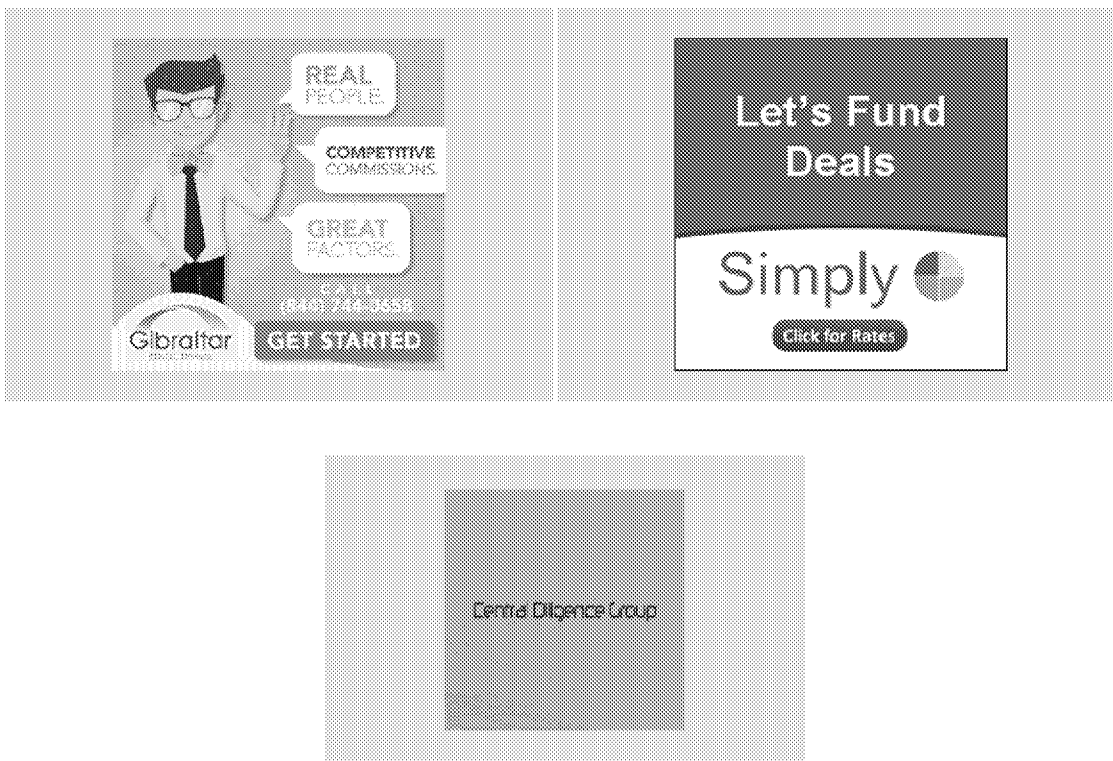


OCC's Fintech Charter is a Mistake

Via PayThink: If facilitating fintech innovation and protecting consumers is the goal, preempting state licensing and consumer laws with a federal charter is not the answer. The OCC's charter creates a new class of institutions that benefits large, established fintech firms and harms the very innovation and choice that U.S. Treasury Secretary Steven Mnuchin and the Comptroller of the Currency Joseph Otting say it would provide. [Read more](#)

Kabbage's Forbes Interview

Excerpt: There are few issues that really kill a business. An entrepreneur needs to both be able to look around the corner as to what might kill it in the future and have the fortitude to make difficult decisions. Businesses are constantly faced with life or death scenarios—the ones that make it through those issues are the ones that become great. [Read more](#)

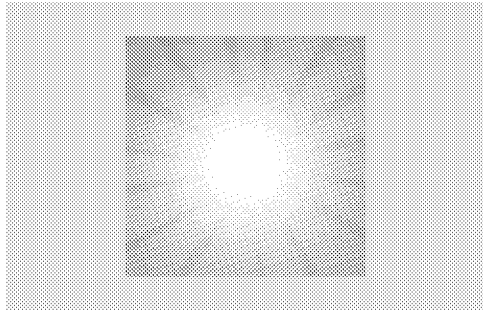


Fed's Probe Commercial Mortgage Fraud

Via American Banker [Read more](#)

States Take Action on Online Bitcoin Lending

Via Manatt [Read more](#)

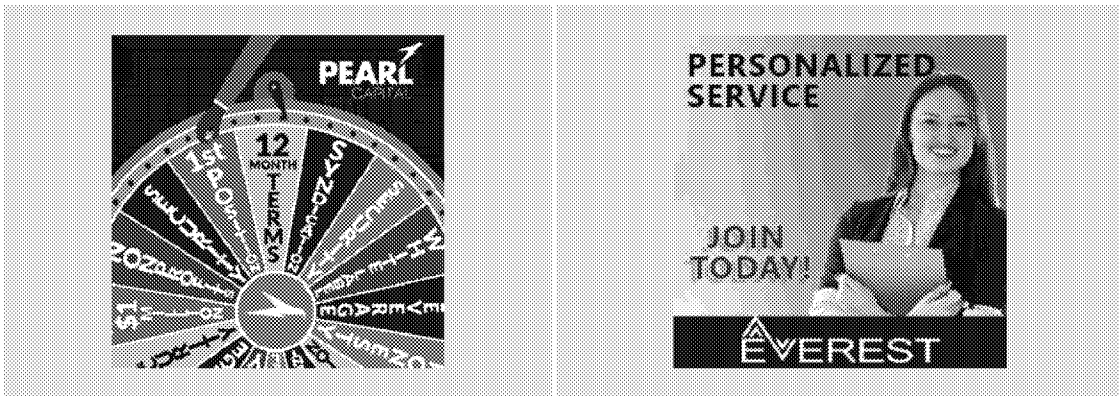


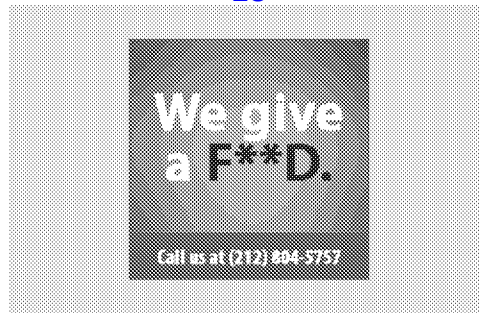
California Supreme Court Rules Interest Rates on Consumer Loans Can be Unenforceable Even if Not in Violation of Usury Limits

On August 13, 2018, the California Supreme Court ruled that a consumer loan not otherwise subject to the state usury cap can have an interest rate so high that the loan agreement is [Read more](#)

Join The Industry on October 4th in San Diego

Don't miss out on this incredible opportunity to network with your peers! deBanked CONNECT San Diego tickets are still available! [Read more](#)





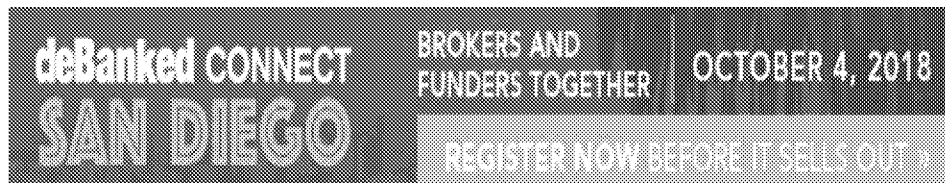
Get Certified in MCA Basics

Make sure you know how MCAs really work before you sell them [Read more](#)

Booming Walmart, Cisco results show US economy's strength is real and broad-based

Via CNBC: The economy is hot! [Read more](#)

Our half-day event is coming October 4th!



Thanks to Our Email Newsletter Sponsors

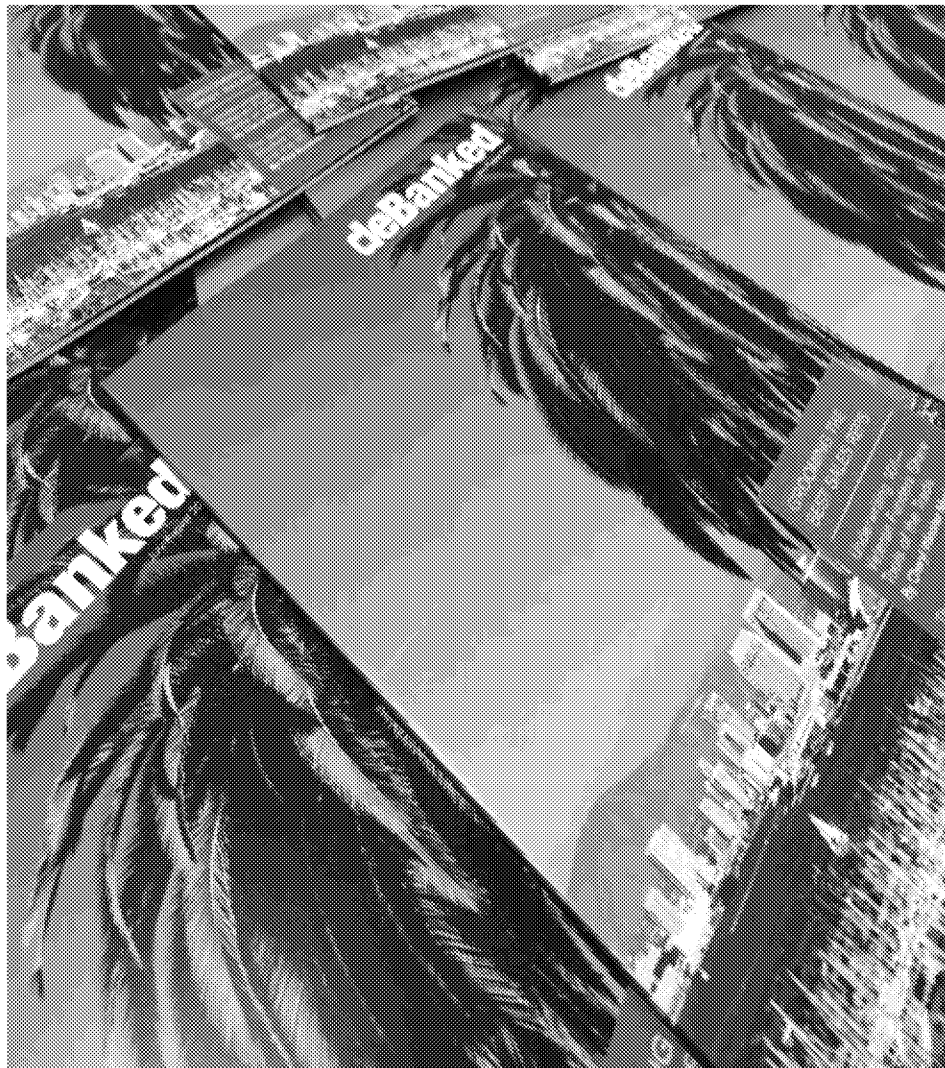
- Uplyft Capital
- SOS Capital
- Platinum Rapid Funding Group
- Promochem.com
- Wellen Capital
- Central Diligence Group
- deBanked CONNECT
- Pearl Capital
- Cardinal Equity

- South End Capital
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Debanked.com / Raharney Capital, LLC, 325 Gold Street, Ste 502, Brooklyn, NY 11201, United States

Exhibit “6”

From: chuckfrei <chuckfrei@REDACTED>
Sent: Thursday, August 18, 2016 1:16 PM EDT
To: joecole@parfunding.com <joecole@parfunding.com>
CC: Joe Mack <REDACTED>; JoJo Chehebar <REDACTED>
Subject: Re: TD Bank View Only

Thanks Joe. I have included JoJo on the email.

Sent from my iPhone

On Aug 18, 2016, at 12:58 PM, Joe Cole <joecole@parfunding.com> wrote:

Chuck,

We set up the view only access to our TD Bank accounts. Please use the following authentications:

Username: parview1
Password: REDACTED

All answers to the security questions are: REDACTED

Keep in mind that information and access to our accounts is limited to only yourself and the investors you bring in.

Thanks.

Joe Cole

<image001.jpg>
141 N 2nd St
Philadelphia, PA 19106
Office 1: 215.613.4126
Office 2: 215.922.2636 x106
Cell: 949.232.2463

Exhibit “7”

From: Joe Cole <joe@parfunding.com>

Sent: Tuesday, September 13, 2016 6:34 PM EDT

To: Jeffrey Kaufman <jkaufman@parfunding.com>

CC: JoJo Chehebar <joc@parfunding.com>; Chuck Frei <cfrei@parfunding.com>

Subject: RE: CBSG

Attachment(s): "CBSG Financial Review Letter 2015.pdf", "CBSG Profit Loss 0816.pdf", "CBSG Profit Loss 2015.pdf", "CBSG Sample Advance.pdf", "CBSG Balance Sheet - 0816.pdf", "CBSG Balance Sheet 2015.pdf", "CBSG Funding Analysis - 0816.pdf"

Jeffrey,

Please see the attached items as discussed.

We'd like to keep the scope of this project to a review of the relevant items Jojo wants to cover to feel comfortable with his increased investment with us and not turn this into a full audit.

You're welcome to come to our office, connect to our books and pull files as needed. We can assign someone to assist you in getting through your due diligence. I can answer your questions as we make progress and outline what we're looking for in this review.

We've also gone into great detail with Chuck in regards to our financial methodology and accounting system. I'm sure he could answer a lot of questions about our company.

Thank you.

Joe Cole

-----Original Message-----

From: Chuck Frei <cfrei@parfunding.com>

Sent: Tuesday, September 13, 2016 12:01 PM

To: Joe Cole (joe@parfunding.com) <joe@parfunding.com>

Cc: Jeffrey Kaufman <jkaufman@parfunding.com>; JoJo Chehebar <joc@parfunding.com>

Subject: RE: CBSG

Joe,

Please see below from Jeffrey Kaufman. He is JoJo's accountant. You can work directly with him.

Thanks,

Chuck

From: Jeffrey Kaufman <jkaufman@parfunding.com>

Sent: Monday, September 12, 2016 12:15 PM

To: JoJo Chehebar <joc@parfunding.com>

Cc: Chuck Frei <cfrei@parfunding.com>

Subject: Re: CBSG

Jo Jo,

In order to analyze the company in a basic manner to see what the Audit will entail I would need to see the following:

1. How was it organized (Corp, Partnership, etc.)
2. I would like to see a copy of a tax return
3. If possible I would also like to see a General Ledger These will give me a basic understanding as to the nature of the business so I can get a feeling of what work I will need to perform for the Audit.

After that we will have to negotiate a price and get an Engagement Letter signed. Please confirm what years will be under Audit, just 2016 which is not yet complete or do you want to go back and do 2015, and will this be a yearly thing going forward.

Thank you,

Jeffrey Kaufman CPA

Jeffrey Kaufman CPA
1318 Davies Road
Far Rockaway, NY 11691
917-REDACTED

On Mon, Sep 12, 2016 at 11:59 AM, JoJo Chehebar <joc@parfunding.com> <mailto:joc@parfunding.com> wrote:
Jeffrey,

Please advise what you need from Complete Business Solutions Group in order to do a full 2015/2016 financial audit.

Best Regards,
JoJo

--

JoJo Chehebar

jojo@chehebar.com<mailto:jojo@chehebar.com>
1-917-REDACTED

1412 Broadway, Suite 1400
New York, New York 10018

[Image removed by sender. vCard]<<http://www.gideonam.com/new/wp-content/uploads/2014/11/JoJo-Chehebar.vcf>>

[Image removed by sender. Website]<<http://www.chehebar.com/>>

[Image removed by sender. Email]<mailto:jojo@chehebar.com>

[Image removed by sender. LinkedIn]<<https://www.linkedin.com/in/josef-chehebar-87626a81>>

[Image removed by sender. Instagram]<<https://www.instagram.com/JoJoC123/>>

From: Joe Cole <joe@parfunding.com>

Sent: Tuesday, September 20, 2016 10:09 AM EDT

To: Jeffrey Kaufman <jkaufmancpa@REDACTED>; JoJo Chehebar <jojo@REDACTED>; Chuck Frei <cfre@REDACTED>; Isaac Klein <ik@REDACTED>

Subject: RE: Review

Hi Jeffrey,

Thanks for following up, we can certainly set up remote access to be able to get to our files.

I'm thinking having a data room online for our files would be easiest and doing an RDP connection to our books remotely. We obviously would like to have an NDA with you in place before doing this but it will take a couple days for IT to get that established anyways.

I'd like to schedule a call to go over logistics to better accommodate your process and have things go smoothly.

So just let me know what works for you.

Joe Cole

From: Jeffrey Kaufman [mailto:jkaufmancpa@REDACTED]

Sent: Tuesday, September 20, 2016 8:43 AM

To: joe@parfunding.com; JoJo Chehebar <jojo@REDACTED>; Chuck Frei <cfre@REDACTED>; Isaac Klein <ik@REDACTED>

Subject: Review

Good Morning Joe,

I have agreed with Jo Jo to do a review of the Loans that CBSG has initiated from January 2015 to date. The plan is to do this from New York. In order to set up the process it would be helpful to have two things to start with. First, is a list of loans initiated during that time so I can pick a sample to review. Second, if possible, to send one sample file that you have for a customer so I can gain an understanding of your files. This will help make the whole thing go smoother.

Thank you for your help in advance.

Jeffrey Kaufman CPA

1318 Davies Road

Far Rockaway, NY 11691

917-REDACTED

From: Joe Cole <joe@parfunding.com>
Sent: Wednesday, March 01, 2017 11:53 AM EST
To: JoJo Chehebar <jojo@REDACTED>; Chuck Frei <cfrei@REDACTED>; joe@parfunding.com <joe@parfunding.com>; Zacko Shehebar <isaac@REDACTED>
BCC: pa@cbsgus.com <pa@cbsgus.com>
Subject: RE: Jeffrey Kaufman Investment

Good morning Jojo,

We're good for the 25.0% family rate for Jeffrey and appreciate the validation from someone who's really gone through our records.

I'll just need a W9 completed and to confirm the duration of the note he'd like.

I can have documents ready by end of day.

Let me know if you have any questions, thank you.

Joe Cole

From: JoJo Chehebar [mailto:jojo@REDACTED]
Sent: Wednesday, March 1, 2017 11:10 AM
To: Chuck Frei <cfrei@REDACTED>; Joe Cole <joe@parfunding.com>; joe@parfunding.com; Zacko Shehebar <isaac@REDACTED>
Subject: Jeffrey Kaufman Investment

Hi Joe,

I spoke to Chuck last week about this, and today I'm asking you, because the accountant we hired to audit your company, Jeffrey Kaufman, who is now our in-house CFO & CPA (for Gideon Asset Management) would like to participate in lending to CBSG, needless to say on my part, this is obviously very comforting that the CPA we sent to audit CBSG now wants to invest in CBSG lol. As a Chehebar company man, he is now hoping to get a "Chehebar" rate? please let me know what you can do. he doesnt have a large amount of excess capital, he wanted to put in \$50,000 of his own, but he wanted to make a single entity with his family and put in \$250,000 if that was ok with you.

please let me know,

Thank You

JoJo Chehebar

jojo@chehebar.com

1-917-REDACTED

1412 Broadway, Suite 1400
New York, New York 10018



Exhibit “8”

From: [Joe Cole](#) on behalf of [Joe Cole <joe@parfunding.com>](#)
To: "JoJo Chehebar"
Cc: "Chuck Frei"; ["chuckfrei"](#)
Subject: RE: Revise the document and work with
Date: Wednesday, June 1, 2016 1:50:23 PM
Attachments: [CBSG Investor Presentation - 031316.pptx](#)
[CBSG Profit Loss - 0416.pdf](#)
[CBSG Funding Analysis - 0416.pdf](#)
[ETA White Paper.pdf](#)
[CBSG Norm Valz Certification - 041516.pdf](#)
[CBSG Balance Sheet 2015.pdf](#)
[CBSG Profit Loss 2015.pdf](#)
[CBSG Balance Sheet 0416.pdf](#)

Please see the attached files.

Let me know if you want any other materials.

Joe Cole

From: JoJo Chehebar [mailto:jojo@REDACTED]
Sent: Wednesday, June 1, 2016 1:34 PM
To: joe@parfunding.com
Cc: Chuck Frei <cfre@REDACTED>; chuckfrei <chuckfrei@REDACTED>
Subject: Re: Revise the document and work with

Joe,

can u please email me digitally the deck and all documentation that we reviewed in person when we where there? i like to keep a record of the orginal investment deck of all our deals.

including the excel with the monthly sums since inception showing the loan amounts how much was received and loss factor.

Thank You,
JoJo

JoJo Chehebar

jojo@REDACTED
[1-917-REDACTED](tel:1-917-REDACTED)

1412 Broadway, Suite 1400
New York, New York 10018



On Wed, Jun 1, 2016 at 11:53 AM, JoJo Chehebar <jojo@REDACTED> wrote:

Perfect, thank you, the wire has been sent.

JoJo Chehebar

jojo@REDACTED
1-917-REDACTED

1412 Broadway, Suite 1400
New York, New York 10018



On Wed, Jun 1, 2016 at 11:09 AM, Joe Cole <joecole@parfunding.com> wrote:

Jojo,

Please see the attached fully executed copies of your documents and our wire instructions.

The terms reflected are indeed the same as your father's with 25.0% interest payable monthly on the \$500,000.00 and principal returned after 12 months.

We will schedule interest distributions for the 1st starting in July.

Let me know if you have any other questions. Thank you.

Joe Cole

From: JoJo Chehebar [mailto:jojo@REDACTED]
Sent: Wednesday, June 1, 2016 10:37 AM
To: joecole@parfunding.com
Cc: Chuck Frei <cfrei@REDACTED>
Subject: Re: Revise the document and work with

Joseph,

Please see attached signed forms, please confirm they are exactly same terms as original \$500,000 loan my father made on 4/19/2016.

Also, please provide wiring instructions, i was to send today so the monthly Interest will

come on the 1st of each month.

Best Regards,
JoJo Chehebar

JoJo Chehebar

jojo@REDACTED
[1-917-REDACTED](tel:1-917-REDACTED)

1412 Broadway, Suite 1400
New York, New York 10018



On Thu, May 26, 2016 at 11:30 AM, Joe Cole <joecole@parfunding.com> wrote:

Please see attached.

Joe Cole

-----Original Message-----

From: Chuck Frei [mailto:cfrei@REDACTED]

Sent: Thursday, May 26, 2016 11:21 AM

To: Joe Cole (joecole@parfunding.com) <joecole@parfunding.com>

Cc: JoJo Chehebar <jojo@REDACTED>

Subject: Revise the document and work with

Joe,

Please revise the GEMJ docs to add LLC and forward them directly to JoJo with the W-9 and he will complete them with you.

Thanks,

Chuck

Chuck Frei
CFO
Skiva International Inc.
1407 Broadway
Suite 503
New York, NY 10018
[\(212\)REDACTED](tel:(212)REDACTED)

| cfrei@REDACTED

From: [Joe Cole](#) on behalf of [Joe Cole <joecole@parfunding.com>](#)
To: "[Joe Mack](#)"
Subject: FW: CBSG
Date: Tuesday, September 13, 2016 12:00:32 PM

Please see below from Chuck / Jojo / Jojo's accountant.

They want our tax returns and some accounting information. I guess this due diligence will be somewhat formal since they want a signed engagement letter for the project.

Let me know if I should provide the items requested or if we should discuss with them first. Thanks.

Joe Cole

-----Original Message-----

From: Chuck Frei [<mailto:cfrei@REDACTED>]
Sent: Tuesday, September 13, 2016 12:01 PM
To: Joe Cole (joecole@parfunding.com) <joecole@parfunding.com>
Cc: Jeffrey Kaufman <jkaufmancpa@REDACTED>; JoJo Chehebar <jojo@REDACTED>
Subject: RE: CBSG

Joe,

Please see below from Jeffrey Kaufman. He is JoJo's accountant. You can work directly with im.

Thanks,

Chuck

From: Jeffrey Kaufman [<mailto:jkaufmancpa@REDACTED>]
Sent: Monday, September 12, 2016 12:15 PM
To: JoJo Chehebar <jojo@REDACTED>
Cc: Chuck Frei <cfrei@REDACTED>
Subject: Re: CBSG

Jo Jo,

In order to analyze the company in a bsic manner to see what the Audit will entail I would need to see the following:

1. How was it organized (Corp, Partnership, etc.)
2. I would like to see a copy of a tax return
3. If possible I would also like to see a General Ledger These will give me a basic understanding as to the nature of the business so I can get a feeling of what work I will need to perform for the Audit.

After that we will have to negotiate a price and get an Engagement Letter signed. Please confirm what years will be under Audit, just 2016 which is not yet complete or do you want to go back and do 2015, and will this be a yearly thing going forward.

Thank you,

Jeffrey Kaufman CPA

Jeffrey Kaufman CPA
1318 Davies Road
Far Rockaway, NY 11691
917-REDACTED

On Mon, Sep 12, 2016 at 11:59 AM, JoJo Chehebar <jojo@chehebar.com<<mailto:jojo@REDACTED>>> wrote:
Jeffrey,

Please advise what u need from Complete Business Solutions Group in order to do a full 2015/2016 financial audit.

Best Regards,
JoJo

--

JoJo Chehebar

jojo@chehebar.com<<mailto:jojo@REDACTED>>
1-917-670-2015<tel:19176702015>

1412 Broadway, Suite 1400
New York, New York 10018

[Image removed by sender. vCard]<<http://www.gideonam.com/new/wp-content/uploads/2014/11/JoJo-Chehebar.vcf>>

[Image removed by sender. Website]<<http://www.chehebar.com/>>

[Image removed by sender. Email]<<mailto:jojo@REDACTED>>

[Image removed by sender. LinkedIn]<<https://www.linkedin.com/in/josef-chehebar-87626a81>>

[Image removed by sender. Instagram]<<https://www.instagram.com/JoJoC123/>>

From: [Joe Cole](mailto:joecole@parfunding.com) on behalf of [Joe Cole](mailto:joecole@parfunding.com) <joecole@parfunding.com>
To: "Jeffrey Kaufman"
Cc: "JoJo Chehebar"; "Chuck Frei"
Subject: RE: CBSG
Date: Tuesday, September 13, 2016 6:34:54 PM
Attachments: [CBSG Financial Review Letter 2015.pdf](#)
[CBSG Profit Loss 0816.pdf](#)
[CBSG Profit Loss 2015.pdf](#)
[CBSG Sample Advance.pdf](#)
[CBSG Balance Sheet - 0816.pdf](#)
[CBSG Balance Sheet 2015.pdf](#)
[CBSG Funding Analysis - 0816.pdf](#)

Jeffrey,

Please see the attached items as discussed.

We'd like to keep the scope of this project to a review of the relevant items Jojo wants to cover to feel comfortable with his increased investment with us and not turn this into a full audit.

You're welcome to come to our office, connect to our books and pull files as needed. We can assign someone to assist you in getting through your due diligence. I can answer your questions as we make progress and outline what we're looking for in this review.

We've also gone into great detail with Chuck in regards to our financial methodology and accounting system. I'm sure he could answer a lot of questions about our company.

Thank you.

Joe Cole

-----Original Message-----

From: Chuck Frei [<mailto:cfrei@REDACTED>]
Sent: Tuesday, September 13, 2016 12:01 PM
To: Joe Cole (joecole@parfunding.com) <joecole@parfunding.com>
Cc: Jeffrey Kaufman <jkaufmancpa@REDACTED>; JoJo Chehebar <jojo@REDACTED>
Subject: RE: CBSG

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Jeffrey Kaufman CPA
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JoJo

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JoJo Chehebar

jojo@chehebar.com<<mailto:jojo@REDACTED>>
1-917-REDACTED >

1412 Broadway, Suite 1400
New York, New York 10018

[Image removed by sender. vCard]<<http://www.gideonam.com/new/wp-content/uploads/2014/11/JoJo-Chehebar.vcf>>

[Image removed by sender. Website]<<http://www.chehebar.com/>>

[Image removed by sender. Email]<<mailto:jojo@REDACTED>>

[Image removed by sender. LinkedIn]<<https://www.linkedin.com/in/josef-chehebar-87626a81>>

[Image removed by sender. Instagram]<<https://www.instagram.com/JoJoC123/>>

Exhibit “9”

CONSULTING AGREEMENT

This Consulting Agreement ("*Agreement*") is made effective as of January 10, 2017, ("*Effective Date*"), by and between COMPLETE BUSINESS SOLUTIONS GROUP, INC. d/b/a Par Funding, a Delaware corporation (the "*Company*") and ISAAC SHEHEBAR, a resident of the State of New York ("*Consultant*" or "*you*") together with the Company, the "*Parties*", and each individually, a "*Party*").

WHEREAS, the Company is a "daily funder", engaging in factoring transactions for small and mid-sized businesses (the "*Business*");

WHEREAS, in the Company desires to engage Consultant to perform certain Services for the Company (as defined below) and Consultant desires to be engaged by the Company, all on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Company and Consultant agree as follows:

1. Engagement and Term.

(a) The Company hereby engages you as a Consultant and you hereby agree to be engaged by the Company to provide the Services (as defined in Section 2 below) for the period commencing on the date hereof and continuing for a period of five (5) years, and for one (1) year periods thereafter, subject to earlier termination in accordance with Section 6 of this Agreement (the "*Term*") and Consultant shall provide the Services to the Company as required under the terms of this Agreement.

2. Consultant's Services and Rights.

(a) Services. During the Term, Consultant shall provide the services enumerated below (collectively, the "*Services*") and shall faithfully and diligently perform such duties and responsibilities that he is required to perform under this Agreement, in accordance with the following terms and conditions:

(1) in consultation with the Company, Consultant shall assist the Company in establishing contact with potential Investors; it being understood that there is no guaranty that Consultant will be able to identify or establish contact with any such potential Investors satisfactory to the Company other than those previously identified;

(2) Notwithstanding the foregoing powers invested in Consultant under this Section 2(a), Consultant shall not enter into any contracts or other agreements on behalf of the Company with any person or entity or bind the Company or any of its affiliates. All contracts, documents and other agreements to which the Company is a party may be entered into only by Company Management. For the avoidance of doubt, for purposes of this Agreement, Consultant shall not be deemed to be an affiliate of the Company or its affiliates; and

(3) It is the mutual intent of the Parties that Consultant will act strictly in a professional consulting capacity as an independent contractor for all purposes, including without limitation, federal, state and local withholding, employment and payroll tax purposes, and that Consultant will not be considered an employee of the Company or its affiliates.

(4) Consultant shall direct the manner and time in which the Services are provided and Consultant provides no warranties or assurances with respect to the Services.

(b) Non-Competition.

(1) So long as the Company's obligations under the Note remain outstanding and the Company is not in default thereof and no Liquidity Event (as defined below) has occurred, Consultant agrees he will not, for himself, or on behalf of or in conjunction with any person, business organization, association, venture, trust, solicit, advise, consult with, advertise, promote or engage in the operation of any business having operations or purposes similar to that of the Company (which restriction the parties agree shall be limited to the merchant cash advance business and no other products).

(2) During the Term and for a period of two (2) years thereafter, Consultant shall not in any capacity, either directly or indirectly, individually or on behalf of other persons: (i) aid or endeavor to solicit or induce any employee, independent contractors, consultants or advisers of the Company or its affiliates to leave the employment or end or reduce their relationship with the Company or its affiliates, as the case may be, and/or accept employment or enter into a relationship with another person or entity; (ii) aid or endeavor to solicit or induce or influence any Investor, potential Investor, customer, agent, consultant or other person or entity that has a business relationship with the Company or its affiliates to discontinue, reduce or modify such relationship; or (iii) aid or endeavor to solicit or induce or influence any Investor, potential Investor, customer, agent, consultant or other person or entity that has a business relationship with the Company or its affiliates to provide services or products to or for the benefit of another entity or person; provided however, the foregoing shall not apply with respect to GEMJ Chehebar GRAT, LLC (the "Other Consultant"). Notwithstanding the foregoing, nothing herein shall prohibit or prevent Consultant after termination of this Agreement from participating in any general advertising solicitation of employees, as long as such solicitation is not specifically directed at employees of the Company or any of its affiliates.

(3) Consultant agrees that he will not, directly or indirectly, for himself or as an agent on behalf of or in conjunction with any person, firm, association, venture, or corporation, at any time (whether during the Term of this Agreement or thereafter) use any of the Company's Intellectual Property for any purpose other than performing the Services without the prior written consent of the Company which consent may be granted or denied in the sole discretion of the Company.

(4) Consultant acknowledges that the scope of the covenants above in this Section 2(b) is reasonable and further acknowledges that the Services to be performed by him are of a unique character, giving them a peculiar value, the loss of which cannot be reasonably or adequately compensated by damages and that the Company shall have such remedies against Consultant as may be available in law or equity and that the Company may seek the issuance of an injunction or other equitable remedy as an appropriate remedy for such a breach.

(c) During the term of this Agreement, in the event that the Company obtains a bona fide commitment by a third party (the "*Third Party Offeror*") for a refinancing of the obligations under the Note or additional financing on terms more favorable to the Company than those provided by the Note (defined below), Consultant is hereby granted a right of first refusal (the "*Option*") to provide such financing to the Company on the same terms and conditions. In such event, the Company shall provide to Consultant in writing a statement of the material terms proposed by the Third Party Offeror. In order for Consultant or its affiliates to exercise the foregoing Option, it must provide written notice of its intent and commitment within ten (10) days after the Company provides the above notice to Consultant. In the event Consultant fails to provide such written notice of its exercise of the Option within such time period, or elects not to proceed with such financing, or fails to timely fund such financing, the Offer shall be deemed immediately and irrevocably revoked, with no further action required by the Company and the Company may proceed with the financing proposed by the Third Party Offeror.

3. Compensation.

(a) Profits Payments. During the Term of this Agreement, the Company shall pay and Consultant shall be entitled to receive as compensation a profits-based bonus (the "*Profits Payments*"), payable quarterly in arrears within seven (7) days after the end of the applicable quarter, calculated as the product

of (i) Gross Funding for the previous quarter; (ii) the Funding Percentage; and (iii) the applicable Profits Percentage. For purposes of this Section 3(a), capitalized terms shall have the following meanings:

“*Funding Percentage*” means a percentage of Gross Funding, initially targeted at ten percent (10%) of Gross Funding, to be allocated on account of Profits Payments to Consultant and certain other persons and entities, subject to modification by the Company.

“*Gross Funding*” means, in respect of a relevant period, the aggregate amount of funds deployed by the Company to its factoring customers (i.e. the gross amount of advances including, without limitation, amounts advanced, returned and advanced again), regardless of whether such funds were provided by Investors or other sources.

“*Liquidity Event*” means the sale, exchange, or other disposition of all or substantially all of the Company’s assets, in one or a series of related transactions, which results in the Company’s receipt of cash or securities. Such transactions shall also encompass any mergers, consolidations, or conversions of the Company, or a “change of control” transaction pursuant to which the Company or its owners receive cash or securities; or a private or public offering in which the Company or its partners receive cash or securities. As used in this Agreement “change of control” means the sale or other transfer (in one or a series of transactions within a twelve (12) month period) of fifty percent (50%) or more of the equity ownership interests in the Company to any person or entity not an owner or an affiliate of an owner as of the date hereof.

“*Profit Percentage*” means 1.3125%.

(b) Liquidity Event Payment. Upon the consummation of a Liquidity Event, the Company shall pay to Consultant an amount equal to the (x) the gross proceeds to the Company from such Liquidity Event (net only of transaction expenses paid by the Company to third parties and loans that must be repaid by the Company out of the proceeds of such Liquidity Event), multiplied by (y) the Profits Percentage.

(c) No Equity Interest. Consultant’s rights to Profits Payments do not and shall not constitute, or be deemed to constitute an ownership interest in the Company, any right to manage the Company or any right to vote in any matter as to which holder of equity interests in the Company may vote.

(d) No other benefits. Consultant shall not be entitled to compensation or benefits of any kind for performance of the Services other than the Consulting Fee, and Profits Payments expressly set forth in this Section 3, and the expense reimbursement set forth in Section 5.

(e) Restrictions on Distributions. All distributions and/or dividends to the principals, members or shareholders of the Company shall be calculated based on the same methodology as the calculation of Profits Payments hereunder such that after including all such distributions and dividends and all Profits Payments to Consultant and the Other Consultants, Consultant shall have received a portion of such aggregate amounts equal to the Profits Percentage. Unless the Company has made all payments to Consultant required pursuant to this Section 3, the Company shall not make any distribution or pay any dividend to any principal, member or shareholder of the Company, nor may the Company make any payment (whether salary, benefits, consulting or management fees or otherwise) to any principal, member or shareholder of the Company or any affiliate or family member thereof, except for salaries in an amount as would be paid to an unrelated third-party, on an arms-length basis, for services provided to the Company; provided, however, that nothing set forth herein shall prohibit payments to Payee under the Note or to the Other Lenders (as defined in the Note).

(e) Deferral. Company may defer the payment of a Profit Payment, if, in the sole discretion of the Company the said Profit Payment shall be deemed necessary to fund existing or pending transactions, with the restriction that there shall never be a deferral for two consecutive quarters. Furthermore, Company shall only be permitted to so defer such payment as long as Company is in compliance with the

provisions of Section 3(e) hereof such that Company does not make any distributions or pay any dividends to any other parties while such Profits Payment is deferred.

(g) No Withholding of Payments. The Company acknowledges and agrees that the Profits Payments hereunder have been earned by Consultant and that Consultant has provided significant economic and other benefit to the Company constituting significant and sufficient consideration for Company's obligations hereunder. The Company may not withhold the payment of any Profit Payment based on any claim of breach of the terms hereof by Consultant. In addition, in the event that any Profit Payment is not made as required hereunder within six months of when such payment is due, the Company will be charged five percent (5%) of the unpaid portion of such Profit Payment payable to Consultant.

4. Benefits. Consultant hereby acknowledges and agrees that he is not an employee of the Company or its respective affiliates and, therefore, he is not eligible to participate in any of the Company's group medical, prescription drug, dental, vision, retirement, welfare, bonus, incentive or other benefit plan maintained by the Company or any of its affiliates. Accordingly, Consultant hereby irrevocably agrees that he will not make any claim for such benefits.

5. Expenses. Each of Consultant and the Company shall bear its own expenses in connection with the negotiation and documentation of this Agreement. During the Term, Consultant shall be reimbursed by the Company for the reasonable, ordinary and necessary business expenses incurred by Consultant, in connection with the performance of the Services, upon presentation of an itemized accounting and written proof of such expenses in accordance with reasonable policies established by the Company; provided that no such expense in excess of \$500.00 shall be reimbursed without prior written authorization by the Company. Any business expenses incurred by the Consultant that are not directly and wholly related to the performance of the Services, including, but not limited to, air travel expenses for multiple purposes, will not be reimbursed by the Company. Consultant shall use his best efforts to minimize such expenses. Notwithstanding the foregoing, in the event of any litigation involving this Agreement, the substantially prevailing Party shall be entitled to recover its reasonable legal fees and costs relating thereto.

6. Termination.

(a) The Company's termination rights. The Company may, by notice in writing to Consultant, terminate this Agreement:

(1) upon payment in full of that certain Promissory Note, dated as of the date hereof, in the original principal amount of \$3,000,000.00 (the "*Note*") payable by the Company in favor of Isaac Shehebar 2008 AIJJ Grantor Retained Annuity Trust (the "*Payee*"), upon Payee's failure to extend the term of the Note in accordance with the provisions of the Note; or

(2) Upon the consummation of a Liquidity Event.

(b) Continuing Payments. For the avoidance of doubt, the Company shall continue to have an obligation to make Profits Payments to Consultant in the event that (i) the Company prepays the Note (including, without limitation, in the event that the Company provides Consultant and Payee with notice of the Option and Consultant and Payee declines such Option and the Company obtains financing or refinancing from a third-party) and/or (ii) in the event that the Company repays the Note upon a default thereunder, whether as a result of acceleration of the obligations thereunder or otherwise. Furthermore, the obligation of the Company to make Profits Payments shall only cease upon payment upon a Liquidity Event pursuant to Section 3(b) or in the event that, with no Event of Default then occurring and continuing under the Note, Payee declines to extend the Maturity Date of the Note in accordance therewith.

(c) Consultant's termination rights. Consultant may, by notice in writing to the Company, terminate this Agreement:

(1) in the event that the Company commits a breach of this Agreement consisting of a failure to make a payment to Consultant required hereunder and fails to remedy that breach within thirty (30) days after such payment is due;

(2) in the event that the Company commits a material breach of this Agreement (other than a breach set forth in Section 6(c)(1) immediately above) and fails to remedy that breach within thirty (30) days after receipt of written notice requesting its remedy; or

(3) for any reason or no reason upon thirty (30) days' prior written notice to the Company;

(4) an Event of Default occurs under the Note.

(d) No termination upon death. Notwithstanding the death or incapacity of Consultant, this Agreement and the Company's obligations hereunder shall continue and survive (and may be enforced by Consultant's heirs, successors and/or assigns) until the Company's obligations terminate pursuant to Section 6(a) hereof.

(e) Effect of expiry or termination.

(1) Upon expiry or termination of this Agreement, (x) Consultant will be entitled to payment of all accrued and unpaid Consulting Fees and Profits Payments in accordance with Sections 3(a) and (b) (including any shortfall resulting from any required recalculation of the Funding Percentage as set forth in the definition of such term) and all expenses payable pursuant to Section 5 for all periods up to and including the effective date of termination and a post-termination dates in accordance therewith and (y) Consultant shall immediately return to the Company all property (including Intellectual Property of the Company) and shall thereafter refrain from using same.

(2) The expiry or earlier termination of this Agreement shall not affect any right or remedy of either Party against the other in respect of any prior breach of this Agreement, nor any provision of this Agreement which is expressly or by implication intended to come into or continue in force on or after such expiry or termination.

7. Definitions. For purposes of this Agreement:

(a) "**Business Day**" means any day, other than a Saturday or Sunday, on which businesses in the Commonwealth of Pennsylvania are not required to be closed.

(b) "**Company Management**" means the following offices of the Company: President, Chief Financial Officer.

(c) "**Disability**" means Consultant's inability, with or without reasonable accommodation, to perform the Services due to a mental or physical condition as determined by a medical doctor that can be expected to last for a continuous period of ninety (90) days or more, or for one hundred twenty (120) days in any one hundred eighty (180) consecutive day period.

(d) "**Fiscal Year**" The Fiscal Year currently begins on January 1 and ends at midnight on December 31 in each calendar year.

(e) "**Investors**" means persons or entities who provide funds to the Company, which funds are intended to be used in the Company's factoring activities.

(f) **“Losses”** means all losses, damages, liabilities, taxes, costs and expenses incurred by a Party, including interest, penalties and reasonable attorneys’ fees and expenses, third party expert and consultant fees and expenses, fines, judgments, awards and financial responsibility, including any such items incurred in connection with any demands, claims, suits, actions, causes of action, proceedings and assessments. “Losses” of the Company or Consultant, as the case may be, in the case of the breach of any covenant or agreement or inaccuracy of any representation or warranty (but without duplication), shall include the cost necessary to place the Company or Consultant (as the case may be) in the position that it would have been in if such covenant or agreement had not been breached or such representation or warranty had been accurate.

8. **Intellectual Property.** Any intellectual property rights in the concepts, designs, menus, themes and other intellectual property developed for and used by the Company (without regard to who developed such intellectual property), in each case, to the extent same could reasonably be expected to be protectable under applicable trademark law, shall be the sole and exclusive property of the Company. To the extent that any such rights have been created or developed by Consultant in performance of the Services, such rights shall be deemed “work for hire” and Consultant hereby agrees to assign to the Company any right, title or interest that he or it may have therein. This provision shall survive expiration of this Agreement.

9. **Financial Reporting.** The Company shall provide Consultant such financial and business information as the Company has provided in the past and/or as Consultant may reasonably request, but in any event no less than (a) full online viewing access of all of the Company’s bank accounts available at all times, (b) weekly Par Funding cash summary reports in the form attached as Exhibit A to the Promissory Note accompanying this Agreement, (c) monthly funding analysis reports in the form attached hereto as Exhibit B to the Promissory Note, each within 7 days of the end of the prior calendar month, and (d) quarterly and annual financial statements, including balance sheet, income statement, and statement of members equity, each within 45 days of the end of each calendar quarter.

10. **Other Agreements; Representations and Warranties.**

(a) The obligations of the Parties under this Agreement are subject to the NDA, the terms of which are incorporated herein by reference. Consultant hereby agrees to be bound by the terms of the NDA as if he were an original “Receiving Party” named therein.

(b) Consultant represents and warrants to the Company that (A) he is of full legal capacity and a resident of the State of New York and (B) has duly authorized the execution, delivery and performance of this Agreement.

(c) Consultant represents and warrants to the Company that he: (x) has the full legal power to execute, deliver and perform this Agreement; and (y) is not subject to or a party to any agreement, that would prohibit him from executing this Agreement.

(d) The Company represents and warrants to Consultant that it: (1) is a Delaware Corporation, is validly existing and is duly qualified to do business in the Commonwealth of Pennsylvania; (2) has duly authorized the execution, delivery and performance of this Agreement; (3) has the legal power to execute, deliver and perform this Agreement; and (4) is not subject or a party to any agreement that prohibits it from executing this Agreement and performing fully its duties and responsibilities hereunder.

11. **Tax Reporting; Withholding.** The payments and benefits provided under this Agreement to Consultant will be reflected on an appropriate IRS form 1099. Neither the Company nor any of its affiliates will subject the payments and benefits provided under this Agreement to tax withholding. Consultant acknowledges and agrees that he shall be responsible for his own tax reporting and payment. Consultant hereby agrees to indemnify and hold harmless the Company and its respective affiliates, subsidiaries and parents, its and their respective officers, directors, employees and agents and its, and their respective successors and assigns, heirs, executors and administrators from any liability or claim resulting from

Consultant's failure to properly report and/or remit any taxes incurred as a result of the compensation paid to Consultant pursuant to this Agreement. In the event of any classification or reclassification of Consultant by any governmental authority as an employee of the Company, all of the affected parties shall in good faith work together to dispute or minimize the consequences of any such event and in any event, (a) Consultant agrees to pay over to the Company or any Company affiliate liable therefor, and to indemnify and hold the Company and any such affiliate harmless from liability for, any and all taxes owing to any taxing authority in respect of amounts previously paid to Consultant hereunder, to the extent such taxes would have been paid by, or withheld from, a properly classified employee ("employee taxes") and agrees that the Company may thereafter, withhold applicable amounts representing employee taxes for payment to the applicable taxing authorities in accordance with applicable law; and (b) the Company will retain responsibility for, and indemnify and hold Consultant harmless from and against liability for any and all taxes owing to any taxing authority in respect of amounts previously paid to Consultant hereunder, to the extent such taxes would have been paid by an employer of a properly classified employee ("employer taxes"). For the avoidance of doubt, the obligations of Consultant, on one hand, and the Company, on the other, pursuant to the previous sentence shall not be subject to the limitations set forth in Section 11(a).

12. **Damages.**

(a) **No Duplicate Recovery.** Neither Consultant on the one hand, nor the Company, on the other, nor any of their or his respective affiliates, shall be liable for damages, Losses or any other compensation under this Agreement for which the claimant has already been fully compensated.

(b) **No consequential, punitive damages.** (i) Losses shall not include and in no event shall any Party be liable for any consequential, incidental, special, punitive, exemplary or indirect damages (including without limitation, loss of anticipated profits, loss of value and similar economic loss); and (ii) if unpaid, the Compensation payable to the Consultant shall constitute direct loss (and not consequential loss or anticipated profits or similar).

(c) **Survival.** The provisions of this Section 12 shall survive the termination, dissolution and liquidation of the Company, the termination of this Agreement and, with respect to Consultant, the death or Disability of Consultant and as to any such person or entity, the bankruptcy or insolvency of such person or entity.

13. **Successors and Assigns.** This Agreement will inure to the benefit of and be binding upon the successors and/or permitted assigns of the Company. The Company is permitted to assign this Agreement to any of its affiliate or to any successor to all or substantially all of its assets and business by means of liquidation, dissolution, consolidation, transfer of assets, or otherwise. This Agreement may not be assigned by Consultant.

14. **Entire Agreement; Amendments.** This Agreement contains the entire agreement and understanding of the Parties hereto relating to the subject matter hereof and merges and supersedes all prior and contemporaneous discussions, agreements and understandings of every nature between the Parties relating thereto. This Agreement may not be changed or modified, except by an agreement in writing signed by each of the Parties hereto.

15. **Waiver.** Any waiver by either Party of any breach of any term or condition of this Agreement will not operate as a waiver of any other breach of such term or condition or of any other term or condition, nor will any failure to enforce any provision hereof operate as a waiver of such provision or of any other provision hereof or constitute or be deemed a waiver or release of any other rights, in law or in equity.

16. **Governing Law.** This Agreement will be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania without regard to the application of the principles of conflicts or choice of laws.

17. **Severability**. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law. However, if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or the effectiveness or validity of any provision in any other jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

18. **Section Headings**. The section headings in this Agreement are for convenience only; they form no part of this Agreement and will not affect its interpretation.

19. **Counterparts and Facsimile**. This Agreement may be executed, including execution by facsimile signature, in one or more counterparts, each of which will be deemed an original, and all of which together will be deemed to be one and the same instrument.

20. **Enforcement Rights; No Third Party Beneficiaries**. This Agreement shall not be construed by for the benefit of, or enforceable by any person not a Party hereto.

21. **Survival**. The representations, warranties, indemnities and grants contained in this Agreement shall survive the expiration or earlier termination of this Agreement.

22. **Notices**. Any notice to be given under this Agreement shall be made in writing and shall be deemed to have been duly given and received (i) three (3) Business Days after the date such Notice is mailed by certified or registered mail, return receipt requested, postage prepaid, (ii) on the date of delivery by hand, if sent during business hours on a Business Day (otherwise on the next Business Day); (iii) on the next Business Day, if sent by an overnight commercial courier; or (iv) on the date sent, if sent during business hours on a Business Day (otherwise on the next Business Day) by electronic mail or similar electronic transmission (so long as notification of a failure to deliver such electronic mail is not received by the serving Party), in each case addressed to the Parties as follows:

(a) If to the Company:

Complete Business Solutions, Inc.
141 N. 2nd Street
Philadelphia, PA 19106
Email: joecole@parfunding.com

(b) If to Consultant:

Isaac Shehebar
1407 Broadway
New York, NY 10018
Email: isaac@skiva.com

Any Party may change the address to which notice is to be sent by giving notice of such change in conformity with the provisions of this Section 22 for the giving of notice.

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first above written.

COMPLETE BUSINESS SOLUTIONS GROUP, INC.

By: _____

Name: Joe Cole

Title: Chief Financial Officer

Isaac Shehebar

EXHIBIT 1
Non-Disclosure Agreement

Exhibit “10”

CONSULTING AGREEMENT

This Consulting Agreement ("*Agreement*") is made effective as of January 10, 2017, ("*Effective Date*"), by and between COMPLETE BUSINESS SOLUTIONS GROUP, INC. d/b/a Par Funding, a Delaware corporation (the "*Company*") and GEMJ CHEHEBAR GRAT, LLC, a Delaware limited liability company ("*Consultant*" or "*you*") together with the Company, the "*Parties*", and each individually, a "*Party*").

WHEREAS, the Company is a "daily funder", engaging in factoring transactions for small and mid-sized businesses (the "*Business*");

WHEREAS, in the Company desires to engage Consultant to perform certain Services for the Company (as defined below) and Consultant desires to be engaged by the Company, all on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Company and Consultant agree as follows:

1. Engagement and Term.

(a) The Company hereby engages you as a Consultant and you hereby agree to be engaged by the Company to provide the Services (as defined in Section 2 below) for the period commencing on the date hereof and continuing for a period of five (5) years, and for one (1) year periods thereafter, subject to earlier termination in accordance with Section 6 of this Agreement (the "*Term*") and Consultant shall provide the Services to the Company as required under the terms of this Agreement.

2. Consultant's Services and Rights.

(a) Services. During the Term, Consultant shall provide the services enumerated below (collectively, the "*Services*") and shall faithfully and diligently perform such duties and responsibilities that he is required to perform under this Agreement, in accordance with the following terms and conditions:

(1) in consultation with the Company, Consultant shall assist the Company in establishing contact with potential Investors; it being understood that there is no guaranty that Consultant will be able to identify or establish contact with any such potential Investors satisfactory to the Company other than those previously identified;

(2) Notwithstanding the foregoing powers invested in Consultant under this Section 2(a), Consultant shall not enter into any contracts or other agreements on behalf of the Company with any person or entity or bind the Company or any of its affiliates. All contracts, documents and other agreements to which the Company is a party may be entered into only by Company Management. For the avoidance of doubt, for purposes of this Agreement, Consultant shall not be deemed to be an affiliate of the Company or its affiliates; and

(3) It is the mutual intent of the Parties that Consultant will act strictly in a professional consulting capacity as an independent contractor for all purposes, including without limitation, federal, state and local withholding, employment and payroll tax purposes, and that Consultant will not be considered an employee of the Company or its affiliates.

(4) Consultant shall direct the manner and time in which the Services are provided and Consultant provides no warranties or assurances with respect to the Services.

(b) Non-Competition.

(1) So long as the Company's obligations under the Note remain outstanding and the Company is not in default thereof and no Liquidity Event (as defined below) has occurred, Consultant agrees he will not, for himself, or on behalf of or in conjunction with any person, business organization, association, venture, trust, solicit, advise, consult with, advertise, promote or engage in the operation of any business having operations or purposes similar to that of the Company (which restriction the parties agree shall be limited to the merchant cash advance business and no other products).

(2) During the Term and for a period of two (2) years thereafter, Consultant shall not in any capacity, either directly or indirectly, individually or on behalf of other persons: (i) aid or endeavor to solicit or induce any employee, independent contractors, consultants or advisers of the Company or its affiliates to leave the employment or end or reduce their relationship with the Company or its affiliates, as the case may be, and/or accept employment or enter into a relationship with another person or entity; (ii) aid or endeavor to solicit or induce or influence any Investor, potential Investor, customer, agent, consultant or other person or entity that has a business relationship with the Company or its affiliates to discontinue, reduce or modify such relationship; or (iii) aid or endeavor to solicit or induce or influence any Investor, potential Investor, customer, agent, consultant or other person or entity that has a business relationship with the Company or its affiliates to provide services or products to or for the benefit of another entity or person; provided however, the foregoing shall not apply with respect to Isaac Shehebar (the "Other Consultant"). Notwithstanding the foregoing, nothing herein shall prohibit or prevent Consultant after termination of this Agreement from participating in any general advertising solicitation of employees, as long as such solicitation is not specifically directed at employees of the Company or any of its affiliates.

(3) Consultant agrees that he will not, directly or indirectly, for himself or as an agent on behalf of or in conjunction with any person, firm, association, venture, or corporation, at any time (whether during the Term of this Agreement or thereafter) use any of the Company's Intellectual Property for any purpose other than performing the Services without the prior written consent of the Company which consent may be granted or denied in the sole discretion of the Company.

(4) Consultant acknowledges that the scope of the covenants above in this Section 2(b) is reasonable and further acknowledges that the Services to be performed by him are of a unique character, giving them a peculiar value, the loss of which cannot be reasonably or adequately compensated by damages and that the Company shall have such remedies against Consultant as may be available in law or equity and that the Company may seek the issuance of an injunction or other equitable remedy as an appropriate remedy for such a breach.

(c) During the term of this Agreement, in the event that the Company obtains a bona fide commitment by a third party (the "*Third Party Offeror*") for a refinancing of the obligations under the Note or additional financing on terms more favorable to the Company than those provided by the Note (defined below), Consultant is hereby granted a right of first refusal (the "*Option*") to provide such financing to the Company on the same terms and conditions. In such event, the Company shall provide to Consultant in writing a statement of the material terms proposed by the Third Party Offeror. In order for Consultant or its affiliates to exercise the foregoing Option, it must provide written notice of its intent and commitment within ten (10) days after the Company provides the above notice to Consultant. In the event Consultant fails to provide such written notice of its exercise of the Option within such time period, or elects not to proceed with such financing, or fails to timely fund such financing, the Offer shall be deemed immediately and irrevocably revoked, with no further action required by the Company and the Company may proceed with the financing proposed by the Third Party Offeror.

3. Compensation.

(a) Profits Payments. During the Term of this Agreement, the Company shall pay and Consultant shall be entitled to receive as compensation a profits-based bonus (the "*Profits Payments*"), payable quarterly in arrears within seven (7) days after the end of the applicable quarter, calculated as the product

of (i) Gross Funding for the previous quarter; (ii) the Funding Percentage; and (iii) the applicable Profits Percentage. For purposes of this Section 3(a), capitalized terms shall have the following meanings:

“*Funding Percentage*” means a percentage of Gross Funding, initially targeted at ten percent (10%) of Gross Funding, to be allocated on account of Profits Payments to Consultant and certain other persons and entities, subject to modification by the Company.

“*Gross Funding*” means, in respect of a relevant period, the aggregate amount of funds deployed by the Company to its factoring customers (i.e. the gross amount of advances including, without limitation, amounts advanced, returned and advanced again), regardless of whether such funds were provided by Investors or other sources.

“*Liquidity Event*” means the sale, exchange, or other disposition of all or substantially all of the Company’s assets, in one or a series of related transactions, which results in the Company’s receipt of cash or securities. Such transactions shall also encompass any mergers, consolidations, or conversions of the Company, or a “change of control” transaction pursuant to which the Company or its owners receive cash or securities; or a private or public offering in which the Company or its partners receive cash or securities. As used in this Agreement “change of control” means the sale or other transfer (in one or a series of transactions within a twelve (12) month period) of fifty percent (50%) or more of the equity ownership interests in the Company to any person or entity not an owner or an affiliate of an owner as of the date hereof.

“*Profit Percentage*” means 2.1875%.

(b) Liquidity Event Payment. Upon the consummation of a Liquidity Event, the Company shall pay to Consultant an amount equal to the (x) the gross proceeds to the Company from such Liquidity Event (net only of transaction expenses paid by the Company to third parties and loans that must be repaid by the Company out of the proceeds of such Liquidity Event), multiplied by (y) the Profits Percentage.

(c) No Equity Interest. Consultant’s rights to Profits Payments do not and shall not constitute, or be deemed to constitute an ownership interest in the Company, any right to manage the Company or any right to vote in any matter as to which holder of equity interests in the Company may vote.

(d) No other benefits. Consultant shall not be entitled to compensation or benefits of any kind for performance of the Services other than the Consulting Fee, and Profits Payments expressly set forth in this Section 3, and the expense reimbursement set forth in Section 5.

(e) Restrictions on Distributions. All distributions and/or dividends to the principals, members or shareholders of the Company shall be calculated based on the same methodology as the calculation of Profits Payments hereunder such that after including all such distributions and dividends and all Profits Payments to Consultant and the Other Consultants, Consultant shall have received a portion of such aggregate amounts equal to the Profits Percentage. Unless the Company has made all payments to Consultant required pursuant to this Section 3, the Company shall not make any distribution or pay any dividend to any principal, member or shareholder of the Company, nor may the Company make any payment (whether salary, benefits, consulting or management fees or otherwise) to any principal, member or shareholder of the Company or any affiliate or family member thereof, except for salaries in an amount as would be paid to an unrelated third-party, on an arms-length basis, for services provided to the Company; provided, however, that nothing set forth herein shall prohibit payments to Consultant under the Note or to the Other Lenders (as defined in the Note).

(e) Deferral. Company may defer the payment of a Profit Payment, if, in the sole discretion of the Company the said Profit Payment shall be deemed necessary to fund existing or pending transactions, with the restriction that there shall never be a deferral for two consecutive quarters. Furthermore, Company shall only be permitted to so defer such payment as long as Company is in compliance with the

provisions of Section 3(e) hereof such that Company does not make any distributions or pay any dividends to any other parties while such Profits Payment is deferred.

(g) No Withholding of Payments. The Company acknowledges and agrees that the Profits Payments hereunder have been earned by Consultant and that Consultant has provided significant economic and other benefit to the Company constituting significant and sufficient consideration for Company's obligations hereunder. The Company may not withhold the payment of any Profit Payment based on any claim of breach of the terms hereof by Consultant. In addition, in the event that any Profit Payment is not made as required hereunder within six months of when such payment is due, the Company will be charged five percent (5%) of the unpaid portion of such Profit Payment payable to Consultant.

4. Benefits. Consultant hereby acknowledges and agrees that he is not an employee of the Company or its respective affiliates and, therefore, he is not eligible to participate in any of the Company's group medical, prescription drug, dental, vision, retirement, welfare, bonus, incentive or other benefit plan maintained by the Company or any of its affiliates. Accordingly, Consultant hereby irrevocably agrees that he will not make any claim for such benefits.

5. Expenses. Each of Consultant and the Company shall bear its own expenses in connection with the negotiation and documentation of this Agreement. During the Term, Consultant shall be reimbursed by the Company for the reasonable, ordinary and necessary business expenses incurred by Consultant, in connection with the performance of the Services, upon presentation of an itemized accounting and written proof of such expenses in accordance with reasonable policies established by the Company; provided that no such expense in excess of \$500.00 shall be reimbursed without prior written authorization by the Company. Any business expenses incurred by the Consultant that are not directly and wholly related to the performance of the Services, including, but not limited to, air travel expenses for multiple purposes, will not be reimbursed by the Company. Consultant shall use his best efforts to minimize such expenses. Notwithstanding the foregoing, in the event of any litigation involving this Agreement, the substantially prevailing Party shall be entitled to recover its reasonable legal fees and costs relating thereto.

6. Termination.

(a) The Company's termination rights. The Company may, by notice in writing to Consultant, terminate this Agreement:

(1) upon payment in full of that certain Promissory Note, dated as of the date hereof, in the original principal amount of \$3,000,000.00 payable by the Company in favor of Consultant (the "Note"), upon Consultant's failure to extend the term of the Note in accordance with the provisions of the Note; or

(2) Upon the consummation of a Liquidity Event.

(b) Continuing Payments. For the avoidance of doubt, the Company shall continue to have an obligation to make Profits Payments to Consultant in the event that (i) the Company prepays the Note (including, without limitation, in the event that the Company provides Consultant with notice of the Option and Consultant declines such Option and the Company obtains financing or refinancing from a third-party) and/or (ii) in the event that the Company repays the Note upon a default thereunder, whether as a result of acceleration of the obligations thereunder or otherwise. Furthermore, the obligation of the Company to make Profits Payments shall only cease upon payment upon a Liquidity Event pursuant to Section 3(b) or in the event that, with no Event of Default then occurring and continuing under the Note, Consultant declines to extend the Maturity Date of the Note in accordance therewith.

(c) Consultant's termination rights. Consultant may, by notice in writing to the Company, terminate this Agreement:

(1) in the event that the Company commits a breach of this Agreement consisting of a failure to make a payment to Consultant required hereunder and fails to remedy that breach within thirty (30) days after such payment is due;

(2) in the event that the Company commits a material breach of this Agreement (other than a breach set forth in Section 6(c)(1) immediately above) and fails to remedy that breach within thirty (30) days after receipt of written notice requesting its remedy; or

(3) for any reason or no reason upon thirty (30) days' prior written notice to the Company;

(4) an Event of Default occurs under the Note.

(d) No termination upon death. Notwithstanding the death or incapacity of Consultant, this Agreement and the Company's obligations hereunder shall continue and survive (and may be enforced by Consultant's heirs, successors and/or assigns) until the Company's obligations terminate pursuant to Section 6(a) hereof.

(e) Effect of expiry or termination.

(1) Upon expiry or termination of this Agreement, (x) Consultant will be entitled to payment of all accrued and unpaid Consulting Fees and Profits Payments in accordance with Sections 3(a) and (b) (including any shortfall resulting from any required recalculation of the Funding Percentage as set forth in the definition of such term) and all expenses payable pursuant to Section 5 for all periods up to and including the effective date of termination and a post-termination dates in accordance therewith and (y) Consultant shall immediately return to the Company all property (including Intellectual Property of the Company) and shall thereafter refrain from using same.

(2) The expiry or earlier termination of this Agreement shall not affect any right or remedy of either Party against the other in respect of any prior breach of this Agreement, nor any provision of this Agreement which is expressly or by implication intended to come into or continue in force on or after such expiry or termination.

7. Definitions. For purposes of this Agreement:

(a) "Business Day" means any day, other than a Saturday or Sunday, on which businesses in the Commonwealth of Pennsylvania are not required to be closed.

(b) "Company Management" means the following offices of the Company: President, Chief Financial Officer.

(c) "Disability" means Consultant's inability, with or without reasonable accommodation, to perform the Services due to a mental or physical condition as determined by a medical doctor that can be expected to last for a continuous period of ninety (90) days or more, or for one hundred twenty (120) days in any one hundred eighty (180) consecutive day period.

(d) "Fiscal Year" The Fiscal Year currently begins on January 1 and ends at midnight on December 31 in each calendar year.

(e) "Investors" means persons or entities who provide funds to the Company, which funds are intended to be used in the Company's factoring activities.

(f) **“Losses”** means all losses, damages, liabilities, taxes, costs and expenses incurred by a Party, including interest, penalties and reasonable attorneys’ fees and expenses, third party expert and consultant fees and expenses, fines, judgments, awards and financial responsibility, including any such items incurred in connection with any demands, claims, suits, actions, causes of action, proceedings and assessments. **“Losses”** of the Company or Consultant, as the case may be, in the case of the breach of any covenant or agreement or inaccuracy of any representation or warranty (but without duplication), shall include the cost necessary to place the Company or Consultant (as the case may be) in the position that it would have been in if such covenant or agreement had not been breached or such representation or warranty had been accurate.

8. **Intellectual Property.** Any intellectual property rights in the concepts, designs, menus, themes and other intellectual property developed for and used by the Company (without regard to who developed such intellectual property), in each case, to the extent same could reasonably be expected to be protectable under applicable trademark law, shall be the sole and exclusive property of the Company. To the extent that any such rights have been created or developed by Consultant in performance of the Services, such rights shall be deemed **“work for hire”** and Consultant hereby agrees to assign to the Company any right, title or interest that he or it may have therein. This provision shall survive expiration of this Agreement.

9. **Financial Reporting.** The Company shall provide Consultant such financial and business information as the Company has provided in the past and/or as Consultant may reasonably request, but in any event no less than (a) full online viewing access of all of the Company’s bank accounts available at all times, (b) weekly Par Funding cash summary reports in the form attached as Exhibit A to the Promissory Note accompanying this Agreement, (c) monthly funding analysis reports in the form attached hereto as Exhibit B to the Promissory Note, each within 7 days of the end of the prior calendar month, and (d) quarterly and annual financial statements, including balance sheet, income statement, and statement of members equity, each within 45 days of the end of each calendar quarter.

10. **Other Agreements; Representations and Warranties.**

(a) The obligations of the Parties under this Agreement are subject to the NDA, the terms of which are incorporated herein by reference. Consultant hereby agrees to be bound by the terms of the NDA as if he were an original **“Receiving Party”** named therein.

(b) Consultant represents and warrants to the Company that (A) he is of full legal capacity and a resident of the State of New York and (B) has duly authorized the execution, delivery and performance of this Agreement.

(c) Consultant represents and warrants to the Company that he: (x) has the full legal power to execute, deliver and perform this Agreement; and (y) is not subject to or a party to any agreement, that would prohibit him from executing this Agreement.

(d) The Company represents and warrants to Consultant that it: (1) is a Delaware Corporation, is validly existing and is duly qualified to do business in the Commonwealth of Pennsylvania; (2) has duly authorized the execution, delivery and performance of this Agreement; (3) has the legal power to execute, deliver and perform this Agreement; and (4) is not subject to any agreement that prohibits it from executing this Agreement and performing fully its duties and responsibilities hereunder.

11. **Tax Reporting; Withholding.** The payments and benefits provided under this Agreement to Consultant will be reflected on an appropriate IRS form 1099. Neither the Company nor any of its affiliates will subject the payments and benefits provided under this Agreement to tax withholding. Consultant acknowledges and agrees that he shall be responsible for his own tax reporting and payment. Consultant hereby agrees to indemnify and hold harmless the Company and its respective affiliates, subsidiaries and parents, its and their respective officers, directors, employees and agents and its, and their respective successors and assigns, heirs, executors and administrators from any liability or claim resulting from

Consultant's failure to properly report and/or remit any taxes incurred as a result of the compensation paid to Consultant pursuant to this Agreement. In the event of any classification or reclassification of Consultant by any governmental authority as an employee of the Company, all of the affected parties shall in good faith work together to dispute or minimize the consequences of any such event and in any event, (a) Consultant agrees to pay over to the Company or any Company affiliate liable therefor, and to indemnify and hold the Company and any such affiliate harmless from liability for, any and all taxes owing to any taxing authority in respect of amounts previously paid to Consultant hereunder, to the extent such taxes would have been paid by, or withheld from, a properly classified employee ("employee taxes") and agrees that the Company may thereafter, withhold applicable amounts representing employee taxes for payment to the applicable taxing authorities in accordance with applicable law; and (b) the Company will retain responsibility for, and indemnify and hold Consultant harmless from and against liability for any and all taxes owing to any taxing authority in respect of amounts previously paid to Consultant hereunder, to the extent such taxes would have been paid by an employer of a properly classified employee ("employer taxes"). For the avoidance of doubt, the obligations of Consultant, on one hand, and the Company, on the other, pursuant to the previous sentence shall not be subject to the limitations set forth in Section 11(a).

12. Damages.

(a) No Duplicate Recovery. Neither Consultant on the one hand, nor the Company, on the other, nor any of their or his respective affiliates, shall be liable for damages, Losses or any other compensation under this Agreement for which the claimant has already been fully compensated.

(b) No consequential, punitive damages. (i) Losses shall not include and in no event shall any Party be liable for any consequential, incidental, special, punitive, exemplary or indirect damages (including without limitation, loss of anticipated profits, loss of value and similar economic loss); and (ii) if unpaid, the Compensation payable to the Consultant shall constitute direct loss (and not consequential loss or anticipated profits or similar).

(c) Survival. The provisions of this Section 12 shall survive the termination, dissolution and liquidation of the Company, the termination of this Agreement and, with respect to Consultant, the death or Disability of Consultant and as to any such person or entity, the bankruptcy or insolvency of such person or entity.

13. Successors and Assigns. This Agreement will inure to the benefit of and be binding upon the successors and/or permitted assigns of the Company. The Company is permitted to assign this Agreement to any of its affiliate or to any successor to all or substantially all of its assets and business by means of liquidation, dissolution, consolidation, transfer of assets, or otherwise. This Agreement may not be assigned by Consultant.

14. Entire Agreement; Amendments. This Agreement contains the entire agreement and understanding of the Parties hereto relating to the subject matter hereof and merges and supersedes all prior and contemporaneous discussions, agreements and understandings of every nature between the Parties relating thereto. This Agreement may not be changed or modified, except by an agreement in writing signed by each of the Parties hereto.

15. Waiver. Any waiver by either Party of any breach of any term or condition of this Agreement will not operate as a waiver of any other breach of such term or condition or of any other term or condition, nor will any failure to enforce any provision hereof operate as a waiver of such provision or of any other provision hereof or constitute or be deemed a waiver or release of any other rights, in law or in equity.

16. Governing Law. This Agreement will be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania without regard to the application of the principles of conflicts or choice of laws.

17. **Severability.** Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law. However, if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or the effectiveness or validity of any provision in any other jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

18. **Section Headings.** The section headings in this Agreement are for convenience only; they form no part of this Agreement and will not affect its interpretation.

19. **Counterparts and Facsimile.** This Agreement may be executed, including execution by facsimile signature, in one or more counterparts, each of which will be deemed an original, and all of which together will be deemed to be one and the same instrument.

20. **Enforcement Rights; No Third Party Beneficiaries.** This Agreement shall not be construed by for the benefit of, or enforceable by any person not a Party hereto.

21. **Survival.** The representations, warranties, indemnities and grants contained in this Agreement shall survive the expiration or earlier termination of this Agreement.

22. **Notices.** Any notice to be given under this Agreement shall be made in writing and shall be deemed to have been duly given and received (i) three (3) Business Days after the date such Notice is mailed by certified or registered mail, return receipt requested, postage prepaid, (ii) on the date of delivery by hand, if sent during business hours on a Business Day (otherwise on the next Business Day); (iii) on the next Business Day, if sent by an overnight commercial courier; or (iv) on the date sent, if sent during business hours on a Business Day (otherwise on the next Business Day) by electronic mail or similar electronic transmission (so long as notification of a failure to deliver such electronic mail is not received by the serving Party), in each case addressed to the Parties as follows:

(a) If to the Company:

Complete Business Solutions, Inc.
141 N. 2nd Street
Philadelphia, PA 19106
Email: joecole@parfunding.com

(b) If to Consultant:

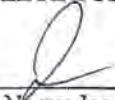
GEMJ CHEHEBAR GRAT, LLC
c/o JoJo Chehebar
1407 Broadway
New York, NY 10018
Email: jojo@chehebar.com

Any Party may change the address to which notice is to be sent by giving notice of such change in conformity with the provisions of this Section 22 for the giving of notice.


[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first above written.

COMPLETE BUSINESS SOLUTIONS GROUP, INC.

By: 
Name: Joe Cole
Title: Chief Financial Officer

GEMJ CHEHEBAR GRAT, LLC

By: 
Name: JOSEF Chehebar
Title: MANAGER

CONSULTING AGREEMENT

This Consulting Agreement ("*Agreement*") is made effective as of January 10, 2017, ("*Effective Date*"), by and between COMPLETE BUSINESS SOLUTIONS GROUP, INC. d/b/a Par Funding, a Delaware corporation (the "*Company*") and ISAAC SHEHEBAR, a resident of the State of New York ("*Consultant*" or "*you*") together with the Company, the "*Parties*", and each individually, a "*Party*".

WHEREAS, the Company is a "daily funder", engaging in factoring transactions for small and mid-sized businesses (the "*Business*");

WHEREAS, in the Company desires to engage Consultant to perform certain Services for the Company (as defined below) and Consultant desires to be engaged by the Company, all on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Company and Consultant agree as follows:

1. Engagement and Term.

(a) The Company hereby engages you as a Consultant and you hereby agree to be engaged by the Company to provide the Services (as defined in Section 2 below) for the period commencing on the date hereof and continuing for a period of five (5) years, and for one (1) year periods thereafter, subject to earlier termination in accordance with Section 6 of this Agreement (the "*Term*") and Consultant shall provide the Services to the Company as required under the terms of this Agreement.

2. Consultant's Services and Rights.

(a) Services. During the Term, Consultant shall provide the services enumerated below (collectively, the "*Services*") and shall faithfully and diligently perform such duties and responsibilities that he is required to perform under this Agreement, in accordance with the following terms and conditions:

(1) in consultation with the Company, Consultant shall assist the Company in establishing contact with potential Investors; it being understood that there is no guaranty that Consultant will be able to identify or establish contact with any such potential Investors satisfactory to the Company other than those previously identified;

(2) Notwithstanding the foregoing powers invested in Consultant under this Section 2(a), Consultant shall not enter into any contracts or other agreements on behalf of the Company with any person or entity or bind the Company or any of its affiliates. All contracts, documents and other agreements to which the Company is a party may be entered into only by Company Management. For the avoidance of doubt, for purposes of this Agreement, Consultant shall not be deemed to be an affiliate of the Company or its affiliates; and

(3) It is the mutual intent of the Parties that Consultant will act strictly in a professional consulting capacity as an independent contractor for all purposes, including without limitation, federal, state and local withholding, employment and payroll tax purposes, and that Consultant will not be considered an employee of the Company or its affiliates.

(4) Consultant shall direct the manner and time in which the Services are provided and Consultant provides no warranties or assurances with respect to the Services.

(b) Non-Competition.

(1) So long as the Company's obligations under the Note remain outstanding and the Company is not in default thereof and no Liquidity Event (as defined below) has occurred, Consultant agrees he will not, for himself, or on behalf of or in conjunction with any person, business organization, association, venture, trust, solicit, advise, consult with, advertise, promote or engage in the operation of any business having operations or purposes similar to that of the Company (which restriction the parties agree shall be limited to the merchant cash advance business and no other products).

(2) During the Term and for a period of two (2) years thereafter, Consultant shall not in any capacity, either directly or indirectly, individually or on behalf of other persons: (i) aid or endeavor to solicit or induce any employee, independent contractors, consultants or advisers of the Company or its affiliates to leave the employment or end or reduce their relationship with the Company or its affiliates, as the case may be, and/or accept employment or enter into a relationship with another person or entity; (ii) aid or endeavor to solicit or induce or influence any Investor, potential investor, customer, agent, consultant or other person or entity that has a business relationship with the Company or its affiliates to discontinue, reduce or modify such relationship; or (iii) aid or endeavor to solicit or induce or influence any Investor, potential Investor, customer, agent, consultant or other person or entity that has a business relationship with the Company or its affiliates to provide services or products to or for the benefit of another entity or person; provided however, the foregoing shall not apply with respect to GEMJ Chehebar GRAT, LLC (the "Other Consultant"). Notwithstanding the foregoing, nothing herein shall prohibit or prevent Consultant after termination of this Agreement from participating in any general advertising solicitation of employees, as long as such solicitation is not specifically directed at employees of the Company or any of its affiliates.

(3) Consultant agrees that he will not, directly or indirectly, for himself or as an agent on behalf of or in conjunction with any person, firm, association, venture, or corporation, at any time (whether during the Term of this Agreement or thereafter) use any of the Company's Intellectual Property for any purpose other than performing the Services without the prior written consent of the Company which consent may be granted or denied in the sole discretion of the Company.

(4) Consultant acknowledges that the scope of the covenants above in this Section 2(b) is reasonable and further acknowledges that the Services to be performed by him are of a unique character, giving them a peculiar value, the loss of which cannot be reasonably or adequately compensated by damages and that the Company shall have such remedies against Consultant as may be available in law or equity and that the Company may seek the issuance of an injunction or other equitable remedy as an appropriate remedy for such a breach.

(c) During the term of this Agreement, in the event that the Company obtains a bona fide commitment by a third party (the "*Third Party Offeror*") for a refinancing of the obligations under the Note or additional financing on terms more favorable to the Company than those provided by the Note (defined below), Consultant is hereby granted a right of first refusal (the "*Option*") to provide such financing to the Company on the same terms and conditions. In such event, the Company shall provide to Consultant in writing a statement of the material terms proposed by the Third Party Offeror. In order for Consultant or its affiliates to exercise the foregoing Option, it must provide written notice of its intent and commitment within ten (10) days after the Company provides the above notice to Consultant. In the event Consultant fails to provide such written notice of its exercise of the Option within such time period, or elects not to proceed with such financing, or fails to timely fund such financing, the Offer shall be deemed immediately and irrevocably revoked, with no further action required by the Company and the Company may proceed with the financing proposed by the Third Party Offeror.

3. Compensation.

(a) Profits Payments. During the Term of this Agreement, the Company shall pay and Consultant shall be entitled to receive as compensation a profits-based bonus (the "*Profits Payments*"), payable quarterly in arrears within seven (7) days after the end of the applicable quarter, calculated as the product

of (i) Gross Funding for the previous quarter; (ii) the Funding Percentage; and (iii) the applicable Profits Percentage. For purposes of this Section 3(a), capitalized terms shall have the following meanings:

“*Funding Percentage*” means a percentage of Gross Funding, initially targeted at ten percent (10%) of Gross Funding, to be allocated on account of Profits Payments to Consultant and certain other persons and entities, subject to modification by the Company.

“*Gross Funding*” means, in respect of a relevant period, the aggregate amount of funds deployed by the Company to its factoring customers (i.e. the gross amount of advances including, without limitation, amounts advanced, returned and advanced again), regardless of whether such funds were provided by Investors or other sources.

“*Liquidity Event*” means the sale, exchange, or other disposition of all or substantially all of the Company’s assets, in one or a series of related transactions, which results in the Company’s receipt of cash or securities. Such transactions shall also encompass any mergers, consolidations, or conversions of the Company, or a “change of control” transaction pursuant to which the Company or its owners receive cash or securities; or a private or public offering in which the Company or its partners receive cash or securities. As used in this Agreement “change of control” means the sale or other transfer (in one or a series of transactions within a twelve (12) month period) of fifty percent (50%) or more of the equity ownership interests in the Company to any person or entity not an owner or an affiliate of an owner as of the date hereof.

“*Profit Percentage*” means 1.3125%.

(b) Liquidity Event Payment. Upon the consummation of a Liquidity Event, the Company shall pay to Consultant an amount equal to the (x) the gross proceeds to the Company from such Liquidity Event (net only of transaction expenses paid by the Company to third parties and loans that must be repaid by the Company out of the proceeds of such Liquidity Event), multiplied by (y) the Profits Percentage.

(c) No Equity Interest. Consultant’s rights to Profits Payments do not and shall not constitute, or be deemed to constitute an ownership interest in the Company, any right to manage the Company or any right to vote in any matter as to which holder of equity interests in the Company may vote.

(d) No other benefits. Consultant shall not be entitled to compensation or benefits of any kind for performance of the Services other than the Consulting Fee, and Profits Payments expressly set forth in this Section 3, and the expense reimbursement set forth in Section 5.

(e) Restrictions on Distributions. All distributions and/or dividends to the principals, members or shareholders of the Company shall be calculated based on the same methodology as the calculation of Profits Payments hereunder such that after including all such distributions and dividends and all Profits Payments to Consultant and the Other Consultants, Consultant shall have received a portion of such aggregate amounts equal to the Profits Percentage. Unless the Company has made all payments to Consultant required pursuant to this Section 3, the Company shall not make any distribution or pay any dividend to any principal, member or shareholder of the Company, nor may the Company make any payment (whether salary, benefits, consulting or management fees or otherwise) to any principal, member or shareholder of the Company or any affiliate or family member thereof, except for salaries in an amount as would be paid to an unrelated third-party, on an arms-length basis, for services provided to the Company; provided, however, that nothing set forth herein shall prohibit payments to Payee under the Note or to the Other Lenders (as defined in the Note).

(e) Deferral. Company may defer the payment of a Profit Payment, if, in the sole discretion of the Company the said Profit Payment shall be deemed necessary to fund existing or pending transactions, with the restriction that there shall never be a deferral for two consecutive quarters. Furthermore, Company shall only be permitted to so defer such payment as long as Company is in compliance with the

provisions of Section 3(e) hereof such that Company does not make any distributions or pay any dividends to any other parties while such Profits Payment is deferred.

(g) No Withholding of Payments. The Company acknowledges and agrees that the Profits Payments hereunder have been earned by Consultant and that Consultant has provided significant economic and other benefit to the Company constituting significant and sufficient consideration for Company's obligations hereunder. The Company may not withhold the payment of any Profit Payment based on any claim of breach of the terms hereof by Consultant. In addition, in the event that any Profit Payment is not made as required hereunder within six months of when such payment is due, the Company will be charged five percent (5%) of the unpaid portion of such Profit Payment payable to Consultant.

4. Benefits. Consultant hereby acknowledges and agrees that he is not an employee of the Company or its respective affiliates and, therefore, he is not eligible to participate in any of the Company's group medical, prescription drug, dental, vision, retirement, welfare, bonus, incentive or other benefit plan maintained by the Company or any of its affiliates. Accordingly, Consultant hereby irrevocably agrees that he will not make any claim for such benefits.

5. Expenses. Each of Consultant and the Company shall bear its own expenses in connection with the negotiation and documentation of this Agreement. During the Term, Consultant shall be reimbursed by the Company for the reasonable, ordinary and necessary business expenses incurred by Consultant, in connection with the performance of the Services, upon presentation of an itemized accounting and written proof of such expenses in accordance with reasonable policies established by the Company; provided that no such expense in excess of \$500.00 shall be reimbursed without prior written authorization by the Company. Any business expenses incurred by the Consultant that are not directly and wholly related to the performance of the Services, including, but not limited to, air travel expenses for multiple purposes, will not be reimbursed by the Company. Consultant shall use his best efforts to minimize such expenses. Notwithstanding the foregoing, in the event of any litigation involving this Agreement, the substantially prevailing Party shall be entitled to recover its reasonable legal fees and costs relating thereto.

6. Termination.

(a) The Company's termination rights. The Company may, by notice in writing to Consultant, terminate this Agreement:

(1) upon payment in full of that certain Promissory Note, dated as of the date hereof, in the original principal amount of \$3,000,000.00 (the "Note") payable by the Company in favor of Isaac Shehebar 2008 AIJJ Grantor Retained Annuity Trust (the "Payee"), upon Payee's failure to extend the term of the Note in accordance with the provisions of the Note; or

(2) Upon the consummation of a Liquidity Event.

(b) Continuing Payments. For the avoidance of doubt, the Company shall continue to have an obligation to make Profits Payments to Consultant in the event that (i) the Company prepays the Note (including, without limitation, in the event that the Company provides Consultant and Payee with notice of the Option and Consultant and Payee declines such Option and the Company obtains financing or refinancing from a third-party) and/or (ii) in the event that the Company repays the Note upon a default thereunder, whether as a result of acceleration of the obligations thereunder or otherwise. Furthermore, the obligation of the Company to make Profits Payments shall only cease upon payment upon a Liquidity Event pursuant to Section 3(b) or in the event that, with no Event of Default then occurring and continuing under the Note, Payee declines to extend the Maturity Date of the Note in accordance therewith.

(c) Consultant's termination rights. Consultant may, by notice in writing to the Company, terminate this Agreement;

(1) in the event that the Company commits a breach of this Agreement consisting of a failure to make a payment to Consultant required hereunder and fails to remedy that breach within thirty (30) days after such payment is due;

(2) in the event that the Company commits a material breach of this Agreement (other than a breach set forth in Section 6(c)(1) immediately above) and fails to remedy that breach within thirty (30) days after receipt of written notice requesting its remedy; or

(3) for any reason or no reason upon thirty (30) days' prior written notice to the Company;

(4) an Event of Default occurs under the Note.

(d) No termination upon death. Notwithstanding the death or incapacity of Consultant, this Agreement and the Company's obligations hereunder shall continue and survive (and may be enforced by Consultant's heirs, successors and/or assigns) until the Company's obligations terminate pursuant to Section 6(a) hereof.

(e) Effect of expiry or termination.

(1) Upon expiry or termination of this Agreement, (x) Consultant will be entitled to payment of all accrued and unpaid Consulting Fees and Profits Payments in accordance with Sections 3(a) and (b) (including any shortfall resulting from any required recalculation of the Funding Percentage as set forth in the definition of such term) and all expenses payable pursuant to Section 5 for all periods up to and including the effective date of termination and a post-termination dates in accordance therewith and (y) Consultant shall immediately return to the Company all property (including Intellectual Property of the Company) and shall thereafter refrain from using same.

(2) The expiry or earlier termination of this Agreement shall not affect any right or remedy of either Party against the other in respect of any prior breach of this Agreement, nor any provision of this Agreement which is expressly or by implication intended to come into or continue in force on or after such expiry or termination.

7. Definitions. For purposes of this Agreement:

(a) "Business Day" means any day, other than a Saturday or Sunday, on which businesses in the Commonwealth of Pennsylvania are not required to be closed.

(b) "Company Management" means the following offices of the Company: President, Chief Financial Officer.

(c) "Disability" means Consultant's inability, with or without reasonable accommodation, to perform the Services due to a mental or physical condition as determined by a medical doctor that can be expected to last for a continuous period of ninety (90) days or more, or for one hundred twenty (120) days in any one hundred eighty (180) consecutive day period.

(d) "Fiscal Year" The Fiscal Year currently begins on January 1 and ends at midnight on December 31 in each calendar year.

(e) "Investors" means persons or entities who provide funds to the Company, which funds are intended to be used in the Company's factoring activities.

(f) **“Losses”** means all losses, damages, liabilities, taxes, costs and expenses incurred by a Party, including interest, penalties and reasonable attorneys’ fees and expenses, third party expert and consultant fees and expenses, fines, judgments, awards and financial responsibility, including any such items incurred in connection with any demands, claims, suits, actions, causes of action, proceedings and assessments. “Losses” of the Company or Consultant, as the case may be, in the case of the breach of any covenant or agreement or inaccuracy of any representation or warranty (but without duplication), shall include the cost necessary to place the Company or Consultant (as the case may be) in the position that it would have been in if such covenant or agreement had not been breached or such representation or warranty had been accurate.

8. **Intellectual Property.** Any intellectual property rights in the concepts, designs, slogans, themes and other intellectual property developed for and used by the Company (without regard to who developed such intellectual property), in each case, to the extent same could reasonably be expected to be protectable under applicable trademark law, shall be the sole and exclusive property of the Company. To the extent that any such rights have been created or developed by Consultant in performance of the Services, such rights shall be deemed “work for hire” and Consultant hereby agrees to assign to the Company any right, title or interest that he or it may have therein. This provision shall survive expiration of this Agreement.

9. **Financial Reporting.** The Company shall provide Consultant such financial and business information as the Company has provided in the past and/or as Consultant may reasonably request, but in any event no less than (a) full online viewing access of all of the Company’s bank accounts available at all times, (b) weekly Par Funding cash summary reports in the form attached as Exhibit A to the Promissory Note accompanying this Agreement, (c) monthly funding analysis reports in the form attached hereto as Exhibit B to the Promissory Note, each within 7 days of the end of the prior calendar month, and (d) quarterly and annual financial statements, including balance sheet, income statement, and statement of members equity, each within 45 days of the end of each calendar quarter.

10. **Other Agreements; Representations and Warranties.**

(a) The obligations of the Parties under this Agreement are subject to the NDA, the terms of which are incorporated herein by reference. Consultant hereby agrees to be bound by the terms of the NDA as if he were an original “Receiving Party” named therein.

(b) Consultant represents and warrants to the Company that (A) he is of full legal capacity and a resident of the State of New York and (B) has duly authorized the execution, delivery and performance of this Agreement.

(c) Consultant represents and warrants to the Company that he: (x) has the full legal power to execute, deliver and perform this Agreement; and (y) is not subject to or a party to any agreement, that would prohibit him from executing this Agreement.

(d) The Company represents and warrants to Consultant that it: (1) is a Delaware Corporation, is validly existing and is duly qualified to do business in the Commonwealth of Pennsylvania; (2) has duly authorized the execution, delivery and performance of this Agreement; (3) has the legal power to execute, deliver and perform this Agreement; and (4) is not subject or a party to any agreement that prohibits it from executing this Agreement and performing fully its duties and responsibilities hereunder.

11. **Tax Reporting; Withholding.** The payments and benefits provided under this Agreement to Consultant will be reflected on an appropriate IRS form 1099. Neither the Company nor any of its affiliates will subject the payments and benefits provided under this Agreement to tax withholding. Consultant acknowledges and agrees that he shall be responsible for his own tax reporting and payment. Consultant hereby agrees to indemnify and hold harmless the Company and its respective affiliates, subsidiaries and parents, its and their respective officers, directors, employees and agents and its, and their respective successors and assigns, heirs, executors and administrators from any liability or claim resulting from

Consultant's failure to properly report and/or remit any taxes incurred as a result of the compensation paid to Consultant pursuant to this Agreement. In the event of any classification or reclassification of Consultant by any governmental authority as an employee of the Company, all of the affected parties shall in good faith work together to dispute or minimize the consequences of any such event and in any event, (a) Consultant agrees to pay over to the Company or any Company affiliate liable therefor, and to indemnify and hold the Company and any such affiliate harmless from liability for, any and all taxes owing to any taxing authority in respect of amounts previously paid to Consultant hereunder, to the extent such taxes would have been paid by, or withheld from, a properly classified employee ("employee taxes") and agrees that the Company may thereafter, withhold applicable amounts representing employee taxes for payment to the applicable taxing authorities in accordance with applicable law; and (b) the Company will retain responsibility for, and indemnify and hold Consultant harmless from and against liability for any and all taxes owing to any taxing authority in respect of amounts previously paid to Consultant hereunder, to the extent such taxes would have been paid by an employer of a properly classified employee ("employer taxes"). For the avoidance of doubt, the obligations of Consultant, on one hand, and the Company, on the other, pursuant to the previous sentence shall not be subject to the limitations set forth in Section 11(a).

12. Damages.

(a) No Duplicate Recovery. Neither Consultant on the one hand, nor the Company, on the other, nor any of their or his respective affiliates, shall be liable for damages, Losses or any other compensation under this Agreement for which the claimant has already been fully compensated.

(b) No consequential, punitive damages. (i) Losses shall not include and in no event shall any Party be liable for any consequential, incidental, special, punitive, exemplary or indirect damages (including without limitation, loss of anticipated profits, loss of value and similar economic loss); and (ii) if unpaid, the Compensation payable to the Consultant shall constitute direct loss (and not consequential loss or anticipated profits or similar).

(c) Survival. The provisions of this Section 12 shall survive the termination, dissolution and liquidation of the Company, the termination of this Agreement and, with respect to Consultant, the death or Disability of Consultant and as to any such person or entity, the bankruptcy or insolvency of such person or entity.

13. Successors and Assigns. This Agreement will inure to the benefit of and be binding upon the successors and/or permitted assigns of the Company. The Company is permitted to assign this Agreement to any of its affiliate or to any successor to all or substantially all of its assets and business by means of liquidation, dissolution, consolidation, transfer of assets, or otherwise. This Agreement may not be assigned by Consultant.

14. Entire Agreement; Amendments. This Agreement contains the entire agreement and understanding of the Parties hereto relating to the subject matter hereof and merges and supersedes all prior and contemporaneous discussions, agreements and understandings of every nature between the Parties relating thereto. This Agreement may not be changed or modified, except by an agreement in writing signed by each of the Parties hereto.

15. Waiver. Any waiver by either Party of any breach of any term or condition of this Agreement will not operate as a waiver of any other breach of such term or condition or of any other term or condition, nor will any failure to enforce any provision hereof operate as a waiver of such provision or of any other provision hereof or constitute or be deemed a waiver or release of any other rights, in law or in equity.

16. Governing Law. This Agreement will be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania without regard to the application of the principles of conflicts or choice of laws.

17. **Severability.** Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law. However, if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or the effectiveness or validity of any provision in any other jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

18. **Section Headings.** The section headings in this Agreement are for convenience only; they form no part of this Agreement and will not affect its interpretation.

19. **Counterparts and Facsimile.** This Agreement may be executed, including execution by facsimile signature, in one or more counterparts, each of which will be deemed an original, and all of which together will be deemed to be one and the same instrument.

20. **Enforcement Rights; No Third Party Beneficiaries.** This Agreement shall not be construed by for the benefit of, or enforceable by any person not a Party hereto.

21. **Survival.** The representations, warranties, indemnities and grants contained in this Agreement shall survive the expiration or earlier termination of this Agreement.

22. **Notices.** Any notice to be given under this Agreement shall be made in writing and shall be deemed to have been duly given and received (i) three (3) Business Days after the date such Notice is mailed by certified or registered mail, return receipt requested, postage prepaid, (ii) on the date of delivery by hand, if sent during business hours on a Business Day (otherwise on the next Business Day); (iii) on the next Business Day, if sent by an overnight commercial courier; or (iv) on the date sent, if sent during business hours on a Business Day (otherwise on the next Business Day) by electronic mail or similar electronic transmission (so long as notification of a failure to deliver such electronic mail is not received by the serving Party), in each case addressed to the Parties as follows:

(a) If to the Company:

Complete Business Solutions, Inc.
141 N. 2nd Street
Philadelphia, PA 19106
Email: joecole@parfunding.com

(b) If to Consultant:

Isaac Shehebar
1407 Broadway
New York, NY 10018
Email: isaac@skiva.com

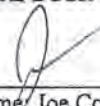
Any Party may change the address to which notice is to be sent by giving notice of such change in conformity with the provisions of this Section 22 for the giving of notice.

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first above written.

COMPLETE BUSINESS SOLUTIONS GROUP, INC.

By: _____


Name: Joe Cole
Title: Chief Financial Officer

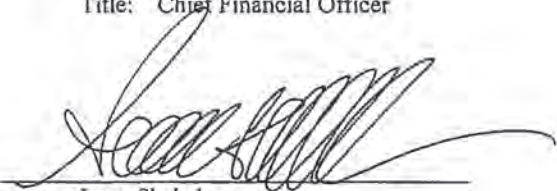

Isaac Shehebar

EXHIBIT 1
Non-Disclosure Agreement

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INDEPENDENT CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT made and entered into on February , 2017 by and between Complete Business Solutions Group, Inc., 141 2nd Street, Philadelphia, PA 19106 (hereinafter "Business"), and Lindsay Blake Inc., an independent contractor, 11 Cayaga Court, Springfield, NJ 07081 (hereinafter referred to as "Consultant" which shall include all officers, principals, employees and agents of Lindsay Blake, Inc.);

WHEREAS, the Business desires to retain the services of Consultant, and Consultant desires to render services to the Business, upon the terms and conditions hereinafter stated:

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, do hereby promise and agree as follows:

SECTION 1 – SCOPE OF AGREEMENT

- 1.1 **Superseding Obligation.** The terms of this Agreement shall prevail and supersede the terms of all prior agreements between the parties to this Agreement. Notwithstanding the foregoing, nothing herein shall be deemed to cancel, modify, or otherwise affect the rights and obligations of the parties pursuant to their Security Agreement and Non Negotiable Term Promissory Note, both dated September 24, 2016.
- 1.2 **General.** Consultant further agrees that in all aspects of its work pursuant to this Agreement, which shall be locating sources of funding for Business, Consultant shall comply with the policies, standards, regulations of the Business from time to time established and made known to Consultant (provided they are reasonable and impose no additional expense to Consultant), and shall perform the duties requested faithfully, to the best of its ability, and in the best interest of Business. Notwithstanding the foregoing, Consultant shall be entitled to perform any services in the location and at a time of its choosing, and maintains sole discretion to decline any assignment to render services requested by Business. Business acknowledges that it has received good and valuable consideration for entering into this Agreement, and Business' obligations are not contingent on Consultant being successful in raising further sums on Business' behalf.

SECTION 2 – CONFIDENTIALITY

- 2.1 **Confidentiality.** Consultant acknowledges and agrees that all financial and accounting records, lists of property owned by Business and its related business enterprises and/or subsidiaries, including but not limited to Complete Business Solutions Group, Inc., Par Funding, and Capital Source 2000, including amounts paid therefore, client and customer lists, and other Business data and information related to its business (hereinafter collectively "Confidential Information") are

valuable assets of the Business. Except for disclosures required to be made to advance the business of the Business and information which is a matter of public record, Consultant shall not, during the term of this Agreement or after the termination of this Agreement, disclose any Confidential Information to any person or use any Confidential Information for the benefit of Consultant or any other person, except with the prior written consent of the Business.

Notwithstanding the foregoing, Business understands that certain Confidential Information may be required to be disclosed to certain individuals: directors, officers, employees, agents, or advisors (collectively, Representatives) of Consultant. Consultant shall maintain records of the persons to whom Confidential Information is distributed, will inform all such persons of the confidential nature of the information, will direct them to treat such information in accordance with this agreement, will exercise such precautions or measures as may be reasonable in the circumstances to prevent improper use of Confidential Information by them, and will be responsible for any breaches by them of the provisions of this agreement. The term "confidential information" does not include information that is or becomes publicly available (other than through breach of this Agreement) or information that is or becomes available to Consultant on a non-confidential basis, provided that the source of such information was not known by Consultant (after such inquiry as would be reasonable in the circumstances) to be bound by a confidentiality agreement or other legal or contractual obligation of confidentiality with respect to such information. In the event that Consultant or any of Consultant's representatives, assigns, or agents are requested or required by law or legal process to disclose any of the Confidential Information, the party required to disclose such information shall provide Business with prompt written notice before making any disclosure. In addition, Confidential Information may be disclosed to the extent required (a) in the course of inspections or inquiries by federal or state regulatory agencies to whose jurisdiction Consultant is subject and that have the legal right to inspect the files that contain the Confidential Information, and Consultant will advise Business promptly upon such disclosure, and (b) in any legal action between the parties.

2.2 Return of Documents. Consultant acknowledges and agrees that all originals and copies of records, reports, documents, lists, plans, memoranda, notes and other documentation related to the business of the Business or containing any Confidential Information shall, to the extent provided by the Business, be the sole and exclusive property of the Business, and shall be returned to the Business at Business' expense upon the written request of the Business.

2.3 No Release/Termination. Consultant agrees that any agreement to terminate this Agreement shall not release Consultant from any obligations under Section 2.1 or 2.2. The term of this Agreement shall expire on a date which is ten years from the date hereof.

SECTION 3 – COMPENSATION

3.1 Profit Participation.

Business shall pay to Consultant "**Profit Participation**". The Profit Participation shall be paid to Consultant quarterly in arrears within seven (7) days after the end of each calendar quarter, the initial quarter being deemed to conclude on March 31, 2017. The amount of Profit Participation shall be a sum equal to (i) Gross Funding for the quarter multiplied by (ii) the Funding Percentage multiplied by (iii) the Profits Percentage.

3.1.1. Definitions. For purposes of this Agreement, capitalized terms shall have the following meanings:

"Funding Percentage" means a percentage of Gross Funding, initially set at ten percent (10%) of Gross Funding but subject to adjustment from time to time by Business, on not less than five (5) day's written notice to Consultant. Notwithstanding the foregoing, in no event shall the Funding Percentage be reduced by a percentage greater than the amount by which any other person or entity receiving a percentage of Business profits in any form, whether by reason of money raising or otherwise, has their percentage reduced.

"Gross Funding" means, for each quarter, the aggregate amount of funds deployed by Business to its factoring customers, regardless of whether such funds were provided by investors, Consultant, or other sources.

"Liquidity Event" means the sale, exchange, or other disposition of all or substantially all of the Business' assets, in one or a series of related transactions, which results in the Business' receipt of cash, assets or securities. Capital Transactions shall also encompass any mergers, consolidations, or conversions of the Business, or a "change of control" transaction pursuant to which the Business or its owners receive cash or securities; or a private or public offering in which the Business or its partners receive cash, assets or securities. As used in this Agreement, "change of control" means the sale or other transfer (in one or a series of transactions within a twelve (12) month period) of fifty percent (50%) or more of the equity ownership interests in the Business to any person or entity not an owner or an affiliate of an owner as of the date hereof.

"Profits Percentage" means seven and one-half percent (7 1/2%).

3.1.2. Upon the consummation of a Liquidity Event, the Business shall pay to Consultant an amount equal to the Profit Participation, calculated using the net proceeds of such Liquidity Event in lieu of Gross Funding.

3.1.3 Consultant's rights to Profit Participation do not and shall not constitute, or be deemed to constitute an ownership interest in the Business, any right to manage the Business or any right to vote in any matter as to which holder of equity interests in the Business may vote.

3.2. **No other benefits.** Consultant shall not be entitled to compensation or benefits of any kind for performance of the Services other than the Consulting Fee, and Profits Payments expressly set forth in this Section 3, and the expense reimbursement.

3.3 **Withholding; Other Benefits.** Monies paid pursuant to this Agreement shall not be subject to the customary withholding of income taxes and other taxes. Consultant shall be solely responsible for reporting and paying any such taxes. The Business shall not provide Consultant with any coverage or participation in the Business's accident and health insurance, life insurance, disability income insurance, medical expense reimbursement, wage continuation plans, or other fringe benefits provided to employees.

SECTION 5 - INDEPENDENT CONTRACTOR STATUS

5.1 **Contractor.** Nothing herein shall be deemed to create an employee/employer relationship between the parties. Consultant acknowledges that it is an independent contractor and is not an agent, partner, joint venturer or employee of Business. Consultant shall have no authority to bind or otherwise obligate Business in any manner nor shall Consultant represent to anyone that it has a right to do so. Consultant further agrees that in the event that the Business suffers any loss or damage as a result of a violation of this provision Consultant shall indemnify and hold harmless the Business from any such loss or damage.

5.2 **Assignment.** The Consultant shall not assign any of its rights under this Agreement, or delegate the performance of any of its duties hereunder, without the prior written consent of the Business.

5.3 **Indemnification.** Business acknowledges that Consultant has no involvement in the decision-making process related to the deployment by Business of any funds raised by Consultant. Business hereby indemnifies Consultant and shall hold it harmless from any and all claims, judgments, costs, and fees, including but not limited to reasonable counsel fees, related to services performed by consultant on Business' behalf.

SECTION 6 - REPRESENTATIONS OF WARRANTIES OF CONSULTANT

6.1 **Warranties.** Consultant represents and warrants to the Business that there is no employment contract or other contractual obligation to which Consultant is subject that prevents Consultant from entering into this Agreement or from performing fully Consultant's duties under this Agreement.

SECTION 7 - MISCELLANEOUS PROVISIONS

7.1 **Survival.** Any provision hereof which imposes upon Consultant an obligation after termination or expiration of this Agreement shall survive termination or expiration hereof and be binding upon Consultant. This Agreement shall be binding on the parties' successors and assigns.

7.2 **Waiver.** No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

7.3 **Choice of Law.** This Agreement shall be governed by and shall be construed in accordance with the laws of the Commonwealth of Pennsylvania

7.4 **Venue/Jurisdiction.** The Federal and State Courts located in Philadelphia, Pennsylvania shall have exclusive jurisdiction and be the sole location for any legal dispute related to the terms of this Agreement. In the event of a dispute between the parties, the prevailing party shall be entitled to recover its court costs and counsel fees from the non-prevailing party.

7.5 **Entire Agreement.** Subject to section 1.1 herein, this Agreement constitutes the entire agreement between the parties pertaining to its subject matter and supersedes any and all prior contemporaneous agreements, representations and understandings of the parties. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all parties.

7.6 **Severability.** If any provision of these policies and regulations or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of these policies and regulations which can be given effect without the invalid provision or application, and to this end the provisions of these policies and regulations are severable. In lieu thereof there shall be added a provision as similar in terms to such illegal, invalid and unenforceable provision as may be possible and be legal, valid and enforceable.

7.7 **Non-competition.** During the term of this Agreement, and for a period of twelve (12) months thereafter, no party to this Agreement shall directly or indirectly employ or otherwise use the services of each other's employees.

7.8 Scanned signatures shall be deemed originals for all purposes in connection with the execution of this Agreement.

7.9 **Notices.** All notices sent pursuant to this Agreement shall be sent by email or nationally-recognized overnight delivery service.

WITNESS OUR SIGNATURES, this the 17 day of February 2017.

For Complete Business Solutions Group, Inc:


Lisa McElhone - President

For Lindsay Blake Inc.


Robert Frei - President

Exhibit “11”

CBSG Consulting Summary

Consulting Payments

	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Eagle Six Consultants (McElhone)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,223,500.00	\$ 17,396,171.05	\$ 3,938,652.00	\$ 29,558,323.05
HBC (McElhone)	\$ -	\$ -	\$ 230,000.00	\$ 640,000.00	\$ 3,640,536.38	\$ 20,476,745.51	\$ 12,692,935.19	\$ -	\$ -	\$ 37,680,217.08
New Field Ventures (Abbonizio)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,376,731.47	\$ 2,930,168.47	\$ 4,576,445.64	\$ -	\$ 9,883,345.58
Perry Abbonizio	\$ -	\$ -	\$ -	\$ -	\$ 451,736.34	\$ -	\$ -	\$ -	\$ -	\$ 451,736.34
ES Equity (Abbonizio)	\$ -	\$ -	\$ -	\$ -	\$ 194,000.00	\$ -	\$ -	\$ -	\$ -	\$ 194,000.00
Beta Abigail (Cole)	\$ -	\$ -	\$ -	\$ -	\$ 301,736.34	\$ 1,384,487.65	\$ 2,098,955.56	\$ 1,091,827.35	\$ -	\$ 4,877,006.90
ALB Management (Cole)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,759,136.42	\$ -	\$ 1,759,136.42
Lindsay Blake Inc. (Frei)	\$ -	\$ -	\$ -	\$ -	\$ 345,000.00	\$ 861,086.87	\$ 1,454,617.04	\$ 1,401,371.55	\$ -	\$ 4,062,075.46
Robert Frei	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 325,000.00	\$ -	\$ -	\$ -	\$ 325,000.00
GEMJ Chehebar GRAT (Jojo)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 254,121.50	\$ 711,281.40	\$ 268,357.89	\$ -	\$ 1,233,760.79
Isaac Shehebar	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 202,472.90	\$ 397,987.91	\$ 246,963.71	\$ -	\$ 847,424.52
A Better Financial Plan	\$ -	\$ -	\$ -	\$ -	\$ 427,791.00	\$ 1,379,672.50	\$ 106,581.25	\$ -	\$ -	\$ 1,914,044.75
AG Morgan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 221,620.00	\$ -	\$ -	\$ -	\$ 221,620.00
Alan Candell	\$ -	\$ -	\$ -	\$ -	\$ 75,434.09	\$ -	\$ -	\$ -	\$ -	\$ 75,434.09
Caetrima Talbot	\$ -	\$ -	\$ -	\$ -	\$ 24,000.00	\$ -	\$ -	\$ -	\$ -	\$ 24,000.00
Christian J Tamburro	\$ -	\$ 16,100.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,100.00
Daniel A. Cistone	\$ -	\$ -	\$ -	\$ -	\$ 55,000.00	\$ 10,250.00	\$ -	\$ -	\$ -	\$ 65,250.00
Daniel O'Neill	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,250.00	\$ -	\$ -	\$ 11,250.00
Employee Pay	\$ 11,732.47	\$ -	\$ 1,923.08	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,655.55
Fran Cassidy	\$ -	\$ -	\$ -	\$ -	\$ 27,500.00	\$ 176,527.50	\$ -	\$ -	\$ -	\$ 204,027.50
Goldner & Associates	\$ 62,700.00	\$ 265,704.00	\$ 367,164.00	\$ 181,800.00	\$ 2,100.00	\$ -	\$ 50,000.00	\$ -	\$ -	\$ 879,468.00
Howard Greenberg	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000.00
Jacalyn Kerbeck	\$ -	\$ -	\$ -	\$ -	\$ 20,000.00	\$ 13,750.00	\$ -	\$ -	\$ -	\$ 33,750.00
Keli M Falco	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,670.00	\$ -	\$ -	\$ -	\$ 32,670.00
Mac Mrlking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,250.00	\$ 23,250.00
Matthew Milstead	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,500.00	\$ -	\$ -	\$ -	\$ 75,500.00
Mid Atlantic Brokers Inc	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,805.00	\$ -	\$ -	\$ -	\$ 137,805.00
PTK Financial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,500.00	\$ -	\$ -	\$ -	\$ 98,500.00
Richard K. Armon	\$ -	\$ -	\$ -	\$ -	\$ 54,750.00	\$ 13,750.00	\$ -	\$ -	\$ -	\$ 68,500.00
Robert Half	\$ -	\$ -	\$ -	\$ -	\$ 700.00	\$ -	\$ -	\$ -	\$ -	\$ 700.00
Robert Hughes	\$ -	\$ -	\$ -	\$ -	\$ 25,000.00	\$ -	\$ -	\$ -	\$ -	\$ 25,000.00
Tzvi Ozder	\$ -	\$ -	\$ -	\$ -	\$ 75,000.00	\$ -	\$ -	\$ -	\$ -	\$ 75,000.00
Vincent Ricciardi	\$ -	\$ 34,016.90	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,016.90
Total	\$ 74,432.47	\$ 315,820.90	\$ 599,087.08	\$ 821,800.00	\$ 5,696,284.15	\$ 28,064,690.90	\$ 28,677,276.82	\$ 26,740,273.61	\$ 3,961,902.00	\$ 94,951,567.93

Other Consulting Total: \$ 10,547,802.56

Exhibit “12”

+1917[REDACTED]

Hey joe chuck just came to me with news that your really upset with us I wanna tell you that our name is our number one priority what we do together stays together and as you know this is not our business and we don't know this business and we wanna keep it that way you do a great job and we trust you as a brother and i truly felt that this was reciprocal. there is NOTHING we will do that will hurt your business. we had no agenda visiting you only Friday other than to see you have a cigar and see how our largest investment is going. Please believe in us as we believe in you and give us the benefit of the doubt because what I am telling you is the absolute truth

Status: Read

Read: 9/12/2018 11:32:54 AM(UTC-4)

9/12/2018 11:32:44 AM(UTC-4)

+1917[REDACTED]

Sorry didn't mention this is Eddie Chehebar

Status: Read

Read: 9/12/2018 11:33:00 AM(UTC-4)

9/12/2018 11:33:00 AM(UTC-4)

+12157[REDACTED]

Thanks for the message Eddie. We are good. Just left work. Sorry didn't call you. Very busy. Closed 27 deals today.

Status: Sent

Delivered: 9/12/2018 9:21:46 PM(UTC-4)

Read: 9/13/2018 7:13:12 AM(UTC-4)

9/12/2018 9:21:46 PM(UTC-4)

+1917[REDACTED]

if u ever need anything u can always call me

Status: Read

Read: 9/13/2018 9:22:52 AM(UTC-4)

9/13/2018 9:22:39 AM(UTC-4)

+1917[REDACTED]

<https://www.wsj.com/articles/prepare-for-a-wave-of-cannabis-productsbeyond-cbd-1540479300>

Attachments:



Size: 3894

File name: 5DA291D2-D186-45F2-AC8C-9ECB67DC96B7.pluginPayloadAttachment
[5DA291D2-D186-45F2-AC8C-9ECB67DC96B7.pluginPayloadAttachment](#)



Size: 138143

File name: 13CACBB9-CD50-45D4-93FA-B2845582CF28.pluginPayloadAttachment
[13CACBB9-CD50-45D4-93FA-B2845582CF28.pluginPayloadAttachment](#)

Status: Read

Read: 12/19/2018 5:25:28 PM(UTC-5)

12/19/2018 5:25:10 PM(UTC-5)

+1917[REDACTED]

Joe it's Eddie Chehebar give me a call when u have a chance

Status: Read

Read: 12/27/2018 3:21:44 PM(UTC-5)

12/27/2018 3:19:29 PM(UTC-5)

9

+1215 [REDACTED]
5 mins pal
Status: Sent
Delivered: 12/27/2018 3:22:03 PM(UTC-5)
Read: 12/27/2018 3:32:18 PM(UTC-5)
12/27/2018 3:22:03 PM(UTC-5)

+1917 [REDACTED]
He fine as orig first in first out
Status: Read
Read: 12/27/2018 3:33:02 PM(UTC-5)
12/27/2018 3:32:49 PM(UTC-5)

+1215 [REDACTED]
Cool
Status: Sent
Delivered: 12/27/2018 3:33:13 PM(UTC-5)
Read: 12/27/2018 3:34:30 PM(UTC-5)
12/27/2018 3:33:12 PM(UTC-5)

+1917 [REDACTED]
Bring in a food safety consultant to get your soup and compliance documents in order. Hire a consultant that is familiar with cgmp certification as you will want them to get you through that process.
Status: Read
Read: 12/27/2018 4:21:13 PM(UTC-5)
12/27/2018 4:21:01 PM(UTC-5)

+1215 [REDACTED]
I agree. I am moving one of my most loyal and capable men to work in the warehouse. He is resourceful and loyal. I got it under control
Status: Sent
Delivered: 12/27/2018 4:22:17 PM(UTC-5)
Read: 12/27/2018 4:22:18 PM(UTC-5)
12/27/2018 4:22:17 PM(UTC-5)

+1917 [REDACTED]
<https://www.keystonecannaproducts.com/hempindustryconsulting.html>
Attachments:
Size: 1150
File name: 900600C4-A803-4D59-86BA-8F8A039A47D7.pluginPayloadAttachment
[900600C4-A803-4D59-86BA-8F8A039A47D7.pluginPayloadAttachment](#)
Status: Read
Read: 12/28/2018 9:06:07 AM(UTC-5)
12/27/2018 6:03:02 PM(UTC-5)

+1917 [REDACTED]
Attachments:
Size: 196
File name: Andrew Follet Jr.vcf
[Andrew Follet Jr.vcf](#)
Status: Read
Read: 12/28/2018 9:06:07 AM(UTC-5)
12/27/2018 6:04:22 PM(UTC-5)

+1917[REDACTED]

Tell him your with Ezra Chehebar already paid first hour and only used 20 min

Status: Read

Read: 12/28/2018 9:06:07 AM(UTC-5)

12/27/2018 6:05:13 PM(UTC-5)

+1215[REDACTED]

Spoke to consultant. Very knowledgeable. Eric was on same page

Status: Sent

Delivered: 12/28/2018 2:26:42 PM(UTC-5)

Read: 12/28/2018 2:41:55 PM(UTC-5)

12/28/2018 2:26:42 PM(UTC-5)

+1917[REDACTED]

Nice

Status: Read

Read: 1/15/2019 7:26:43 PM(UTC-5)

12/28/2018 2:42:01 PM(UTC-5)

+1917[REDACTED]

We can get the name absolutecbd.com \$2300 do you like??

Status: Read

Read: 1/15/2019 7:26:43 PM(UTC-5)

1/15/2019 7:02:11 PM(UTC-5)

+1917[REDACTED]

Primecbd is taken

Status: Read

Read: 1/15/2019 7:26:43 PM(UTC-5)

1/15/2019 7:02:27 PM(UTC-5)

+1215[REDACTED]

What are we going to market it for the foods. ?

Status: Sent

Delivered: 1/15/2019 7:38:48 PM(UTC-5)

Read: 1/15/2019 8:40:45 PM(UTC-5)

1/15/2019 7:38:47 PM(UTC-5)

+1917[REDACTED]

Whatever we decide later

Status: Read

Read: 1/16/2019 12:02:09 AM(UTC-5)

1/15/2019 8:41:10 PM(UTC-5)

+1215[REDACTED]

Love it

Status: Sent

Delivered: 1/16/2019 12:02:27 AM(UTC-5)

Read: 1/16/2019 4:10:39 AM(UTC-5)

1/16/2019 12:02:27 AM(UTC-5)

+1917[REDACTED]
Attachments:

Size: 1584807
File name: IMG_1390.jpeg
IMG_1390.jpeg
Status: Read
Read: 6/21/2019 3:05:38 PM(UTC-4)
6/21/2019 3:01:10 PM(UTC-4)

+1215[REDACTED]
What's this my man
Status: Sent
Delivered: 6/21/2019 3:06:06 PM(UTC-4)
Read: 6/21/2019 3:39:06 PM(UTC-4)
6/21/2019 3:06:06 PM(UTC-4)

+1917[REDACTED]
My daughters engagement party
Status: Read
Read: 6/21/2019 3:39:25 PM(UTC-4)
6/21/2019 3:39:17 PM(UTC-4)

+1215[REDACTED]
Did u get a chance to speak to chuck
Status: Sent
Delivered: 9/12/2019 6:04:57 PM(UTC-4)
Read: 9/12/2019 6:05:18 PM(UTC-4)
9/12/2019 6:04:57 PM(UTC-4)

+1917[REDACTED]
Yes in the car will call you little later if it's ok
Status: Read
Read: 9/12/2019 6:05:42 PM(UTC-4)
9/12/2019 6:05:40 PM(UTC-4)

+1215[REDACTED]
Ok
Status: Sent
Delivered: 9/12/2019 6:05:51 PM(UTC-4)
Read: 9/12/2019 6:07:56 PM(UTC-4)
9/12/2019 6:05:50 PM(UTC-4)

+1917[REDACTED]
Joe what's your home address (want to send you an invitation)
Status: Read
Read: 9/25/2019 12:27:20 PM(UTC-4)
9/25/2019 12:21:37 PM(UTC-4)

+1215 [REDACTED]

Send to office. 20 n 3rd st. Philadelphia pa. 19106. Thanks my man

Status: Sent

Delivered: 9/25/2019 12:28:14 PM(UTC-4)

Read: 9/25/2019 12:39:34 PM(UTC-4)

9/25/2019 12:28:14 PM(UTC-4)

+1917 [REDACTED]

Kk

Status: Read

Read: 9/25/2019 12:58:53 PM(UTC-4)

9/25/2019 12:39:37 PM(UTC-4)

+191 [REDACTED]

Joe Macki
20 N 3rd St
Philadelphia, PA 19106
United States

Status: Read

Read: 9/25/2019 12:58:53 PM(UTC-4)

9/25/2019 12:58:23 PM(UTC-4)

+1917 [REDACTED]

Or is it Joe Mack?

Status: Read

Read: 9/25/2019 12:58:53 PM(UTC-4)

9/25/2019 12:58:48 PM(UTC-4)

+1215 [REDACTED]

That's my sales name. Joseph LaForte. And my wife is Lisa

Status: Sent

Delivered: 9/25/2019 12:59:38 PM(UTC-4)

Read: 9/25/2019 12:59:41 PM(UTC-4)

9/25/2019 12:59:36 PM(UTC-4)

+191 [REDACTED]

Kk thanks

Status: Read

Read: 9/26/2019 11:47:55 AM(UTC-4)

9/25/2019 12:59:51 PM(UTC-4)

+1917 [REDACTED]

My daughter just told me about your special wedding gift I wanna personally thank you and Anthony for the gift they really appreciate it really love you guys like family Anthony told me you were busy in the office I understand n definitely know the feeling.



Status: Read

Read: 11/16/2019 6:51:20 PM(UTC-5)

11/16/2019 6:51:00 PM(UTC-5)

+1215 [REDACTED]
All the best to your family. I consider you a brother.
Status: Sent
Delivered: 11/16/2019 6:51:58 PM(UTC-5)
Read: 11/16/2019 7:03:13 PM(UTC-5)
11/16/2019 6:51:57 PM(UTC-5)

+1917 [REDACTED]
Thanks
Status: Read
Read: 11/16/2019 7:17:16 PM(UTC-5)
11/16/2019 7:03:21 PM(UTC-5)

+1215 [REDACTED]
<https://www.forbes.com/sites/forbesbusinessdevelopmentcouncil/2019/11/18/what-about-the-sales-deals-you-didnt-close-lessons-learned-from-20-years-of-rejection/>
Attachments:

Size: 5430
File name: 8E0B15AE-2864-47B1-BB09-B7E1BBDC3CD7.pluginPayloadAttachment
[8E0B15AE-2864-47B1-BB09-B7E1BBDC3CD7.pluginPayloadAttachment](#)

Size: 28976
File name: A442664A-EFC0-4D1C-8EE8-D26A76875CAE.pluginPayloadAttachment
[A442664A-EFC0-4D1C-8EE8-D26A76875CAE.pluginPayloadAttachment](#)
Status: Sent
Delivered: 11/18/2019 11:49:26 PM(UTC-5)
Read: 11/18/2019 11:49:49 PM(UTC-5)
11/18/2019 11:49:24 PM(UTC-5)

+1917 [REDACTED]
That's a nice article you wrote that?
Status: Read
Read: 11/19/2019 9:57:42 AM(UTC-5)
11/19/2019 8:52:15 AM(UTC-5)

+1917 [REDACTED]
Wow there a few articles you wrote didn't know you were on the Forbes council
Status: Read
Read: 11/19/2019 9:57:42 AM(UTC-5)
11/19/2019 8:55:11 AM(UTC-5)

+1215 [REDACTED]
Thanks pal
Status: Sent
Delivered: 11/19/2019 9:57:46 AM(UTC-5)
Read: 11/19/2019 10:11:59 AM(UTC-5)
11/19/2019 9:57:46 AM(UTC-5)

+1917[REDACTED]

Joe when do you want to set the meeting up and so you want us to come down or should we do web meeting??

Status: Read

Read: 3/16/2020 6:27:54 PM(UTC-4)

3/16/2020 6:12:40 PM(UTC-4)

+1215[REDACTED]

We can do a web meeting. That works

Status: Sent

Delivered: 3/16/2020 6:28:17 PM(UTC-4)

3/16/2020 6:28:17 PM(UTC-4)

+1917[REDACTED]

So tell us a time that we all can meet

Status: Read

Read: 3/16/2020 8:36:34 PM(UTC-4)

3/16/2020 6:44:09 PM(UTC-4)

+1215[REDACTED]

Ok. I will set it up. I am dealing with a lot of customers now that are closed down. I will get w Anthony to set up a time

Status: Sent

Delivered: 3/16/2020 8:37:24 PM(UTC-4)

3/16/2020 8:37:22 PM(UTC-4)

+1917[REDACTED]

Understand will deal w Anthony to set it up

Status: Read

Read: 3/16/2020 9:33:35 PM(UTC-4)

3/16/2020 8:57:51 PM(UTC-4)

+1215[REDACTED]

I will work on it tomorrow to get it set up

Status: Sent

Delivered: 3/16/2020 9:33:57 PM(UTC-4)

3/16/2020 9:33:57 PM(UTC-4)

+1917[REDACTED]

Kk

Status: Read

Read: 3/16/2020 9:34:06 PM(UTC-4)

3/16/2020 9:34:06 PM(UTC-4)

+1917[REDACTED]

<https://nypost.com/2020/05/21/scientists-believe-cannabis-could-help-prevent-treat-coronavirus/>

Attachments:



Size: 3056
File name: 2557C9DF-6CDE-4080-B3E5-87117BF87833.pluginPayloadAttachment
[2557C9DF-6CDE-4080-B3E5-87117BF87833.pluginPayloadAttachment](#)

Status: Read

Read: 5/24/2020 12:36:35 PM(UTC-4)

5/24/2020 7:27:37 AM(UTC-4)

+121[REDACTED]

This is big

Status: Sent

Delivered: 5/24/2020 3:45:23 PM(UTC-4)

5/24/2020 3:45:23 PM(UTC-4)

+121[REDACTED]

Where are the foundations

Status: Sent

Delivered: 5/24/2020 3:48:41 PM(UTC-4)

5/24/2020 3:48:41 PM(UTC-4)

+121[REDACTED]

Wrong text

Status: Sent

Delivered: 5/24/2020 3:48:55 PM(UTC-4)

5/24/2020 3:48:55 PM(UTC-4)

Exhibit “13”

Message

From: Joe Cole [joe@parfunding.com]
Sent: 4/29/2019 9:13:45 AM
To: JoJo Chehebar [jojo@REDACTED]
CC: Perry Abbonizio [perry@parfunding.com]
Subject: Re: Additional Chera Loan

Hi Jojo,

Just let me know if he wants to do a renewal of the \$500K note maturing in August or have a second separate note instead.

We'll prepare docs accordingly.

Thanks.

Joe Cole

On Sun, Apr 28, 2019 at 6:47 PM JoJo Chehebar <jojo@REDACTED> wrote:

Hi Joe,

My friend Richard Chera, would like to loan an additional \$1m.

This is my friend who currently has \$500,000 with you, and who's father is best friends with my dad (he's also friends with POTUS)

Best Regards,

JoJo

--

JoJo Chehebar

jojo@REDACTED

1-917-REDACTED

1430 Broadway, Rm 704

New York, New York 10018



12

+1917 [REDACTED]

Tell him your with Ezra Chehebar already paid first hour and only used 20 min

Status: Read

Read: 12/28/2018 9:06:07 AM(UTC-5)

12/27/2018 6:05:13 PM(UTC-5)

+1215 [REDACTED]

Spoke to consultant. Very knowledgeable. Eric was on same page

Status: Sent

Delivered: 12/28/2018 2:26:42 PM(UTC-5)

Read: 12/28/2018 2:41:55 PM(UTC-5)

12/28/2018 2:26:42 PM(UTC-5)

+1917 [REDACTED]

Nice

Status: Read

Read: 1/15/2019 7:26:43 PM(UTC-5)

12/28/2018 2:42:01 PM(UTC-5)

+19 [REDACTED]

We can get the name absolutecbd.com \$2300 do you like??

Status: Read

Read: 1/15/2019 7:26:43 PM(UTC-5)

1/15/2019 7:02:11 PM(UTC-5)

+19 [REDACTED]

Primecbd is taken

Status: Read

Read: 1/15/2019 7:26:43 PM(UTC-5)

1/15/2019 7:02:27 PM(UTC-5)

+1215 [REDACTED]

What are we going to market it for the foods. ?

Status: Sent

Delivered: 1/15/2019 7:38:48 PM(UTC-5)

Read: 1/15/2019 8:40:45 PM(UTC-5)

1/15/2019 7:38:47 PM(UTC-5)

+19 [REDACTED]

Whatever we decide later

Status: Read

Read: 1/16/2019 12:02:09 AM(UTC-5)

1/15/2019 8:41:10 PM(UTC-5)

+1215 [REDACTED]

Love it

Status: Sent

Delivered: 1/16/2019 12:02:27 AM(UTC-5)

Read: 1/16/2019 4:10:39 AM(UTC-5)

1/16/2019 12:02:27 AM(UTC-5)

Message

From: Eddie Chehebar [eddie@REDACTED]
Sent: 1/6/2020 2:27:48 PM
To: Eddie Chehebar [REDACTED]
Subject: Fwd: Bank Deal Follow Up
Attachments: Cendera Subscription Package.pdf

Thanks
Eddie Chehebar

Begin forwarded message:

From: Joe Cole <joecole@parfunding.com>
Date: December 31, 2019 at 11:13:24 AM EST
To: Zudy Shehebar <zudy@REDACTED>
Cc: JoJo Chehebar <jojoc123@REDACTED>, Eddie Chehebar <eddie@REDACTED>, "Gabriel I. Shehebar" <gs@REDACTED>, Isaac Shehebar <isaac@REDACTED>, Michael Chehebar <michael@REDACTED>
Subject: Re: Bank Deal Follow Up

Ok, sounds good Zudy.

Please see the attached subscription documents to sort out.

For anyone else joining the deal, we'll need to get these submitted by the end of next week to our lawyers.

Let me know if you have any questions, have a great new year.

Joe Cole

On Tue, Dec 31, 2019 at 9:57 AM Zudy Shehebar <zudy@REDACTED> wrote:
Joe,

I spoke to dad we are going to come in on this deal for a total of \$700,000 2.5% share please send over subscription. Thanks

Zudy Shehebar
NYC

On Dec 26, 2019, at 10:24 AM, Joe Cole <joecole@parfunding.com> wrote:

Ok, thanks Jojo.

It will be mostly the same as your except for the tax ID information assuming they're committing to the same amount of shares purchased.

I'll update regulatory counsel on this and hopefully we can finalize the rest this week.

We greatly appreciate it.

Joe Cole

On Thu, Dec 26, 2019 at 9:23 AM JoJo Chehebar <jojoc123@REDACTED> wrote:
Hi Joe, see my attached subscription agreement.

my father and brothers still have to do theirs. i will help them with it if needed.

On Thu, Dec 19, 2019 at 12:33 PM Joe Cole <joe@parfunding.com> wrote:
Good afternoon,

The lawyers were following up to confirm if your group would have the subscription agreements ready for this week.

They're looking to finalize subscription documents for the remaining investors with the regulators.

Please confirm, thanks.

Joe Cole

On Thu, Dec 12, 2019 at 11:50 AM Joe Cole <joe@parfunding.com> wrote:
Isaac,

Good speaking with you about our company updates.

Please see the attached subscription agreement copy.

This is the only document we need to get each investor on board for the deal. We're good doing the investment from your trust.

I'll keep you posted as funding is needed but we can always work out cash flow logistics between the CBSG notes if needed. So it shouldn't be an issue.

Thank you.

Joe Cole

On Thu, Dec 12, 2019 at 7:35 AM Joe Cole <joe@parfunding.com> wrote:
Good morning,

Please confirm if you were able to get the subscription agreements filled out for the brothers planning on investing on the bank purchase.

Our counsel is looking to get the remaining subscription forms signed this week. We still expect escrow to occur towards the end of the month, though it may be pushed to January due to the holidays.

I'm available to review the transaction today if you guys have any other questions.

Thanks.

Joe Cole

On Thu, Dec 5, 2019 at 9:39 AM Joe Cole <joecole@parfunding.com> wrote:

Thanks for the update Jojo.

We expect cash flows to be somewhat consistent for the upcoming quarterly distribution and we welcome the conversion for any notes you may have to equity on the bank deal for as much as you guys would like to individually participate in. We don't have a firm closing date yet but we'll have some flexibility on cash coming in for the deal.

Please have the attached subscription package completed reflecting the tax information and total shares purchase for each person. I'm available if you have any questions on the specifics, but basically it's a verification of accreditation, W9 information and total share purchase.

I'll follow up with Zudy and Gaby as needed to go over the details for the bank investment.

We greatly appreciate our your family's continued partnership in our deals. This will be a major leap forward for our commercial finance enterprise.

Joe Cole

On Thu, Dec 5, 2019 at 9:02 AM JoJo Chehebar <[jojoc123\[REDACTED\]](mailto:jojoc123[REDACTED])> wrote:

Hey Joe,

We have discussed this with my bro's.

The main issue is we don't know what our January distribution will be till January, that being said, I know u need an answer now, my brothers and I and my father can commit to 12.5% total (so that's 2.5% for each of me and my 3 brothers, as well as 2.5% for my father)
That's \$700,000 for each of the 2.5% totaling \$3,500,000

Now if the January distribution is less then we expected, we will have to convert some of our loan money into equity for this deal. (Which would mean calling some of the loan and then giving it back as equity for bank) but hopefully that won't be necessary.

Also, the last time I spoke to my uncle, he too seemed interested for 2.5% for \$700,000 but please get the actual commitment from him directly.

I have not spoken to Zudy or Gaby about it at all, as I have been out of the country for most of the last month. I am including them in this email to keep them in the loop. But please give them a call to let them know what the deal is about.

On Tue, Dec 3, 2019 at 7:46 PM Joe Cole <joecole@parfunding.com> wrote:

Good morning,

I hope you guys had a great Thanksgiving holiday.

Please confirm if you have some availability to do a follow up call this week regarding the bank deal and the revised management agreements for the audit.

We made some progress in discussing the debt to equity options for the company at the end of the audit and I wanted to run some ideas by you guys.

Thanks for getting the audit letters confirmed for your investor notes for the auditors.

Joe Cole

On Tue, Nov 19, 2019 at 7:19 PM Joe Cole <joecole@parfunding.com> wrote:
Ok, sounds good Eddie.

Let me know if you guys have any questions, we can follow up after the holidays next week.

Joe Cole

On Tue, Nov 19, 2019 at 3:58 PM Eddie Chehebar <eddie@REDACTED> wrote:

Joe yes we're interested in the bank deal just need to discuss how much each of us wants to go in we need to have a meeting about that but everyone is traveling these next 2 weeks so sometime after that I will have a sit down to finalize that and also to rollover the shares into equity were ok w that just let us know when you want

Thanks
Eddie Chehebar

On Nov 19, 2019, at 3:49 PM, Joe Cole <joecole@parfunding.com> wrote:

Good afternoon guys,

I wanted to follow up on the subscription agreement with the bank deal and see if you had any questions. The Dallas Federal Reserve Bank confirmed that our application was being processed on Friday and we're looking to get the remaining shareholder commitments in place by the end of the month.

Please let me know if you have any questions.

Also let me know if you want to do a follow up call with counsel to go over the modifications for the consulting agreement and locking in language we'd all happy with to roll over debt into equity when we do a private equity deal next year.

Thanks.

Joe Cole

On Tue, Nov 12, 2019 at 7:34 PM Joe Cole <joecole@parfunding.com> wrote:

Good evening,

Please see the attached subscription agreement for the bank deal we spoke of. This is a straight equity purchase of the holding company for the bank and shares carry the same rights across the board for both director and non-director investors.

There are a total of 10,000 shares at \$2,800.00 each totalling the \$28M purchase. We can offer individual investors a 100 (1%) share minimum at \$280,000.00 up to 499 (4.9%) shares at \$1,397,200.00. We just need to detail that along with W9 information on each investor's subscription agreement.

There is a 36 month lock before we're allowed to buy / sell our shares and we can also pay dividends after this period. Our proforma reflects about a \$4M EBITDA figure at the end of this period which prices the bank from \$21M to \$60M after 3 years. This is a very conservative estimate and we expect actual EBITA performance closer to \$5-6M giving a total asset value of \$75M - \$90M respectively.

You can also use the following information to log into the data room:

https://hunton.egnyte.com/fl/NgkbMpo27U/Cendera_Bancorp_

Password: 8u2dc98E

Call reports for the bank are also available from the FDIC, though the strongest value and growth proposition comes from our ability to originate commercial deals to send over to the bank.

Let me know if you have any questions on the deal, regulatory counsel is just looking to get the signed subscription documents in soon with escrow to occur near closing in mid to late December.

Also I'll plan to go over the consulting agreement changes to add the equity conversion we discussed for the private equity deal down the road. We should be able to come up with a shared mechanism we can all work with and it was important for us to make sure we're all on the same side when pursuing a bigger deal for Par Funding. This should ultimately yield a greater return than the rates from our profit sharing and interest payments.

Thanks.

<image.png>

Message

From: Joe Cole [joe@parfunding.com]
Sent: 1/6/2020 1:55:00 PM
To: JoJo Chehebar [jojoc123@REDACTED]
Subject: Re: Bank Deal Follow Up
Attachments: Cendera Subscription Package.pdf; Cendera Pro Forma - 081219.pdf; Cendera Call Report - 063019.pdf; Project Bastante - Offering Memorandum 092519.pdf; Cendera Business Plan - 103019.pdf; image.png

Unfortunately, I have to get lawyers to redo it.

Is there something specific you're looking for? I have most of the materials available directly.

Also I usually send the attached items to prospect investors.

Let me know if that works, thanks.

Joe Cole

On Mon, Jan 6, 2020 at 1:45 PM JoJo Chehebar <jojoc123@REDACTED> wrote:
Joe, the data room link shows no longer active, can u please resend it?

On Tue, Nov 12, 2019 at 7:34 PM Joe Cole <joe@parfunding.com> wrote:
Good evening,

Please see the attached subscription agreement for the bank deal we spoke of. This is a straight equity purchase of the holding company for the bank and shares carry the same rights across the board for both director and non-director investors.

There are a total of 10,000 shares at \$2,800.00 each totalling the \$28M purchase. We can offer individual investors a 100 (1%) share minimum at \$280,000.00 up to 499 (4.9%) shares at \$1,397,200.00. We just need to detail that along with W9 information on each investor's subscription agreement.

There is a 36 month lock before we're allowed to buy / sell our shares and we can also pay dividends after this period. Our proforma reflects about a \$4M EBITDA figure at the end of this period which prices the bank from \$21M to \$60M after 3 years. This is a very conservative estimate and we expect actual EBITA performance closer to \$5-6M giving a total asset value of \$75M - \$90M respectively.

You can also use the following information to log into the data room:

[https://hunton.egnyte.com/fl/NgkbMpo27U/Cendera Bancorp](https://hunton.egnyte.com/fl/NgkbMpo27U/Cendera_Bancorp)

Password: 8u2dc98E

Call reports for the bank are also available from the FDIC, though the strongest value and growth proposition comes from our ability to originate commercial deals to send over to the bank.

Let me know if you have any questions on the deal, regulatory counsel is just looking to get the signed subscription documents in soon with escrow to occur near closing in mid to late December.

Also I'll plan to go over the consulting agreement changes to add the equity conversion we discussed for the private equity deal down the road. We should be able to come up with a shared mechanism we can all work

with and it was important for us to make sure we're all on the same side when pursuing a bigger deal for Par Funding. This should ultimately yield a greater return than the rates from our profit sharing and interest payments.

Thanks.

Joe Cole
CFO



20 N 3rd St
Philadelphia, PA 19106



Office: (215) 615-4426



Cell: (949) 332-2463



www.parfunding.com

Message

From: Samuel Tversky [sat@REDACTED]
Sent: 1/4/2017 6:52:25 PM
To: NORMAN VALZ [NVALZ@REDACTED 'chuckfrei' [REDACTED]]
CC: JoJo Chehebar [jojo@REDACTED]
Subject: RE: Revised Agreements
Attachments: CBSG A&R Promissory Note - Issac Shehebar 1-4-17 REDLINE.docx; CBSG A&R Promissory Note - Issac Shehebar 1-4-17.docx; CBSG Chehebar Non Compete SAT 1-4-17 REDLINE.docx; CBSG - Consulting Agreement Issac SAT 1-4-17 REDLINE.docx; CBSG - Consulting Agreement Issac SAT 1-4-17.docx; CBSG Chehebar Non Compete SAT 1-4-17.docx

Norm – Attached please find clean and redlined copies of the documents reflecting my comments. My understanding is that the substance of all of these changes has been discussed and agreed upon. Note that I am sending these drafts simultaneously to my client and they therefore remain subject to further revision.

Feel free to contact me at your convenience with any questions or comments.

Regards,
 Sam

Samuel A. Tversky
The Law Office of Samuel A. Tversky P.C.
3512 Quentin Road, Suite 100-7
Brooklyn, NY 11234
Tel. 212-221-9611 | Fax. 212-221-9619
Cell. REDACTED
REDACTED

The information contained in this communication, including any attachments, is privileged and confidential information intended only for the use of the individual to whom it was addressed. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you received this in error, please contact the sender and delete or destroy the material.

From: NORMAN VALZ [mailto:REDACTED]
Sent: Tuesday, December 27, 2016 4:51 PM
To: Samuel Tversky <sat@REDACTED>; 'chuckfrei' <chuckfrei@REDACTED>
Cc: Joe Cole <joe@parfunding.com>; Joe Macki <joe@parfunding.com>
Subject: Revised Agreements

Hello Sam/Chuck:

Attached are the revised Promissory Notes, Consulting Agreements and the Non-Compete. I believe that these documents include all of the changes discussed today. I would like to reiterate the underlying philosophy of my client with regard to the profit sharing provisions. Basically, everyone will be in the exact same boat. No one will get a profit share while anyone else does not get one. No one will get their full share while anyone else gets a reduced share. Everyone will be on equal footing enjoying the same rewards or possibly foregoing those rewards occasionally for the good of the Company.

Contact me if you have any questions.

Regards,

Norm (Cell 215 [REDACTED])

Norman M. Valz & Associates, P.C.

434 N. 38th Street

Philadelphia, PA 19104

Tel. 215 667-8400 Fax 215 827-5758 Email: [nvalz@\[REDACTED\]](mailto:nvalz@[REDACTED]) SKYPE: [REDACTED]

This message contains information which may be confidential and privileged. Unless you are the intended addressee (or authorized to receive for the intended addressee), you may not use, copy or disclose to anyone the message or any information contained in the message. If you have received the message in error, please advise the sender by reply at [nvalz@\[REDACTED\]](mailto:nvalz@[REDACTED]) and delete the message.

Thank you very much.

Exhibit “14”

Message

From: Joe Mack [joe@parfunding.com]
Sent: 5/24/2018 4:43:14 PM
To: JoJo Chehebar [jojo@REDACTED]; Joe Cole [joecole@parfunding.com]
CC: Chuck Frei [cfrei@REDACTED]; Eddie Chehebar [eddie@REDACTED]; Michael Chehebar [michael@REDACTED]
Subject: RE: New Investment
Attachments: image004.png; image005.jpg; image006.jpg

Men, if we can bring it to 25 percent I would be happy to accommodate you. I value the relationship and the trust you have in what we are doing. With that being said, I want to keep the debt service in line so our financials looks solid and I protect the investments you have made. Let me know if this is acceptable and I will have Joe Cole draw up the docs.

Joe Macki



Client Services Manager
Office: 215-922-2636
Fax: 888-803-4886
Email: joe@parfunding.com

From: JoJo Chehebar <jojo@REDACTED >
Sent: Thursday, May 24, 2018 4:40 PM
To: joecole@parfunding.com
Cc: Chuck Frei <cfrei@REDACTED >; Eddie Chehebar <eddie@REDACTED >; Joe Mack <Joe@parfunding.com>; Michael Chehebar <michael@REDACTED >
Subject: Re: New Investment

No problem, I understand.

On Thu, May 24, 2018 at 11:27 AM <joecole@parfunding.com> wrote:

Hi Jojo,

Unfortunately, with our financial audit progress and strategy for growth going into the latter half of the year, we won't be able to accommodate the 30% rate for this note any longer. Even the usual 25% monthly deal we'll need to consider revising going forward.

Our aim is to create a more attractive and margin conscious blend of creditor notes on our balance sheet. Though I believe we can come to terms more in line with this growth strategy and still provide consistent returns for the family.

We greatly appreciate working with you guys and look forward to following up soon.

Joe Cole

From: JoJo Chehebar <jojo@REDACTED >
Sent: Wednesday, May 23, 2018 7:10 PM

To: Chuck Frei <cfrei@REDACTED>; Eddie Chehebar <eddie@REDACTED> Joe Cole <joe@parfunding.com>; Joe Mack <joe@parfunding.com>; Michael Chehebar <michael@REDACTED>

Subject: New Investment

Hi Joes,

My brother's and I would like to invest

\$1,334,000

30% Annually

Starting June 1

5 Years

So every June 1 u will distribute \$400,200

In the entity:

GEMJ Chehebar GRAT, LLC

Please confirm.

Best Regards,

JoJo

--

JoJo Chehebar

jojo@REDACTED

1-917-REDACTED

1430 Broadway, Rm 704
New York, New York 10018

=====

--

JoJo Chehebar

jojo@REDACTED

1-917-REDACTED

1430 Broadway, Rm 704

New York, New York 10018

□

□

□

Start Time: 3/19/2018 10:46:56 AM(UTC-4)
 Last Activity: 11/18/2019 11:49:10 PM(UTC-5)
 Number of attachments: 3
 Source: iMessage: +1215[REDACTED]
 Body file: chat-374.txt

Participants:



+1215[REDACTED]

+1917[REDACTED]
Jo jo Chebar*

+1917[REDACTED] Jo jo Chebar

Hey Joe! Are u going to be in Miami this week?

Status: Read

Read: 3/19/2018 12:25:47 PM(UTC-4)

3/19/2018 10:46:56 AM(UTC-4)

+1215[REDACTED]

Hey pal. No. I am going for Easter. I just received the cigars. Was about to reach out to you. They are amazing. Cant begin to tell you how much I appreciate it. They look awesome

Status: Sent

Delivered: 3/19/2018 12:27:08 PM(UTC-4)

3/19/2018 12:27:07 PM(UTC-4)

+1917[REDACTED] Jo jo Chebar

My pleasure! U should come for a day or two this week... will be a lot of fun ;)

Status: Read

Read: 3/19/2018 1:13:26 PM(UTC-4)

3/19/2018 12:52:51 PM(UTC-4)

+1215[REDACTED]

Will take I up on that next year. I am building this business to be a monster. Want to cash everyone out big first. Working 16 hrs a day and I love it.

Status: Sent

Delivered: 3/19/2018 1:14:45 PM(UTC-4)

3/19/2018 1:14:43 PM(UTC-4)

+1917[REDACTED] Jo jo Chebar

Ok great!!!! So we party next year ;)

Status: Read

Read: 3/19/2018 1:32:39 PM(UTC-4)

3/19/2018 1:19:25 PM(UTC-4)

+1215[REDACTED]


Yes. Most definitely.

Status: Sent

Delivered: 3/19/2018 1:32:59 PM(UTC-4)

3/19/2018 1:32:58 PM(UTC-4)

+1917[REDACTED] Jo jo Chebar
Ok thank you speak to you later
Status: Read
Read: 9/12/2018 6:55:08 PM(UTC-4)
9/12/2018 11:58:33 AM(UTC-4)

+1917[REDACTED] Jo jo Chebar
Attachments:

Size: 489358
File name: IMG_1222.JPG
IMG_1222.JPG
Status: Read
Read: 11/9/2018 2:12:42 PM(UTC-5)
11/9/2018 1:49:17 PM(UTC-5)

+1215[REDACTED]
Congratulations. God bless. I won't be able to make it. Thanks so much for the invite.
Status: Sent
Delivered: 11/9/2018 2:58:12 PM(UTC-5)
11/9/2018 2:58:12 PM(UTC-5)

+1917[REDACTED] Jo jo Chebar
Thank you!! we gotta come back soon!!
Status: Read
Read: 11/9/2018 3:04:06 PM(UTC-5)
11/9/2018 3:02:56 PM(UTC-5)

+1215[REDACTED]
Please do.
Status: Sent
Delivered: 11/9/2018 3:04:25 PM(UTC-5)
11/9/2018 3:04:25 PM(UTC-5)

+1215[REDACTED]
Hey pal. I am renting a villa in St. Barth's w friends for New Years. What's he best way to get there and safest. I know I go down there
Status: Sent
Delivered: 9/8/2019 8:28:17 PM(UTC-4)
9/8/2019 8:28:15 PM(UTC-4)

+1917[REDACTED] Jo jo Chebar
I will be there too!!
Status: Read
Read: 9/8/2019 8:28:34 PM(UTC-4)
9/8/2019 8:28:34 PM(UTC-4)

+1917[REDACTED] Jo jo Chebar
How many people are u?
Status: Read
Read: 9/8/2019 8:28:52 PM(UTC-4)
9/8/2019 8:28:52 PM(UTC-4)

+1215[REDACTED]
Great. We will hang out. 6 people
Status: Sent
Delivered: 9/8/2019 8:29:12 PM(UTC-4)
9/8/2019 8:29:11 PM(UTC-4)

+1917[REDACTED] Jo jo Chebar
The best way is to fly from st Martin then take st Barth commuter (small 8 passenger plane) from st Martin to st Barth that small plane costs like 1500 each way
Status: Read
Read: 9/8/2019 8:29:54 PM(UTC-4)
9/8/2019 8:29:53 PM(UTC-4)

+1917[REDACTED] Jo jo Chebar
U charter the small plane
Status: Read
Read: 9/8/2019 8:30:07 PM(UTC-4)
9/8/2019 8:30:07 PM(UTC-4)

+1917[REDACTED] Jo jo Chebar
And the second way to get there is from Puerto Rico. That's gotten more popular lately because the st Martin airport has never fully recovered since the storm and it's like a crappy temp airport now
Status: Read
Read: 9/8/2019 8:30:54 PM(UTC-4)
9/8/2019 8:30:53 PM(UTC-4)

+1215[REDACTED]
Got it. That's what Amex told me. Just wanted to make sure
Status: Sent
Delivered: 9/8/2019 8:30:54 PM(UTC-4)
9/8/2019 8:30:54 PM(UTC-4)

+ [REDACTED] Jo jo Chebar
But if ur taking st Barth commuter charter ur fine from at Martin airport.
Status: Read
Read: 9/8/2019 8:31:20 PM(UTC-4)
9/8/2019 8:31:20 PM(UTC-4)

+1917[REDACTED] Jo jo Chebar
But is there a flight from philly to st martin?
Status: Read
Read: 9/8/2019 8:31:34 PM(UTC-4)
9/8/2019 8:31:34 PM(UTC-4)

+1215[REDACTED]
Smoked one. Sick. What a difference
Status: Sent
Delivered: 3/19/2018 10:22:53 PM(UTC-4)
3/19/2018 10:22:53 PM(UTC-4)

+1917[REDACTED] Jo jo Chebar
Told u!! Best of the best! Enjoy!
Status: Read
Read: 3/24/2018 12:39:52 PM(UTC-4)
3/19/2018 10:23:18 PM(UTC-4)

+1917[REDACTED] Jo jo Chebar
Hey Joe, my dad is trying to reach you, please call him on his cell +19175[REDACTED]
We heard you were upset, please know that we have nothing to do with that other company, my father never even heard about it till just this second and my father or me or my brothers have nothing to do with them and didn't give them \$1 dollar.
Status: Read
Read: 9/12/2018 11:46:54 AM(UTC-4)
9/12/2018 10:41:49 AM(UTC-4)

+1917[REDACTED] Jo jo Chebar
Joe?
Status: Read
Read: 9/12/2018 11:46:54 AM(UTC-4)
9/12/2018 11:31:55 AM(UTC-4)

+1917[REDACTED] Jo jo Chebar
Please don't be upset at us. I would never invest in a competitor! We're like family! My cousins invested in a competitor very very recently, my family had absolutely no interest to invest with them. My brothers and I are with u. And regarding my cousins. Zacko just beat the shit out of his sons, they did it without his blessing, please call us to at least hear what happened, we have nothing to hide, and have never tried to hide anything from u.
Status: Read
Read: 9/12/2018 11:46:54 AM(UTC-4)
9/12/2018 11:45:19 AM(UTC-4)

+1917[REDACTED] Jo jo Chebar
We have a great relationship let's not ruin it
Status: Read
Read: 9/12/2018 11:46:54 AM(UTC-4)
9/12/2018 11:46:15 AM(UTC-4)

+1215[REDACTED]
I will call you tonight. I found out much more about this relationship. I am crushed w work right now. Call u later
Status: Sent
Delivered: 9/12/2018 11:47:50 AM(UTC-4)
9/12/2018 11:47:50 AM(UTC-4)

Exhibit “15”

Message

From: Joe Mack [joe@parfunding.com]
Sent: 5/24/2018 4:43:14 PM
To: JoJo Chehebar [jojo@REDACTED]; Joe Cole [joecole@parfunding.com]
CC: Chuck Frei [cfre@REDACTED]; Eddie Chehebar [eddie@REDACTED]; Michael Chehebar [michael@REDACTED]
Subject: RE: New Investment
Attachments: image004.png; image005.jpg; image006.jpg

Men, if we can bring it to 25 percent I would be happy to accommodate you. I value the relationship and the trust you have in what we are doing. With that being said, I want to keep the debt service in line so our financials looks solid and I protect the investments you have made. Let me know if this is acceptable and I will have Joe Cole draw up the docs.

Joe Macki



Client Services Manager
Office: 215-922-2636
Fax: 888-803-4886
Email: joe@parfunding.com

From: JoJo Chehebar <jojo@REDACTED >
Sent: Thursday, May 24, 2018 4:40 PM
To: joecole@parfunding.com
Cc: Chuck Frei <cfre@REDACTED >; Eddie Chehebar <eddie@REDACTED >; Joe Mack <Joe@parfunding.com>; Michael Chehebar <michael@REDACTED >
Subject: Re: New Investment

No problem, I understand.

On Thu, May 24, 2018 at 11:27 AM <joecole@parfunding.com> wrote:

Hi Jojo,

Unfortunately, with our financial audit progress and strategy for growth going into the latter half of the year, we won't be able to accommodate the 30% rate for this note any longer. Even the usual 25% monthly deal we'll need to consider revising going forward.

Our aim is to create a more attractive and margin conscious blend of creditor notes on our balance sheet. Though I believe we can come to terms more in line with this growth strategy and still provide consistent returns for the family.

We greatly appreciate working with you guys and look forward to following up soon.

Joe Cole

From: JoJo Chehebar <jojo@REDACTED >
Sent: Wednesday, May 23, 2018 7:10 PM

To: Chuck Frei <cfrei@REDACTED>; Eddie Chehebar <eddie@REDACTED>; Joe Cole <joe@parfunding.com>; Joe Mack <joe@parfunding.com>; Michael Chehebar <michael@REDACTED>

Subject: New Investment

Hi Joes,

My brother's and I would like to invest

\$1,334,000

30% Annually

Starting June 1

5 Years

So every June 1 u will distribute \$400,200

In the entity:

GEMJ Chehebar GRAT, LLC

Please confirm.

Best Regards,

JoJo

--

JoJo Chehebar

jojo@REDACTED

1-917REDACTED

1430 Broadway, Rm 704
New York, New York 10018

=====

--

JoJo Chehebar

jojo@REDACTED

1-917REDACTED

1430 Broadway, Rm 704

New York, New York 10018

Message

From: Joe Mack [joe@parfunding.com]
Sent: 5/15/2017 4:33:29 PM
To: JoJo Chehebar [jojoc123@REDACTED]; Chuck Frei [cfrei@REDACTED]; Joe Cole [joecole@parfunding.com]
Subject: RE: Increase our small loan
Attachments: image001.png

Thanks JoJo, I will have Joe Cole prepare the documents.

Joe Macki



Client Services Manager
Office: 215-922-2636
Fax: 888-803-4886
Email: joe@parfunding.com

From: JoJo Chehebar [mailto:jojoc123@REDACTED]
Sent: Monday, May 15, 2017 4:29 PM
To: Chuck Frei <cfrei@REDACTED>; Joe Cole <joecole@parfunding.com>; Joe Mack <joe@parfunding.com>
Subject: Increase our small loan

Hi Joe's

Currently GEMJ Chehebar GRAT has:

500,000 for 25% for 2 more years
\$1,000,000 for 25% for 1 year with 2 yearly options
\$2,000,000 for 18% plug profit share for 5 years+

we would like to increase our first \$500,000 investment by another \$500,000 at 25%, which would make us \$2m at 25% and \$2m at 18% + Profit share.

Please let me know.

Best Regards,
JoJo

Message

From: Eddie Chehebar [eddie@REDACTED]
Sent: 3/18/2020 4:28:10 PM
To: Anthony Z [anthonyz@parfunding.com]
CC: Kevin Young [kyoung@parfunding.com]
Subject: Re: web conference

Ok jojo setup the zoom meeting please click on the link below Tom at 1

<https://zoom.us/j/9176702015>

Thanks
Eddie Chehebar

On Mar 17, 2020, at 7:20 PM, Anthony Z <anthonyz@parfunding.com> wrote:

1pm Thursday

On Tue, Mar 17, 2020, 7:14 PM Eddie Chehebar <eddie@REDACTED> wrote:

albertc@REDACTED

Eddie@REDACTED

Jojoc123@REDACTED

Michael@REDACTED

Gaby@REDACTED

Isaac@REDACTED

Gs@REDACTED

Zudy@REDACTED

Here are all the email addresses if you want my brother has a zoom meeting account he can set it up fr all of us if you need

Thanks
Eddie Chehebar

On Mar 17, 2020, at 3:44 PM, Anthony Z <anthonyz@parfunding.com> wrote:

Eddie

Kevin is on the email

Please send to him all the emails for the people that will be in attendance
And he will arrange to send out the invites

Message

From: Alexis Abbonizio [alexis@parfunding.com]
Sent: 12/21/2017 2:55:15 PM
To: Jack Terzi [jack@REDACTED]
CC: Zudy Shehebar [zudy@REDACTED]; joecole@parfunding.com; perry@parfunding.com; Chuck Frei [cfrei@REDACTED]
Subject: Re: \$500,000 loan

Hi Jack,

Thank you for the information!

We will prepare your agreements and send for your review.

Thank you,
Alexis

On 12/21/17, 2:37 PM, "Jack Terzi" <jack@jtreholdings.com> wrote:

Hi want to just make sure you got my email. I'm having some email trouble this week.

Jack

> On Dec 21, 2017, at 8:45 AM, Jack Terzi <jack@REDACTED> wrote:

>

> Sorry this was in my spam

> Jack Terzi

> 5 Ocean Place, Loch Arbour, NJ 07711

>

>> On Dec 20, 2017, at 8:24 AM, Chuck Frei <cfrei@skiva.com> wrote:

>>

>> Hi Jack,

>>

>> Please email us the name and address you want on the docs and we will prepare for your review.

>>

>> Thanks,

>>

>> Chuck

>>

>> Sent from my iPhone

>>

>> On Dec 20, 2017, at 8:11 AM, Zudy Shehebar <zudy@REDACTED> wrote:

>>

>>

>>

>> Zudy Shehebar

>> NYC

>>

>>> On Dec 20, 2017, at 8:07 AM, Chuck Frei <cfrei@REDACTED> wrote:

>>>

>>> Please add Jack to the email

>>>

>>> Sent from my iPhone

>>>

>>> On Dec 20, 2017, at 7:50 AM, Zudy Shehebar <zudy@REDACTED> wrote:

>>>

>>> Chuck,

>>>

>>> As discussed jack will come in \$500K with the friends and family plan 25%.

>>> Jack give chuck any necessary info.

>>> Thanks

>>>

>>> Zudy Shehebar

>>> NYC

>>>

>>

Message

From: Joe Cole [joe@parfunding.com]
Sent: 4/29/2019 9:13:45 AM
To: JoJo Chehebar [jojo@REDACTED]
CC: Perry Abbonizio [perry@parfunding.com]
Subject: Re: Additional Chera Loan

Hi Jojo,

Just let me know if he wants to do a renewal of the \$500K note maturing in August or have a second separate note instead.

We'll prepare docs accordingly.

Thanks.

Joe Cole

On Sun, Apr 28, 2019 at 6:47 PM JoJo Chehebar <jojo@REDACTED> wrote:

Hi Joe,

My friend Richard Chera, would like to loan an additional \$1m.

This is my friend who currently has \$500,000 with you, and who's father is best friends with my dad (he's also friends with POTUS)

Best Regards,

JoJo

--

JoJo Chehebar

jojo@REDACTED

1-917REDACTED

1430 Broadway, Rm 704

New York, New York 10018



Exhibit “16”

Summary of Amounts Received by the Chehebar Investors (Excluding "Profit Sharing")

Claim No.	Chehebar Note Holders	Outstanding Principal	Amounts Returned	Net Investment
544	Albert Chehebar	\$ 15,500,000.00	\$ 9,365,521.00	\$6,134,479.00
500	Cherie Chehebar (Eddie)	\$ 150,000.00	\$ 113,750.00	\$36,250.00
502	Ezra Chehebar (Eddie)	\$ 2,500,000.00	\$ 1,080,990.00	\$1,419,010.00
477	Ezra Shehebar LLC (Zudy)	\$ 1,600,000.00	\$ 1,068,333.00	\$531,667.00
478	GEMJ Chehebar (Jojo)	\$ 4,400,000.00	\$ 2,957,322.00	\$1,442,678.00
409	Isaac Bennet Sales	\$ 2,000,000.00	\$ 800,000.00	\$1,200,000.00
483+410	Isaac Shehebar	\$ 15,000,000.00	\$ 10,147,476.00	\$4,852,524.00
484	Josef Chehebar (Jojo)	\$ 2,200,000.00	\$ 1,655,833.00	\$544,167.00
499	Joyce Chehebar (Eddie)	\$ 225,000.00	\$ 156,562.00	\$68,438.00
476	Michael Chehebar	\$ 3,000,000.00	\$ 1,139,792.00	\$1,860,208.00
501	Steven Chehebar (Eddie)	\$ 70,000.00	\$ 48,708.00	\$21,292.00
	Subtotal - Chehbar Note Holders	\$ 46,645,000.00	\$ 28,534,287.00	\$ 18,110,713.00

Exhibit “17”

CBSG Q4 2017 Profit Sharing

Total Wired: \$ 53,376,265.96
 Returns / Adjustments: \$ (220,898.22)

Net Wires: \$ 53,155,367.74

Profit Sharing Basis - 3.5% \$ 1,860,437.87

HBC - 64%: \$ 1,190,680.24
 Perry - 15%: \$ **279,065.68**
 Joe Cole - 10%: \$ 186,043.79
 Chuck - 7.5%: \$ **139,532.84**
 Jojo - 2.1875%: \$ 40,697.08
 Isaac - 1.3125%: \$ 24,418.25
Total 3.5%: \$ 1,860,437.87

HBC Profit Sharing: \$ 1,190,680.24
 HBC Waterfall - 10%: \$ 5,315,536.77
HBC Total: \$ 6,506,217.01

Profit Sharing Basis - 10% \$ 5,315,536.77

HBC - 64%: \$ 3,401,943.54
 Perry - 15%: \$ 797,330.52
 Joe Cole - 10%: \$ **531,553.68**
 Chuck - 7.5%: \$ 398,665.26
 Jojo - 2.1875%: \$ **116,277.37**
 Isaac - 1.3125%: \$ **69,766.42**
Total 3.5%: \$ 5,315,536.77

HBC Profit Sharing: \$ 3,401,943.54
 HBC Waterfall - 10%: \$ 5,315,536.77
HBC Total: \$ 8,717,480.31

\$ 10,631,073.55
 82%

CS 2000 Q4 2017 Profit Sharing

	Total Wired:	\$	4,743,088.35
	Returns / Adjustments:	\$	(14,685.25)
	Net Wires:	\$	4,728,403.10
Difference	Profit Sharing Basis - 10%	\$	472,840.31
\$	2,211,263.30	HBC - 60%:	\$ 283,704.19
\$	518,264.84	Bill - 30%:	\$ 141,852.09
\$	345,509.89	Joe Cole - 10%:	\$ 47,284.03
\$	259,132.42	Total 10%:	\$ 472,840.31
\$	75,580.29		
\$	45,348.17		
\$	3,455,098.90		

Exhibit “18”

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

CASE NO.: 20-cv-81205-RAR

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

Defendants.

DECLARATION OF JAMES KLENK

Pursuant to 28 U.S.C. Section 1746, the undersigned states as follows:

1. My name is James Klenk. I am over twenty-one years of age and have personal knowledge of the matters set forth in this Declaration.
2. I began work at Full Spectrum Processing (“Full Spectrum”) in February 2018 and was the Controller of Full Spectrum from February 2018 until no earlier than July 28, 2020.
3. As Controller, I worked on all accounting-related activities for Full Spectrum and Complete Business Solutions Group (“CBSG”), and reported to CFO Joseph Cole Barleta (“Cole”). I am a Certified Public Accountant.
4. Based on my work as Controller, I am familiar with the salaries, payments, money transfers, and agreements pursuant to which money transfers and payments were made.
5. Each year since about 2018, Full Spectrum paid Cole an annual salary of about \$94,000.
6. Perry Abbonizio’s (“Abbonizio”) job at CBSG was to raise investor money to fund the merchant cash advances CBSG made to businesses.
7. Each quarter, CBSG would transfer out an amount equal to 10 percent of the total CBSG had funded in merchant cash advances during that time period, including companies owned by Cole, Abbonizio, and Lisa McElhone and/or The LME 2017 Family Trust.
8. For example, in the fourth quarter of 2019, CBSG paid \$98 million to small businesses in merchant cash advances and transferred \$9.8 million (10%) to companies.
9. From at least 2017 until June 2019, CBSG paid Cole’s company Beta Abigail. From July 2019 until the CBSG bank accounts were frozen in July 2020, CBSG paid Cole’s company ALB Consulting.
10. From at least 2017 until the CBSG bank accounts were frozen in July 2020, CBSG paid Abbonizio’s company New Field Ventures.

11. From at least 2017 until June 2018, CBSG paid Heritage Business Consulting. From about July 2018 until CBSG's bank accounts were frozen, CBSG paid Eagle Six Corporation.

12. Of the 10% funded to merchants in the MCAs, CBSG paid: (i) Heritage Business Consulting 64% until June 2018 and paid Eagle Six 64%-71% from July 2019 until the Receiver was appointed; (ii) New Field Ventures 15%; and (iii) Beta Abigail or ALB Management 10%.¹

13. For 2019, CBSG had about \$36 million in what CBSG had deemed bad debt expense.

14. According to the draft 2019 trial balance I had access to when I worked at CBSG, investors were owed approximately \$345 million. A draft June 2020 trial balance of the creditor/investor notes showed about \$355 million. However, these were draft figures and had not been reconciled²

15. CBSG also paid 5% commissions to Recruiting and Marketing Resources on the MCA deals they provided to CBSG. This company is owned by The LME 2017 Family Trust.

16. As Controller, I am also a contact with CBSG's outside auditors. The last year CBSG had an audited financial statement was for the year ending 2017. It was done by the firm Friedman, LLC. Friedman, LLC initially provided CBSG with an unqualified audit report, and a true and correct copy is attached as Exhibit A. Joseph LaForte disagreed with this financial statement and demanded that the Friedman, LLC firm not include the default/bad rate allowance in the audited financial statement. Thereafter, Friedman, LLC provided a second audit report consistent with what LaForte directed. This second audit report has an adverse opinion and a true a correct copy is attached as Exhibit B. I am aware of these facts because I participated in and/or was otherwise advised of these facts in connection with my work as Controller for CBSG.

17. In November 2019, Aida Lau stopped working from the CBSG office where the accountants work and began working in the CBSG office where Joseph LaForte has his office. Since that time, she worked as the accounting liaison to Joseph LaForte to assist him and to help with customer payment and receipt tracking.

I declare under penalty of perjury that the foregoing is true, correct, and made in good faith.

Executed this 17 day of August 2020.

James Klenk



¹ CBSG also paid Lindsay Blake 7.5%, GEMJ CHEhebar Grat. LLC 2.1875%, and Isaac Chehebar 1.3125% of the amount equal to 10% of the total CBSG funded in MCAs.

² I am without knowledge of any additional amount investors who bought promissory notes in ABetterFinancialPlan, Fidelis Financial Planning, and Retirement Evolution are owed.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

AND

INDEPENDENT AUDITORS' REPORT

EXHIBIT

A

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

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FRIEDMAN LLP[®]

ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholder
Complete Business Solutions Group, Inc.

We have audited the accompanying consolidated financial statements of Complete Business Solutions Group, Inc. and Affiliate (the "Company") which comprise the consolidated balance sheet as of December 31, 2017, and the related consolidated statements of operations, changes in equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Complete Business Solutions Group, Inc. and Affiliate as of December 31, 2017, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

COMPLETE BUSINESS SOLUTIONS GROUP, INC. AND AFFILIATE

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 2017

ASSETS

Cash (amounts related to variable interest entity of \$55)	\$ 10,220,718
Advances receivable, net	118,169,907
Due from related parties	2,544,459
Property and equipment - at cost, less accumulated depreciation and amortization (amounts related to variable interest entity of \$106,575)	140,328
Deferred taxes	3,917,034
Total assets	\$ 134,992,446

LIABILITIES AND STOCKHOLDER'S EQUITY

Accounts payable (amounts related to variable interest entity of \$1,434)	\$ 64,790
Accrued expenses	2,645,537
Accrued consulting fees	10,631,074
Due to related party	240,678
Note payable, related party	1,355,000
Investor loans payable, net of unamortized debt issuance costs of \$1,323,767	94,383,808
Deferred revenue	20,765,991
Accrued income taxes	2,428,912
Total liabilities	132,515,790

Commitments and contingencies

Stockholder's equity

Common stock, \$0 par value, 1,500 shares authorized, issued, and outstanding	-
Retained earnings	2,500,767
Total Complete Business Solutions Group, Inc. stockholder's equity	2,500,767
Non-controlling interest	(24,111)
Total stockholder's equity	2,476,656
Total liabilities and stockholder's equity	\$ 134,992,446

See notes to consolidated financial statements.

COMPLETE BUSINESS SOLUTIONS GROUP, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2017

Net revenues	
Factoring fees, net	\$ 60,586,745
Program fees	1,837,702
Processing fees	758,367
	63,182,814
Operating expenses	
Consulting expense	33,115,219
Provision for credit losses, net of recoveries	20,293,950
Selling, general and administrative expenses	4,263,019
	57,672,188
Income from operations	5,510,626
Other income (expense)	
Interest expense	(13,737,951)
	(13,737,951)
Net loss before income taxes	(8,227,325)
Income tax benefit	1,532,222
Net loss	(6,695,103)
Net loss attributable to non-controlling interest	(24,111)
Net loss attributable to Complete Business Solutions Group, Inc.	\$ (6,670,992)

See notes to consolidated financial statements.

COMPLETE BUSINESS SOLUTIONS GROUP, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Common Stock		Retained Earnings	Non- Controlling Interest	Total Equity
	Shares	Amount			
Balance at December 31, 2016	1,500	\$ -	\$ 9,171,759	\$ -	\$ 9,171,759
Net loss	-	-	(6,670,992)	(24,111)	(6,695,103)
Balance at December 31, 2017	1,500	\$ -	\$ 2,500,767	\$ (24,111)	\$ 2,476,656

See notes to consolidated financial statements.

COMPLETE BUSINESS SOLUTIONS GROUP, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2017

Cash flows from operating activities

Net loss	\$ (6,695,103)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	36,690
Amortization of debt issuance costs	1,338,009
Amortization of contract acquisition costs	6,022,587
Payments on contract acquisition costs	(6,538,464)
Provision for credit losses, net of recoveries	20,293,950
Deferred income taxes	(4,029,454)
Changes in assets and liabilities:	
Fundings of advances receivable	(191,099,431)
Repayments of advances receivable	95,739,293
Accounts payable	47,935
Accrued expenses	2,193,000
Accrued consulting fees	7,066,598
Deferred revenue	14,464,290
Accrued income taxes	2,428,912
Net cash used in operating activities	(58,731,188)

Cash flows from investing activities

Advances to related parties	(6,455,457)
Repayments from related parties	5,039,469
Net cash used in investing activities	(1,415,988)

Cash flows from financing activities

Borrowings from note payable, related party	1,817,731
Repayments of note payable, related party	(2,067,395)
Borrowings from investor loans payable	88,990,275
Repayments of investor loans payable	(18,627,250)
Payments for debt issuance costs	(2,016,070)
Net cash provided by financing activities	68,097,291

Net increase in cash	7,950,115
Cash, beginning of year	2,270,603
Cash, end of year	\$ 10,220,718

Supplemental cash flow disclosures

Interest paid	\$ 10,705,942
Taxes paid	\$ 68,321

See notes to consolidated financial statements.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES**

Description of Business

Complete Business Solutions Group, Inc. (“CBSG”) was incorporated on October 20, 2011 under the laws of the State of Delaware. CBSG is wholly owned by LME 2017 Family Trust (“LME”). CBSG provides financing for small and medium size businesses in the form of factoring advances. Factoring advances provide working capital to its clients through CBSG’s purchase of a portion of the future income stream of a client at a discount. Repayments of the factoring advances by clients are mainly in the form of daily ACH withdrawals by CBSG.

Full Spectrum Processing (“FSP”) was incorporated on November 21, 2016 under the laws of the State of Pennsylvania. FSP, which shares common ownership with CBSG, and is a servicing entity that provides employees and back office support to CBSG.

Liquidity

During the year ended December 31, 2017, the Company, as defined in Principles of Consolidation below, incurred a net loss of approximately \$6.7 million, had a cash flow deficit from operations of approximately \$58.7 million and generated cash flows from financing activities of approximately \$68.1 million. Due to continued growth, the Company expects to have continuing operating cash flow deficits through 2019. Management plans to improve the Company’s liquidity through a reduction of the Company’s cost of investor capital in 2018 and 2019, by reducing the fixed interest rate on investor debt upon renewal, as well as change the payment frequency of interest from monthly to quarterly to help preserve cash resources. Also, management believes the Company has sufficient cash resources to fund the operating activity deficits and the Company’s ownership has the ability to eliminate or reduce consulting payments to affiliates and, if necessary, committed to contribute additional funds to sustain operations. However, management can provide no assurance that its plans will be successful.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of CBSG and FSP (collectively, the “Company”). All significant intercompany balances and transactions have been eliminated in consolidation.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Variable Interest Entities

In accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 810, the Company considers FSP to be a Variable Interest Entity (“VIE”). Under the consolidation guidance, the Company must make an evaluation of this entity to determine if it meets the definition of a VIE.

Generally, a VIE is an entity with one or more of the following characteristics: (a) the total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support; (b) as a group, the holders of the equity investment at risk lack (i) the ability to make decisions about an entity’s activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; or (c) the equity investors have voting rights that are not proportional to their economic interests and substantially all of the entity’s activities either involve, or are conducted on behalf of, an investor that has disproportionately few voting rights.

Management has determined that FSP is a variable interest entity, as CBSG and its owner have the power to direct and control the activities, as well as share in the benefits and losses of FSP. As noted above, this entity is consolidated as CBSG is the primary beneficiary. Equity of the VIE is represented as a noncontrolling interest in the accompanying consolidated financial statements. Management does not believe there are any material risks related to the relationship. See Note 6 for further detail.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The actual results could differ from those estimates.

Cash and Concentrations of Credit Risk

For purposes of the consolidated statement of cash flows, the Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. As of December 31, 2017 the Company had no cash equivalents. Cash balances in banks are insured by the Federal Deposit Insurance Corporation subject to certain limitations. The Company’s cash balances in financial institutions at times may exceed federally insured limits. The Company has not experienced any losses in such accounts, and management believes they are not exposed to any significant risk relating to cash balances.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Advances Receivable

Advances receivable are recorded when advances are made and are stated at the amount advanced, net of any participation interest sold, plus the Company's unearned fee, plus unamortized contract acquisition costs, and net of the provision for credit losses. The Company's unearned fee included in advances receivable with a corresponding credit to deferred revenue was \$20,765,991 at December 31, 2017. Generally the repayment terms of the factoring advances are 100-200 days, but the terms vary by customer to be longer or shorter in length.

The Company defers direct costs incurred in connection with factoring advance originations. Contract acquisition costs are incurred with related parties and third party subcontractors. Eligible costs for deferral include all incremental commissions as a result of originating factoring advances or acquiring new customers and underwriting costs. Contract acquisition costs are deferred and amortized over the term of the related advances. Amortization expense for the year ended December 31, 2017 was \$6,022,587, and is reported as a reduction of factoring fee revenues.

The Company offers a consolidation product in which it funds a customer in installments, releasing a portion of the advance upfront with the remaining balance being released over a specified period. The Company records advances receivable net of the Company's future commitment and related unearned fee under consolidation deals on the consolidated balance sheet. The future commitments on consolidation deals and related unearned fee totaled \$37,721,389 at December 31, 2017.

The Company services some of its contracts in conjunction with syndicate partners. The Company sells back a participation interest in the factoring advances to the syndicate partners. For these arrangements, gains or losses on the sale of the participation interest are not material as the carrying amount of the participation interest sold approximates the fair value at time of transfer. The syndicate partners have no recourse against the Company related to their interests for failure of debtors to pay when due. The syndicate partners' interests have the same priority to the interest held by the Company and are subject to the same risks as compared to the Company. Advance receivable of the syndicate partners that are being serviced by the Company totaled \$6,907,237 as of December 31, 2017. Some of the Company's syndicate partners are related parties of the Company. Refer to Note 6 for related party detail.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advances Receivable (Continued)

The Company performs ongoing evaluations of its open advances receivable and provides a provision for credit losses based on management's evaluation of the collectability of the receivable portfolio and trends in historical loss experience. Management believes that the provision is sufficient to cover all credit losses in the factoring advances receivable portfolio.

The Company writes off advances receivable against the provision for credit losses when they become significantly past due (typically after six weeks of missed payments) and are deemed uncollectable by management. The Company charges additional fees for non payment and will stop accruing additional fees once additional fees adds up to be 10% of the outstanding balance.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 7 years. Leasehold improvements are amortized over the estimated useful lives or the term of the lease, whichever is shorter. Upon sale or retirement of depreciable property and equipment, the cost and related accumulated depreciation or amortization are removed from the related accounts and the resulting gains or losses are reflected in income. Maintenance and repairs that neither materially add to the value of equipment nor appreciably prolong its life are charged to expense as incurred.

Debt Issuance Costs

The Company incurred debt issuance costs in connection with its investor loans. The Company has recorded the debt issuance costs as a reduction of the investor loans and amortized it as interest expense over the terms of the loans. Debt issuance costs consist of the following at December 31, 2017:

Debt issuance costs	\$ 3,180,857
Less - Accumulated amortization	(1,857,090)
	<hr/>
	\$ 1,323,767

Amortization expense for the year ended December 31, 2017 was \$1,338,009.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Revenue Recognition

The Company generates revenues from its factoring business. Funds are advanced to a client and recorded as advances receivable, inclusive of a deferred income component and a corresponding deferred revenue liability related to unearned factoring fees. Factoring fee revenues are fixed at the time the advances are made, recognized when earned over the expected term of the agreement, and reported net of amortization of deferred acquisition costs. Program fee and processing fee revenues are recognized when earned, amounts are deemed to be fixed or determinable and collectability are reasonably assured.

Income Taxes

The Company accounts for income taxes under the assets and liability method. This requires the Company to recognize deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's consolidated financial statements and tax returns. In estimating future tax consequences, all expected future events are considered except for changes in the tax law or rates, other than as disclosed below.

The Tax Cuts and Jobs Act (the "Tax Act"), enacted on December 22, 2017, among other things, permanently lowered the statutory federal corporate tax rate from 35% to 21%, effective for tax years including or beginning January 1, 2018. Under the guidance of FASB ASC 740, "Income Taxes," the Company revalued its net deferred tax assets on the date of enactment based on the reduction in the overall future tax benefit expected to be realized at the lower tax rate implemented by the new legislation. Although in the normal course of business the Company is required to make estimates and assumptions for certain tax items which cannot be fully determined at period end, the Company did not identify any items for which the income tax effects of the Tax Act have not been completed as of December 31, 2017 and, therefore, considers its accounting for the tax effects of the Tax Act on its deferred tax assets and liabilities to be complete as of December 31, 2017.

The Company recognizes tax positions that meet a "more likely than not" minimum recognition threshold. The Company's income tax returns are subject to examination by the appropriate tax jurisdictions. The Company's Federal and state tax returns generally remain open for examination for the last three years. Any penalties and interest assessed by taxing authorities are included in income tax expense.

The Company's federal income tax return for the year ended December 31, 2016 is currently under review by the Internal Revenue Service ("IRS"). A final determination has not been made by the IRS as of the date of this report.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Income Taxes (Continued)

The Company's consolidated entity, FSP, elected to be an "S" Corporation under the provisions of the Internal Revenue Code. As a result, income and losses of FSP are passed through to its stockholder for income tax purposes.

Advertising Costs

Advertising costs are expensed as incurred and totaled \$100,802 for the year ended December 31, 2017.

Recent Accounting Pronouncements

In May 2014, FASB, jointly with the International Accounting Standards Board, issued a comprehensive new standard on revenue recognition from contracts with customers (ASC 606). The standard's core principle is that a reporting entity will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additionally, this new guidance will require significantly expanded disclosures about revenue recognition. Provisions of this new standard are effective for annual reporting periods beginning after December 15, 2018. The Company is currently evaluating the potential effect on its consolidated financial position, results of operations and cash flows from adoption of this standard.

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842), which will be effective for reporting periods beginning after December 15, 2019. Early adoption is permitted in annual reporting periods beginning after December 15, 2016. The distinction between finance leases (previously capital leases) and operating leases is substantially similar to the distinction between capital leases and operating leases in the previous lease guidance. Lessor accounting is also largely unchanged. For lessees, leases under both categories will be reported on the balance sheet as a depreciable right-to-use asset and a liability to make lease payments. The asset and liability should be initially measured at the present value of the lease payments, including payments to be made in optional periods only if the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease. The asset will be depreciated and the liability will be reduced by lease payments. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election not to recognize lease assets and liabilities. The Company is currently evaluating the timing of its adoption and the impact of adopting the new lease standard on its consolidated financial statements.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)

In June 2016, the FASB issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments (Topic 326). ASU 2016-13 will change the impairment model and how entities measure credit losses for most financial assets. The standard requires entities to use the new expected credit loss impairment model which will replace the incurred loss model used today.

The new guidance will be effective for annual reporting periods beginning after December 15, 2020. Early adoption is permitted, but not prior to fiscal years beginning after December 15, 2018. The Company is currently assessing the impact that the adoption of this guidance will have on its consolidated financial statements.

Subsequent Events

These consolidated financial statements were approved by management and available for issuance. Management has evaluated subsequent events through this date.

2 – ADVANCES RECEIVABLE, NET

Advances receivable, net consist of the following at December 31, 2017:

Advances receivable at contract value	\$ 170,159,902
Add – Contract acquisition costs, net of accumulated amortization of \$8,262,683	1,420,228
Less – Unfunded consolidation deals and related unearned fee	37,721,389
Less – Provision for credit losses	15,688,834
	\$ 118,169,907

Allowance for doubtful accounts activity consist of the following for the year ended December 31, 2017:

Balance, beginning of year	\$ 4,735,170
Provision for credit losses including adjustment for related deferred revenue	23,004,468
Advances written off	(12,337,567)
Recoveries of advances previously written off	286,763
	\$ 15,688,834

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 – ADVANCES RECEIVABLE, NET (Continued)

As of December 31, 2017, provision for credit losses, net of recoveries, on the consolidated statement of operations totaled \$20,293,950 which includes the adjustment for related deferred revenue of \$2,710,518.

Advances receivable aging at December 31, 2017 is as follows:

Originated During the Year Ended December 31,	Advances Receivable
2013	\$ 136,236
2014	1,299,438
2015	1,253,891
2016	6,223,159
2017	168,154,415
<hr/>	
Total advances receivable at contract value	\$ 177,067,139
Less: Joint funding by syndicate partners serviced by the Company	6,907,237
	<hr/> \$ 170,159,902 <hr/>

The following table presents informative date of advances receivable regarding their age and fee accrual status at December 31, 2017:

		Status of Fee Accrual	
		Total Advance Receivables on Nonaccrual Status	Advance Receivable 90 Days Past Maturity Date and still accruing fees
Total Past Due	Total Advance Receivables at contract value		
<hr/> \$ 26,422,123	\$ 170,159,902	\$ 24,729,705	\$ 957,762 <hr/>

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2017:

Furniture and equipment	\$ 163,222
Leasehold improvements	48,970
Computer equipment	18,748
	230,940
Less - Accumulated depreciation and amortization	(90,612)
	\$ 140,328

Depreciation and amortization expense for the year ended December 31, 2017 was \$36,690.

4 – INVESTOR LOANS PAYABLE

CBSG enters into non-negotiable term promissory notes with investors to fund operations and client advances, which are recorded as investor loans payable on the consolidated balance sheet. Interest on the loans is accrued based on each transaction’s individual structure and payment schedule. Interest is paid based on the terms of each underlying promissory note, with interest rates ranging from 12% to 50% per year. Maturity dates on the promissory notes extend through December 2022. Accrued interest on the consolidated balance sheet is \$2,146,537 at December 31, 2017 and is included in accrued expenses on the consolidated balance sheet. Interest expense was \$11,965,213 at December 31, 2017.

In order to secure the loans with the investor, CBSG enters into a loan agreement with each investor whereas CBSG grants a security interest in substantially all of its assets.

The following are future maturities of the loans:

Year Ending December 31,	
2018	\$ 53,044,450
2019	11,286,875
2020	2,731,250
2021	-
2022	28,645,000
	\$ 95,707,575
Less: unamortized debt issuance costs	1,323,767
	\$ 94,383,808

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5 – LEASE COMMITMENTS

The Company leases office facilities under various operating leases extending through December 2021. Rent expense for the year ended December 31, 2017 totaled \$229,791. The future minimum rental payments under the agreements are as follows:

Year Ending December 31,	
2018	\$ 363,582
2019	134,369
2020	104,856
2021	43,690
	\$ 646,497

6 - RELATED PARTY TRANSACTIONS

During the year, the Company entered into numerous transactions with related parties.

Consulting expenses

As of December 31, 2017, consulting expense to related parties consisted of the following:

New Field Ventures, LLC	\$ 2,376,731
Beta Abigail, Inc.	1,384,488
Heritage Business Consulting, Inc.	20,476,746
	\$ 24,237,965

As of December 31, 2017, accrued consulting fees to related parties, which is included in accrued consulting fees on the consolidated balance sheet consisted of the following:

New Field Ventures, LLC	\$ 797,331
Beta Abigail, Inc.	531,554
Heritage Business Consulting, Inc.	8,717,480
	\$ 10,046,365

Heritage Business Consulting, Inc. (“HBC”) is an entity affiliated to CBSG due to common ownership. Beta Abigail and New Field Ventures, LLC, Inc. are owned in part by the Company’s Chief Financial Officer and Director of Investor Relations. The amount of consulting expense is based on the gross funding for the quarter, as described in the individual consulting agreements.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6 - RELATED PARTY TRANSACTIONS (Continued)

Commission expenses

For Recruiting & Marketing Resources, Inc. (“RMR”), an entity affiliated to CBSG due to common ownership, CBSG is to pay a commission to RMR in the amount of 8% of new funding amounts to clients pursuant to the independent sales organization agreement with RMR. In addition, commissions on renewal of new funding will also be paid out in the amount of 5%. Commission expense incurred to RMR during the year ended December 31, 2017 totaled \$1,845,283.

Joint Funding

The Company services some of its contracts in conjunction with syndicate partners who are related parties. During the year, CBSG entered into numerous syndicate agreements with Capital Source 2000 (“CS 2000”), an entity owned in part by the Company’s Chief Financial Officer, and Fast Advance Funding (“FAF”), an entity affiliated to CBSG due to common ownership, who also provides financing for small and medium size businesses in the form of factoring advances. The Company sells back a participation interest in the factoring advances to the syndicate partners. For these arrangements, gains or losses on the sale of the participation interests are not material as the carrying amount of the participation interest sold approximates the fair value at time of transfer. The syndicate partners have no recourse against the Company related to their interests for failure of debtors to pay when due.

The syndicate partners’ interests have the same priority to the interest held by CBSG and are subject to the same risks as compared to CBSG. As of December 31, 2017, syndicate advances receivables that are being serviced by the Company due to CS 2000 and FAF totaled \$5,081,957 and \$98,287, respectively, which were excluded from advances receivable on the consolidated balance sheet. Refer to Note 10 for subsequent activity.

During the year ended December 31, 2017, FAF and CS 2000, also entered into numerous syndicate agreements with CBSG. Pursuant to these agreements, FAF and CS 2000 sells back a participation interest in the factoring advances to CBSG. For these arrangements, gains or losses on the sale of the participation interest are not material as the carrying amount of the participation interest sold approximates the fair value at time of transfer. CBSG has no recourse against FAF and CS 2000 related to their interests for failure of debtors to pay when due. Therefore, these advances receivable are due from the respective client, and not the related entities, FAF and CS 2000.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6 - RELATED PARTY TRANSACTIONS (Continued)

As of December 31, 2017, these joint funding receivables with related parties, which are included in advances receivables, consisted of the following:

CS 2000		\$ 81,505
FAF		7,711,463
		\$ 7,792,968

Due From Related Parties

As of December 31, 2017, notes receivable from related parties consisted of the following:

LME		\$ 768,858
20 N 3 rd St LLC		520,580
803 S 4 th Street LLC		364
FAF		117,432
Metro Physical Medicine Group		25,000
LM Property Management		12,000
HBC		1,100,225
		\$ 2,544,459

All notes are unsecured non-interest bearing and due on demand. Refer to Note 10 for subsequent activity.

Due To Related Party

During the year ended December 31, 2017, CBSG had a due to RMR, an entity affiliated to CBSG due to common ownership. The due to totaled \$240,678 at December 31, 2017. Refer to Notes 8 and 10 for subsequent activity.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6 - RELATED PARTY TRANSACTIONS (Continued)

Note Payable

On July 19, 2017, the Company entered into a promissory note agreement with HBC for a total of \$1,355,000. The note matures on August 19, 2018. Interest on the note accrues monthly at an annual rate of 35%. The note is accompanied by a security agreement which states CBSG grants a security interest in substantially all of its assets. Previously, the Company entered into four different promissory notes with HBC which totaled \$1,355,000, bore interest at an annual rate of 35% per year and were repaid in 2017. The total note balance entered into in 2017 was still outstanding as of year-end. Accrued interest at year-end totaled \$15,808 while interest expense incurred to HBC totaled \$434,729 in 2017. Refer to Note 10 for subsequent activity.

Revenue

In the past, CBSG acted as a payment processor for CS 2000 as CS 2000 did not have its own ACH processor. Therefore, CBSG would collect payments on behalf of CS 2000 from CS 2000's customers and remit payment to CS 2000 at no cost. Total amount owed to CS 2000 as of December 31, 2017 is \$131,250, which is included in advances receivable on the consolidated balance sheet. In the current year, CBSG would charge a fee for these services referred to as processing income at the time the advance is made to the customer. The income would be deferred over the term of the advances. For the year ended December 31, 2017, processing fee revenues totaled \$758,367, while deferred revenue totaled \$486,589 as of December 31, 2017.

During the year ended December 31, 2017, the Company recognized factoring fee revenue from Metro Physical Medicine Group, an entity affiliated to CBSG due to common ownership, in the amount of \$72,000.

Advances Receivable

As of December 31, 2017, advances receivable included the following advances receivable from related parties:

Metro Physical Medicine Group	\$ 300,000
LM Property Management	94,689
	<hr/>
	\$ 394,689

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6 - RELATED PARTY TRANSACTIONS (Continued)

Rent

During the year ended December 31, 2017, FSP, leased three different office space locations from three different related parties. FSP leased office space from 205 Arch St Management LLC, 20 N 3rd St LLC, and RMR and incurred rent expense of \$38,500, \$18,000 and \$21,000, respectively, for the year ended December 31, 2017.

7 – COMMITMENTS AND CONTINGENCIES

The Company has entered into several finder's fee agreements with outside consultants, in which consultants provide the Company the service of introducing creditors and procuring working capital in the form of a loan or other agreed upon funds to the Company. Once the principal funds are received from an investor, the Company compensates the consultant based on the terms set forth in each individual finder's fee agreement, typically a lump sum payment at an agreed upon rate. For any renewal agreements, the Company pays the finder a distribution at an agreed upon rate, typically over a twelve month period. At December 31, 2017, the Company had recorded unamortized finders' fees totaling \$1,323,767, which were included in debt discount and presented net of investor loans payable on the consolidated balance sheet.

In addition to the finder's fee agreements above, on May 31, 2016, the Company entered into a finder's fee agreement with a certain finder (the "Finder"). In addition to the standard terms mentioned above, if the Company received funds in a certain specified amount from a creditor that was introduced by the Finder, and if the Company should sell all or a part of its equity, the Finder would receive warrants to purchase common shares in the Company at a pre-determined sliding scale of monies introduced by the Funder. Warrants would be issued with ten-year terms and an exercise price of \$0.01 per share. As the Company has not sold all or a part of its equity, no warrants were due to the Finder as of December 31, 2017.

On January 1, 2017, the CBSG entered into an independent sales organization agreement with RMR, an entity affiliated to CBSG due to common ownership, in which RMR will provide marketing and promotional programs and assist prospective clients in completing and submitting applications to CBSG. CBSG is to pay commissions to the related party in the amount of 8% of new funding amounts pursuant to the independent sales organization agreement. In addition, commissions on renewal of new funding will also be paid out in the amount of 5%. Commissions are payable within fourteen days of funding. See Note 6 for related party transactions with RMR.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7 – COMMITMENTS AND CONTINGENCIES (Continued)

The Company has entered into multiple consulting agreements with both independent consultants and related party entities. Pursuant the agreements, the Company agreed to pay out profit participation fees in amounts stipulated in the agreements based on the gross funding of advances each quarter for the consulting services rendered. Profit participation fees are typically due within seven days of each calendar quarter. At December 31, 2017, the Company recorded \$10,631,074 in accrued profit participation fees, which is included in accrued consulting fees in the consolidated balance sheet. Accrued consulting fees to related parties totaled \$10,046,365 at December 31, 2017 (see Note 6 for related party transactions). Additionally, in the event of liquidity, the Company is required to make payments to the consultants based on the net proceeds of the liquidity event in lieu of the gross funding of advances at a rate equivalent to the consultants' profit participation percentage as stated in their respective consulting agreements.

On November 16, 2018, the Company entered into a settlement agreement with the Pennsylvania Department of Banking and Securities whereby the Company agreed to settle all allegations relating to the violation of the Pennsylvania Securities Act of 1972 in connection with the offer and sale of non-negotiable, non-transferable promissory notes issued by the Company during 2016 and 2017. At December 31, 2017, the Company recorded \$499,000 in accrued expense on the consolidated balance sheet relating to this settlement. In order to satisfy Pennsylvania Regulatory requirements, the Company has instituted a policy that all new investor notes will be issued under private placement memorandum.

The Company, from time to time, in the normal course of business is involved in various legal proceedings. In the opinion of management, if adversely decided, none of these proceedings, individually or in the aggregate, would have a material effect on the Company's consolidated financial position or results of operations except as noted above.

8 – INVESTORS LOAN PAYABLE CONCENTRATION

At December 31, 2017, 10% of the Company's investor loans payables related to one investor and 10% of the Company's investor loans payables related to a second investor. In addition, a combined 31% of the Company's investor loans payable balance was payable to investors in the same family.

Additionally, during the year, the Company entered into consulting agreements with two members of the family above. As of December 31, 2017, the Company accrued profit participation fees to these two members in the amount of \$186,044. Profit participation fees to these two members total \$592,638 for the year ended December 31, 2017. See Note 7 for description of commitments related to these agreements.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9 – INCOME TAXES

Deferred taxes are recognized for temporary differences between the basis of assets and liabilities for financial statement and income tax purposes. The provision (benefit) for income taxes consists of the following as of December 31, 2017:

Current		
Federal		\$ 1,787,376
State		709,858
		2,497,234
Deferred		
Federal		(2,586,614)
State		(1,442,842)
		\$ (1,532,222)

The effective income tax rate differs from the statutory rate primarily due to a significant change in the federal statutory rate and changes in estimates relating to prior year tax accruals. The Tax Act enacted on December 22, 2017 reduces the federal corporate income tax rate to 21% for years beginning in 2018. A reconciliation of the Company’s statutory income tax rate to the Company’s effective income tax rate is as follows:

Loss at US statutory rate	34.00 %
State tax benefit	4.00
Federal - AMT	(2.16)
Statutory rate change	(18.50)
Other	2.41
	19.75 %

The tax effects of the items comprising the deferred income tax asset are as follows as of December 31, 2017:

Change in the provision for credit losses	\$ 3,922,209
Other	(5,175)
Net operating loss carryforwards	1,148,618
	5,065,652
Valuation allowance	(1,148,618)
	\$ 3,917,034

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9 – INCOME TAXES (Continued)

The valuation allowance remains unchanged from the prior year.

As of December 31, 2017, the Company has net operating loss carryforwards (“NOLs”) for state and local purposes of approximately \$ \$9.5 million and \$3.1 million , which begin to expire in 2034. As detailed above, it has been determined that a 100% valuation allowance related to the NOL portion of the deferred tax asset is necessary at December 31, 2017, as the future realization of the NOLs is uncertain.

10 – SUBSEQUENT EVENTS

Subsequent to December 31, 2017, distributions were made to the sole stockholder of CBSG totaling \$14,300,000.

Subsequent to December 31, 2017, the Company approved and authorized 157 investor loan agreements totaling \$129,728,235. Interest on the loans is accrued based on each transaction’s individual structure and payment schedule. Interest is paid based on the terms of each underlying promissory note, with interest rates ranging from 12% to 38% per year. Maturity dates on the promissory notes extend through August 2023.

The Company entered into a new promissory note with HBC, an entity under common ownership, for a total amount of \$1,355,000 on July 19, 2018. The note matures on July 19, 2019 and interest on the note accrues monthly at an annual rate of 35%. Refer to Note 6 for related party detail.

Subsequent to year end, CBSG entered into numerous syndicate agreements for joint funding with CS 2000. As of December 18, 2018, CS 2000 joint funding advances receivable serviced by the Company totaled approximately \$18,400,000, which are excluded from advances receivable on the consolidated balance sheet. Refer to Note 6 for related party detail.

Subsequent to year end, CBSG had an amount due to RMR, an entity affiliated to CBSG due to common ownership, of approximately \$1.0 million. The note is non-interest bearing and is due on demand. Refer to Note 6 for related party detail.

Subsequent to year end, CBSG received in full the note receivables from 803 S 4th Street LLC, Metro Physical Medicine Group, and LM Property Management, entities under common ownership. Refer to Note 6 for related party detail.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10 – SUBSEQUENT EVENTS (Continued)

On July 1, 2018, the Company entered into an independent business service agreement with Eagle Six Consultants, Inc. (“ESC”), an entity affiliate to CBSG through common ownership, whereas ESC will perform the general management and executive level business operations of the day to day operations, which were previously performed by HBC. ESC will be compensated no less than \$10,000,000 per annum.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2017

AND

INDEPENDENT AUDITORS' REPORT

EXHIBIT

B

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

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FRIEDMAN LLP[®]

ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholder
Complete Business Solutions Group, Inc.

We have audited the accompanying consolidated financial statements of Complete Business Solutions Group, Inc. and Affiliate (the "Company") which comprise the consolidated balance sheet as of December 31, 2017, and the related consolidated statements of operations, changes in equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.

Basis for Adverse Opinion

As more fully described in Note 1 to the consolidated financial statements, the Company has not accounted for its provision for credit losses in accordance with accounting principles generally accepted in the United States of America. In our opinion, accounting principles generally accepted in the United States of America require the Company to recognize a provision for credit losses on advances receivable in an amount equal to the estimated probable losses net of recoveries. Instead, the Company accounts for its provision for credit losses following the method used for income tax reporting purposes, and therefore only records credit losses when the advances are written off as bad debt during the year. Accordingly, no provision for estimated credit losses is recorded in the accompanying consolidated financial statements as required by accounting principles generally accepted in the United States of America. The financial effects of this departure could not be quantified.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the consolidated financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Complete Business Solutions Group, Inc. and Affiliate as of December 31, 2017, or the results of their operations or their cash flows for the year then ended.

A handwritten signature in black ink, appearing to read "Friedman LLP". The signature is written in a cursive, slightly slanted style.

January 18, 2019

COMPLETE BUSINESS SOLUTIONS GROUP, INC. AND AFFILIATE

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 2017

ASSETS

Cash (amounts related to variable interest entity of \$55)	\$ 10,220,718
Advances receivable, net	133,858,741
Due from related parties	2,544,459
Property and equipment - at cost, less accumulated depreciation and amortization (amounts related to variable interest entity of \$106,575)	140,328
Total assets	\$ 146,764,246

LIABILITIES AND STOCKHOLDER'S EQUITY

Accounts payable (amounts related to variable interest entity of \$1,434)	\$ 64,790
Accrued expenses	2,645,537
Accrued consulting fees	10,631,074
Due to related party	240,678
Note payable, related party	1,355,000
Investor loans payable, net of unamortized debt issuance costs of \$1,323,767	94,383,808
Deferred revenue	23,171,471
Total liabilities	132,492,358

Commitments and contingencies

Stockholder's equity

Common stock, \$0 par value, 1,500 shares authorized, issued, and outstanding	-
Retained earnings	14,295,999
Total Complete Business Solutions Group, Inc. stockholder's equity	14,295,999
Non-controlling interest	(24,111)
Total stockholder's equity	14,271,888
Total liabilities and stockholder's equity	\$ 146,764,246

See notes to consolidated financial statements.

COMPLETE BUSINESS SOLUTIONS GROUP, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2017

Gross revenues	
Factoring fees	\$ 66,609,332
Program fees	1,837,702
Processing fees	758,367
	<u>69,205,401</u>
Amortization of contract acquisition costs	6,022,587
Net revenues	<u>63,182,814</u>
Operating expenses	
Consulting expense	33,115,219
Bad debt, net of recoveries	10,783,452
Selling, general and administrative expenses	4,263,019
	<u>48,161,690</u>
Income from operations	15,021,124
Other income (expense)	
Interest expense	(13,737,951)
	<u>(13,737,951)</u>
Net income before income taxes	1,283,173
Income tax expense	(68,321)
Net income	1,214,852
Net loss attributable to non-controlling interest	(24,111)
Net income attributable to Complete Business Solutions Group, Inc.	<u>\$ 1,238,963</u>

See notes to consolidated financial statements.

COMPLETE BUSINESS SOLUTIONS GROUP, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Common Stock		Retained Earnings	Non- Controlling Interest	Total Equity
	Shares	Amount			
Balance at December 31, 2016	1,500	\$ -	\$ 13,057,036	\$ -	\$ 13,057,036
Net income (loss)	-	-	1,238,963	(24,111)	1,214,852
Balance at December 31, 2017	1,500	\$ -	\$ 14,295,999	\$ (24,111)	\$ 14,271,888

See notes to consolidated financial statements.

COMPLETE BUSINESS SOLUTIONS GROUP, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2017

Cash flows from operating activities

Net income	\$ 1,214,852
Adjustments to reconcile net income to net cash used in operating activities:	
Depreciation and amortization	36,690
Amortization of debt issuance costs	1,338,009
Amortization of contract acquisition costs	6,022,537
Payments on contract acquisition costs	(6,538,454)
Bad debt, net of recoveries	10,783,452
Changes in assets and liabilities:	
Fundings of advances receivable	(191,099,430) *
Repayments of advances receivable	94,296,127
Accounts payable	47,935
Accrued expenses	2,193,000
Accrued consulting fees	7,066,598
Deferred revenue	15,907,456
Net cash used in operating activities	(58,731,188)

Imp.

Cash flows from investing activities

Advances to related parties	(6,455,457)
Repayments from related parties	5,039,469
Net cash used in investing activities	(1,415,988)

Cash flows from financing activities

Borrowings from note payable, related party	1,817,731
Repayments of note payable, related party	(2,067,395)
Borrowings from investor loans payable	88,990,275 *
Repayments of investor loans payable	(18,627,250)
Payments for debt issuance costs	(2,016,070)
Net cash provided by financing activities	68,097,291

Net increase in cash	7,950,115
Cash, beginning of year	2,270,603
Cash, end of year	\$ 10,220,718

Supplemental cash flow disclosures

Interest paid	\$ 10,705,942
Taxes paid	\$ 68,321

See notes to consolidated financial statements.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES**

Description of Business

Complete Business Solutions Group, Inc. ("CBSG") was incorporated on October 20, 2011 under the laws of the State of Delaware. CBSG is wholly owned by LME 2017 Family Trust ("LME"). CBSG provides financing for small and medium size businesses in the form of factoring advances. Factoring advances provide working capital to its clients through CBSG's purchase of a portion of the future income stream of a client at a discount. Repayments of the factoring advances by clients are mainly in the form of daily ACH withdrawals by CBSG.

Full Spectrum Processing ("FSP") was incorporated on November 21, 2016 under the laws of the State of Pennsylvania. FSP, which shares common ownership with CBSG, and is a servicing entity that provides employees and back office support to CBSG.

Basis of Presentation

Except as described in "Basis for Adverse Opinion" below, the accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of CBSG and FSP (collectively, the "Company"). All significant intercompany balances and transactions have been eliminated in consolidation.

Basis for Adverse Opinion

GAAP requires a provision for credit losses on advances receivable in an amount equal to estimated probable losses. The provision is usually based on an analysis of the collectability of the receivable portfolio, historical bad debt expense, current aging analysis and expected future write-offs, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible.

The Company accounts for its allowance for credit losses following the method used for income tax reporting purposes, and therefore only records credit losses when the advances are written off as bad debt during the year. Accordingly, no provision for estimated credit losses is recorded in the accompanying consolidated financial statements. This is not in accordance with GAAP.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Liquidity

During the year ended December 31, 2017, the Company incurred a cash flow deficit from operations of approximately \$58.7 million and generated cash flows from financing activities of approximately \$68.1 million. Due to continued growth, the Company expects to have continuing operating cash flow deficits through 2019. In addition, since a provision for credit losses was not recorded as required by GAAP (see Basis for Adverse Opinion above), the Company was unable to determine the level of working capital available.

It is management's plan in this regard to attempt to obtain additional investor loans and renew the existing investor loans at maturity. In addition, management plans to improve the Company's liquidity through a reduction of the Company's cost of investor capital, by reducing the fixed interest rate on investor debt upon renewal, as well as change the payment frequency of interest from monthly to quarterly to help preserve cash resources. Also, management believes the Company has sufficient cash resources to fund the operating activity deficits and the Company's ownership has the ability to eliminate or reduce consulting payments to affiliates, if necessary. However, management can provide no assurance that its plans will be successful.

Variable Interest Entities

In accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810, the Company considers FSP to be a Variable Interest Entity ("VIE"). Under the consolidation guidance, the Company must make an evaluation of this entity to determine if it meets the definition of a VIE.

Generally, a VIE is an entity with one or more of the following characteristics: (a) the total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support; (b) as a group, the holders of the equity investment at risk lack (i) the ability to make decisions about an entity's activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; or (c) the equity investors have voting rights that are not proportional to their economic interests and substantially all of the entity's activities either involve, or are conducted on behalf of, an investor that has disproportionately few voting rights.

Management has determined that FSP is a variable interest entity, as CBSG and its owner have the power to direct and control the activities, as well as share in the benefits and losses of FSP.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Variable Interest Entities (Continued)

As noted above, this entity is consolidated as CBSG is the primary beneficiary. Equity of the VIE is represented as a noncontrolling interest in the accompanying consolidated financial statements. Management does not believe there are any material risks related to the relationship. See Note 6 for further detail.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The actual results could differ from those estimates.

Cash and Concentrations of Credit Risk

For purposes of the consolidated statement of cash flows, the Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

As of December 31, 2017 the Company had no cash equivalents. Cash balances in banks are insured by the Federal Deposit Insurance Corporation subject to certain limitations. The Company's cash balances in financial institutions at times may exceed federally insured limits. The Company has not experienced any losses in such accounts, and management believes they are not exposed to any significant risk relating to cash balances.

Advances Receivable

Advances receivable are recorded when advances are made and are stated at the amount advanced, net of any participation interest sold, plus the Company's unearned fee, plus unamortized contract acquisition costs. The Company's unearned fee included in advances receivable with a corresponding credit to deferred revenue was \$23,171,471 at December 31, 2017. Generally the repayment terms of the factoring advances are 100-200 days, but the terms vary by customer to be longer or shorter in length.

The Company defers direct costs incurred in connection with factoring advance originations. Contract acquisition costs are incurred with related parties and third party subcontractors. Eligible costs for deferral include all incremental commissions as a result of originating factoring advances or acquiring new customers and underwriting costs. Contract acquisition costs are deferred and amortized over the term of the related advances. Amortization expense for the year ended December 31, 2017 was \$6,022,587, and is reported as a reduction of revenues.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Advances Receivable (continued)

The Company offers a consolidation product in which it funds a customer in installments, releasing a portion of the advance upfront with the remaining balance being released over a specified period. The Company records advances receivable net of the Company's future commitment and related unearned fee under consolidation deals on the consolidated balance sheet. The future commitments on consolidation deals and related unearned fee totaled \$37,721,389 at December 31, 2017.

The Company services some of its contracts in conjunction with syndicate partners. The Company sells back a participation interest in the factoring advances to the syndicate partners. For these arrangements, gains or losses on the sale of the participation interest are not material as the carrying amount of the participation interest sold approximates the fair value at time of transfer. The syndicate partners have no recourse against the Company related to their interests for failure of debtors to pay when due. The syndicate partners' interests have the same priority to the interest held by the Company and are subject to the same risks as compared to the Company. Advance receivable of the syndicate partners that are being serviced by the Company totaled \$6,907,237 as of December 31, 2017. Some of the Company's syndicate partners are related parties of the Company. Refer to Note 6 for related party detail.

The Company does not record a provision for estimated credit losses as required by GAAP. The Company writes off advances receivable as bad debt when they become significantly past due and are deemed uncollectable by management. The Company charges additional fees for non payment and will stop accruing additional fees once additional fees adds up to be 10% of the outstanding balance.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 7 years. Leasehold improvements are amortized over the estimated useful lives or the term of the lease, whichever is shorter. Upon sale or retirement of depreciable property and equipment, the cost and related accumulated depreciation or amortization are removed from the related accounts and the resulting gains or losses are reflected in income. Maintenance and repairs that neither materially add to the value of equipment nor appreciably prolong its life are charged to expense as incurred.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Debt Issuance Costs

The Company incurred debt issuance costs in connection with its investor loans. The Company has recorded the debt issuance costs as a reduction of the investor loans and amortized it as interest expense over the terms of the loans. Debt issuance costs consist of the following at December 31, 2017:

Debt issuance costs	\$ 3,180,857
Less - Accumulated amortization	(1,857,090)
	<u>\$ 1,323,767</u>

Amortization expense for the year ended December 31, 2017 was \$1,338,009.

Revenue Recognition

The Company generates revenues from its factoring business. Funds are advanced to a client and recorded as advances receivable, inclusive of a deferred income component and a corresponding deferred revenue liability related to unearned factoring fees. Factoring fee revenues are fixed at the time the advances are made, recognized when earned over the expected term of the agreement, and reported net of amortization of deferred acquisition costs. Program fee and processing fee revenues are recognized when earned, amounts are deemed to be fixed or determinable and collectability are reasonably assured.

Income Taxes

The Company accounts for income taxes under the assets and liability method. This requires the Company to recognize deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's consolidated financial statements and tax returns. In estimating future tax consequences, all expected future events are considered except for changes in the tax law or rates, other than as disclosed below.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Income Taxes (Continued)

The Tax Cuts and Jobs Act (the "Tax Act"), enacted on December 22, 2017, among other things, permanently lowered the statutory federal corporate tax rate from 35% to 21%, effective for tax years including or beginning January 1, 2018. Under the guidance of FASB ASC 740, "Income Taxes," the Company revalued its net deferred tax assets on the date of enactment based on the reduction in the overall future tax benefit expected to be realized at the lower tax rate implemented by the new legislation. Although in the normal course of business the Company is required to make estimates and assumptions for certain tax items which cannot be fully determined at period end, the Company did not identify any items for which the income tax effects of the Tax Act have not been completed as of December 31, 2017 and, therefore, considers its accounting for the tax effects of the Tax Act on its deferred tax assets and liabilities to be complete as of December 31, 2017.

The Company recognizes tax positions that meet a "more likely than not" minimum recognition threshold. The Company's income tax returns are subject to examination by the appropriate tax jurisdictions. The Company's Federal and state tax returns generally remain open for examination for the last three years. Any penalties and interest assessed by taxing authorities are included in income tax expense.

The Company's federal income tax return for the year ended December 31, 2016 is currently under review by the Internal Revenue Service ("IRS"). A final determination has not been made by the IRS as of the date of this report.

The Company's consolidated entity, FSP, elected to be an "S" Corporation under the provisions of the Internal Revenue Code. As a result, income and losses of FSP are passed through to its stockholder for income tax purposes.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Fair Value of Financial Instruments

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair value. The carrying value of cash, advances receivables, accounts payable, accrued consulting and accrued expenses approximate their fair value because of the short term nature of these instruments. Management is of the opinion that the Company is not exposed to significant market or credit risks arising from these financial instruments. Due to the nature of the related party receivables and payables, it is not practicable to determine the fair values of due from related parties, due to related party and note payable, related party

Advertising Costs

Advertising costs are expensed as incurred and totaled \$100,802 for the year ended December 31, 2017.

Recent Accounting Pronouncements

In May 2014, FASB, jointly with the International Accounting Standards Board, issued a comprehensive new standard on revenue recognition from contracts with customers (ASC 606). The standard's core principle is that a reporting entity will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additionally, this new guidance will require significantly expanded disclosures about revenue recognition. Provisions of this new standard are effective for annual reporting periods beginning after December 15, 2018. The Company is currently evaluating the potential effect on its consolidated financial position, results of operations and cash flows from adoption of this standard.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Recent Accounting Pronouncements (Continued)

In February 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-02, Leases (Topic 842), which will be effective for reporting periods beginning after December 15, 2019. Early adoption is permitted in annual reporting periods beginning after December 15, 2016. The distinction between finance leases (previously capital leases) and operating leases is substantially similar to the distinction between capital leases and operating leases in the previous lease guidance. Lessor accounting is also largely unchanged. For lessees, leases under both categories will be reported on the balance sheet as a depreciable right-to-use asset and a liability to make lease payments. The asset and liability should be initially measured at the present value of the lease payments, including payments to be made in optional periods only if the lessee is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease. The asset will be depreciated and the liability will be reduced by lease payments. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election not to recognize lease assets and liabilities. The Company is currently evaluating the timing of its adoption and the impact of adopting the new lease standard on its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments (Topic 326). ASU 2016-13 will change the impairment model and how entities measure credit losses for most financial assets. The standard requires entities to use the new expected credit loss impairment model which will replace the incurred loss model used today.

The new guidance will be effective for annual reporting periods beginning after December 15, 2020. Early adoption is permitted, but not prior to fiscal years beginning after December 15, 2018. The Company is currently assessing the impact that the adoption of this guidance will have on its consolidated financial statements.

Subsequent Events

These consolidated financial statements were approved by management and available for issuance on January 18, 2019. Management has evaluated subsequent events through this date.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 – ADVANCES RECEIVABLE, NET

Advances receivable, net consist of the following at December 31, 2017:

Advances receivable at contract value	\$ 170,159,902
Add – Contract acquisition costs, net of accumulated amortization of \$8,262,683	1,420,228
Less – Unfunded consolidation deals and related unearned fee	37,721,389
	<u>\$ 133,858,741</u>

For the year ended December 31, 2017, bad debt, net of recoveries, on the consolidated statement of operations totaled \$10,783,452.

Advances receivable aging at December 31, 2017 is as follows:

Originated During the Year Ended December 31,	Advances Receivable
2013	\$ 136,236
2014	1,299,438
2015	1,253,891
2016	6,223,159
2017	168,154,415
Total advances receivable at contract value	\$ 177,067,139
Less: Joint funding by syndicate partners serviced by the Company	6,907,237
	<u>\$ 170,159,902</u>

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 – ADVANCES RECEIVABLE, NET (Continued)

The following table presents informative date of advances receivable regarding their age and fee accrual status at December 31, 2017:

Total Past Due	Total Advance Receivables at contract value	Status of Fee Accrual	
		Total Advance Receivables on Nonaccrual Status	Advance Receivable 90 Days Past Maturity Date and still accruing fees
\$ 26,422,123	\$ 170,159,902	\$ 24,729,705	\$ 957,762

3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2017:

Furniture and equipment	\$ 163,222
Leasehold improvements	48,970
Computer equipment	18,748
	<u>230,940</u>
Less - Accumulated depreciation and amortization	(90,612)
	<u>\$ 140,328</u>

Depreciation and amortization expense for the year ended December 31, 2017 was \$36,690.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4 – INVESTOR LOANS PAYABLE

CBSG enters into non-negotiable term promissory notes with investors to fund operations and client advances, which are recorded as investor loans payable on the consolidated balance sheet. Interest on the loans is accrued based on each transaction’s individual structure and payment schedule. Interest is paid based on the terms of each underlying promissory note, with interest rates ranging from 12% to 50% per year. Maturity dates on the promissory notes extend through December 2022. Accrued interest on the consolidated balance sheet is \$2,146,537 at December 31, 2017 and is included in accrued expenses on the consolidated balance sheet. Interest expense was \$11,965,213 at December 31, 2017.

In order to secure the loans with the investor, CBSG enters into a loan agreement with each investor whereas CBSG grants a security interest in substantially all of its assets.

The following are future maturities of the loans:

Year Ending December 31,	
2018	\$ 53,044,450
2019	11,286,875
2020	2,731,250
2021	-
2022	28,645,000
	\$ 95,707,575
Less: unamortized debt issuance costs	1,323,767
	\$ 94,383,808

5 – LEASE COMMITMENTS

The Company leases office facilities under various operating leases extending through December 2021. Rent expense for the year ended December 31, 2017 totaled \$229,791. The future minimum rental payments under the agreements are as follows:

Year Ending December 31,	
2018	\$ 363,582
2019	134,369
2020	104,856
2021	43,690
	\$ 646,497

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6 - RELATED PARTY TRANSACTIONS

During the year, the Company entered into numerous transactions with related parties.

Consulting expenses

As of December 31, 2017, consulting expense to related parties consisted of the following:

New Field Ventures, LLC	\$ 2,376,731
Beta Abigail, Inc.	1,384,488
Heritage Business Consulting, Inc.	20,476,746
	\$ 24,237,965

As of December 31, 2017, accrued consulting fees to related parties, which is included in accrued consulting fees on the consolidated balance sheet consisted of the following:

New Field Ventures, LLC	\$ 797,331
Beta Abigail, Inc.	531,554
Heritage Business Consulting, Inc.	8,717,480
	\$ 10,046,365

Heritage Business Consulting, Inc. (“HBC”) is an entity affiliated to CBSG due to common ownership. Beta Abigail and New Field Ventures, LLC, Inc. are owned in part by the Company’s Chief Financial Officer and Director of Investor Relations. The amount of consulting expense is based on the gross funding for the quarter, as described in the individual consulting agreements.

Commission expenses

For Recruiting & Marketing Resources, Inc. (“RMR”), an entity affiliated to CBSG due to common ownership, CBSG is to pay a commission to RMR in the amount of 8% of new funding amounts to clients pursuant to the independent sales organization agreement with RMR. In addition, commissions on renewal of new funding will also be paid out in the amount of 5%. Commission expense incurred to RMR during the year ended December 31, 2017 totaled \$1,845,283.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6 - RELATED PARTY TRANSACTIONS (Continued)

Joint Funding

The Company services some of its contracts in conjunction with syndicate partners who are related parties. During the year, CBSG entered into numerous syndicate agreements with Capital Source 2000 (“CS 2000”), an entity owned in part by the Company’s Chief Financial Officer, and Fast Advance Funding (“FAF”), an entity affiliated to CBSG due to common ownership, who also provides financing for small and medium size businesses in the form of factoring advances. The Company sells back a participation interest in the factoring advances to the syndicate partners. For these arrangements, gains or losses on the sale of the participation interests are not material as the carrying amount of the participation interest sold approximates the fair value at time of transfer. The syndicate partners have no recourse against the Company related to their interests for failure of debtors to pay when due.

The syndicate partners’ interests have the same priority to the interest held by CBSG and are subject to the same risks as compared to CBSG. As of December 31, 2017, syndicate advances receivables that are being serviced by the Company due to CS 2000 and FAF totaled \$5,081,957 and \$98,287, respectively, which were excluded from advances receivable on the consolidated balance sheet. Refer to Note 10 for subsequent activity.

During the year ended December 31, 2017, FAF and CS 2000, also entered into numerous syndicate agreements with CBSG. Pursuant to these agreements, FAF and CS 2000 sells back a participation interest in the factoring advances to CBSG. For these arrangements, gains or losses on the sale of the participation interest are not material as the carrying amount of the participation interest sold approximates the fair value at time of transfer. CBSG has no recourse against FAF and CS 2000 related to their interests for failure of debtors to pay when due. Therefore, these advances receivable are due from the respective client, and not the related entities, FAF and CS 2000.

As of December 31, 2017, these joint funding receivables with related parties, which are included in advances receivables, consisted of the following:

CS 2000	\$ 81,505
FAF	7,711,463
<hr/>	<hr/>
	\$ 7,792,968
	<hr/>

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6 - RELATED PARTY TRANSACTIONS (Continued)

Due From Related Parties

As of December 31, 2017, notes receivable from related parties consisted of the following:

LME	\$	768,858
20 N 3 rd St LLC		520,580
803 S 4 th Street LLC		364
FAF		117,432
Metro Physical Medicine Group		25,000
LM Property Management		12,000
HBC		1,100,225
		\$ 2,544,459

All notes are unsecured non-interest bearing and due on demand. Refer to Note 10 for subsequent activity.

Due To Related Party

During the year ended December 31, 2017, CBSG had a due to RMR, an entity affiliated to CBSG due to common ownership. The due to totaled \$240,678 at December 31, 2017. Refer to Notes 8 and 10 for subsequent activity.

Note Payable

On July 19, 2017, the Company entered into a promissory note agreement with HBC for a total of \$1,355,000. The note matures on August 19, 2018. Interest on the note accrues monthly at an annual rate of 35%. The note is accompanied by a security agreement which states CBSG grants a security interest in substantially all of its assets. Previously, the Company entered into four different promissory notes with HBC which totaled \$1,355,000, bore interest at an annual rate of 35% per year and were repaid in 2017. The total note balance entered into in 2017 was still outstanding as of year-end. Accrued interest at year-end totaled \$15,808 while interest expense incurred to HBC totaled \$434,729 in 2017. Refer to Note 10 for subsequent activity.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6 - RELATED PARTY TRANSACTIONS (Continued)

Revenue

In the past, CBSG acted as a payment processor for CS 2000 as CS 2000 did not have its own ACH processor. Therefore, CBSG would collect payments on behalf of CS 2000 from CS 2000's customers and remit payment to CS 2000 at no cost. Total amount owed to CS 2000 as of December 31, 2017 is \$131,250, which is included in advances receivable on the consolidated balance sheet. In the current year, CBSG would charge a fee for these services referred to as processing income at the time the advance is made to the customer. The income would be deferred over the term of the advances. For the year ended December 31, 2017, processing fee revenues totaled \$758,367, while deferred revenue totaled \$486,589 as of December 31, 2017.

During the year ended December 31, 2017, the Company recognized factoring fee revenue from Metro Physical Medicine Group, an entity affiliated to CBSG due to common ownership, in the amount of \$72,000.

Advances Receivable

As of December 31, 2017, advances receivable included the following advances receivable from related parties:

Metro Physical Medicine Group	\$ 300,000
LM Property Management	94,689
	<hr/>
	\$ 394,689

Rent

During the year ended December 31, 2017, FSP, leased three different office space locations from three different related parties. FSP leased office space from 205 Arch St Management LLC, 20 N 3rd St LLC, and RMR and incurred rent expense of \$38,500, \$18,000 and \$21,000, respectively, for the year ended December 31, 2017.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7 – COMMITMENTS AND CONTINGENCIES

The Company has entered into several finder's fee agreements with outside consultants, in which consultants provide the Company the service of introducing creditors and procuring working capital in the form of a loan or other agreed upon funds to the Company. Once the principal funds are received from an investor, the Company compensates the consultant based on the terms set forth in each individual finder's fee agreement, typically a lump sum payment at an agreed upon rate. For any renewal agreements, the Company pays the finder a distribution at an agreed upon rate, typically over a twelve month period. At December 31, 2017, the Company had recorded unamortized finders' fees totaling \$1,323,767, which were included in debt discount and presented net of investor loans payable on the consolidated balance sheet.

In addition to the finder's fee agreements above, on May 31, 2016, the Company entered into a finder's fee agreement with a certain finder (the "Finder"). In addition to the standard terms mentioned above, if the Company received funds in a certain specified amount from a creditor that was introduced by the Finder, and if the Company should sell all or a part of its equity, the Finder would receive warrants to purchase common shares in the Company at a pre-determined sliding scale of monies introduced by the Funder. Warrants would be issued with ten-year terms and an exercise price of \$0.01 per share. As the Company has not sold all or a part of its equity, no warrants were due to the Finder as of December 31, 2017.

On January 1, 2017, the CBSG entered into an independent sales organization agreement with RMR, an entity affiliated to CBSG due to common ownership, in which RMR will provide marketing and promotional programs and assist prospective clients in completing and submitting applications to CBSG. CBSG is to pay commissions to the related party in the amount of 8% of new funding amounts pursuant to the independent sales organization agreement. In addition, commissions on renewal of new funding will also be paid out in the amount of 5%. Commissions are payable within fourteen days of funding. See Note 6 for related party transactions with RMR. In 2018, the agreement was amended to change the rates to 2.5% for new funding amounts.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7 – COMMITMENTS AND CONTINGENCIES (Continued)

The Company has entered into multiple consulting agreements with both independent consultants and related party entities. Pursuant the agreements, the Company agreed to pay out profit participation fees in amounts stipulated in the agreements based on the gross funding of advances each quarter for the consulting services rendered. Profit participation fees are typically due within seven days of each calendar quarter. At December 31, 2017, the Company recorded \$10,631,074 in accrued profit participation fees, which is included in accrued consulting fees in the consolidated balance sheet. Accrued consulting fees to related parties totaled \$10,046,365 at December 31, 2017 (see Note 6 for related party transactions). Additionally, in the event of liquidity, the Company is required to make payments to the consultants based on the net proceeds of the liquidity event in lieu of the gross funding of advances at a rate equivalent to the consultants' profit participation percentage as stated in their respective consulting agreements.

On November 16, 2018, the Company entered into a settlement agreement with the Pennsylvania Department of Banking and Securities whereby the Company agreed to settle all allegations relating to the violation of the Pennsylvania Securities Act of 1972 in connection with the offer and sale of non-negotiable, non-transferable promissory notes issued by the Company during 2016 and 2017. At December 31, 2017, the Company recorded \$499,000 in accrued expense on the consolidated balance sheet relating to this settlement. In order to satisfy Pennsylvania Regulatory requirements, the Company has instituted a policy that all new investor notes will be issued under private placement memorandum.

The Company, from time to time, in the normal course of business is involved in various legal proceedings. In the opinion of management, if adversely decided, none of these proceedings, individually or in the aggregate, would have a material effect on the Company's consolidated financial position or results of operations except as noted above.

8 – INVESTORS LOAN PAYABLE CONCENTRATION

At December 31, 2017, 10% of the Company's investor loans payables related to one investor and 10% of the Company's investor loans payables related to a second investor. In addition, a combined 31% of the Company's investor loans payable balance was payable to investors in the same family.

Additionally, during the year, the Company entered into consulting agreements with two members of the family above. As of December 31, 2017, the Company accrued profit participation fees to these two members in the amount of \$186,044. Profit participation fees to these two members total \$592,638 for the year ended December 31, 2017. See Note 7 for description of commitments related to these agreements.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9 – INCOME TAXES

Deferred taxes are recognized for temporary differences between the basis of assets and liabilities for financial statement and income tax purposes. The provision (benefit) for income taxes consists of the following as of December 31, 2017:

Current			
Federal	\$	-	
State		68,321	
		68,321	
Deferred			
Federal		-	
State		-	
		-	
Total	\$	68,321	

The effective income tax rate differs from the statutory rate primarily due to a significant change in the federal statutory rate and changes in estimates relating to prior year tax accruals. The Tax Act enacted on December 22, 2017 reduces the federal corporate income tax rate to 21% for years beginning in 2018. A reconciliation of the Company’s statutory income tax rate to the Company’s effective income tax rate is as follows:

Loss at US statutory rate	34.00 %
State tax benefit	4.00
Permanent difference	9.23
Statutory rate change	314.35
Change in valuation allowance	(366.04)
Other	9.69
	5.23 %

The tax effects of the items comprising the deferred income tax asset are as follows as of December 31, 2017:

Net operating loss carryforwards		\$ 6,568,400	
Other		(5,175)	
		6,563,225	
Valuation allowance		(6,563,225)	
		\$ -	

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9 – INCOME TAXES (Continued)

During the year ended December 31, 2017, the valuation allowance decreased by \$4,785,152.

As of December 31, 2017, the Company has net operating loss carryforwards (“NOLs”) for federal, state, and local purposes of approximately \$23.3 million, \$19.2 million and \$3.1 million, which begin to expire in 2034. It has been determined that a 100% valuation allowance related to the deferred tax assets is necessary at December 31, 2017, as the future realization is uncertain.

10 – SUBSEQUENT EVENTS

Subsequent to December 31, 2017, distributions were made to the sole stockholder of CBSG totaling \$14,300,000.

Subsequent to December 31, 2017, the Company approved and authorized 174 investor loan agreements totaling \$153,247,935. Interest on the loans is accrued based on each transaction’s individual structure and payment schedule. Interest is paid based on the terms of each underlying promissory note, with interest rates ranging from 12% to 38% per year. Maturity dates on the promissory notes extend through August 2023.

The Company entered into a new promissory note with HBC, an entity under common ownership, for a total amount of \$1,355,000 on July 19, 2018. The note matures on July 19, 2019 and interest on the note accrues monthly at an annual rate of 35%. Refer to Note 6 for related party detail.

Subsequent to year end, CBSG entered into numerous syndicate agreements for joint funding with CS 2000. As of December 18, 2018, CS 2000 joint funding advances receivable serviced by the Company totaled approximately \$18,400,000, which are excluded from advances receivable on the consolidated balance sheet. Refer to Note 6 for related party detail.

Subsequent to year end, CBSG had an amount due to RMR, an entity affiliated to CBSG due to common ownership, of approximately \$1.0 million. The note is non-interest bearing and is due on demand. Refer to Note 6 for related party detail.

Subsequent to year end, CBSG received in full the note receivables from 803 S 4th Street LLC, Metro Physical Medicine Group, and LM Property Management, entities under common ownership. Refer to Note 6 for related party detail.

**COMPLETE BUSINESS SOLUTIONS GROUP, INC.
AND AFFILIATE**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10 – SUBSEQUENT EVENTS (Continued)

On July 1, 2018, the Company entered into an independent business service agreement with Eagle Six Consultants, Inc. (“ESC”), an entity affiliate to CBSG through common ownership, whereas ESC will perform the general management and executive level business operations of the day to day operations, which were previously performed by HBC. ESC will be compensated no less than \$10,000,000 per annum.

Exhibit “19”

Appointment

From: Chuck Frei [/O=SKIVA INTERNATIONAL/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=CHUCK]
Sent: 3/23/2016 5:34:08 PM
To: Chuck Frei [cfrei@REDACTED]; Isaac Shehebar [isaac@REDACTED]; Darrell Goodman [Darrell@REDACTED]; Mildred Uy [mildred@REDACTED]; Leonard Camacho [leonard@REDACTED]; Kitty [kitty@REDACTED]
Subject: Copy: CBSG
Location: Philadelphia
Start: 4/5/2016
End: 4/6/2016
Show Time As: Free

Required Attendees: Isaac Shehebar; Darrell Goodman; Mildred Uy; Leonard Camacho; Kitty

I will be out of the office on business this day.

Message

From: chuckfrei [chuckfrei@REDACTED]
Sent: 4/19/2016 9:17:07 AM
To: Chuck Frei [cfrei@REDACTED]
Subject: Fwd: Revised Agreements
Attachments: CBSG Promissory Note - Isaac Shehebar 041916.pdf; ATT00001.htm; CBSG Security Agreement - Robert Frei 041916.pdf; ATT00002.htm; CBSG Promissory Note - Robert Frei 041916.pdf; ATT00003.htm; CBSG Promissory Note - Albert Chehebar 041916.pdf; ATT00004.htm; CBSG Security Agreement - Albert Chehebar 041916.pdf; ATT00005.htm; CBSG Security Agreement - Isaac Shehebar 041916.pdf; ATT00006.htm

Sent from my iPhone

Begin forwarded message:

From: "Joe Cole" <joecole@parfunding.com>
Date: April 18, 2016 at 6:38:49 PM EDT
To: "chuckfrei" <chuckfrei@REDACTED>
Subject: RE: Revised Agreements
Reply-To: <joecole@parfunding.com>

Chuck,

Please see the revised agreement for Isaac along with the new agreements for Albert and yourself.

These reflect changes as you had noted on the copy you sent.

I will need W9s from all parties in addition to the executed copies.

Also please confirm if you want to roll any of your commissions over into a loan or if we should remit the entire amount to you.

Let me know if there are any other changes you would like to make. Thanks.

Joe Cole

-----Original Message-----

From: chuckfrei [mailto:chuckfrei@REDACTED]
Sent: Monday, April 18, 2016 12:07 PM
To: Joe Cole <joecole@parfunding.com>
Subject: Fwd: Scan from a Xerox Color

Joe,

Please give me a call when you can to review the Security Agreement.

Thanks,

Chuck

-----Original Message-----

From: Color C60 [<mailto:skscan@skiva.com>]

Sent: Monday, April 18, 2016 11:56 AM

To: Chuck Frei <cfrei@REDACTED>

Subject: Scan from a Xerox Color

Please open the attached document. It was scanned and sent to you using a Xerox Color.

Number of Images: 5

Attachment File Type: PDF

Device Name: Color C60

Device Location:

For more information on Xerox products and solutions, please visit

<http://www.xerox.com/>

Exhibit “20”

**U.S. District Court
Southern District of New York (Foley Square)
CRIMINAL DOCKET FOR CASE #: 1:18-cr-00822-JSR-1**

Case title: USA v. Frei

Date Filed: 11/13/2018

Date Terminated: 09/23/2020

Assigned to: Judge Jed S. Rakoff

Defendant (1)

Chuck Frei

TERMINATED: 09/23/2020

represented by **Avraham Chaim Moskowitz**
Moskowitz & Book, LLP
345 Seventh Ave
21st Floor
New York, NY 10001
(212) 221-7999
Fax: (212) 398-8835
Email: amoskowitz@mcgslp.com
ATTORNEY TO BE NOTICED
Designation: CJA Appointment

Pending Counts

18:1349.F ATTEMPT AND CONSPIRACY
TO COMMIT WIRE FRAUD

(1)

18:1343.F FRAUD BY WIRE, RADIO, OR
TELEVISION

(2)

18:541.F ENTRY OF GOODS FALSELY
CLASSIFIED, EXCEPT NARCOTICS,
LIQUOR

(3)

Disposition

Imprisonment for a total term of Time
Served. Supervised release for a term of
Three Years.

Imprisonment for a total term of Time
Served. Supervised release for a term of
Three Years.

Imprisonment for a total term of Time
Served. Supervised release for a term of
Three Years.

Highest Offense Level (Opening)

Felony

Terminated Counts

None

Disposition

Highest Offense Level (Terminated)

None

Complaints

Disposition

None

Plaintiff

USA

represented by **Dina McLeod**
 United States Attorney's Office, SDNY
 One Saint Andrew's Plaza
 New York, NY 10007
 (212)-637-1040
 Email: dina.mcleod@usdoj.gov
LEAD ATTORNEY
ATTORNEY TO BE NOTICED
Designation: Assistant US Attorney

Date Filed	#	Docket Text
11/13/2018	<u>1</u>	INFORMATION (Felony) filed as to Chuck Frei (1) count(s) 1, 2, 3. (jm) (Entered: 07/27/2020)
11/20/2018		Minute Entry for proceedings held before Judge Deborah A. Batts: Pretrial Conference as to Chuck Frei held on 11/20/2018. Defendant Chuck Frei present with Retained attorney Avraham Moskowitz, AUSA Dina McLeod. Plea is scheduled for Tuesday, February 5, 2019 at 4:30 PM. Transcript is sealed. Time is excluded in the interest of justice under the Speedy Trial Act from today until February 5, 2019. (Court Reporter Raquel Robles) (ap) (Entered: 07/30/2020)
02/05/2019		Minute Entry for proceedings held before Judge Jed S. Rakoff: Change of Plea Hearing as to Chuck Frei held on 2/5/2019. Defendant Chuck Frei present with Retained attorney Avraham Moskowitz, AUSA Dina McLeod and Court Reporter Karen Gorlaski. Defendant withdraws previous plea of Not Guilty and enters a plea of Guilty to all 3 Counts of the information. PSI Ordered. Controlled date set for May 28, 2019. Bail continue as previously set. (Court Reporter Karen Gorlaski) (ap) Modified on 7/31/2020 (ap). (Entered: 07/30/2020)
02/05/2019		Minute Entry for proceedings held before Judge Deborah A. Batts: Plea entered by Chuck Frei (1) Guilty as to Count 1,2,3. (ap) (Entered: 07/30/2020)
02/05/2019		Oral Order of Referral to Probation for Presentence Investigation and Report as to Chuck Frei. (Signed by Judge Deborah A. Batts on 2/5/2019) (ap) (Entered: 07/30/2020)
07/23/2020	<u>2</u>	Order to Unseal Information as to Chuck Frei. (Signed by Judge Jed S. Rakoff on 7/23/20) (jm) (Entered: 07/27/2020)
07/23/2020		INFORMATION UNSEALED as to Chuck Frei. (jm) (Entered: 07/27/2020)
07/23/2020	<u>3</u>	NOTICE OF INTENT TO FILE an Information by U.S.A. as to Chuck Frei. (Filed under seal/delayed docketing on 10/24/18) (jm) (Entered: 07/27/2020)
07/23/2020		Arrest/surrender of Chuck Frei. (jm) Modified on 7/27/2020 (jm). (Actual surrender date is 11/13/18) (Entered: 07/27/2020)
07/23/2020	<u>4</u>	Minute Entry for proceedings held before Judge Jed S. Rakoff:Initial Appearance as to Chuck Frei held on 7/23/2020. Deft. is present with attorney Avraham Moskowitz; AUSA Dina McLeod is also present. Deft. is to be released ROR with travel restricted to

	6	Continental U. S.; surrender travel documents and no new applications; supervision as directed by PTS; drug testing/treatment as directed by PTS; deft. to submit to urinalysis; if positive, add condition of drug testing/treatment. Conference before USDJ on 11/20/18. (Held under seal/delayed docketing on 11/13/18) (jm) (Entered: 07/27/2020)
07/23/2020	5	ADVICE OF PENALTIES AND SANCTIONS as to Chuck Frei. (jm) (Entered: 07/27/2020)
07/23/2020		Minute Entry for proceedings held before Judge Jed S. Rakoff: AUSA McLeod is present. Deft. present with attorney Avraham Moskowitz. Arraignment as to Chuck Frei (1) Count 1,2,3 Chuck Frei (1) Count 1,2,3 held on 7/23/2020., Plea entered by Chuck Frei (1) Count 1,2,3 Chuck Frei (1) Count 1,2,3 Not Guilty. Plea entered by Chuck Frei (1) Count 1,2,3. (Held under seal/delayed docketing on 11/13/18) (jm) Modified on 7/27/2020 (jm). Defendant waived indictment. (Entered: 07/27/2020)
07/23/2020	6	ENDORSED LETTER as to Chuck Frei addressed to Judge Deborah A. Batts from AUSA McLeod dated 5/23/19 re: Adjournment of control date.ENDORSEMENT: Granted. (Filed under seal/delayed docketing on 5/24/19). (Signed by Judge Deborah A. Batts on 5/24/19) (jm) (Entered: 07/27/2020)
07/23/2020	7	ORDER as to Chuck Frei placing this matter under delayed docketing. (Signed by Judge Deborah A. Batts on 11/20/18)(jm) (Entered: 07/27/2020)
07/23/2020	8	ENDORSED LETTER as to Chuck Frei addressed to Judge Deborah A. Batts from Defense Counsel Moskowitz dated 11/12/19 re: Removal of testing during pretrial release..ENDORSEMENT: Granted.(Filed under delayed docketing on 11/14/19). (Signed by Judge Deborah A. Batts on 11/14/19)(jm) (Entered: 07/27/2020)
07/23/2020	9	ENDORSED LETTER as to Chuck Frei addressed to Judge Deborah A. Batts from AUSA McLeod dated 12/2/19 re: Establish control date.ENDORSEMENT: Control date adjourned to 6/2/20. (Filed under delayed docketing on 12/2/19).. (Signed by Judge Deborah A. Batts on 12/2/19)(jm) (Entered: 07/27/2020)
07/23/2020		Case Designated ECF as to Chuck Frei. (jm) (Entered: 07/27/2020)
07/23/2020	10	WAIVER OF INDICTMENT by Chuck Frei. (On the record as per disposition sheet) (jm) (jm). (Entered: 07/27/2020)
07/23/2020		Attorney update in case as to Chuck Frei. Attorney Dina McLeod for USA added. (jm) (Entered: 07/27/2020)
07/27/2020		Minute Entry for proceedings held before Judge Jed S. Rakoff: Telephone Conference as to Chuck Frei held on 7/27/2020. A telephonic conference was held July 27, 2020 without recording or transcription. Present were counsel for both sides. Decision of the Court: The sentencing of Chuck Frei is adjourned to September 21, 2020 at 4:00 pm. (Inl) (Entered: 07/28/2020)
07/27/2020		Set/Reset Hearings as to Chuck Frei: Sentencing set for 9/21/2020 at 04:00 PM before Judge Jed S. Rakoff. (Inl) (Entered: 07/28/2020)
09/09/2020	11	Sentencing Letter by USA as to Chuck Frei addressed to Judge Jed S. Rakoff from Dominika Tarczynska dated September 9, 2020 re: Related Cases. (Tarczynska, Dominika) (Entered: 09/09/2020)
09/14/2020	12	SENTENCING SUBMISSION by USA as to Chuck Frei. (McLeod, Dina) (Entered: 09/14/2020)
09/15/2020	13	SENTENCING SUBMISSION by Chuck Frei. (Attachments: # 1 Exhibits 1 through 21 - Letters in support)(Moskowitz, Avraham) (Entered: 09/15/2020)

09/18/2020		Minute Entry A telephone conference was held before Judge Rakoff on September 18 without transcription or recording. Counsel for the defendant, Avi Moskowitz was present and Dina McLeod, AUSA for the government. (jw) (Entered: 09/18/2020)
09/21/2020	14	ORDER as to Chuck Frei. It is hereby ORDERED that Amount of Restitution: Chuck Frei, the Defendant, shall pay restitution in the total amount of \$1,412,122, pursuant to 18 U.S.C. § 3663A (MVRA), to the victim of the offenses charged in Counts One, Two, and Three- U.S. Customs and Border Protection, 601 W. 26th Street, New York, NY 10001. Upon advice by the United States Attorney's Office of a change of address of a victim, the Clerk of the Court is authorized to send payments to the new address without further order of this Court..... (Signed by Judge Jed S. Rakoff on 9/21/2020)(jbo) (Entered: 09/22/2020)
09/21/2020	15	CONSENT PRELIMINARY ORDER OF FORFEITURE / MONEY JUDGMENT as to Chuck Frei. IT IS HEREBY STIPULATED AND AGREED, by and between the United States of America, by its attorney Audrey Strauss, Acting United States Attorney, Assistant United States Attorney, Dina McLeod of counsel, and the Defendant, and his counsel, Avraham C. Moskowitz, Esq., that: As a result of the offenses charged in Counts One and Two of the Information, to which the Defendant pled guilty, a money judgment in the amount of \$1,412,122 in United States currency (the "Money Judgment"), representing the amount of proceeds traceable to the offenses charged in Counts One and Two of the Information that the Defendant personally obtained, of which the Defendant is jointly and severally liable with co-defendant JOSEPH BAILEY, to the extent a forfeiture money judgment is entered against BAILEY in this case, shall be entered against the Defendant. Pursuant to Rule 32.2(b)(4) of the Federal Rules of Criminal Procedure, this Consent Preliminary Order of Forfeiture/Money Judgment is final as to the Defendant, CHUCK FREI, and shall be deemed part of the sentence of the Defendant, and shall be included in the judgment of conviction therewith. (Signed by Judge Jed S. Rakoff on 9/21/2020) [***Certified copies sent to AUSA Alexander J. Wilson.](jbo) (Entered: 09/22/2020)
09/21/2020		Minute Entry for proceedings held before Judge Jed S. Rakoff: Sentencing held on 9/21/2020 for Chuck Frei (1) Count 1,2,3. Present were Dina McLeod and Dominika Tarczynska, AUSAs for the government, Avraham Moskowitz for the defendant, the defendant Chuck Frei and a court reporter. Courts decision: Time Served, 3 yrs SR, \$300 assess, restitution \$1,412,122.00, forfeiture as in the posted order. (lnl) (Entered: 09/22/2020)
09/23/2020	16	JUDGMENT IN A CRIMINAL CASE as to Chuck Frei (1), Pleaded guilty to Count(s) 1, 2, 3, Imprisonment for a total term of Time Served. Supervised release for a term of Three Years. Special Assessment of \$300 which is due immediately. Restitution of \$1,412,122.00. The defendant shall commence monthly installment payments of his restitution in an amount equal to ten percent of his gross monthly income to begin on January 2, 2021. (Signed by Judge Jed S. Rakoff on 9/22/20)(jw) (Entered: 09/23/2020)
10/07/2020	17	JUDICIAL RESPONSE as to Chuck Frei. The Court Orders: Transfer of Jurisdiction to the Northern District of New Jersey APPROVED. (Signed by Judge Jed S. Rakoff on 10/6/2020) (lnl) (Entered: 10/07/2020)
10/26/2020	18	TRANSCRIPT of Proceedings as to Chuck Frei re: Conference held on 9/21/20 before Judge Jed S. Rakoff. Court Reporter/Transcriber: Rose Prater, (212) 805-0300, Transcript may be viewed at the court public terminal or purchased through the Court Reporter/Transcriber before the deadline for Release of Transcript Restriction. After that date it may be obtained through PACER. Redaction Request due 11/16/2020. Redacted Transcript Deadline set for 11/27/2020. Release of Transcript Restriction set for 1/24/2021. (McGuirk, Kelly) (Entered: 10/26/2020)

10/26/2020	19	NOTICE OF FILING OF OFFICIAL TRANSCRIPT as to Chuck Frei. Notice is hereby given that an official transcript of a Conference proceeding held on 9/21/20 has been filed by the court reporter/transcriber in the above-captioned matter. The parties have seven (7) calendar days to file with the court a Notice of Intent to Request Redaction of this transcript. If no such Notice is filed, the transcript may be made remotely electronically available to the public without redaction after 90 calendar days.... (McGuirk, Kelly) (Entered: 10/26/2020)
10/30/2020	20	TRANSCRIPT of Proceedings as to Chuck Frei re: Conference held on 9/21/20 before Judge Jed S. Rakoff. Court Reporter/Transcriber: Rose Prater, (212) 805-0300, Transcript may be viewed at the court public terminal or purchased through the Court Reporter/Transcriber before the deadline for Release of Transcript Restriction. After that date it may be obtained through PACER. Redaction Request due 11/20/2020. Redacted Transcript Deadline set for 11/30/2020. Release of Transcript Restriction set for 1/28/2021. (McGuirk, Kelly) (Entered: 10/30/2020)
10/30/2020	21	NOTICE OF FILING OF OFFICIAL TRANSCRIPT as to Chuck Frei. Notice is hereby given that an official transcript of a Conference proceeding held on 9/21/20 has been filed by the court reporter/transcriber in the above-captioned matter. The parties have seven (7) calendar days to file with the court a Notice of Intent to Request Redaction of this transcript. If no such Notice is filed, the transcript may be made remotely electronically available to the public without redaction after 90 calendar days.... (McGuirk, Kelly) (Entered: 10/30/2020)
11/19/2020	22	ENDORSED LETTER as to Chuck Frei addressed to Judge Jed S. Rakoff from Avraham C. Moskowitz, dated 11/18/2020, re: Counsel writes to request that the Court issue an order authorizing the Pretrial Services Agency to return Mr. Frei's passport to him. ENDORSEMENT: SO ORDERED. (Signed by Judge Jed S. Rakoff on 11/18/2020) (lnl) (Entered: 11/19/2020)
01/19/2021	23	Supervised Release Jurisdiction Transferred Out to the U.S.D.C. District of New Jersey (Newark) as to Chuck Frei. (jw) (Entered: 01/19/2021)
01/19/2021		TRANSFER OUT SUPERVISED RELEASE DOCUMENTS SENT as to Chuck Frei to the U.S.D.C. District of New Jersey (Newark). The following documents were mailed: Copy of the Transfer of Jurisdiction Form, certified copy of the indictment/information, certified copy of the docket sheet, and letter of acknowledgment. Mailed via Certified Mail Receipt # 70173040000090277113 on 1/19/2021 to address [**District of New Jersey, Martin Luther King Building and US Courthouse, 50 Walnut Street, Room 4015, Newark, NJ 07101**] (jw) (Entered: 01/19/2021)
10/05/2021	24	SATISFACTION OF JUDGMENT as to Chuck Frei re 16 Judgment in the amount of \$1,412,422.00. Judgment satisfied on 10/5/21. (jw) (Entered: 10/06/2021)

PACER Service Center			
Transaction Receipt			
08/23/2024 10:38:24			
PACER Login:	tim.kolaya	Client Code:	
Description:	Docket Report	Search Criteria:	1:18-cr-00822-JSR
Billable Pages:	5	Cost:	0.50

Exhibit “21”



WOMENS

PLUS

SHOES

KIDS

MENS

CLOTHING NEW SALE TOPS DRESSES MATCHING SETS DENIM BOTTOMS JUMPSUITS & ROMPERS JACKETS

About Us

Rainbow is a fashion retailer with over 1,000 locations in the United States, Puerto Rico, US Virgin Islands and online at RainbowShops.com

Affordable Clothing, Shoes and Accessories for Women, Juniors, Plus Sizes and Kids

Everyday Low Prices - No Need to Wait for a Sale

Size Inclusive - Trendy Clothing for Women & Juniors (0-15, S-XL) and Plus Size (14-24, 1X-4X)

Everything You Need to Complete Your Outfit - Affordable Accessories and Trendy Shoes up to Size 12

Everyday Free Shipping on Orders over \$75 - No Coupon Code Needed


Free Returns to our 1000+ Stores

Visit us Daily - 100s of New Affordable Clothing Styles Added to our Website Every Day

THE ZOE REPORT P O P S U G A R .  REFINERY29

Be in the Know

Sign up for Email

Enter your email address... 

Prefer to Text?


Enter your phone number... 

Exhibit “22”

Rainbow Shops

SERVICES CLIENTS INSIGHT

ABOUT
(HTTPS://WWW.CBIDIGITAL.COM/US)

(HTTPS://WWW.CBIDIGITAL.COM/)

CB/I Digital has propelled Rainbow Shops a budget-friendly fashion destination for women, juniors, and children, into the Top 3 search rankings for "plus size clothing for women" through a strategic and impactful SEO campaign.

Website
(HTTPS://WWW.RAINBOWSHOPS.COM/)

Services

SEO (HTTPS://WWW.CBIDIGITAL.COM/SERVICES/SEARCH-ENGINE-OPTIMIZATION-NYC)



Rainbow Shops' Story

Established in 1935, Rainbow stands as a prominent fashion retailer, boasting an impressive annual revenue of 1 billion USD and a robust presence with over 1,000 stores across the United States, Puerto Rico, and the US Virgin Islands, complemented by its online storefront, RainbowShops.com. The brand offers an extensive array of apparel for women, juniors, and children, including a diverse range of plus-size options, alongside a variety of shoes and accessories.

Faced with the challenge of reclaiming their top-ranking position after a dip in visibility for the "plus size" keyword group, Rainbow turned to CB/I Digital for expert SEO intervention.

CHALLENGE

Competitive niche with inadequate content and resources

At the time, plus-size clothing occupied a niche yet fiercely competitive segment of the market. The scant content and limited resources on the site presented a formidable challenge for the CB/I team in devising an impeccable SEO strategy.



SOLUTION

Advanced SEO Tactics: Elevating Plus Size Visibility

The CB/I SEO team initiated with a detailed audit, followed by targeted optimization of Collection pages featuring Plus Size items. Additionally, a comprehensive review of internal links on RainbowShop.com (<https://www.rainbowshops.com/>) facilitated a swift content enhancement plan, leveraging AI tools.

SEO PRECISION

Non-Branded Keyword Success

#6 #4
Plus size pleated skirts

#6 #3
Cheap plus size dresses

#8 #3
Plus size leather shorts

#7 #4
Plus size crop tops

#8 #2
Cheap plus size clothing

#6 #2
Plus size faux leather shorts

Address **85 Broad Street, 17th floor, New York, NY 10004**
Phone **+1 929-232-2848 (tel:+1 929-232-2848)**
Email **info@cbidigital.com (mailto:info@cbidigital.com)**
Hours **Mon-Fri 9:00am - 6:00pm**
View **CB/I DIGITAL INC. on Google Maps**
(<https://maps.app.goo.gl/1nPFRKYxm291hdlkf9>)

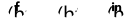
HOME ([HTTPS://WWW.CBIDIGITAL.COM/](https://www.cbidigital.com/))
INSIGHT ([HTTPS://WWW.CBIDIGITAL.COM/INSIGHT/](https://www.cbidigital.com/insight/))
ABOUT ([HTTPS://WWW.CBIDIGITAL.COM/ABOUT-US/](https://www.cbidigital.com/about-us/))

SERVICES ([HTTPS://WWW.CBIDIGITAL.COM/SERVICES/](https://www.cbidigital.com/services/))
MOBILE-DEVELOPMENT-NYC
CLIENTS ([HTTPS://WWW.CBIDIGITAL.COM/CLIENTS/](https://www.cbidigital.com/clients/))
MARKETING-PORTFOLIO
FREE CONSULTATION ([HTTPS://WWW.CBIDIGITAL.COM/FREE-CONSULTATION/](https://www.cbidigital.com/free-consultation/))

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Enter your email



(<https://solutionpartners.adobe.com/s/directory/detail/cbidigital>)



(<https://www.google.com/partners/agency?id=9890011238>)



(https://www.facebook.com/business/partners/cbidigital/?solution_type=campaign_management&ref=fmp_n)

Exhibit “23”



Table Data - Bank Prime Loan Rate Changes: Historical Dates of Changes and Rates

Title	Bank Prime Loan Rate Changes: Historical Dates of Changes and Rates
Series ID	PRIME
Source	Board of Governors of the Federal Reserve System (US)
Release	H.15 Selected Interest Rates
Seasonal Adjustment	Not Seasonally Adjusted
Frequency	Not Applicable
Units	Percent
Date Range	1955-08-04 to 2023-07-27
Last Updated	2023-07-28 3:37 PM CDT
Notes	

DATE	VALUE
1955-08-04	3.25
1955-10-14	3.50
1956-04-13	3.75
1956-08-21	4.00
1957-08-06	4.50
1958-01-22	4.00

DATE	VALUE
1958-04-21	3.50
1958-09-11	4.00
1959-05-18	4.50
1959-09-01	5.00
1960-08-23	4.50
1965-12-06	5.00
1966-03-10	5.50
1966-06-29	5.75
1966-08-16	6.00
1967-01-26	5.75
1967-03-27	5.50
1967-11-20	6.00
1968-04-19	6.50
1968-09-25	6.25
1968-12-02	6.50
1968-12-18	6.75
1969-01-07	7.00
1969-03-17	7.50
1969-06-09	8.50
1970-03-25	8.00
1970-09-21	7.50
1970-11-12	7.25
1970-11-23	7.00
1970-12-22	6.75
1971-01-06	6.50
1971-01-15	6.25

DATE	VALUE
1971-01-18	6.00
1971-02-16	5.75
1971-03-11	5.50
1971-03-19	5.25
1971-04-23	5.50
1971-07-07	6.00
1971-10-20	5.75
1971-11-08	5.50
1971-12-17	5.25
1972-01-03	5.00
1972-01-18	4.75
1972-02-16	4.50
1972-03-20	4.75
1972-03-31	5.00
1972-06-27	5.25
1972-08-29	5.50
1972-10-03	5.75
1972-12-27	6.00
1973-02-27	6.25
1973-03-26	6.50
1973-04-19	6.75
1973-05-07	7.00
1973-05-25	7.25
1973-06-07	7.50
1973-06-22	7.75
1973-07-02	8.00

DATE	VALUE
1973-07-09	8.25
1973-07-18	8.50
1973-07-30	8.75
1973-08-06	9.00
1973-08-13	9.25
1973-08-21	9.50
1973-08-28	9.75
1973-09-18	10.00
1973-10-23	9.75
1973-10-29	9.50
1973-12-03	9.75
1974-01-29	9.50
1974-02-11	9.25
1974-02-19	9.00
1974-02-25	8.75
1974-03-22	9.00
1974-04-01	9.25
1974-04-04	9.50
1974-04-08	9.75
1974-04-11	10.00
1974-04-22	10.25
1974-04-25	10.50
1974-05-02	10.75
1974-05-07	11.00
1974-05-10	11.25
1974-05-17	11.50

DATE	VALUE
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1974-07-08	12.00
1974-10-08	11.75
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1975-01-13	10.00
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1975-02-18	8.75
1975-02-24	8.50
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1975-03-25	7.50
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1975-06-09	7.00
1975-07-18	7.25
1975-07-25	7.50
1975-08-11	7.75
1975-09-15	8.00
1975-10-27	7.75
1975-11-04	7.50
1975-12-01	7.25
1976-01-12	7.00

DATE	VALUE
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1976-06-01	7.00
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1977-09-16	7.25
1977-10-07	7.50
1977-10-24	7.75
1978-01-10	8.00
1978-05-05	8.25
1978-05-26	8.50
1978-06-16	8.75
1978-06-30	9.00
1978-09-01	9.25
1978-09-15	9.50
1978-09-28	9.75
1978-10-13	10.00
1978-10-27	10.25
1978-11-01	10.50
1978-11-06	10.75
1978-11-17	11.00

DATE	VALUE
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1979-07-27	11.75
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1979-08-28	12.25
1979-09-07	12.75
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1979-09-20	13.25
1979-09-28	13.50
1979-10-09	14.50
1979-10-24	15.00
1979-11-01	15.25
1979-11-09	15.50
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1980-02-19	15.75
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1980-02-29	16.75
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1980-03-07	17.75
1980-03-14	18.50
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DATE	VALUE
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1980-06-17	12.00
1980-07-07	11.50
1980-07-23	11.00
1980-08-22	11.25
1980-08-27	11.50
1980-09-08	12.00
1980-09-12	12.25
1980-09-19	12.50
1980-09-26	13.00
1980-10-01	13.50
1980-10-17	14.00
1980-10-29	14.50
1980-11-06	15.50
1980-11-17	16.25
1980-11-21	17.00
1980-11-26	17.75
1980-12-02	18.50
1980-12-05	19.00

DATE	VALUE
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1981-02-03	19.50
1981-02-23	19.00
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1981-03-10	18.00
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1981-04-20	17.50
1981-04-29	18.00
1981-05-04	19.00
1981-05-11	19.50
1981-05-18	20.00
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1981-10-05	19.00
1981-10-13	18.00
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DATE	VALUE
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1982-02-23	16.50
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1982-07-29	15.50
1982-08-02	15.00
1982-08-16	14.50
1982-08-18	14.00
1982-08-23	13.50
1982-10-07	13.00
1982-10-13	12.00
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1986-03-07	9.00
1986-04-21	8.50
1986-07-11	8.00
1986-08-26	7.50
1987-04-01	7.75
1987-05-01	8.00
1987-05-15	8.25
1987-09-04	8.75
1987-10-07	9.25
1987-10-22	9.00
1987-11-05	8.75
1988-02-02	8.50
1988-05-11	9.00
1988-07-14	9.50
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1994-08-16	7.75
1994-11-15	8.50
1995-02-01	9.00
1995-07-07	8.75
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1996-02-01	8.25
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1998-10-16	8.00
1998-11-18	7.75
1999-07-01	8.00
1999-08-25	8.25
1999-11-17	8.50
2000-02-03	8.75
2000-03-22	9.00

DATE	VALUE
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2001-01-04	9.00
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2001-03-21	8.00
2001-04-19	7.50
2001-05-16	7.00
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2001-09-18	6.00
2001-10-03	5.50
2001-11-07	5.00
2001-12-12	4.75
2002-11-07	4.25
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2004-11-10	5.00
2004-12-15	5.25
2005-02-02	5.50
2005-03-22	5.75
2005-05-03	6.00
2005-06-30	6.25
2005-08-09	6.50
2005-09-20	6.75
2005-11-01	7.00

DATE	VALUE
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2006-05-10	8.00
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2007-09-18	7.75
2007-10-31	7.50
2007-12-11	7.25
2008-01-22	6.50
2008-01-30	6.00
2008-03-18	5.25
2008-04-30	5.00
2008-10-08	4.50
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2017-03-16	4.00
2017-06-15	4.25
2017-12-14	4.50
2018-03-22	4.75
2018-06-14	5.00
2018-09-27	5.25
2018-12-20	5.50
2019-08-01	5.25
2019-09-19	5.00

DATE	VALUE
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2022-03-17	3.50
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2022-06-16	4.75
2022-07-28	5.50
2022-09-22	6.25
2022-11-03	7.00
2022-12-15	7.50
2023-02-02	7.75
2023-03-23	8.00
2023-05-04	8.25
2023-07-27	8.50

NEED HELP?

Questions or Comments

FRED Help

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Federal Reserve Bank of St. Louis, One Federal Reserve Bank Plaza, St. Louis, MO 63102

Exhibit “24”

From: JoJo Chehebar <jojoc123@REDACTED>
Sent: Thursday, December 26, 2019 9:23 AM EST
To: Joe Cole <joe@parfunding.com>
CC: Eddie Chehebar <eddie@REDACTED>; Gabriel I. Shehebar <gs@REDACTED>; Isaac Shehebar <isaac@REDACTED>; Michael Chehebar <michael@REDACTED>; Zudy Shehebar <zudy@REDACTED>
Subject: Re: Bank Deal Follow Up
Attachment(s): "Cendera Subscription Package.pdf"

Hi Joe, see my attached subscription agreement.

my father and brothers still have to do theirs. i will help them with it if needed.

On Thu, Dec 19, 2019 at 12:33 PM Joe Cole <joe@parfunding.com> wrote:

Good afternoon,

The lawyers were following up to confirm if your group would have the subscription agreements ready for this week.

They're looking to finalize subscription documents for the remaining investors with the regulators.

Please confirm, thanks.

Joe Cole

On Thu, Dec 12, 2019 at 11:50 AM Joe Cole <joe@parfunding.com> wrote:

Isaac,

Good speaking with you about our company updates.

Please see the attached subscription agreement copy.

This is the only document we need to get each investor on board for the deal. We're good doing the investment from your trust.

I'll keep you posted as funding is needed but we can always work out cash flow logistics between the CBSG notes if needed. So it shouldn't be an issue.

Thank you.

Joe Cole

On Thu, Dec 12, 2019 at 7:35 AM Joe Cole <joe@parfunding.com> wrote:

Good morning,

Please confirm if you were able to get the subscription agreements filled out for the brothers planning on investing on the bank purchase.

Our counsel is looking to get the remaining subscription forms signed this week. We still expect escrow to occur towards the end of the month, though it may be pushed to January due to the holidays.

I'm available to review the transaction today if you guys have any other questions.

Thanks.

Joe Cole

On Thu, Dec 5, 2019 at 9:39 AM Joe Cole <joe@parfunding.com> wrote:

Thanks for the update Jojo.

We expect cash flows to be somewhat consistent for the upcoming quarterly distribution and we welcome the conversion for any notes you may have to equity on the bank deal for as much as you guys would like to individually participate in. We don't have a firm closing date yet but we'll have some flexibility on cash coming in for the deal.

Please have the attached subscription package completed reflecting the tax information and total shares purchase for each person. I'm available if you have any questions on the specifics, but basically it's a verification of

accreditation, W9 information and total share purchase.

I'll follow up with Zudy and Gaby as needed to go over the details for the bank investment.

We greatly appreciate our your family's continued partnership in our deals. This will be a major leap forward for our commercial finance enterprise.

Joe Cole

On Thu, Dec 5, 2019 at 9:02 AM JoJo Chehebar <jojoc123@REDACTED> wrote:

Hey Joe,

We have discussed this with my bro's.

The main issue is we don't know what our January distribution will be till January, that being said, I know u need an answer now, my brothers and I and my father can commit to 12.5% total (so that's 2.5% for each of me and my 3 brothers, as well as 2.5% for my father)

That's \$700,000 for each of the 2.5% totaling \$3,500,000

Now if the January distribution is less then we expected, we will have to convert some of our loan money into equity for this deal. (Which would mean calling some of the loan and then giving it back as equity for bank) but hopefully that won't be necessary.

Also, the last time I spoke to my uncle, he too seemed interested for 2.5% for \$700,000 but please get the actual commitment from him directly.

I have not spoken to Zudy or Gaby about it at all, as I have been out of the country for most of the last month. I am including them in this email to keep them in the loop. But please give them a call to let them know what the deal is about.

On Tue, Dec 3, 2019 at 7:46 PM Joe Cole <joecole@parfunding.com> wrote:

Good morning,

I hope you guys had a great Thanksgiving holiday.

Please confirm if you have some availability to do a follow up call this week regarding the bank deal and the revised management agreements for the audit.

We made some progress in discussing the debt to equity options for the company at the end of the audit and I wanted to run some ideas by you guys.

Thanks for getting the audit letters confirmed for your investor notes for the auditors.

Joe Cole

On Tue, Nov 19, 2019 at 7:19 PM Joe Cole <joecole@parfunding.com> wrote:

Ok, sounds good Eddie.

Let me know if you guys have any questions, we can follow up after the holidays next week.

Joe Cole

On Tue, Nov 19, 2019 at 3:58 PM Eddie Chehebar <eddie@REDACTED> wrote:

Joe yes we're interested in the bank deal just need to discuss how much each of us wants to go in we need to have a meeting about that but everyone is traveling these next 2 weeks so sometime after that I will have a sit down to finalize that and also to rollover the shares into equity were ok w that just let us know when you want

Thanks
Eddie Chehebar

On Nov 19, 2019, at 3:49 PM, Joe Cole <joecole@parfunding.com> wrote:

Good afternoon guys,

I wanted to follow up on the subscription agreement with the bank deal and see if you had any questions. The Dallas Federal Reserve Bank confirmed that our application was being processed on Friday and we're looking to get the remaining shareholder commitments in place by the end of the month.

Please let me know if you have any questions.

Also let me know if you want to do a follow up call with counsel to go over the modifications for the consulting agreement and locking in language we'd all happy with to roll over debt into equity when we do a private equity deal next year.

Thanks.

Joe Cole

On Tue, Nov 12, 2019 at 7:34 PM Joe Cole <joecole@parfunding.com> wrote:

Good evening,

Please see the attached subscription agreement for the bank deal we spoke of. This is a straight equity purchase of the holding company for the bank and shares carry the same rights across the board for both director and non-director investors.

There are a total of 10,000 shares at \$2,800.00 each totalling the \$28M purchase. We can offer individual investors a 100 (1%) share minimum at \$280,000.00 up to 499 (4.9%) shares at \$1,397,200.00. We just need to detail that along with W9 information on each investor's subscription agreement.

There is a 36 month lock before we're allowed to buy / sell our shares and we can also pay dividends after this period. Our proforma reflects about a \$4M EBITDA figure at the end of this period which prices the bank from \$21M to \$60M after 3 years. This is a very conservative estimate and we expect actual EBITA performance closer to \$5-6M giving a total asset value of \$75M - \$90M respectively.

You can also use the following information to log into the data room:

https://hunton.egnyte.com/fi/NgkbMpo27U/Cendera_Bancorp_

Password: 8u2dc98E

Call reports for the bank are also available from the FDIC, though the strongest value and growth proposition comes from our ability to originate commercial deals to send over to the bank.

Let me know if you have any questions on the deal, regulatory counsel is just looking to get the signed subscription documents in soon with escrow to occur near closing in mid to late December.

Also I'll plan to go over the consulting agreement changes to add the equity conversion we discussed for the private equity deal down the road. We should be able to come up with a shared mechanism we can all work with and it was important for us to make sure we're all on the same side when pursuing a bigger deal for Par Funding. This should ultimately yield a greater return than the rates from our profit sharing and interest payments.

Thanks.

<image.png>

From: anthony@unitedllc.com <anthony@unitedllc.com>

Sent: Friday, January 04, 2019 2:31 PM EST

To: Eddie Chehebar <eddie@chehebar.com>; chuck frei <chuckfrei@REDACTED>

CC: joe@parfunding.com <joe@parfunding.com>; ken@reacos.com <ken@reacos.com>

Subject: FW: Colorado Natural Products, LLC Legal Representation Engagement & Fee Agreement

Attachment(s): "CLIENT INTAKE FORM 2019.pdf", "CREDIT CARD AUTHORIZATION FORM 2019.pdf", "19.1.3 Colorado Natural Products, LLC Legal Rep.pdf"

Gentlemen-

Attached is the agreement to retain Hoban Law Group in Denver Colorado they specialize in the Hemp Industry - I have been dealing with David Bush in the firm.

it is a 5K retainer

They would serve to help with contracts and tolling agreements with farmers, brokers, and corporations, they would also act in a legal consulting capacity for compliance. The intention would be to make sure we have all required licenses and are handling sales and purchases in accordance with state and federal laws.

<https://hoban.law/David-Bush>

David serves on the Business Advisory Council of the National Hemp Association and is a member of the Board of Directors of the Hemp Industries Association. He also is President of the Industrial Hemp Research Foundation, a 501c3 nonprofit dedicated to supporting hemp-related public education and academic research at institutions of higher education in Colorado.

I wanted everyone's approval before I signed the agreement and had accounting book it in AP.

Thank you, please advise after your review

Anthony

-----Original Message-----

From: "Deedee Quiel" <deedee@hoban.law>

Sent: Friday, January 4, 2019 1:58pm

To: anthony@unitedllc.com

Cc: "David Bush" <davidb@hoban.law>, ken@reacos.com

Subject: Colorado Natural Products, LLC Legal Representation Engagement & Fee Agreement

Hello,

Attached is our firm's engagement letter. Please review it and let me know if you have any questions. We need the following returned to us before representation can commence:

- Engagement letter, executed
- Client intake form, executed
- \$5,000.00 retainer, payable by cash, check, wire transfer or credit card.

Let me know if you have any questions. We look forward to working with you!

Thanks,

--

Deedee Quiel

Legal Assistant
Hoban Law Group

730 17th Street, Suite 420
Denver, CO 80202

Phone: 303-(REDACTED)
Fax: 303-382-4685

Email: deedee@hoban.law
Web: hoban.law



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From: Eddie Chehebar <eddie@REDACTED>

Sent: Monday, January 21, 2019 2:38 PM EST

To: Eric Keiter <ekeiter@REDACTED>

CC: Ranko Mocevic <ranko@REDACTED>; chuckfrei <chuckfrei@REDACTED>; Gabriel Shehebar <gs@REDACTED>; Michael Chehebar <michael@REDACTED>; isaac@REDACTED <isaac@REDACTED>; Anthony Z <anthonyz@parfunding.com>; Joe Mack <joe@parfunding.com>; Rod Ermel <rod@reacos.com>; Ken Bacon <ken@reacos.com>; JoJo Chehebar <jojoc123@REDACTED>

Subject: Re: Hemp Processing Update

So we have some options here I think we really have no choice but to start with both paragon and Gus's extraction because even if China is able to ship before Chinese New Year it won't get there till end feb and Yes I think we need another conf call

Also Eric I wanna try and understand little bit more from paragon extractors because I'm a little confused are the kilo numbers after extraction or before meaning if we look at the min 10% potency line do we get 2700kgs of distillate that we pay .50 or we get 2700kgs of crude where we pay .50 and we get 2620kgs of distillate in which case would give us how many kgs of isolate (or can they do 0%thc distillate??)

If scenario A would look like this

paragon 100,000lbs @min 10% cbd content

Scenario A

Full spectrum distillate -2700kg@\$3574/k

Isolate-2620kg@\$4183/kg

Or

Scenario B need to now how much isolate we get!!!

Crude oil - 2700kg@\$3072kg

Full spectrum distillate -2620kg@\$3683

Isolate-?????kg@\$????? (The cost \$10,960,780 incl hemp costs)

Thanks

Eddie Chehebar

On Jan 21, 2019, at 12:12 PM, Eric Keiter <ekeiter@capacityfunding.com> wrote:

Hi Everyone,

Here is an update on everything:

Hemp Extraction - While we are waiting for our equipment, we want to start tolling as we discussed. For us, the best strategy is to take our hemp to winterized crude oil as the shelf life is much longer and this can be further converted to many different products. The issues for us to consider are extraction method (100% ethanol preferred) , price and capacity. Part of the problem for us is that many companies are currently processing their own hemp and will be for some time. However, a few do have availability, with some caveats. As an example, Paragon Processing (<http://paragonprocessors.com/>) has built a large facility and can take our hemp within the month. Please see the attached Paragon agreement and PO. These are typical contracts in that we would pay some amount upfront to get to winterized crude (\$35/lb in this case) and then pay on a per gram basis for further processing. For example, most companies charge \$0.50 at least per gram to turn this into distillate and more money for decarboxylation and going to isolate in this case. Interestingly, in the Exhibit A, they are assuming a ~60% conversion rate based upon percentage. (Another way to do this is to simply have it processed but then we split the output instead of paying money. This is always a much worse deal economically.)

I have other tolling proposals, including one company that can possibly take some of our hemp for \$25/lb (no one else is close to this price), but they cannot process very much. It turns out that Tom's lab in Colorado Springs (the one that you guys saw) is about to take delivery of the much larger processing equipment this week (I believe) and is willing to take our hemp and process it to winterized crude for \$30/lb. I recommend we do this for at least 1/2 our hemp currently stored in the warehouse and possibly all of it. This will allow us to recycle our money and feel more confident about buying additional hemp with the remaining capital (away from operational and lab expenses). Plus I trust them and we can share notes and work together on eventual sales as needed.

Our Hemp Extraction and Lab:

Extraction equipment: the latest update as of this morning is that it is being made now and they will update me again at the end of the week.

Distillation equipment: it is ready (!) and the final balance needs to be paid (see attached invoice and wiring instructions). I think we will receive this next week hopefully. This will allow us to take the winterized crude and further refine it to distillate which could be sold immediately.

Analytical Testing Equipment: Will need an HPLC, working on right unit for us.

Prep Chromatography System for THC removal, working on right unit for us. In discussions with a lot of firms on this.

I have enclosed a spreadsheet purchase list to get started on a few items we will need. This is by no means comprehensive, but it will get us going. There will still be many miscellaneous items to buy (lab coats, safety goggles, containers, etc.) but we can get those pretty easily. Please let me know how to proceed (i.e., place order and then money will be paid directly?)

Ranko, we will need a restaurant grade stainless steel sink or two installed (for equipment cleaning and drying) as well as a large lockable refrigeration unit. Can you please spec this out? Also, we need to spec out running the proper electric and outlets to the lab room.

Also, we will need to hire some people to operate this stuff. And lastly, I have reached out to an analytical chemist who is an FDA expert as well. I will report back as I learn more.

Warehouse Insurance, etc. - I have spoken to the insurance broker that Anthony provided. We are speaking again today at 6 pm ET. He is going to come out to the warehouse on Wednesday at 10 am MT to look it over. I have also asked Randy Leger (<http://www.firetechconsulting.com/home.html>) to come see us at the same time to assess our needs to be fully compliant with all fire codes, etc. for extraction processes and the lab. From there, we will need to craft a plan to outfit any safety items needed. We are also still exploring our needs for being compliant with any Denver county regulations - there seems to be some confusion as to who we are supposed to answer to (Excise and License?) and what is actually allowed with hemp, even though marijuana extraction is allowed in Denver county. As an aside, we have been in discussions with two lawyers on this topic and the need to determine what the impact is with the hemp laws changing, I will report back as well on this.

I'd be happy to set a call to discuss this further as needed.

Regards,

Eric

Eric H. Keiter
Managing Member
Capacity Funding LLC
9599 Blandford Road
Orlando, FL 32827
ekeiter@capacityfunding.com
(914) 902-8900 office
(917) REDACTED cell

<Balance of Distillation Equipment.pdf>

<Distillation Equipment Invoice.pdf>

<Paragon PO.pdf>

<Paragon Processing Agreement.pdf>

<Purchases to Make 1-21-19.xlsx>

Exhibit “25”

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)
<div style="border: 1px solid black; padding: 10px; width: fit-content; margin: auto;"> <p>M. BURR KEIM COMPANY 2021 ARCH STREET PHILADELPHIA, PA 19103</p> </div>

Delaware Department of State
 U.C.C. Filing Section
 Filed: 10:15 AM 04/13/2020
 U.C.C. Initial Filing No: 2020 2643429

 Service Request No: 20202758059

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. **DEBTOR'S NAME:** Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME Complete Business Solutions Group, Inc.				
OR	1b. INDIVIDUAL'S SURNAME			
FIRST PERSONAL NAME		ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
1c. MAILING ADDRESS 2000 PGA Blvd., Suite 44408		CITY Palm Beach Gardens	STATE FL	POSTAL CODE 33408
				COUNTRY USA

2. **DEBTOR'S NAME:** Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME			
FIRST PERSONAL NAME		ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
				COUNTRY

3. **SECURED PARTY'S NAME** (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME				
OR	3b. INDIVIDUAL'S SURNAME			
FIRST PERSONAL NAME		ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
Vagnozzi, as representative of certain secured parties		Albert		
3c. MAILING ADDRESS 21 W Front St, Suite 300		CITY Media	STATE PA	POSTAL CODE 19063
				COUNTRY USA

4. **COLLATERAL:** This financing statement covers the following collateral:

All tangible and intangible personal property of Debtor, wherever located and whether now owned or hereafter acquired, including but not limited to, all accounts, contracts rights, general intangibles, chattel paper, machinery, equipment, goods, inventory, fixtures, investment property, letter of credit rights, supporting obligations, books and records, deposit accounts, bank accounts, documents and instruments, together with all proceeds thereof. Any term used in the Pennsylvania Uniform Commercial Code (as amended from time to time, the "UCC") and not defined in the Amended and Restated Security Agreement shall have the meaning given to the term in the UCC.

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
 Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

Exhibit “26”

Name: ABFP Income Fund 4
Restated Note Amount: \$21,276,436.00

CONFIDENTIAL

COMPLETE BUSINESS SOLUTIONS GROUP, INC.

**EXCHANGE OFFER OF OUTSTANDING NOTES FOR
AMENDED AND RESTATED NOTES**

Complete Business Solutions Group, Inc., a Delaware corporation (the "Company") d/b/a PAR Funding, is offering to exchange all issued and outstanding notes to which the Company granted a security interest in the tangible and intangible personal property of the Company (the "Outstanding Notes") for new notes in the amount of the aggregate and outstanding balance of the Outstanding Note as of the Effective Date (as defined herein) (taking into account the moratorium on interest – See Recent Developments) but with a different term, interest rate and repayment schedule that was applicable to the Outstanding Notes and as to which the Company will grant a similar security interest in its tangible and intangible personal property (the "Restated Notes").

The exchange offerees are all persons who are current holders of the Outstanding Notes.

The exchange offer expires at 5:00 pm, Eastern Daylight Time, on April 24, 2020, unless extended in the sole discretion of the Company (the "Expiration Date").

The exchange offer is not conditioned upon the acceptance of the exchange offer by a minimum number of holders of Outstanding Notes or a minimum aggregate principal amount of Outstanding Notes by the Expiration Date.

In all respects, the information contained herein is qualified in its entirety by reference to the Amended and Restated Note Purchase Agreement appearing in Exhibit A hereto (the "Restated Note Purchase Agreement"), the Amended and Restated Non-Negotiable, Non-Transferable Term Promissory Note appearing in Exhibit B hereto (the "Restated Note") and the Amended and Restated Security Agreement appearing in Exhibit C hereto (the "Restated Security Agreement"), all of which are incorporated by reference herein. *Each person receiving this exchange offer is encouraged to read these documents carefully.*

Execution and submission of the above-referenced documents to the Company by the holder of an Outstanding Note constitutes an irrevocable acceptance of the exchange offer and after submitting them to the Company, the holder of the Outstanding Note has no right to withdraw his acceptance of the exchange offer.

Due to the exigencies described under "Recent Developments," the Company intends to counter-sign the Restated Note Purchase Agreement, Restated Note and Restated Security Agreement upon receipt.

Certain risks associated with the exchange offer appear on page 3.

Neither the U.S. Securities and Exchange Commission ("SEC") nor any state securities commission has passed upon the merits of the exchange offer or the accuracy or adequacy of this document or exhibits thereto. It is unlawful to make any representation to the contrary.

The date of this Exchange Offer is April 8, 2020.

The Restated Notes have not been registered under the Securities Act of 1933, as amended ("1933 Act") or any state securities laws in good faith reliance upon an exemption from registration for offerings made in reliance on Rule 506(b) of SEC Regulation D.

This Exchange Offer does not constitute an offer of securities in any jurisdiction in which, or to any person to whom, it is not permitted.

Neither the delivery of this Exchange Offer nor any sale made pursuant thereto shall create any implication that the information contained herein is correct as of any time subsequent to the date hereof or any supplement thereto.

Exchange offerees are not to construe this Exchange Offer or information provided by professionals who have been engaged by the Company to render professional services in connection with the preparation of this Exchange Offer as constituting legal, tax, accounting or investment advice. Exchange offerees should consult their own legal, tax, accounting and financial advisors with respect to acceptance of the exchange offer.

This Exchange Offer does not address any resales of Restated Notes during or after completion of the exchange offer and no person is authorized to make use of this document in connection with any resale.

FORWARD LOOKING STATEMENTS

This document may contain various forward-looking statements which may include statements about expectations, beliefs, plans, objectives, assumptions or future events which are not historical facts and may be forward-looking. These forward-looking statements often can be, but are not always, identified by the use of words such as "assume," "expect," "intend," "plan," "project," "believe," "estimate," "predict," "anticipate," "may," "might," "should," "could," "goal," "potential" and similar expressions. Should any statement containing these words included herein not materialize or should any or all underlying assumptions prove to be incorrect, actual results or outcomes may vary materially from those described herein as anticipated, believed, estimated, expected or intended. The Company does not promise to update forward looking information to reflect actual results or changes to assumptions or other factors that could affect such information.

THE COMPANY

The Company provides small and mid-size businesses with various financing options to fund their day-to-day operations and growth. A significant service provided by the Company to these customers is an agreement to advance funds to the customer in exchange for an obligation on the customer to sell future receivables to the Company at stated periods which often is referred to as merchant cash advances ("MCA").

Joe Cole is the Chief Financial Officer of the Company and is the person to whom exchange offerees may ask questions or request additional information concerning this exchange offer. No other person is authorized to give information or make any representation not contained herein.

Mr. Cole can be contacted by email at jcoole@parfunding.com. The Company's principal office is located at 2000 PGA Blvd., Suite 4440, Palm Beach Gardens, FL 33408.

RECENT DEVELOPMENTS

The COVID-19 pandemic in the United States has resulted in government orders in almost all states for non-essential businesses to close and for the population of those states to isolate themselves at home. These government measures have wiped out the ability of the Company's customer base to satisfy their MCA obligations to the Company.

To address this dramatic loss of revenue to the Company and to preserve its ability to continue as a going concern, the Company has taken several important steps. The first step was to declare a moratorium on payment of interest on all Outstanding Notes with no exceptions, effective March 16, 2020.

The second step is to restructure the terms of the Outstanding Notes through this exchange offer by lowering the interest rate and lengthening the term. Although the Restated Note will mature and be payable on the seventh anniversary of the Effective Date as defined in the Restated Note, it offers holders of the Outstanding Notes the opportunity for the return of principal which opportunity would be lost if the Company were to cease operations and declare bankruptcy. By accepting the exchange offer, the Company believes it will have a path toward repayment of its debt.

The Company's management team remains strong and is committed to continuing the Company as a going concern but this can only happen if the exchange offer is accepted by substantially all of the holders of the Outstanding Notes. The third step being taken by the Company is to identify potential sources of new capital, primarily from institutional investors.

RISKS RELATING TO THE EXCHANGE OFFER

If the exchange offer is not accepted by substantially all of the holders of the Outstanding Notes, the Company likely will not be able to continue as a going concern.

In order to have any reasonable prospect of continuing as a going concern, the Company must restructure its Outstanding Notes to lower the interest rate and lengthen the repayment period as provided in the exchange offer. Failure of holders of substantially all of the Outstanding Notes to accept the exchange offer likely would result in the Company seeking the protection of the bankruptcy courts as it would be unable to meet its obligations under the Outstanding Notes as they become due.

If the Company would file for bankruptcy, holders of the Outstanding Notes most likely would not recover their entire principal amount and interest.

If the Company would file for bankruptcy, any disbursements to holders of the Outstanding Notes would be subject to approval of the bankruptcy court and there is no assurance that the bankruptcy estate will have sufficient assets to permit holders of the Outstanding Notes to recover

either the entire principal amount of the Outstanding Note or any accrued but unpaid interest. In addition, the debt represented by the Restated Notes could be reviewed under the Federal bankruptcy laws and comparable provisions of state fraudulent transfer laws.

A holder of an Outstanding Note may not withdraw from the exchange offer after the holder has executed the Restated Note Purchase Agreement, the Restated Note and the Restated Security Agreement and submitted them to the Company.

Execution and submission of the above-referenced documents to the Company by the holder of an Outstanding Note constitutes an irrevocable acceptance of the exchange offer and after submitting them to the Company, the holder of the Outstanding Note has no right to withdraw his acceptance of the exchange offer.

The exchange offer is not conditioned upon the acceptance of the exchange offer by a minimum number of holders of Outstanding Notes or a minimum aggregate principal amount of Outstanding Notes by the Expiration Date.

Due to the exigencies described under "Recent Developments," the Company intends to counter-sign the Restated Note Purchase Agreement, Restated Note and Restated Security Agreement upon receipt. Therefore, at the time of submission of these documents to the Company which constitutes an irrevocable acceptance of the exchange offer, the holder of the Outstanding Notes accepting the exchange offer will not know how many other holders of Outstanding Notes have accepted the exchange offer or the principal amount of such Outstanding Notes and whether a sufficient number of holders of the Outstanding Notes or a sufficient aggregate principal amount of the Outstanding Notes have accepted or will accept the exchange offer by the Expiration Date, all of which will have a material effect on the Company's ability to continue as a going concern.

The Company may borrow funds from other lenders in the future.

Nothing in the Restated Note Purchase Agreement or the Restated Notes prohibits the Company from borrowing funds from other lenders at any time in the future and in such amounts and on such terms as it deems appropriate. Absent a corresponding increase in the Company's asset base, such borrowings could result in a reduced collateral pool available to existing lenders. *See Description of Restated Notes and the Restated Note Purchase Agreement*

The Restated Notes will be subordinate to any New Senior Indebtedness.

As provided in the Restated Note Purchase Agreement, if the Company enters into a borrowing constituting New Senior Indebtedness, the Restated Notes will be subordinate to any New Senior Indebtedness which is defined generally to include indebtedness incurred for borrowed funds in the amount of \$100 million or more from a single lender or a group of a lender and its affiliates.

In the event the Company enters into other borrowings for an amount that does not constitute New Senior Indebtedness, any security interest granted to such new holder of indebtedness in the collateral, as defined in the Restated Security Agreement (the "Collateral"),

shall be *pari passu* with the security interest in the Collateral granted under the Restated Security Agreements. *See Description of Restated Notes and the Restated Note Purchase Agreement.*

The Restated Notes are non-negotiable and non-transferable.

The Restated Notes cannot be negotiated, transferred, assigned, pledged or hypothecated. *See Description of Restated Notes and the Restated Note*

The Company, in its discretion, may pre-pay a Restated Note at any time.

The Restated Notes do not contain a pre-payment penalty and the Company, in its discretion, may pre-pay a Restated Note at any time. *See Description of Restated Notes and the Restated Note*

The terms of the Restated Notes may be amended or waived upon the approval of the holders of a majority of the then-outstanding balances of the Restated Notes.

The terms of the Restated Note Purchase Agreement, the Restated Note and the Restated Security Agreement may be amended or waived upon written consent of the Company and the holders of a majority of the then-outstanding balances of the Restated Notes, except that the financial terms of a Restated Note may not be amended or waived without the consent of the holder of such Restated Note. *See Description of Restated Notes and the Restated Note.*

The Restated Notes are not guaranteed as to repayment of principal or interest.

Payment of interest and principal when due on the Restated Notes is not guaranteed by any other entity or individual and the holders of the Restated Notes must look to the Company as the sole source for repayment of the Restated Notes. The Restated Notes are secured by a security interest in substantially all of the Company's tangible and intangible assets, which security interest is *pari passu* with the other Restated Notes. *See Description of Restated Notes and the Restated Note Purchase Agreement*

The Restated Notes will not be registered with the SEC or with any state securities commission and will be subject to a restriction on resale.

The Company is undertaking this exchange offer in good faith reliance on the exemption from registration under Rule 506(b) of SEC Regulation D adopted under the 1933 Act and the Restated Notes to be issued in the exchange offer are deemed to be "restricted securities" under federal securities laws. Purchasers of such securities are subject to the holding periods described in SEC Rule 144. Generally, "restricted securities" cannot be resold or transferred for one (1) year from the date of purchase absent compliance with the registration requirements of Section 5 of the 1933 Act or the availability of an exemption from registration. A legend describing these restrictions will be placed on each Restated Note. However, the Restated Notes, pursuant to their terms, are non-transferable.

The Restated Notes are not being issued pursuant to a trust indenture.

The Restated Notes are being issued in reliance on Rule 506(b) of SEC Regulation D and no indenture in respect of the Restated Notes is required to be qualified under the Trust Indenture Act of 1939, as amended. *See Description of Restated Notes and the Restated Note*

The Company has not sought an independent tax opinion on the treatment of the exchange offer under Federal, state or local income tax laws.

The Company has not sought nor will it seek an independent tax opinion on the treatment of the exchange offer under Federal, state or local income tax laws and exchange offerees are encouraged to seek relevant advice in this regard from their accounting, tax and financial advisors. *See Description of Restated Notes*

The nature of its business subjects the Company to litigation.

The Company is in the business of providing MCAs to small and mid-size businesses. In connection with its collection efforts against MCA customers and in other similar contexts involving its MCA customers, the Company has been subject to a substantial number of lawsuits. It is not unusual for MCA customers to resort to litigation against the Company in defense of selling its future receivables when the customer is in default of its MCA obligations and the Company initiates collection efforts. Although the Company believes that lawsuits of this nature are an ordinary and necessary part of the MCA business, the Company cannot assure that these legal proceedings will not singularly, or in the aggregate, have a material adverse effect on the business of the Company. *See Restated Note Purchase Agreement.*

RESTATED NOTE PURCHASE AGREEMENT

To accept the exchange offer, the holders of the Outstanding Notes will be required to execute the Restated Note Purchase Agreement appearing as Exhibit A hereto which contains important information concerning the exchange offer including, without limitation, specific representations, warranties and covenants being made to the Company, certain disclosures, governing law and jurisdiction, provisions relating to subordination and repayment of the Restated Notes, indemnification provisions and a mutual release with respect to any claims arising out of the Outstanding Notes. *Each person receiving this exchange offer is encouraged to read this document carefully.*

DESCRIPTION OF RESTATED NOTES

The information set forth below is qualified in its entirety by the Restated Note Purchase Agreement, the Restated Note and the Restated Security Agreement. In the event that there is any discrepancy between the information set forth herein and the Restated Note Purchase Agreement, the Restated Note and the Restated Security Agreement, the terms and conditions of the Restated Note Purchase Agreement, the Restated Note and the Restated Security Agreement shall govern.

Principal Amount; Interest and Repayment

Each Restated Note to be issued in the exchange offer will be in the amount of the aggregate and outstanding balance of the Outstanding Note as of the Effective Date (as defined herein) (taking into account the moratorium on interest – See Recent Developments) as of the date the Company accepts each exchange offeree’s irrevocable acceptance of the exchange offer by counter-signing the Restated Note Purchase Agreement (the “Effective Date”). The Restated Note shall mature and be payable on the seventh anniversary of the Effective Date.

Interest accruing on the principal amount of each Restated Note is five percent (5%) per annum calculated on the actual number of days elapsed. Commencing on the first business day of the month following the Effective Date of the Restated Note, interest will be paid in arrears in eighty-four (84) installments.

Commencing on the first business day of the month following the first anniversary of the Effective Date of the Restated Note, the principal amount shall be paid in seventy-two (72) installments, each in the amounts set forth in in Schedule A to each Restated Note, with the final installment of interest and principal in an amount to fully pay the remaining balance in accordance with the amortization schedule attached as Schedule A to each Restated Note.

All payments made by the Company will be applied first to accrued interest, then to any and all sums, other than principal, due under the Restated Note, and then to principal. In no event shall the charges constituting interest under the Restated Note exceed the rate permitted under any applicable law or regulation.

Subordination

Nothing in the Restated Note Purchase Agreement or the Restated Notes prohibits the Company from borrowing funds from other lenders after the Effective Date and in such amounts and on such terms as it deems appropriate. The Restated Notes will be subordinate to New Senior Indebtedness as defined in the Restated Note Purchase Agreement incurred after the Effective Date. In the event the Company enters into other borrowings after the Effective Date for an amount that is less than \$100 million, any security interest granted to such new holder of indebtedness in the Collateral shall be *pari passu* with the security interest in the Collateral granted under the Restated Security Agreements to holders of the Restated Notes.

Security for the Restated Notes

To secure the obligations of the Company under the Restated Note, the Company will enter into a Restated Security Agreement set forth in Exhibit C hereto. Each Restated Note will be secured by a security interest in substantially all of the tangible and intangible assets of the Company, which security interest will be *pari passu* with the other Restated Notes.

Negotiability, Assignment, Transfer, Pledge, Hypothecation.

The Restated Notes cannot be negotiated, transferred, assigned, pledged or hypothecated.

Restrictions on Resale or Transfer

The Restated Notes are being offered in reliance on an exemption from registration under Section 4(a)(2) of the 1933 Act and Rule 506(b) of SEC Regulation D. Securities sold in reliance on this exemption are deemed to be “restricted securities” under federal securities laws and purchasers of such securities are subject to the holding periods described in SEC Rule 144. Generally, “restricted securities” cannot be resold or transferred for one (1) year from date of purchase absent compliance with the registration requirements of Section 5 of the 1933 Act or the availability of an exemption from registration. A legend to this effect will be placed on each Restated Note. However, the Restated Notes, pursuant to their terms, are non-transferable.

No Guarantee

Payment of interest and principal when due on the Restated Notes is not guaranteed by any other entity or individual and the holders of the Restated Notes must look to the Company as the sole source for repayment of the Notes.

Early Repayment

The Restated Notes do not contain a pre-payment penalty and the Company, in its discretion, may pre-pay a Restated Note at any time.

Rights in Event of Default

The Restated Note sets forth what circumstances constitute an event of default by the Company under the Restated Note. Upon a failure to make any required payment of principal, accrued interest or any other amount under the Restated Note on or before the date on which it shall fall due; or a breach or violation by the Company of any representation, warranty, term, provision or covenant of the Restated Note Purchase Agreement, the Restated Note or the Restated Security Agreement, the holder of the Restated Note, at the holder’s option, may declare the unpaid principal balance of, all accrued and unpaid interest on, and all other sums payable with regard to the Restated Note to be immediately due and payable and demand payment therefor, and may exercise any of the holder’s rights and remedies for collection of the Restated Note whether set forth in the Restated Note or otherwise.

In the event of filing a voluntary petition in bankruptcy by the Company or the filing of any involuntary petition against the Company in bankruptcy, the unpaid principal balance of, all accrued, unpaid interest on, and all other sums payable with regard to, the Restated Note automatically and immediately become due and payable without any further action by the holder of the Restated Note.

Amendment

The terms of the Restated Note Purchase Agreement, the Restated Note and the Restated Security Agreement may be amended or waived upon the written consent of the Company and the holders of a majority of the then-outstanding balances of the Restated Notes, except that the

financial terms of a Restated Note may not be amended or waived without the consent of the holder of such Restated Note.

THE EXCHANGE OFFER

The Company is offering to exchange each Outstanding Note for a Restated Note in the amount of the aggregate and outstanding balance of the Outstanding Note as of the Effective Date (taking into account the moratorium on interest – See Recent Developments) but with a different term, interest rate and repayment schedule that was applicable to the Outstanding Note and as to which the Company will grant a similar security interest in its tangible and intangible personal property. The exchange offerees are all persons who are current holders of the Outstanding Notes.

The exchange offer expires at 5:00 pm, Eastern Daylight Time, on April 24, 2020, unless extended in the sole discretion of the Company (the “Expiration Date”).

The exchange offer is not conditioned upon the acceptance of the exchange offer by a minimum number of holders of Outstanding Notes or a minimum aggregate principal amount of Outstanding Notes by the Expiration Date.

Execution and submission of the Restated Note Purchase Agreement, the Restated Note and the Restated Security Agreement to the Company by the holder of an Outstanding Note constitutes an irrevocable acceptance of the exchange offer and after submitting them to the Company, the holder of the Outstanding Note has no right to withdraw his acceptance of the exchange offer. Due to the exigencies described under “Recent Developments,” the Company intends to counter-sign the Restated Note Purchase Agreement, Restated Note and Restated Security Agreement upon receipt.

ACCEPTING THE EXCHANGE OFFER

To accept the exchange offer, the holder of the Outstanding Notes should follow the process set forth below.

1. Complete the Purchaser Qualification Supplement to the Signature Page and sign the Restated Note Purchase Agreement which appears as Exhibit A hereto.
2. Sign the acknowledgement and agreement as “Payee” on the Restated Note which appears as Exhibit B hereto.
3. Sign as the “Secured Party” the Restated Security Agreement which appears as Exhibit C hereto.
4. Submit the documents specified in #1-3 to the attention of Joe Cole, Chief Financial Officer, Complete Business Solutions Group, Inc.

BY EMAIL: joecole@parfunding.com
BY OVERNIGHT
COURIER OR US Mail: 205 Arch Street, Floor 2
Philadelphia, PA 19106

Execution and submission of the Restated Note Purchase Agreement, the Restated Note and the Restated Security Agreement to the Company by the holder of an Outstanding Note constitutes an irrevocable acceptance of the exchange offer and after submitting them to the

Company, the holder of the Outstanding Note has no right to withdraw his acceptance of the exchange offer.

The Company intends to counter-sign the Restated Note Purchase Agreement, Restated Note and Restated Security Agreement upon receipt and will return a fully executed copy of the above-referenced documents to the exchange offeree.

PLAN OF DISTRIBUTION

The exchange offer is being undertaken by employees of the Company under the direction of Joe Cole, Chief Financial Officer of the Company. None of these individuals will receive any compensation, directly or indirectly, in connection with soliciting the exchange offer.

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EXHIBIT A

**AMENDED AND RESTATED NOTE
PURCHASE AGREEMENT**

AMENDED AND RESTATED NOTE PURCHASE AGREEMENT

THIS AMENDED AND RESTATED NOTE PURCHASE AGREEMENT, (the "Agreement") dated as of the Effective Date (as defined below), is between COMPLETE BUSINESS SOLUTIONS GROUP, INC. ("Seller"), a Delaware corporation, and ABFP Income Fund 4 (the "Purchaser").

RECITALS

WHEREAS, Purchaser and Seller have entered into that certain Note Purchase Agreement (the "Original Note Purchase Agreement") pursuant to which Purchaser purchased those certain non-negotiable term promissory notes identified on Schedule I attached hereto (each, an "Original Note" and collectively, the "Original Notes");

WHEREAS, Seller's obligations under each Original Note are secured by a separate Security Agreement, each of which is identified on Schedule I attached hereto (each, an "Original Security Agreement" and collectively, the "Original Security Agreements");

WHEREAS, the Original Note Purchase Agreement, Original Notes and Original Security Agreements are part of a series of similar loan documents entered into by Seller prior to the date hereof with other lenders;

WHEREAS, the Seller is in the business of providing Merchant Cash Advances (MCAs) principally to a customer base consisting of small businesses;

WHEREAS, over the past several months, Seller, like many other companies across the globe, has been severely impacted by the Covid-19 pandemic; particularly as a substantial portion of its small business customers have been caused to suspend operations as a result of the Covid-19 pandemic, and thus, have been unable to service their payment obligations to the Seller;

WHEREAS, Seller believes that the Covid-19 pandemic will have a material and long-term adverse impact on its ability to currently service its obligations under the terms of the Original Notes, particularly given the long-term adverse impact Covid-19 will have on its MCA customers, most of whom will likely be unable to service their payment obligations to the Seller for the long-term, and certain of whom will likely be unable to sustain their operations as a going concern;

WHEREAS, in recognition of the material and long-term adverse impact of the Covid-19 pandemic on the Seller's business, and in an effort to support the Seller's ability to continue as a going concern and pursue a reasonable plan to repay the Original Notes, the Seller is proposing to exchange Purchaser's Original Notes for a new note that, among others, extends the maturity date and reduces the current debt service obligations on the Seller (the "Exchange Offer");

WHEREAS, in connection with Purchaser's acceptance of the Exchange Offer, the parties have agreed to amend and restate: (i) the Original Note Purchase Agreement, (ii) the Original Notes, and (iii) the Original Security Agreements.

NOW, THEREFORE, in consideration of the foregoing, intending to be legally bound, Seller and Purchaser hereby agree as follows:

ARTICLE I
RECITALS; DEFINITIONS

Section 1.01 Recitals. The Recitals set forth above are incorporated herein by reference as if set forth in full.

Section 1.02 Definitions. The following terms have the meanings specified or referred to in this Section 1.02:

(a) "Affiliate" means a Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Person specified.

(b) "Effective Date" means the date that the Seller accepts the Purchaser's irrevocable acceptance of the Exchange Offer by counter-signing this Agreement.

(c) "Knowledge of Seller" means the actual knowledge of the Seller or any of its Affiliates.

(d) "Knowledge of Purchaser" means the actual knowledge of the Purchaser or any of its Affiliates.

(e) "Other Secured Lenders" means the lenders (including the Purchaser) who are entering into restated note purchase agreements with Seller on similar terms as set forth herein.

(f) "Other Restated Loan Documents" mean the amended and restated note purchase agreements, amended and restated notes and amended and restated security agreements being entered into with the Other Secured Lenders.

(g) "Person" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture, governmental or regulatory authority or other entity of whatever nature.

(h) "Restated Loan Documents" means this Agreement, the Restated Note and the Restated Security Agreement.

(i) "Security Agent" means Albert Vagnozzi, in his capacity as security agent hereunder or any successor Security Agent appointed pursuant to Section 8.01 hereof.

ARTICLE II
RESTATED NOTE

Section 2.01 Original Notes. Purchaser purchased the Original Notes of the Seller pursuant to the Original Note Purchase Agreement. Purchaser and Seller acknowledge and agree that, as of

the Effective Date, the aggregate outstanding amount of the Original Notes is as set forth on Schedule I attached hereto, which shall be deemed to be the original outstanding principal balance of the Restated Note, and which the parties acknowledge totals the aggregate principal, interest and any other amounts outstanding under the Original Notes through the Effective Date, taking into account the moratorium on interest from March 16, 2020 to the Effective Date.

Section 2.02 Restated Note. Seller has duly authorized the issuance, sale and delivery of the Restated Note on the Effective Date, substantially in the form of Exhibit A attached hereto (the “Restated Note”). The Restated Note shall be issued in exchange for all of the Original Notes issued to Purchaser.

Section 2.03 Restated Security Agreement. To secure the obligations of Seller under the Restated Note, on the Effective Date, Seller and Purchaser shall enter into an Amended and Restated Security Agreement, substantially in the form of Exhibit B attached hereto (the “Restated Security Agreement”).

Section 2.04 Pari Passu Ranking of Restated Note.

(a) The security interest granted to Purchaser in the Collateral under the Restated Security Agreement shall be, at all times while the Restated Note remains outstanding, *pari passu* with the security interest in the Collateral granted to the Other Secured Lenders under the Other Restated Loan Documents.

(b) To the extent Purchaser previously perfected Purchaser’s security interest granted under the Original Security Agreement by filing a UCC-1 Financing Statement, Purchaser shall be deemed to have subordinated its security interest to the *pari passu* security interest granted to Purchaser and the Other Secured Lenders under the Restated Security Agreement and the Other Restated Loan Documents.

Section 2.05 Subordination to New Senior Indebtedness.

(a) “New Senior Indebtedness” shall mean all direct or indirect, contingent or certain indebtedness of any type, kind or nature, created, incurred, assumed or guaranteed by Seller from and after the Effective Date for borrowed funds in the amount of \$100 million or more from a single lender or a group of a lender and its affiliates (and all renewals, extensions or refundings thereof). “New Senior Indebtedness” shall not include accounts payable and trade debt incurred in the day-to-day operations of the business of Seller, the repayment of which does not secure the Seller’s obligation under any New Senior Indebtedness.

(b) In the event Seller determines to obtain New Senior Indebtedness in the future, the Purchaser agrees that the Restated Note and all other obligations of Seller under the Other Restated Loan Documents are, and shall at all times be and remain, subordinated and subject in rights of payment to “New Senior Indebtedness” of Seller. Therefore, upon any distribution of Seller’s assets in a liquidation or dissolution of Seller, or in bankruptcy, reorganization, insolvency, receivership or similar proceedings relating to Seller, Purchaser and the Other Secured Lenders will not be entitled to receive payment until the holders of New Senior Indebtedness are paid in

full. Upon the occurrence of any Event of Default with respect to any New Senior Indebtedness, as such Event of Default may be defined in such instrument evidencing the New Senior Indebtedness, to the extent such Event of Default permits the holders of such New Senior Indebtedness to accelerate the maturity thereof, then upon written notice thereof given to Purchaser by any holder of such New Senior Indebtedness or his or her representative, no payment shall be made by Seller in respect of the Restated Note until Seller has cured such event of default to the satisfaction of the holders of such New Senior Indebtedness. Any payment received by the Purchaser in contravention of any terms therein shall be held by the Purchase in trust for the holders of New Senior Indebtedness and, upon demand, shall be delivered to the holders of New Senior Indebtedness.

(c) Regardless of any priority otherwise available to the Purchaser by law or by agreement, the holders of New Senior Indebtedness shall hold a first priority lien and security interest in the Collateral (as defined in the Restated Security Agreement), and any lien or security interest claimed therein by the Purchaser shall be and remain fully subordinate for all purposes to the lien and security interest of the holders of the New Senior Indebtedness for all purposes whatsoever. Upon the occurrence of any Event of Default with respect to any New Senior Indebtedness, as such Event of Default may be defined in such instrument evidencing the New Senior Indebtedness, to the extent such Event of Default permits the holders of such New Senior Indebtedness to accelerate the maturity thereof, then upon written notice thereof given to Purchaser by any holder of such New Senior Indebtedness or his or her representative, the Purchaser shall not take possession of, sell, or dispose of any Collateral, or exercise or enforce any right or remedy available to Purchaser with respect to any such Collateral, unless and until all New Senior Indebtedness has been paid in full and the holders of the New Senior Indebtedness release their liens and security interests in the Collateral.

(d) Purchaser agrees to execute, and hereby authorizes Security Agent to execute, on behalf of Purchaser and the Other Secured Lenders, a subordination agreement in favor of any holder of New Senior Indebtedness in such form as is reasonably customary in Seller's industry and reasonably satisfactory to the holder of New Senior Indebtedness, together with any other documentation, and to take any other actions that may be requested by Seller or a holder of New Senior Indebtedness, as necessary or appropriate, to effectuate the foregoing and containing such additional terms and provisions as are customary for subordinated loan transactions, and the failure of Purchaser to execute and deliver such documentation shall constitute a material default by the Purchaser under the terms of this Agreement.

(e) In the event Seller determines to obtain new indebtedness of any type, kind or nature, created, incurred, assumed or guaranteed by Seller from and after the Effective Date for borrowed funds in an amount that is less than \$100 million, any security interest granted to such new holder of indebtedness by Seller in the Collateral shall be, at all times while the Restated Note remains outstanding, *pari passu* with the security interest in the Collateral granted to Purchaser and the Other Secured Lenders under the Security Agreement and the Other Restated Loan Documents. In the event Seller obtains such new indebtedness, the term "Other Secured Lenders" as used herein and in the Other Restated Loan Documents shall be deemed to include the holders of such new indebtedness. Purchaser agrees to execute, and hereby authorizes Security Agent to execute, on behalf of Purchaser and the Other Secured Lenders, an intercreditor agreement with a

holder of such indebtedness in such form as is reasonably customary in Seller's industry and consistent with the terms herein.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE SELLER

Seller hereby makes the following representations and warranties to the Purchaser as of the Effective Date:

Section 3.01 Incorporation, Good Standing and Qualification of Seller. The Seller is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware. The Seller has the requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted or as proposed to be conducted.

Section 3.02 Corporate Power and Authority. All corporate action on the part of the Seller necessary to enter into this Agreement, the Restated Note and the Restated Security Agreement and the performance of all obligations of the Seller hereunder and thereunder has been taken or will be taken prior to the Effective Date. This Agreement has been duly executed and delivered by the Seller and constitutes a valid and binding obligation of the Seller enforceable in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights.

Section 3.03 No Conflict. Neither the execution and delivery by the Seller of this Agreement and each other instrument to be executed and delivered by the Seller pursuant to, or as contemplated by, this Agreement nor the performance by the Seller of the Seller's obligations thereunder, (i) violates any laws of the United States or laws of any state or other jurisdiction applicable to the Seller or requires the Seller to obtain any approval, consent or waiver of, or make any filing with, any Person or entity (governmental or otherwise) that has not been obtained or made; (ii) results in the creation or imposition of any lien, pledge, security interest, claim, charge or encumbrance on the Restated Note; (iii) results in any judgment, order or decree of any governmental authority or law or regulation applicable to the Seller or its respective properties or assets; or (iv) violates the Seller's certificate of incorporation or bylaws, as amended, or statute, law, rule, regulation, judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority.

Section 3.04 No Proceedings. There are no outstanding judgments, proceedings, or claims pending against Seller or its Affiliates or, to the Knowledge of Seller, threatened against the Seller or its Affiliates, and no governmental investigation is pending against Seller or its Affiliates or, to the Knowledge of the Seller, is threatened against the Seller or its Affiliates that, in any case, individually or in the aggregate, reasonably would be expected to prevent the Seller from consummating the transactions contemplated by this Agreement.

Section 3.05 Exclusivity of Representations and Warranties. Neither Seller nor any of its Affiliates is making any representation or warranty on behalf of Seller of any kind or nature whatsoever, oral or written, express or implied, except as expressly set forth in this Article III, and Seller hereby disclaims any such other representations or warranties.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

Purchaser hereby makes the following representations and warranties to Seller as of the Effective Date:

Section 4.01 Organization, Good Standing and Qualification of Purchaser. If the Purchaser is an entity, the Purchaser is duly formed, validly existing and in good standing under the laws of its jurisdiction of incorporation or formation. The Purchaser has the requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted or as proposed to be conducted.

Section 4.02 Corporate Power and Authority; Authorization; Enforceability. If the Purchaser is an entity, all corporate or other entity action on the part of the Purchaser necessary to enter into this Agreement, the Restated Note and the Restated Security Agreement and the performance of all obligations of the Purchaser hereunder and thereunder has been taken or will be taken prior to the Effective Date. This Agreement has been duly executed and delivered by the Purchaser and constitutes a valid and binding obligation of the Purchaser enforceable in accordance with its terms, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights.

Section 4.03 No Conflict. Neither the execution and delivery by the Purchaser of this Agreement and each other instrument to be executed and delivered by the Purchaser pursuant to, or as contemplated by, this Agreement nor the performance by the Purchaser of the Purchaser's obligations thereunder, (i) violates any laws of the United States or laws of any state or other jurisdiction applicable to the Purchaser or requires the Purchaser to obtain any approval, consent or waiver of, or make any filing with, any Person or entity (governmental or otherwise) that has not been obtained or made; (ii) results in any judgment, order or decree of any governmental authority or law or regulation applicable to the Purchaser or its respective properties or assets, or (iii) would violate the Purchaser's certificate of incorporation or bylaws, as amended, or statute, law, rule, regulation, judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority.

Section 4.04 No Proceedings. There are no outstanding judgments, proceedings, or claims pending against the Purchaser or its Affiliates or, to the Knowledge of Purchaser, threatened against the Purchaser or its Affiliates and no governmental investigation is pending against the Purchaser or its Affiliates or, to the Knowledge of Purchaser, threatened against the Purchaser or its Affiliates that, in any case, individually or in the aggregate, reasonably would be expected to prevent the Purchaser from consummating the transactions contemplated by this Agreement.

Section 4.05 Accredited Investor Status. The Purchaser is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the "Securities Act"). Specifically, the Purchaser qualifies as an accredited investor as the result of qualifications under the standards as set forth on the Supplement to Signature Page appended hereto.

Section 4.06 Not a Broker-Dealer. Purchaser is not acting as a broker or dealer as those terms are defined in the Securities Exchange Act of 1934, as amended (the "1934 Act") and is not acting as a broker-dealer under the Pennsylvania Securities Act of 1972, as amended (the "1972 Act") or the securities laws of any other state and is not required to register as a broker or dealer with the United States Securities and Exchange Commission (the "SEC") or as a broker-dealer with the Pennsylvania Department of Banking and Securities (the "PADOBS") or the securities regulatory agency of any other state.

Section 4.07 Not an Investment Adviser. Purchaser is not acting as an investment adviser as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act") or the 1972 Act and is not required to register as an investment adviser with the SEC, the PADOBS or the securities regulatory agency of any other state.

Section 4.08 Not an Investment Company. Purchaser is not acting as an investment company as that term is defined in the Investment Company Act of 1940, as amended ("1940 Act") and is not required to register with the SEC as an investment company thereunder.

Section 4.09 Compliance with Securities Laws; Investment Intent. Purchaser's business as now being conducted is in compliance with all applicable federal and state securities laws and the rules and regulations adopted thereunder. The Restated Note is being acquired for the Purchaser's own account for investment purposes only, not as a nominee or agent and not with a view to the resale or distribution of any part thereof, and the Purchaser has no present intention of selling, granting any participation in or otherwise distributing the same. By executing this Agreement, the Purchaser further represents that the Purchaser does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participation to such person or third person with respect to the Restated Note. Purchaser acknowledges that the Restated Notes are not being issued under a trust indenture qualified under the Trust Indenture Act.

Section 4.10 Compliance with Tax Laws. Purchaser's business as now being conducted is in compliance with all applicable federal, state and local tax laws and the rules and regulations adopted thereunder.

Section 4.11 Finders or Brokers. Purchaser has not paid any fee or commission to any agent, broker, finder or other Person for or on account of services rendered as a broker or finder in connection with this Agreement or the transactions contemplated hereby.

Section 4.12 No Government Review. Purchaser understands that neither the SEC nor any securities commission or other governmental authority of any state, country or other jurisdiction has approved the issuance of the Restated Note or passed upon or endorsed the merits of the Restated Note, or this Agreement or any of the other Restated Loan Documents, or confirmed the accuracy of, determined the adequacy of, or reviewed this Agreement or the other Restated Loan Documents.

Section 4.13 Investment Experience; Entire Agreement. The Purchaser has such knowledge, sophistication and experience in financial, tax and business matters in general, and investments in securities in particular, that it is capable of evaluating the merits and risks of this investment in the

Restated Note, and the Purchaser has made such investigations in connection herewith as it deemed necessary or desirable so as to make an informed investment decision without relying upon Seller for legal, tax or other advice related to this investment. The Purchaser acknowledges and represents that (i) this Note Purchase Agreement and the terms of the Restated Note and Restated Security Agreement constitute the entire agreement and understanding by and between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements between the parties or any prior written agreements between the parties, including any representations and warranties made in the Original Loan Documents; (ii) there are no other oral or written agreements between the parties with respect to the subject matter hereof; (iii) the Seller is making no statement, representation, warranty or claim to the Purchaser except those set forth in Article III of this Agreement; (iv) in making an investment decision, the Purchaser is not relying upon any representation, warranty, statement or claim by the Seller or its officers, directors, agents, or advisors except those set forth in Article III of this Agreement.

Section 4.14 Risks Relating to Exchange Offer. The Purchaser represents and warrants that it is aware of the risk of surrendering the Original Notes in exchange for the Restated Note, and has received and carefully reviewed a copy of the Exchange Offer dated April 8, 2020, including the risk factors set forth therein. In addition to the risk factors set forth within the Exchange Offer, the Purchaser represents and warrants that it is aware of other risks associated with an investment in the Seller, including but not limited to the following risks: (i) that the Restated Notes are not being issued under a trust indenture qualified under the Trust Indenture Act; (ii) that the Seller operates an MCA business whose principal customers are small businesses that have been adversely affected by the Covid-19 pandemic, and, thus, may have difficulty, timely or otherwise, repaying their obligations to the Seller; (iii) in connection with the sale of certain of the Original Notes, that the Seller has been subject to regulatory orders issued by the Pennsylvania Department of Bank and Securities, Bureau of Securities Compliance and Examinations, the New Jersey Bureau of Securities and the Securities Commissioner of the State of Texas, which are summarized on Exhibit C attached hereto; and (iv) that Seller, as a result of the nature of its MCA business, is subject to a substantial number of lawsuits frequently encountered in response to Seller's collection efforts, and is presently subject to a substantial number of lawsuits in which allegations are made against the Seller relating to, among others, the enforceability of the obligations of the MCA customers, that the repayment obligations of the MCA customers are in violation of state usury, lending and other fair practice laws, the legality of the Seller's collection efforts, and the background and business practices of the Seller and/or its Affiliates. Although the Seller believes that lawsuits of this nature are an ordinary and necessary part of the MCA business, Seller cannot make any assurances that that these legal proceedings will not singularly, or in the aggregate, have a material adverse effect on the business of the Seller. Copies of these lawsuits are available upon request.

Section 4.15 Access to Information. In making its decision to acquire the Restated Note, the Purchaser confirms that it has had the opportunity to ask representatives of the Seller certain questions and request certain additional information regarding the terms and conditions of such investment. Seller's financial information and information regarding the Seller's operations and has had any and all such questions and requests answered to its satisfaction; and that it understands the risks and other considerations relating to an investment in the Restated Note. The Purchaser

understands and has independently evaluated the merits and risks of an investment in the Seller and the acquisition of the Restated Note.

ARTICLE V ADDITIONAL COVENANTS

Section 5.01 Notice Required for Governmental Actions. Purchaser shall immediately notify Seller if Purchaser or any of its Affiliates is the subject of any demand, inquiry, investigation, subpoena, civil complaint, criminal complaint or indictment, injunctive action or administrative proceeding by any governmental agency or if, to the Knowledge of Purchaser, any such action is threatened by any governmental agency.

Section 5.02 Notice Required for Civil Suit. Purchaser shall immediately notify Seller if Purchaser or any of its Affiliates is the subject of any demand, inquiry, subpoena, complaint, arbitration, or injunctive action relating to an alleged civil cause of action against Purchaser or any of its Affiliates or if, to the Knowledge of Purchaser, any such action is threatened.

Section 5.03 Confidentiality of Financial and Other Information. Purchaser acknowledges and agrees that the information provided to Purchaser by Seller pursuant to this Agreement shall not, without the prior written consent of the Seller, be disclosed by the Purchaser to any person or entity, other than the Purchaser's personal financial and legal advisors for the sole purpose of evaluating an investment in the Seller, and will not, directly or indirectly, disclose or permit the Purchaser's financial and legal advisors to disclose, any of such information without the prior written consent of the Seller.

ARTICLE VI INDEMNIFICATION

Section 6.01 Indemnification of Seller. Subject to the other terms and conditions of this Article VI and Article VII, Purchaser shall indemnify and defend Seller and its managers, officers, directors, employees, agents, affiliates, successors, and permitted assigns (collectively, the "Seller Indemnitees") against, and shall pay and reimburse each of them for, any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including professional fees and reasonable attorneys' fees (collectively "Losses"), that are Losses incurred or sustained by, or imposed upon, the Seller Indemnitees based upon, arising out of, with respect to or by reason of the following occurring hereafter:

(a) any inaccuracy in or breach of any of the representations or warranties of Purchaser contained in this Agreement on or after the Effective Date;

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Purchaser pursuant to this Agreement;

(c) any claim by a third party based upon any transaction contemplated by this Agreement on or after the Effective Date, including without limitation, any claim based upon an

alleged violation of the 1933 Act, 1934 Act, 1940 Act, Advisers Act, the 1972 Act or the securities laws of any other jurisdiction (a "Third Party Claim"); or

(d) any act or omission of the Purchaser or its Affiliates constituting dishonest, fraudulent, or criminal conduct or gross negligence.

Section 6.02 Indemnification of Purchaser. Subject to the other terms and conditions of Articles VI and VII, Seller shall indemnify and defend Purchaser and its managers, officers, directors, employees, agents, affiliates, successors, and permitted assigns (collectively, the "Purchaser Indemnitees") against and shall pay and reimburse each of them for any and all Losses that are incurred or sustained by, or imposed upon, the Purchaser Indemnitees based upon, arising out of, with respect to or by reason of the following occurring hereafter:

(a) any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement;

(b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Seller pursuant to this Agreement;

(c) any Third Party Claim on or after the Effective Date; or

(d) any act or omission of the Seller or its Affiliates constituting dishonest, fraudulent or criminal conduct or gross negligence.

Section 6.03 Certain Limitations. The party making a claim under this Article VI is referred to as the "Indemnified Party," and the party against whom such claims are asserted under this Article VI is referred to as the "Indemnifying Party." The indemnification provided for in this Article shall be subject to the following limitations:

(a) The Indemnifying Party shall not be liable to the Indemnified Party for indemnification until the aggregate amount of all Losses in respect of indemnification exceeds \$25,000 (the "Deductible"), in which event the Indemnifying Party shall only be required to pay or be liable for Losses in excess of the Deductible.

(b) Payments by the Indemnifying Party shall be limited to the amount of any liability or damage that remains after deducting therefrom any insurance proceeds and any indemnity, contribution or other similar payment actually received by the Indemnified Party in respect of any such claim. The Indemnified Party shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements for any Losses prior to seeking indemnification under this Agreement.

(c) In no event shall the Indemnifying Party be liable to the Indemnified Party for any punitive, incidental, consequential, multiple, special or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple (other than indemnification for amounts paid or payable to third parties in respect of any

Third Party Claim for which indemnification hereunder is otherwise required).

(d) The Indemnified Party shall take, and cause its Affiliates to take, all reasonable steps to mitigate any Loss upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to such Loss.

Section 6.04 Indemnification Procedures. Whenever any claim shall arise for indemnification hereunder, the Indemnified Party shall promptly provide written notice of such claim to the Indemnifying Party. In connection with any Third Party Claim giving rise to indemnity hereunder, the Indemnifying Party, at its sole cost and expense and upon written notice to the Indemnified Party, may assume the defense of any such action with counsel reasonably satisfactory to the Indemnified Party. The Indemnified Party shall be entitled to participate in the defense of any such action, with its counsel and at its own cost and expense. If the Indemnifying Party does not assume the defense of any such action, the Indemnified Party may, but shall not be obligated to, defend against such action in such manner as it may deem appropriate, including, but not limited to, settling such action, after giving prior written notice to the Indemnifying Party, on such terms as the Indemnified Party may deem appropriate and no action taken by the Indemnified Party in accordance with such defense and settlement shall relieve the Indemnifying Party of its indemnification obligations herein provided. The Indemnifying Party shall not settle any action without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld or delayed).

ARTICLE VII **MUTUAL RELEASE AND WAIVER**

Section 7.01 Release of Seller. For value received, including without limitation the Restated Note and other good and valuable consideration, Purchaser, on behalf of itself and on behalf of its shareholders, officers, directors, employees, agents, affiliates, representatives and its and their representative heirs, executors, administrators, personal representatives, successors and assignors, does hereby release and discharge Seller and its Affiliates and each of their respective shareholders, owners, partners, predecessors, successors, assigns, agents, directors, officers, employees and representatives, and all persons acting by, through, under or in concert with any of them ("Seller Released Parties") of and from any and all claims, causes of action, rights, that the Purchaser may have or had, owned or held, against the Seller Released Parties by reason of any matter, cause, fact, thing, act or omission at any time in the past through the Effective Date, including without limitation any claim with respect to any breach of representations or warranties or covenants contained in the Original Loan Documents or any Event of Default under the Original Loan Documents. The foregoing release does not affect the rights of Purchaser to enforce the terms of this Agreement, the Restated Note or the Restated Security Agreement.

Section 7.02 Release of Purchaser. For value received, including without limitation the Restated Note and other good and valuable consideration, Seller, on behalf of itself and on behalf of its shareholders, officers, directors, employees, agents, affiliates, representatives and its and their representative heirs, executors, administrators, personal representatives, successors and assignors, does hereby release and discharge Purchaser and its Affiliates and each of their

respective shareholders, owners, partners, predecessors, successors, assigns, agents, directors, officers, employees and representatives, and all persons acting by, through, under or in concert with any of them ("Purchaser Released Parties") of and from any and all claims, causes of action, rights, that the Seller may have or had, owned or held, against the Purchaser Released Parties by reason of any matter, cause, fact, thing, act or omission at any time in the past through the Effective Date, including without limitation any claim with respect to any breach of representations or warranties or covenants contained in the Original Loan Documents or any Event of Default under the Original Loan Documents. The foregoing release does not affect the rights of Seller to enforce the terms of this Agreement, the Restated Note or the Restated Security Agreement, or Seller's rights in connection with any Third Party Claims or regulatory actions involving Seller or its Affiliates arising out of an action or omission by any Purchaser Released Parties.

ARTICLE VIII **MISCELLANEOUS**

Section 8.01 Security Agent.

(a) Appointment of Authority. Purchaser hereby designates and appoints the Security Agent to act as security agent for Purchaser under the Restated Loan Documents to, among other things, execute subordination agreements on behalf of Purchaser with respect to New Senior Indebtedness pursuant to Section 2.05, to act as representative of Purchaser in the filing of the Financing Statement, and any continuations or amendments thereto, pursuant to the Restated Security Agreement, and to take such other actions, from time to time, upon the written instruction of the holders of at least a majority of the then-outstanding balances of the Restated Notes. For the avoidance of doubt, holders of the Restated Notes and/or the Seller shall be responsible for soliciting the approval of the holders of the Restated Notes, and shall then provide written instruction to the Security Agent as to any action to be taken as set forth herein.

(b) Indemnification. The Security Agreement shall be indemnified by the Other Secured Lenders in its capacity as such (to the extent not reimbursed by the Seller and without limiting the obligation of the Seller to do so), ratably according to their respective share of the aggregate outstanding principal amount owed under the Other Restated Loan Documents from and against any and all liabilities, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of the Obligations) be imposed on, incurred by or asserted against the Security Agent in any way relating to or arising out of actions or omissions of the Security Agent specifically required or permitted by this Section 8.01 or by written instructions of the holders of at least a majority of the then-outstanding balances of the Restated Notes, provided that no Other Secured Lender shall be liable for the payment of any portion of such liabilities, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Security Agent's gross negligence or willful misconduct. The agreements in this subsection shall survive the payment of the Obligations.

(c) Successor Security Agent. The Security Agent may resign as Security Agent hereunder upon thirty (30) days' notice to the Seller and the Purchaser and may be removed, in the Seller's discretion, with or without cause, upon thirty (30) days' notice to Purchaser, the

Other Secured Lenders and the Security Agent. If at any time the Security Agent shall resign or be removed as Security Agent under this Section 8.01(b), then the Other Secured Lenders holding at least a majority of the then-outstanding balances of the Restated Notes shall appoint a successor agent for the Other Secured Lenders, whereupon such successor agent shall, following written notice to the Seller, succeed to the rights, powers and duties of the Security Agent. The term "Security Agent" shall mean the successor agent effective upon its appointment and upon its acceptance of such appointment, and the former Security Agent's rights, powers and duties as Security Agent shall be terminated, without any other or further act or deed on the part of such former Security Agent or any of the parties to this Section 8.01(b), and the successor Security Agent shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Security Agent.

(d) Expenses of Release and Reinstatement. The Seller shall pay all costs and expenses of the Security Agent incurred in connection with the negotiation and execution of any subordination agreements with respect to New Senior Indebtedness pursuant to Section 2.05 or in connection with the filing of the Financing Statement, and any continuations or amendments thereto, pursuant to the Restated Security Agreement.

Section 8.02 Amendments and Waivers. Any term of this Agreement or the other Restated Loan Documents may be amended or waived upon written consent of the Seller and the holders of a majority of the then-outstanding balances of the Restated Notes; provided, however, that no such amendment or waiver shall change the financial terms of the Restated Note without the consent of the holder of such Restated Note. By acceptance hereof, the Purchaser acknowledges that in the event the required consent is obtained, any term of this Agreement and the Restated Loan Documents may be amended or waived with or without the consent of the Purchaser, except as set forth in the preceding sentence.

Section 8.03 Successors and Assigns. This Agreement may not be assigned, conveyed or transferred without the prior written consent of the Seller. The rights and obligations of the Seller and Purchaser under this Agreement shall be binding upon and benefit their respective successors, permitted assigns, heirs, administrators and transferees.

Section 8.04 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing, and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or, in the case of electronic mail, when received, or, in the case of a nationally recognized courier service, one business day after delivery to such courier service, addressed as follows or to such other address as may be hereafter notified by the respective parties hereto:

Seller: Complete Business Solutions Group
205 Arch St., Floor 2
Philadelphia, PA 19106
Attn: Joe Cole

With a copy to: Fox Rothschild LLP
2000 Market Street, 20th Floor

Philadelphia, PA 19103
Attn: Brett A. Berman, Esq.

Purchaser: To the address set forth on Schedule I attached hereto

Section 8.05 Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of either party of any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law or in equity.

Section 8.06 Payment of Fees, Expenses. Each of the parties hereto shall bear its own costs and expenses in connection with the transactions contemplated hereunder including, without limitation, any litigation arising under this Agreement.

Section 8.07 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

Section 8.08 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 8.09 Governing Law. This Agreement shall be construed and enforced in accordance with, and governed by, laws of the Commonwealth of Pennsylvania, without giving effect to the conflicts of law principles thereof.

Section 8.10 Jurisdiction and Service of Process. Any legal action or proceeding with respect to this Agreement or the other Restated Loan Documents or arising out of the Purchaser's purchase of the Restated Note and the Seller's sale of the Restated Note shall be brought in the courts of the Commonwealth of Pennsylvania or of the United States of America for the Eastern District of Pennsylvania. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts, irrevocably waives objection to the laying of venue of such claim or cause of action brought in such court, irrevocably waives any claim that any such claim or cause of action brought in such court has been brought in an inconvenient forum, irrevocably waives the right to object, with respect to such claim or cause of action brought in such court that the court does not have jurisdiction over such party, irrevocably agrees that service of process sufficient to confer personal jurisdiction in any such action may be made by any party on the other by courier service, with a copy by regular mail, with service to be made to the addresses set forth in Section 8.04, and irrevocably waives any objection which such party may have to such service of process in any such action.

Section 8.11 Waiver of Class Action; Waiver of Jury Trial.

(a) WAIVER OF CLASS ACTION. EACH PARTY HERETO WAIVES THE RIGHT TO LITIGATE IN COURT OR ARBITRATE ANY CLAIM OR DISPUTE UNDER THIS AGREEMENT OR ANY OF THE OTHER RESTATED LOAN DOCUMENTS AS A CLASS ACTION, EITHER AS A MEMBER OF A CLASS OR AS A REPRESENTATIVE, OR TO ACT AS A PRIVATE ATTORNEY GENERAL.

(b) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER RESTATED LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 8.12 No Third Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto, the holders of New Senior Indebtedness (who are intended beneficiaries of the terms and conditions of this Agreement and the Restated Documents) and their permitted assigns and nothing in this Agreement expressed or implied shall give or be construed to give to any Person, other than the parties hereto, the holders of New Senior Indebtedness and such permitted assigns, any legal or equitable rights under this Agreement.


Section 8.13 Entire Agreement Drafting. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings of the parties, oral and written, with respect to the subject matter hereof. No party shall be liable or bound to any other party in any manner by any representation, warranty or covenant relating to such subject matter except as specifically set forth in this Agreement. No rule of construction shall be applied against the party drafting this Agreement.

Section 8.14 Amendment and Restatement. This Agreement amends, restates and replaces the Original Note Purchase Agreement in its entirety and all terms, provisions, covenants, representations, warranties, rights and remedies contained in such Original Note Purchase Agreement are of no force and effect and are fully replaced by this Agreement.


(Signatures on Following Page)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

SELLER:
COMPLETE BUSINESS SOLUTIONS GROUP INC.

By: 
Name: Joe Cole
Title: CEO

PURCHASER:
ABFP INCOME FUND 4

By: 
Name: DEAN J. VAGNOZZI
Title: S&E Member

**SUPPLEMENT TO SIGNATURE PAGE
PURCHASER QUALIFICATION AS ACCREDITED INVESTOR
PLEASE CHECK ONE AS APPROPRIATE**

_____ (1) a bank, insurance company, registered investment company, business development company, or small business investment company;

_____ (2) Any private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940;

_____ (3) Any organization described in section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;

_____ (4) Any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;

(5) Any natural person whose individual net worth, or joint net worth with that person's spouse, exceeds \$1,000,000.

(i) Except as provided in paragraph (5)(ii) of this section, for purposes of calculating net worth under this paragraph (5):

(A) The person's primary residence shall not be included as an asset;

(B) Indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and

(C) Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability;

(6) Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

_____ (7) Any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in § 230.506(b)(2)(ii); and

_____ (8) Any entity in which all of the equity owners are accredited investors.

[Supplement to Signature Page to Amended and Restated Note Purchase Agreement]

SCHEDULE I

Purchaser Name: ABFP Income Fund 4

Purchaser Address for Notices: 234 Mall Blvd, Suite 270, King of Prussia, PA 19406

Original Notes and Original Security Agreements

1. Non-Negotiable Term Promissory Note and related Security Agreement, each dated 08/25/19
 - a. Outstanding Principal Balance: \$577,000.00
2. Non-Negotiable Term Promissory Note and related Security Agreement, each dated 08/25/19
 - a. Outstanding Principal Balance: \$2,013,950.00
3. Non-Negotiable Term Promissory Note and related Security Agreement, each dated 08/25/19
 - a. Outstanding Principal Balance: \$ 408,000.00
4. Non-Negotiable Term Promissory Note and related Security Agreement, each dated 09/10/19
 - a. Outstanding Principal Balance: \$6,636,500.00
5. Non-Negotiable Term Promissory Note and related Security Agreement, each dated 09/10/19
 - a. Outstanding Principal Balance: \$51,000.00
6. Non-Negotiable Term Promissory Note and related Security Agreement, each dated 09/10/19
 - a. Outstanding Principal Balance: \$530,000.00
7. Non-Negotiable Term Promissory Note and related Security Agreement, each dated 09/25/19
 - a. Outstanding Principal Balance: \$3,877,986.00
8. Non-Negotiable Term Promissory Note and related Security Agreement, each dated 09/25/19
 - a. Outstanding Principal Balance: \$628,000.00
9. Non-Negotiable Term Promissory Note and related Security Agreement, each dated 10/10/19
 - a. Outstanding Principal Balance: \$2,216,000.00
10. Non-Negotiable Term Promissory Note and related Security Agreement, each dated 10/10/19
 - a. Outstanding Principal Balance: \$501,000.00
11. Non-Negotiable Term Promissory Note and related Security Agreement, each dated 10/10/19
 - a. Outstanding Principal Balance: \$601,500.00
12. Non-Negotiable Term Promissory Note and related Security Agreement, each dated 10/25/19
 - a. Outstanding Principal Balance: \$ 1,830,000.00

13. Non-Negotiable Term Promissory Note and related Security Agreement, each dated 11/10/19
 - a. Outstanding Principal Balance: \$854,500.00
14. Non-Negotiable Term Promissory Note and related Security Agreement, each dated 11/10/19
 - a. Outstanding Principal Balance: \$501,000.00
15. Non-Negotiable Term Promissory Note and related Security Agreement, each dated 12/25/19
 - a. Outstanding Principal Balance: \$50,000.00

Total Outstanding Principal Balance of Original Notes as of Effective Date: \$21,276,436.00

EXHIBIT A
FORM OF RESTATED NOTE

[See attached]

EXHIBIT B
FORM OF RESTATED SECURITY AGREEMENT

[See attached]

EXHIBIT C
REGULATORY MATTERS

On November 28, 2018, without or admitting or denying certain allegations of the staff of the Pennsylvania Department of Banking and Securities (“PADOBS”), the Company agreed to issuance of an order wherein PADOBS found that the Company had employed at least one unregistered agent in violation of Section 301(b) of the Pennsylvania Securities Act of 1972 in connection with the offer and sale of its promissory notes in Pennsylvania for which the Company paid a monetary assessment (the “PA Order”). The Company has continued to offer and sell notes in Pennsylvania in compliance with that order. The order can be found at:

www.dobs.pa.gov/Documents/Enforcement%20Orders/2018/112818_CompleteBusinessSolution.s.pdf

On December 27, 2018, the New Jersey Bureau of Securities issued a Cease and Desist Order against the Company alleging that the Company sold unregistered securities and employed agents who were not registered under the New Jersey Securities Act (the “NJ Order”). The order did not impose any sanctions or other penalties against the Company. The Company retained New Jersey counsel and made appropriate filings with the New Jersey Bureau of Securities and no further action has been taken against the Company. The order can be found at:

www.nj.gov/oag/newsreleases18/CBSG-dba-PAR-Funding-Order.pdf

On February 25, 2020, the Texas State Securities Board (“TSSB”) issued a Cease and Desist Order against the Company and several other entities unrelated to the Company alleging that the Company offered and sold unregistered securities, acted as an unregistered dealer and omitted disclosure of the PA Order, the NJ Order and certain information about the Company’s ownership and management in violation of the Texas Securities Act. (the “TX Order”). The TX Order did not impose any sanctions or other penalties against the Company. The Company is complying with the TX Order. The Company has engaged Texas counsel and has requested a hearing on the TX Order. The TX Order can be found at:

www.ssb.texas.gov/sites/default/files/Beasley_ENF_CDO_20_1798.pdf

EXHIBIT B

**AMENDED AND RESTATED
PROMISSORY NOTE**

THIS RESTATED NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR APPLICABLE STATE SECURITIES LAWS. THIS RESTATED NOTE MAY NOT BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT PERTAINING TO THIS RESTATED NOTE UNDER SUCH LAWS, OR IF SUCH REGISTRATION IS NOT REQUIRED TO EFFECT SUCH SALE OR OFFER.

**AMENDED AND RESTATED NON-NEGOTIABLE, NON-TRANSFERABLE
TERM PROMISSORY NOTE**

\$21,276,436.00

Effective Date: As defined in the Restated Note Purchase Agreement

FOR VALUE RECEIVED, COMPLETE BUSINESS SOLUTIONS GROUP INC., a Delaware corporation ("Maker"), with an address of 2000 PGA Blvd., Suite 4440, Palm Beach Gardens, FL 33408, promises to pay, without rights of set-off, to the order of ABFP INCOME FUND 4 (hereinafter called "Payee") with an address of 234 Mall Blvd., Suite 270, King of Prussia, PA 19406 or such other place as Payee may designate to Maker in writing the principal sum of Twenty-One Million Two Hundred Seventy-Six Thousand Four Hundred Thirty-Six and 00/100 Dollars (\$21,276,436.00) lawful money of the United States of America, together with interest on the outstanding balance thereof, as provided herein. All capitalized terms used but not otherwise defined herein have the meanings given to them in the Amended and Restated Note Purchase Agreement between Maker and Payee of even date herewith (the "Restated Note Purchase Agreement").

THIS RESTATED NOTE AMENDS, RESTATES, SUPERSEDES AND REPLACES IN ITS ENTIRETY EACH OF THE ORIGINAL NOTES ISSUED TO PAYEE BY MAKER, WHICH ARE IDENTIFIED ON SCHEDULE I TO THE RESTATED NOTE PURCHASE AGREEMENT. SUBJECT TO THE TERMS AND CONDITIONS SET FORTH IN THE RESTATED NOTE PURCHASE AGREEMENT, THE ENTIRE AGGREGATE, OUTSTANDING BALANCE OF THE ORIGINAL NOTES UNDER THE ORIGINAL NOTE PURCHASE AGREEMENT (TAKING INTO ACCOUNT THE MORATORIUM ON INTEREST FROM MARCH 16, 2020 THROUGH THE EFFECTIVE DATE) SHALL BE DEEMED TO BE THE ORIGINAL OUTSTANDING PRINCIPAL BALANCE OF THE RESTATED NOTE AS OF THE EFFECTIVE DATE AS SET FORTH ABOVE.

This Restated Note is one of a series of amended and restated promissory notes issued on substantially similar terms by the Maker to the Other Secured Lenders (collectively referred to herein as the "Restated Notes").

1. INTEREST. Commencing on the Effective Date, interest shall accrue on the outstanding principal amount hereunder at the rate of five percent (5%) per annum during the term of this Restated Note until the principal amount of this Restated Note and all accrued interest is paid in full, subject to acceleration and payment in full in accordance with Sections 7 and 8 below. All interest shall be calculated based upon the actual number of days elapsed.

2. MATURITY DATE. This Restated Note shall mature and be payable on the seventh (7th) anniversary of the Effective Date (the "Maturity Date").
3. REPAYMENT.
 - a. Except to the extent the Maturity Date shall be accelerated as herein provided, (i) commencing on the first Business Day of the month following the Effective Date, interest shall be paid in arrears in eighty-four (84) installments, and (ii) commencing on the first (1st) Business Day of the month following the first (1st) anniversary of the Effective Date, the principal balance shall be paid in seventy-two (72) installments, each in the amounts set forth on Schedule A attached hereto, with the final installment of interest and principal in an amount sufficient to fully pay the remaining balance in accordance with the amortization schedule attached hereto as Schedule A.
 - b. All payments to be made by Maker hereunder shall be paid on or before the first Business Day of each month. For purposes of this Restated Note, the term "Business Day" means a day other than a Saturday, Sunday or legal holiday under the laws of the Commonwealth of Pennsylvania.
 - c. All payments made by Maker hereunder shall be applied first to accrued interest, then to any and all sums, other than principal, due hereunder, and then to principal.
 - d. Maker shall have the right, at its option, to prepay the principal balance of this Restated Note, in whole or in part, at any time and from time to time without premium or penalty.
4. SECURITY. To secure the obligations of Maker under this Restated Note, Maker has entered into an Amended and Restated Security Agreement with Payee, dated as of the date hereof (the "Restated Security Agreement").
5. SUBORDINATION. This Restated Note and the rights and obligations evidenced hereby are subordinate in the manner and to the extent set forth in the Restated Note Purchase Agreement. Notwithstanding anything else to the contrary stated herein, any and all covenants, warranties and representations made herein and any all rights or remedies granted to the Payee herein are subject to the *pari passu* and subordination provisions contained in the Restated Note Purchase Agreement.
6. Each of the following shall constitute an "Event of Default" hereunder:
 - a. (i) Maker fails to make any required payment of principal, accrued interest or any other amount under this Restated Note on or before the date on which it shall fall due hereunder, or (ii) Maker breaches or violates any of the other representations, warranties, terms, provisions or covenants of this Restated Note, the Amended and

Restated Note Purchase Agreement or the Restated Security Agreement (hereinafter collectively referred to as the "Restated Loan Documents");

- b. (i) Maker files a voluntary petition in bankruptcy or a voluntary petition or any answer seeking reorganization, arrangement, readjustment of Maker's debts or for any other relief under the Federal bankruptcy code, or under any other existing or future federal or state insolvency act or law, (ii) the application by Maker for, or the appointment by consent or acquiescence of, a receiver or trustee of Maker or for all or a substantial part of Maker's property, or (iii) the making by Maker of an assignment for the benefit of creditors; or
 - c. the filing of any involuntary petition against Maker in bankruptcy or seeking reorganization, arrangement, or readjustment of Maker's debts or for any other relief under the Federal bankruptcy code, or under any other existing or future federal or state insolvency act or law, or (ii) the involuntary appointment of a receiver or trustee of Maker or for all or a substantial part of Maker's property, and a continuance of any such events for a period of thirty (30) days undismissed, unbonded or undischarged.
7. Upon the occurrence of any Event of Default under paragraph 6(a), Payee may, at Payee's option, declare the unpaid principal balance of, all accrued and unpaid interest on, and all other sums payable with regard to this Restated Note to be immediately due and payable, and demand payment therefor, and may exercise any of Payee's rights and remedies for collection of this Restated Note whether set forth herein or otherwise available under law.
8. Upon the occurrence of an Event of Default under paragraph 6(b) or (c), the unpaid principal balance of, all accrued, unpaid interest on, and all other sums payable with regard to, this Restated Note shall automatically and immediately become due and payable, without any further action on the part of Payee.
9. Upon the occurrence and continuance of an Event of Default hereunder and the acceleration of all amounts due and payable hereunder as provided herein, Payee may also recover all costs of suit and other expenses in connection therewith, including reasonable attorneys' fees and costs, for collection of the total amount then due by Maker to Payee under this Restated Note.
10. The remedies of Payee as provided herein and under applicable law shall be cumulative and concurrent, and may be pursued singly, successively, or together against Maker at the sole discretion of the Payee, and such remedies shall not be exhausted by any exercise thereof but may be exercised as often as occasion therefor shall occur. Any failure of Payee to exercise any right hereunder at any time shall not be construed as a waiver of the right to exercise the same or any other right at any other time.
11. Maker waives presentment for payment, notice of dishonor and nonpayment, notice of protest, and protest of this Restated Note, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Restated

Note, and Maker agrees that Maker's liability shall be unconditional without regard to the liability of any other party and shall not be in any manner affected by any indulgence, extension of time, renewal, waiver or modification granted or consented to by Payee; and Maker consents to any and all extensions of time, renewals, waivers, or modifications that may be granted by Payee with respect to the payment or other provisions of this Restated Note.

12. This Restated Note may not be assigned, pledged or transferred by any party hereto without the prior written consent of the other party hereto and any attempted assignment without the required consent shall be void; provided, however, that Maker may assign or transfer this Restated Note in connection with a change of control transaction, including a merger, business combination or sale of all or substantially all of the capital stock or assets of the Maker. The words "Payee" and "Maker" whenever occurring herein shall be deemed and construed to include the respective permitted successors and assigns of Payee and the respective permitted successors and permitted assigns of Maker.
13. This instrument shall be governed by construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to principles of conflicts of laws.
14. Any legal action or proceeding with respect to this Restated Note shall be brought in the courts of the Commonwealth of Pennsylvania or of the United States of America for the Eastern District of Pennsylvania. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts, irrevocably waives objection to the laying of venue of such claim or cause of action brought in such court, irrevocably waives any claim that any such claim or cause of action brought in such court has been brought in an inconvenient forum, irrevocably waives the right to object, with respect to such claim or cause of action brought in such court that the court does not have jurisdiction over such party, irrevocably agrees that service of process sufficient to confer personal jurisdiction in any such action may be made by any party on the other by courier service, with a copy by regular mail, with service to be made to the addresses set forth in the Restated Note Purchase Agreement, and irrevocably waives any objection which such party may have to such service of process in any such action.

15. Waiver of Class Action; Waiver of Jury Trial.

- a. WAIVER OF CLASS ACTION. EACH PARTY HERETO WAIVES THE RIGHT TO LITIGATE IN COURT OR ARBITRATE ANY CLAIM OR DISPUTE UNDER THIS RESTATED NOTE OR ANY OF THE OTHER RESTATED LOAN DOCUMENTS AS A CLASS ACTION, EITHER AS A MEMBER OF A CLASS OR AS A REPRESENTATIVE, OR TO ACT AS A PRIVATE ATTORNEY GENERAL.
- b. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT

IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS RESTATED NOTE, THE OTHER RESTATED LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

16. In no event shall charges constituting interest exceed the rate permitted under any applicable law or regulation. If any provision of this Restated Note is determined by a court of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remaining provisions hereof, other than those to which it is held invalid or unenforceable, and this Restated Note will be construed and enforced as if such invalid or unenforceable provisions had never been inserted.
17. **Amendment and Restatement.** This Restated Note amends, restates, replaces and consolidates the Original Notes identified on Schedule I to the Restated Note Purchase Agreement in their entirety and all terms, provisions, covenants, representations, warranties, rights and remedies contained in such Original Notes are of no force and effect and are fully replaced by this Restated Note.

[signatures to follow]

SCHEDULE A TO RESTATED NOTE

Amortization Schedule

[To be attached]

Amortization Table

Purchaser: ABFP Income Fund 4
Principal: \$21,276,436.00

Month	Balance	Interest	Principal	Payment	Month	Balance	Interest	Principal	Payment
1	\$ 21,276,436.00	\$ 88,651.82	\$ -	\$ 88,651.82	43	\$ 16,489,237.90	\$ 68,705.16	\$ 265,955.45	\$ 334,660.61
2	\$ 21,276,436.00	\$ 88,651.82	\$ -	\$ 88,651.82	44	\$ 16,223,282.45	\$ 67,597.01	\$ 265,955.45	\$ 333,552.46
3	\$ 21,276,436.00	\$ 88,651.82	\$ -	\$ 88,651.82	45	\$ 15,957,327.00	\$ 66,488.86	\$ 265,955.45	\$ 332,444.31
4	\$ 21,276,436.00	\$ 88,651.82	\$ -	\$ 88,651.82	46	\$ 15,691,371.55	\$ 65,380.71	\$ 265,955.45	\$ 331,336.16
5	\$ 21,276,436.00	\$ 88,651.82	\$ -	\$ 88,651.82	47	\$ 15,425,416.10	\$ 64,272.57	\$ 265,955.45	\$ 330,228.02
6	\$ 21,276,436.00	\$ 88,651.82	\$ -	\$ 88,651.82	48	\$ 15,159,460.65	\$ 63,164.42	\$ 265,955.45	\$ 329,119.87
7	\$ 21,276,436.00	\$ 88,651.82	\$ -	\$ 88,651.82	49	\$ 14,893,505.20	\$ 62,056.27	\$ 354,607.27	\$ 416,663.54
8	\$ 21,276,436.00	\$ 88,651.82	\$ -	\$ 88,651.82	50	\$ 14,538,897.93	\$ 60,578.74	\$ 354,607.27	\$ 415,186.01
9	\$ 21,276,436.00	\$ 88,651.82	\$ -	\$ 88,651.82	51	\$ 14,184,290.67	\$ 59,101.21	\$ 354,607.27	\$ 413,708.48
10	\$ 21,276,436.00	\$ 88,651.82	\$ -	\$ 88,651.82	52	\$ 13,829,683.40	\$ 57,623.68	\$ 354,607.27	\$ 412,230.95
11	\$ 21,276,436.00	\$ 88,651.82	\$ -	\$ 88,651.82	53	\$ 13,475,076.13	\$ 56,146.15	\$ 354,607.27	\$ 410,753.42
12	\$ 21,276,436.00	\$ 88,651.82	\$ -	\$ 88,651.82	54	\$ 13,120,468.87	\$ 54,668.62	\$ 354,607.27	\$ 409,275.89
13	\$ 21,276,436.00	\$ 88,651.82	\$ 88,651.82	\$ 177,303.63	55	\$ 12,765,861.60	\$ 53,191.09	\$ 354,607.27	\$ 407,798.36
14	\$ 21,187,784.18	\$ 88,282.43	\$ 88,651.82	\$ 176,934.25	56	\$ 12,411,254.33	\$ 51,713.56	\$ 354,607.27	\$ 406,320.83
15	\$ 21,099,132.37	\$ 87,913.05	\$ 88,651.82	\$ 176,564.87	57	\$ 12,056,647.07	\$ 50,236.03	\$ 354,607.27	\$ 404,843.30
16	\$ 21,010,480.55	\$ 87,543.67	\$ 88,651.82	\$ 176,195.49	58	\$ 11,702,039.80	\$ 48,758.50	\$ 354,607.27	\$ 403,365.77
17	\$ 20,921,828.73	\$ 87,174.29	\$ 88,651.82	\$ 175,826.10	59	\$ 11,347,432.53	\$ 47,280.97	\$ 354,607.27	\$ 401,888.24
18	\$ 20,833,176.92	\$ 86,804.90	\$ 88,651.82	\$ 175,456.72	60	\$ 10,992,825.27	\$ 45,803.44	\$ 354,607.27	\$ 400,410.71
19	\$ 20,744,525.10	\$ 86,435.52	\$ 88,651.82	\$ 175,087.34	61	\$ 10,638,218.00	\$ 44,325.91	\$ 443,259.08	\$ 487,584.99
20	\$ 20,655,873.28	\$ 86,066.14	\$ 88,651.82	\$ 174,717.96	62	\$ 10,283,610.73	\$ 42,848.38	\$ 443,259.08	\$ 486,107.46
21	\$ 20,567,221.47	\$ 85,696.76	\$ 88,651.82	\$ 174,348.57	63	\$ 9,929,003.46	\$ 41,370.85	\$ 443,259.08	\$ 484,629.93
22	\$ 20,478,569.65	\$ 85,327.37	\$ 88,651.82	\$ 173,979.19	64	\$ 9,574,396.19	\$ 39,893.32	\$ 443,259.08	\$ 483,152.40
23	\$ 20,389,917.83	\$ 84,957.99	\$ 88,651.82	\$ 173,609.81	65	\$ 9,219,788.92	\$ 38,415.79	\$ 443,259.08	\$ 481,674.87
24	\$ 20,301,266.02	\$ 84,588.61	\$ 88,651.82	\$ 173,240.43	66	\$ 8,865,181.65	\$ 36,938.26	\$ 443,259.08	\$ 480,197.34
25	\$ 20,212,614.20	\$ 84,219.23	\$ 177,303.63	\$ 261,522.86	67	\$ 8,421,922.58	\$ 35,091.34	\$ 443,259.08	\$ 478,350.43
26	\$ 20,035,310.57	\$ 83,480.46	\$ 177,303.63	\$ 260,784.09	68	\$ 7,978,663.50	\$ 33,244.43	\$ 443,259.08	\$ 476,503.51
27	\$ 19,858,006.93	\$ 82,741.70	\$ 177,303.63	\$ 260,045.33	69	\$ 7,535,404.42	\$ 31,397.52	\$ 443,259.08	\$ 474,656.60
28	\$ 19,680,703.30	\$ 82,002.93	\$ 177,303.63	\$ 259,306.56	70	\$ 7,092,145.33	\$ 29,550.61	\$ 443,259.08	\$ 472,809.69
29	\$ 19,503,399.67	\$ 81,264.17	\$ 177,303.63	\$ 258,567.80	71	\$ 6,648,886.25	\$ 27,703.69	\$ 443,259.08	\$ 470,962.78
30	\$ 19,326,096.03	\$ 80,525.40	\$ 177,303.63	\$ 257,829.03	72	\$ 6,205,627.17	\$ 25,856.78	\$ 443,259.08	\$ 469,115.86
31	\$ 19,148,792.40	\$ 79,786.64	\$ 177,303.63	\$ 257,090.27	73	\$ 5,762,368.08	\$ 24,009.87	\$ 443,259.08	\$ 467,268.95
32	\$ 18,971,488.77	\$ 79,047.87	\$ 177,303.63	\$ 256,351.50	74	\$ 5,319,109.00	\$ 22,162.95	\$ 443,259.08	\$ 465,422.04
33	\$ 18,794,185.13	\$ 78,309.10	\$ 177,303.63	\$ 255,612.74	75	\$ 4,875,849.92	\$ 20,316.04	\$ 443,259.08	\$ 463,575.12
34	\$ 18,616,881.50	\$ 77,570.34	\$ 177,303.63	\$ 254,873.97	76	\$ 4,432,590.83	\$ 18,469.13	\$ 443,259.08	\$ 461,728.21
35	\$ 18,439,577.87	\$ 76,831.57	\$ 177,303.63	\$ 254,135.21	77	\$ 3,989,331.75	\$ 16,622.22	\$ 443,259.08	\$ 459,881.30
36	\$ 18,262,274.23	\$ 76,092.81	\$ 177,303.63	\$ 253,396.44	78	\$ 3,546,072.67	\$ 14,775.30	\$ 443,259.08	\$ 458,034.39
37	\$ 18,084,970.60	\$ 75,354.04	\$ 265,955.45	\$ 341,309.49	79	\$ 3,102,813.58	\$ 12,928.39	\$ 443,259.08	\$ 456,187.47
38	\$ 17,819,015.15	\$ 74,245.90	\$ 265,955.45	\$ 340,201.35	80	\$ 2,659,554.50	\$ 11,081.48	\$ 443,259.08	\$ 454,340.56
39	\$ 17,553,059.70	\$ 73,137.75	\$ 265,955.45	\$ 339,093.20	81	\$ 2,216,295.42	\$ 9,234.56	\$ 443,259.08	\$ 452,493.65
40	\$ 17,287,104.25	\$ 72,029.60	\$ 265,955.45	\$ 337,985.05	82	\$ 1,773,036.33	\$ 7,387.65	\$ 443,259.08	\$ 450,646.73
41	\$ 17,021,148.80	\$ 70,921.45	\$ 265,955.45	\$ 336,876.90	83	\$ 1,329,777.25	\$ 5,540.74	\$ 443,259.08	\$ 448,799.82
42	\$ 16,755,193.35	\$ 69,813.31	\$ 265,955.45	\$ 335,768.76	84	\$ 886,518.17	\$ 3,693.83	\$ 443,259.08	\$ 446,952.91
								\$ 5,097,479.46	\$ 21,276,436.00

EXHIBIT C

**AMENDED AND RESTATED
SECURITY AGREEMENT**

AMENDED AND RESTATED SECURITY AGREEMENT

THIS AMENDED AND RESTATED SECURITY AGREEMENT ("Restated Security Agreement") is made as of the Effective Date (as hereinafter defined) by COMPLETE BUSINESS SOLUTIONS GROUP INC. ("Debtor") and ABFP INCOME FUND 4 ("Secured Party"). All capitalized terms used but not otherwise defined herein have the meanings given to them in the Amended and Restated Note Purchase Agreement between Maker and Payee of even date herewith (the "Restated Note Purchase Agreement").

WHEREAS, the parties have entered into the Restated Note Purchase Agreement pursuant to which Debtor is issuing Secured Party an Amended and Restated Note to replace certain Original Notes issued by Debtor to Secured Party which were secured by the Original Security Agreements identified on Schedule I in the Restated Note Purchase Agreement;

WHEREAS, as security for the payment and performance of Debtor's obligations to Secured Party under the Restated Loan Documents, it is the intent of Debtor and Secured Party to amend and restate the Original Security Agreements as hereinafter provided;

NOW, THEREFORE, in consideration of the premises and mutual promises and covenants contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Definitions. As used herein the following terms have the meanings indicated:

(a) The term "**Collateral**" means all tangible and intangible personal property of Debtor, wherever located and whether now owned or hereafter acquired, including but not limited to, all accounts, contracts rights, general intangibles, chattel paper, machinery, equipment, goods, inventory, fixtures, investment property, letter of credit rights, supporting obligations, books and records, deposit accounts, bank accounts, documents and instruments, together with all proceeds thereof. Any term used in the Pennsylvania Uniform Commercial Code (as amended from time to time, the "UCC") and not defined in this Security Agreement shall have the meaning given to the term in the UCC. In addition, the term "proceeds" shall have the meaning given to it in the UCC and shall additionally include but not be limited to, whatever is realized upon the use, sale, exchange, license, or other utilization of or any disposition of the Collateral, rights arising out of the Collateral and collections and distributions on the Collateral, whether cash or non-cash, and all proceeds of the foregoing.

(b) The term "**Effective Date**" means the Effective Date of the Restated Note Purchase Agreement.

(c) The term "**Obligations**" means all indebtedness, obligations and liabilities of any kind of Debtor to Secured Party now existing or hereafter arising, and whether direct or indirect, acquired outright, conditional or as a collateral security from another, absolute or contingent, joint or several, secured or unsecured, due or not due, arising before or after the filing of a petition by or against Debtor under the United States Bankruptcy Code or any applicable federal, state or foreign bankruptcy or other similar law, contractual or tortious, liquidated or unliquidated or arising by operation of law or otherwise, including without limitation all liabilities of Debtor to Secured Party under the Restated Note dated as of the date hereof.

(d) The term “**Restated Loan Documents**” means the Restated Note, this Restated Security Agreement, the Restated Note Purchase Agreement, and all other agreements, documents, instruments and certificates collateral to any of the foregoing, as the same may be amended, restated, modified or supplemented.

2. Grant of Security Interest.

(a) In consideration of the loan made by Secured Party to Debtor, Debtor hereby pledges, transfers and assigns to Secured Party, and grants to Secured Party and agrees that Secured Party shall have a general continuing lien upon and security interest in, all of the Collateral, to secure the payment of the Obligations.

(b) The security interest granted hereunder shall be *pari passu* with the security interests granted by Debtor to the Other Secured Lenders under the Other Restated Loan Documents.

(c) On or before the Effective Date, the Security Agent, as representative of Secured Party and the Other Secured Lenders, will file a UCC-1 Financing Statement in favor of Secured Party and the Other Secured Lenders as secured parties having equal priority (“Financing Statement”) and the Secured Party will not file a separate financing statement but shall rely solely on the Financing Statement. The Security Agent shall have the authority to file continuations and amendments to the Financing Statement as may be deemed necessary to the Security Agent to preserve the Secured Party’s and the Other Secured Lenders’ security interest hereunder until payment in full of the Obligations.

(d) To the extent Secured Party previously perfected Secured Party’s security interest granted under the Original Security Agreements by filing a UCC-1 Financing Statement, Secured Party shall be deemed to have subordinated its security interest to the *pari passu* security interest granted to Secured Party hereunder and the Other Secured Lenders under the Other Restated Loan Documents

3. Subordination. This Security Agreement and the rights and obligations evidenced hereby are subordinate in the manner and to the extent set forth in the Restated Note Purchase Agreement. Notwithstanding anything else to the contrary stated herein, any and all covenants, warranties and representations made herein and any all rights or remedies granted to the Secured Party herein are subject to the *pari passu* and subordination provisions contained in the Restated Note Purchase Agreement.

4. Representations, Warranties and Covenants. Debtor represents, warrants and covenants to Secured Party as follows with respect to itself:

(a) The information in any financial, credit or accounting statement furnished in connection with this Restated Security Agreement or the other Restated Loan Documents is or will be correct and complete.

(b) Debtor has taken all necessary action to authorize it to execute and deliver this Security Agreement and the other Loan Documents to which it is a party. This Security Agreement and each of the other Loan Documents to which Debtor is a party has been duly

executed and delivered by duly authorized officers of the Debtor and constitutes a legal, valid and binding obligation of Debtor, enforceable in accordance with its terms.

(c) The security interest granted by Debtor to Secured Party herein is valid and, upon the filing of the Financing Statement shall be a perfected security interest in all Collateral that can be perfected by the filing of a UCC financing statement with the Delaware Department of State and is enforceable according to its terms.

(d) Except as required by applicable law or regulation, Debtor covenants that it will keep confidential and not disclose to any third party the identity of Secured Party or the terms of any of the transactions contemplated by the Existing Note, this Security Agreement or any of the other Loan Documents. Secured Party consents to the use of Secured Party's name in the filing of any financing statement hereunder. Upon the consummation of the transactions contemplated by any such document, Debtor covenants that it shall return to Secured Party all originals and copies thereof received or obtained by it, without retaining any copies, in connection with such transactions.

5. Default. The occurrence of any one or more of the following events will constitute an "Event of Default" under this Security Agreement:

(a) Debtor fails to pay on or before the date due any amount payable on any of the Obligations, there occurs any Event of Default under the Restated Note or Debtor fails to observe or perform any covenant or agreement made in any of the Restated Loan Documents to which it is a party.

(b) Debtor becomes insolvent, makes an assignment for the benefit of creditors or calls a meeting of creditors, or any petition is filed by or against Debtor under any provision of any bankruptcy or other law alleging that Debtor is insolvent or unable to pay its debts as they mature.

(c) Any representation, warranty or information furnished to Secured Party by Debtor in connection with this Security Agreement or any other Restated Loan Document, including any warranty made by Debtor through the submission of any schedule or statement, certificate or other document pursuant to or in connection with any Restated Loan Document, is incorrect in any respect.

(d) Debtor makes or gives notice of any intention to make a bulk sale.

6. Remedies on Default. Upon the occurrence of any Event of Default, Secured Party will have the following remedies:

(a) Unless Secured Party elects otherwise, the entire unpaid amount of such of the Obligations as are not then otherwise due and payable will become immediately due and payable without notice to or demand on Debtor or any other obligor or guarantor.

(b) Secured Party may, at its option, exercise from time to time any and all rights and remedies available to it under the Pennsylvania Uniform Commercial Code or otherwise, including the right to assemble, receipt for, adjust, modify, repair, refurbish or refurbish (but without any obligation to do so) or foreclose or otherwise realize upon any of the Collateral

and to dispose of any of the Collateral at one or more public or private sales or other proceedings, and Debtor agrees that Secured Party or its nominee may become the purchaser at any such sale or sales. Debtor agrees that ten (10) days will be reasonable prior notice of the date of any public sale or other disposition of all or any part of the Collateral, or of the date on or after which any private sale or other disposition of the same may be made.

7. Remedies Cumulative. All rights and remedies of Secured Party under this or any other agreement between Debtor and Secured Party and under applicable law shall be deemed concurrent and cumulative and not alternative, and Secured Party may proceed with any number of remedies at the same time or at different times until all Obligations are fully satisfied. Debtor shall be liable to pay to Secured Party on demand any and all expenses, including reasonable attorneys' fees and legal expenses which may have been incurred by Secured Party related to:

(a) the enforcement of Secured Party's rights under this Security Agreement or any of the other Restated Loan Documents; or

(b) the custody, preservation, protection, use, operation, preparation for sale or sale of any Collateral, the incurring of all of which are hereby authorized to the extent Secured Party deems the same advisable.

8. Modification. No modification or waiver of any provision(s) herein will be effective unless the same is in writing signed by the party against whom its enforcement is sought.

9. Notices. All notices, demands and other communications which are required to be given to or made by any party to the others in connection with this Security Agreement or in connection with the Restated Note will be in writing and will be deemed to have been given when hand delivered or posted by certified or registered mail, or via overnight courier, to the address of each party set forth in the Restated Note Purchase Agreement. If notice is personally delivered, the individual accepting such notice, if requested, will sign a duplicate of the notice to evidence receipt thereof.

10. Successors and Assigns. This Security Agreement and all of the terms and conditions hereof will be binding upon and will inure to the benefit of the parties hereto and their respective successors and assigns but will confer no rights on third persons.

11. Governing Law. This Security Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without reference to conflicts of laws principles.

12. Jurisdiction and Venue. Any legal action or proceeding with respect to this Security Agreement shall be brought in the courts of the Commonwealth of Pennsylvania or of the United States of America for the Eastern District of Pennsylvania. By execution and delivery of this Security Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts, irrevocably waives objection to the laying of venue of such claim or cause of action brought in such court, irrevocably waives any claim that any such claim or cause of action brought in such court has been brought in an inconvenient forum, irrevocably waives the right to object, with respect to such claim or cause of action brought in such court that the court does not have jurisdiction over such party, irrevocably

agrees that service of process sufficient to confer personal jurisdiction in any such action may be made by any party on the other by courier service, with a copy by regular mail, with service to be made to the addresses set forth in the Restated Note Purchase Agreement, and irrevocably waives any objection which such party may have to such service of process in any such action.

13. **Waiver of Class Action; Waiver of Jury Trial.**

(a) WAIVER OF CLASS ACTION. EACH PARTY HERETO WAIVES THE RIGHT TO LITIGATE IN COURT OR ARBITRATE ANY CLAIM OR DISPUTE UNDER THIS AGREEMENT OR ANY OF THE OTHER RESTATED LOAN DOCUMENTS AS A CLASS ACTION, EITHER AS A MEMBER OF A CLASS OR AS A REPRESENTATIVE, OR TO ACT AS A PRIVATE ATTORNEY GENERAL.

(b) WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER RESTATED LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

14. Amendment and Restatement. This Agreement amends, restates and replaces the Original Security Agreements in their entirety and all terms, provisions, covenants, representations, warranties, rights and remedies contained in such Original Security Agreements are of no force and effect and are fully replaced by this Agreement.

[signatures to follow]

IN WITNESS WHEREOF, the undersigned have executed this Security Agreement as of the date above first written.

DEBTOR:

COMPLETE BUSINESS SOLUTIONS GROUP INC.

By: 
Name: Joe Lott
Title: CEO

SECURED PARTY:

ABFP INCOME FUND 4


By: 
Name: DEAN J. VAGNOZZO
Title: SLC Member

Exhibit “27”

First Interim Distribution - All Receivership Entities

Receivership Entity	Claimant	Claim #	Allowed Claim	First Interim Distribution
CBSG	MB	322	\$29,166.52	\$14,797.61
CBSG	RR	20427	\$122,916.62	\$62,361.66
CBSG	MM	20070	\$128,833.32	\$65,363.50
CBSG	KHS	425	\$137,541.68	\$69,781.68
CBSG	MCA CAROLINA INCOME FUND LLC	454	\$185,833.35	\$94,282.42
CBSG	JADE FUND LLC	20500	\$189,275.00	\$96,028.54
CBSG	LTOETH	20227	\$276,250.00	\$140,155.25
CBSG	MCA CAPITAL FUND I, LLC	20208	\$292,000.00	\$148,146.00
CBSG	JAX FUND LLC	20407	\$418,341.70	\$212,245.37
CBSG	JN&MA	213	\$424,447.73	\$215,343.26
CBSG	WORKWELL FUND I LLC	20601	\$442,616.70	\$224,561.28
CBSG	MERCHANT GROWTH & INCOME FUNDING LLC	278	\$452,500.06	\$229,575.59
CBSG	DC	20297	\$467,604.25	\$237,238.69
CBSG	VKS MANAGEMENT LLC	20156	\$539,500.00	\$273,714.95
CBSG	LWM EQUITY FUND LP	463	\$540,506.75	\$274,225.72
CBSG	LWM INCOME FUND 2 LLC	462	\$636,000.00	\$322,674.16
CBSG	TCET	312	\$661,666.66	\$335,696.12
CBSG	MERCHANT FACTORING INCOME FUND	479	\$768,016.68	\$389,652.73
CBSG	RAZR MCA Fund LLC	20566	\$857,142.01	\$434,870.40
CBSG	GSN	60	\$873,333.34	\$443,085.06
CBSG	DJHRL	20537	\$965,000.00	\$489,592.08
CBSG	CAPE COD INCOME FUND	20482	\$1,002,683.49	\$508,710.77
CBSG	MK ONE INCOME	37	\$1,129,388.68	\$572,994.56
CBSG	GR8 INCOME FUND LLC	20578	\$1,303,000.04	\$661,076.17
CBSG	NASHI INC	311	\$1,427,716.66	\$724,351.06
CBSG	BLUE STREAM INCOME FUND	333	\$1,546,436.51	\$784,583.49
CBSG	WELLEN FUND 1	20581	\$1,796,906.57	\$911,659.30
CBSG	MARINER MCA INCOME FUND LLC	470	\$2,374,695.72	\$1,204,800.23
CBSG	TITAN HOLDINGS LLC	20546	\$3,466,395.87	\$1,758,673.54
CBSG	SPARTAN INCOME FUND & SPARTAN INCOME FUND PARALLEL	457	\$3,609,996.07	\$1,831,529.00
CBSG	MID-ATLANTIC MCA FUND LLC	485	\$3,632,473.34	\$1,842,932.83
CBSG	LWM INCOME FUND PARALLEL LLC	464	\$3,711,568.47	\$1,883,061.69
CBSG	STFG INCOME FUND LLC	20599	\$6,999,894.67	\$3,551,391.70
CBSG	MCA NATIONAL FUND, LLC	20207	\$7,317,333.84	\$3,712,444.24
CBSG	SHERPA I INCOME FUND	429	\$8,229,719.88	\$4,175,342.67
CBSG	MERCHANT SERVICES INCOME FUND PARALLEL	20678	\$13,822,660.40	\$7,012,917.16
CBSG	PISCES INCOME FUND LLC & PISCES INCOME FUND PARALLEL	397	\$13,906,439.30	\$7,055,422.33
CBSG	CAPRICORN INCOME & CAPRICORN PARALLEL	20338	\$14,582,727.80	\$7,398,536.83
CBSG	CAMAPLAN	Bulk	\$1,376,117.00	\$698,172.00
ABFP Income Fund	EVB	125	\$40,916.59	\$15,053.29
ABFP Income Fund	MAN	20406	\$58,718.66	\$21,602.71
ABFP Income Fund	J&HD	230	\$63,600.00	\$23,398.57
ABFP Income Fund	MK	252	\$77,333.34	\$28,451.09
ABFP Income Fund	CW	20700	\$82,751.59	\$30,444.47
ABFP Income Fund	JLT	20127	\$82,751.59	\$30,444.47
ABFP Income Fund	P&KA	20561	\$83,159.96	\$30,594.71
ABFP Income Fund	MTS	237	\$87,693.30	\$32,262.54
ABFP Income Fund	F&AV	254	\$97,559.96	\$35,892.50
ABFP Income Fund	RF	20552	\$122,850.00	\$45,196.76
ABFP Income Fund	TJ&PMC	93	\$143,246.00	\$52,700.49
ABFP Income Fund	PF	20342	\$155,540.00	\$57,223.47
ABFP Income Fund	GRC	81	\$157,500.00	\$57,944.56
ABFP Income Fund	REK	349	\$157,550.00	\$57,962.96
ABFP Income Fund	SI	20413	\$157,550.00	\$57,962.96
ABFP Income Fund	TC&HLA	48	\$158,300.00	\$58,238.88
ABFP Income Fund	KAVH	20020	\$162,500.00	\$59,784.07
ABFP Income Fund	CP	20344	\$164,391.65	\$60,480.01
ABFP Income Fund	DH	7	\$164,500.00	\$60,519.88

Receivership Entity	Claimant	Claim #	Allowed Claim	First Interim Distribution
ABFP Income Fund	AS&RB	20391	\$169,579.96	\$62,388.80
ABFP Income Fund	MR&LLS	20271	\$176,833.34	\$65,057.34
ABFP Income Fund	KD	43	\$196,966.66	\$72,464.42
ABFP Income Fund	A&JB	263	\$200,666.66	\$73,825.66
ABFP Income Fund	NB	20349	\$232,100.00	\$85,390.05
ABFP Income Fund	KJT	20398	\$234,266.66	\$86,187.17
ABFP Income Fund	DM	115	\$235,100.00	\$86,493.76
ABFP Income Fund	DLA	378	\$244,773.34	\$90,052.60
ABFP Income Fund	DES	20264	\$286,146.74	\$105,273.95
ABFP Income Fund	PHM	162	\$290,725.07	\$106,958.33
ABFP Income Fund	M&GC	113	\$304,706.06	\$112,101.96
ABFP Income Fund	RLA	310	\$380,880.00	\$140,126.51
ABFP Income Fund	JR&MBS	289	\$428,050.00	\$157,480.44
ABFP Income Fund	SHLF	345	\$439,230.84	\$161,593.90
ABFP Income Fund	DJHRL	20535	\$447,751.93	\$164,728.82
ABFP Income Fund	DK&BB	20245	\$482,771.69	\$177,612.66
ABFP Income Fund	DCVL	20455	\$560,543.38	\$206,225.02
ABFP Income Fund	R&SG	63	\$594,666.66	\$218,779.04
ABFP Income Fund	DK&BB	20246	\$482,771.69	\$177,612.66
ABFP Income Fund	CAMAPLAN	Bulk	\$6,193,145.00	\$2,278,470.31
ABFP Income Fund 2	RF	65	\$38,864.89	\$23,634.00
ABFP Income Fund 2	DWS	348	\$42,501.65	\$25,845.54
ABFP Income Fund 2	VNV	327	\$43,645.47	\$26,541.10
ABFP Income Fund 2	SNG	20339	\$50,981.96	\$31,002.47
ABFP Income Fund 2	SCC	20519	\$54,291.02	\$33,014.73
ABFP Income Fund 2	WFS	156	\$57,584.67	\$35,017.62
ABFP Income Fund 2	BS&DMN	513	\$61,220.82	\$37,228.79
ABFP Income Fund 2	KMB	521	\$62,072.95	\$37,746.98
ABFP Income Fund 2	NP&HNS	184	\$63,977.51	\$38,905.15
ABFP Income Fund 2	AAP	20560	\$64,613.11	\$39,291.67
ABFP Income Fund 2	BK	20126	\$73,868.91	\$44,920.18
ABFP Income Fund 2	MG	20077	\$77,076.15	\$46,870.52
ABFP Income Fund 2	GJM	20594	\$80,000.00	\$48,648.54
ABFP Income Fund 2	BK&LR	373	\$81,494.33	\$49,557.25
ABFP Income Fund 2	PM	199	\$81,594.33	\$49,618.06
ABFP Income Fund 2	JL	461	\$81,594.33	\$49,618.06
ABFP Income Fund 2	S&CG	20499	\$81,594.33	\$49,618.06
ABFP Income Fund 2	M&CC	68	\$82,363.83	\$50,086.00
ABFP Income Fund 2	DB&JK	192	\$83,133.33	\$50,553.94
ABFP Income Fund 2	MG	317	\$83,133.33	\$50,553.94
ABFP Income Fund 2	BC	490	\$83,133.33	\$50,553.94
ABFP Income Fund 2	RRD	519	\$83,133.33	\$50,553.94
ABFP Income Fund 2	JLR	20065	\$83,133.33	\$50,553.94
ABFP Income Fund 2	PY	20480	\$83,902.83	\$51,021.87
ABFP Income Fund 2	J&KR	383	\$84,902.96	\$51,630.06
ABFP Income Fund 2	DW&JAS	20373	\$84,903.26	\$51,630.24
ABFP Income Fund 2	MS	20557	\$84,903.26	\$51,630.24
ABFP Income Fund 2	SS	20576	\$86,017.41	\$52,307.76
ABFP Income Fund 2	WF&RG	332	\$86,117.40	\$52,368.57
ABFP Income Fund 2	BC	20019	\$86,117.41	\$52,368.57
ABFP Income Fund 2	DR	234	\$97,355.52	\$59,202.55
ABFP Income Fund 2	MS	527	\$117,262.38	\$71,308.04
ABFP Income Fund 2	RF	20283	\$122,031.83	\$74,208.37
ABFP Income Fund 2	ECD	324	\$124,550.00	\$75,739.69
ABFP Income Fund 2	GWCI	47	\$164,527.67	\$100,050.38
ABFP Income Fund 2	AB	20422	\$165,259.67	\$100,495.51
ABFP Income Fund 2	JRJ	299	\$170,488.30	\$103,675.08
ABFP Income Fund 2	RAMI	20015	\$172,774.58	\$105,065.38
ABFP Income Fund 2	JL	20294	\$202,358.64	\$123,055.65
ABFP Income Fund 2	B&JC	416	\$203,735.82	\$123,893.12

Receivership Entity	Claimant	Claim #	Allowed Claim	First Interim Distribution
ABFP Income Fund 2	JJ&JEC	316	\$301,060.94	\$183,077.18
ABFP Income Fund 2	CAMAPLAN	Bulk	\$2,480,859.00	\$1,508,627.01
ABFP Income Fund 3	RJ	117	\$23,876.63	\$11,137.63
ABFP Income Fund 3	JKK	219	\$46,433.36	\$21,659.58
ABFP Income Fund 3	RS&KM	20181	\$46,433.36	\$21,659.58
ABFP Income Fund 3	JS	135	\$46,766.69	\$21,815.06
ABFP Income Fund 3	STSL	20396	\$46,766.69	\$21,815.06
ABFP Income Fund 3	M&MH	20095	\$47,333.35	\$22,079.39
ABFP Income Fund 3	WK&GMH	190	\$56,800.00	\$26,495.26
ABFP Income Fund 3	CV	20204	\$67,625.00	\$31,544.75
ABFP Income Fund 3	JET	46	\$70,125.00	\$32,710.92
ABFP Income Fund 3	WCW	133	\$89,433.38	\$41,717.62
ABFP Income Fund 3	JB	20057	\$90,166.71	\$42,059.69
ABFP Income Fund 3	JDN	253	\$91,068.29	\$42,480.25
ABFP Income Fund 3	WR	363	\$91,099.29	\$42,494.71
ABFP Income Fund 3	JC	102	\$91,168.29	\$42,526.90
ABFP Income Fund 3	JG	336	\$91,168.29	\$42,526.90
ABFP Income Fund 3	MG	20078	\$91,168.29	\$42,526.90
ABFP Income Fund 3	R&KF	20282	\$91,168.29	\$42,526.90
ABFP Income Fund 3	SM	20265	\$91,909.96	\$42,872.86
ABFP Income Fund 3	AD	77	\$91,909.96	\$42,872.86
ABFP Income Fund 3	WFS	155	\$91,909.96	\$42,872.86
ABFP Income Fund 3	GS	20190	\$91,909.96	\$42,872.86
ABFP Income Fund 3	W&MC	20447	\$91,909.96	\$42,872.86
ABFP Income Fund 3	DHJJ	84	\$92,009.96	\$42,919.51
ABFP Income Fund 3	JIL	20290	\$92,009.96	\$42,919.51
ABFP Income Fund 3	PVP&HNS	185	\$92,009.96	\$42,919.51
ABFP Income Fund 3	G&MM	26	\$92,751.63	\$43,265.47
ABFP Income Fund 3	MH	20518	\$92,751.63	\$43,265.47
ABFP Income Fund 3	NJF	61	\$92,751.63	\$43,265.47
ABFP Income Fund 3	K&MW	20062	\$92,751.63	\$43,265.47
ABFP Income Fund 3	BM&FJOJ	55	\$92,851.63	\$43,312.12
ABFP Income Fund 3	DLC	303	\$93,693.30	\$43,704.73
ABFP Income Fund 3	KMB	522	\$93,693.30	\$43,704.73
ABFP Income Fund 3	A&MEP	20641	\$93,693.30	\$43,704.73
ABFP Income Fund 3	W&CS	260	\$93,693.30	\$43,704.73
ABFP Income Fund 3	JD	547	\$93,693.30	\$43,704.73
ABFP Income Fund 3	JA&DRW	20172	\$93,693.30	\$43,704.73
ABFP Income Fund 3	KE	20216	\$93,693.30	\$43,704.73
ABFP Income Fund 3	WP	19	\$94,200.04	\$43,941.10
ABFP Income Fund 3	JJM	335	\$94,434.97	\$44,050.69
ABFP Income Fund 3	DB	193	\$94,775.00	\$44,209.30
ABFP Income Fund 3	NP&HNS	183	\$94,775.00	\$44,209.30
ABFP Income Fund 3	FA&CCW	20212	\$96,118.31	\$44,835.91
ABFP Income Fund 3	CMS	242	\$96,218.31	\$44,882.56
ABFP Income Fund 3	LD	20621	\$97,059.98	\$45,275.17
ABFP Income Fund 3	JAS	241	\$97,801.65	\$45,621.13
ABFP Income Fund 3	RN&JLB	182	\$100,326.66	\$46,798.96
ABFP Income Fund 3	RPI	70	\$102,949.97	\$48,022.65
ABFP Income Fund 3	RL	20215	\$108,300.00	\$50,518.25
ABFP Income Fund 3	JCH	20739	\$108,300.00	\$50,518.25
ABFP Income Fund 3	DTM	20219	\$111,200.00	\$51,871.00
ABFP Income Fund 3	MS	20110	\$112,300.00	\$52,384.12
ABFP Income Fund 3	LL	20362	\$112,808.29	\$52,621.22
ABFP Income Fund 3	RW	20268	\$113,300.00	\$52,850.58
ABFP Income Fund 3	Estate of JKS	20675	\$114,791.63	\$53,546.38
ABFP Income Fund 3	CS	20137	\$119,483.37	\$55,734.91
ABFP Income Fund 3	J&SSG	64	\$136,088.31	\$63,480.55
ABFP Income Fund 3	WPBJ	20025	\$137,750.00	\$64,255.67
ABFP Income Fund 3	ASR	38	\$138,534.93	\$64,621.82

Receivership Entity	Claimant	Claim #	Allowed Claim	First Interim Distribution
ABFP Income Fund 3	WMK	153	\$139,100.00	\$64,885.40
ABFP Income Fund 3	G&MZ	217	\$142,136.63	\$66,301.89
ABFP Income Fund 3	SJ&KAB	114	\$150,150.00	\$70,039.85
ABFP Income Fund 3	JAM	215	\$154,733.35	\$72,177.83
ABFP Income Fund 3	RN&JLB	181	\$175,266.60	\$81,755.89
ABFP Income Fund 3	MTS	257	\$180,333.29	\$84,119.32
ABFP Income Fund 3	DW&JAS	20374	\$180,433.29	\$84,165.97
ABFP Income Fund 3	JLS	20477	\$180,433.29	\$84,165.97
ABFP Income Fund 3	RF	20105	\$181,999.96	\$84,896.77
ABFP Income Fund 3	HL	20241	\$182,099.96	\$84,943.42
ABFP Income Fund 3	T&JD	116	\$182,099.96	\$84,943.42
ABFP Income Fund 3	JRKJ	20672	\$183,666.63	\$85,674.21
ABFP Income Fund 3	EAR	20476	\$183,666.63	\$85,674.21
ABFP Income Fund 3	TGD&GJM	20474	\$183,766.63	\$85,720.86
ABFP Income Fund 3	JM	20367	\$186,344.93	\$86,923.55
ABFP Income Fund 3	W&MM	10	\$187,099.97	\$87,275.75
ABFP Income Fund 3	RWM	20093	\$214,500.00	\$100,056.93
ABFP Income Fund 3	DER	20478	\$225,516.71	\$105,195.85
ABFP Income Fund 3	PMCS	20295	\$231,666.70	\$108,064.61
ABFP Income Fund 3	G&OE	120	\$233,750.03	\$109,036.41
ABFP Income Fund 3	MDW	20732	\$236,780.00	\$110,449.79
ABFP Income Fund 3	SRT	20252	\$270,600.00	\$126,225.66
ABFP Income Fund 3	GJN	277	\$278,833.33	\$130,066.23
ABFP Income Fund 3	LG&JPS	20390	\$280,500.00	\$130,843.68
ABFP Income Fund 3	RF	20203	\$315,066.70	\$146,967.86
ABFP Income Fund 3	PHM	161	\$315,583.29	\$147,208.83
ABFP Income Fund 3	RSD&DLG	20254	\$369,199.93	\$172,219.17
ABFP Income Fund 3	PROVIDENT TRUST GROUP LLC, F/B/O LEL IRA	151	\$369,324.97	\$172,277.49
ABFP Income Fund 3	JESJ&BSD TRUST	290	\$385,700.00	\$179,915.88
ABFP Income Fund 3	IAPL	20048	\$454,999.96	\$212,241.95
ABFP Income Fund 3	JC	20136	\$556,100.00	\$259,401.67
ABFP Income Fund 3	RM	402	\$593,999.96	\$277,080.71
ABFP Income Fund 3	EWC	20042	\$676,350.00	\$315,494.19
ABFP Income Fund 3	AL	20068	\$901,666.71	\$420,596.74
ABFP Income Fund 3	RJD	20333	\$1,377,599.99	\$642,603.37
ABFP Income Fund 3	CAMAPLAN	Bulk	\$9,101,411.00	\$4,245,497.57
ABFP Income Fund 4	CMZ	398	\$38,066.69	\$19,028.15
ABFP Income Fund 4	AKR	20623	\$39,148.34	\$19,568.83
ABFP Income Fund 4	KLM	20177	\$41,933.36	\$20,960.96
ABFP Income Fund 4	M&JM	216	\$46,766.66	\$23,376.95
ABFP Income Fund 4	JL	202	\$47,683.31	\$23,835.15
ABFP Income Fund 4	JR	224	\$47,683.31	\$23,835.15
ABFP Income Fund 4	SGR	20651	\$47,683.31	\$23,835.15
ABFP Income Fund 4	WP	21	\$48,416.65	\$24,201.72
ABFP Income Fund 4	BS	20202	\$48,833.32	\$24,410.00
ABFP Income Fund 4	MS	20111	\$57,200.00	\$28,592.19
ABFP Income Fund 4	MH	164	\$71,375.00	\$35,677.76
ABFP Income Fund 4	RHB	80	\$94,333.36	\$47,153.81
ABFP Income Fund 4	J&TK	220	\$94,433.36	\$47,203.79
ABFP Income Fund 4	VJO	275	\$94,433.36	\$47,203.79
ABFP Income Fund 4	KFT	408	\$94,433.36	\$47,203.79
ABFP Income Fund 4	MMN	381	\$94,433.36	\$47,203.79
ABFP Income Fund 4	B&JR	20284	\$94,433.36	\$47,203.79
ABFP Income Fund 4	RHP	239	\$95,166.69	\$47,570.36
ABFP Income Fund 4	NWH	306	\$95,166.69	\$47,570.36
ABFP Income Fund 4	GD	20745	\$95,266.69	\$47,620.34
ABFP Income Fund 4	JP&MGB	340	\$95,276.64	\$47,625.32
ABFP Income Fund 4	KG	20380	\$100,800.00	\$50,386.24
ABFP Income Fund 4	DF&KY	31	\$108,583.36	\$54,276.86
ABFP Income Fund 4	W&LS	39	\$113,300.00	\$56,634.54

Receivership Entity	Claimant	Claim #	Allowed Claim	First Interim Distribution
ABFP Income Fund 4	FD	140	\$114,200.00	\$57,084.41
ABFP Income Fund 4	V&JC	20378	\$114,200.00	\$57,084.41
ABFP Income Fund 4	NS&TJJS	119	\$114,300.00	\$57,134.40
ABFP Income Fund 4	RW	20258	\$114,300.00	\$57,134.40
ABFP Income Fund 4	CS	471	\$116,103.31	\$58,035.81
ABFP Income Fund 4	JRW	225	\$118,016.64	\$58,992.21
ABFP Income Fund 4	TMF	391	\$118,016.64	\$58,992.21
ABFP Income Fund 4	RPI	72	\$123,716.69	\$61,841.46
ABFP Income Fund 4	JB	136	\$132,350.00	\$66,156.94
ABFP Income Fund 4	MGDMGIL	379	\$141,600.00	\$70,780.68
ABFP Income Fund 4	G&PG	20440	\$141,600.00	\$70,780.68
ABFP Income Fund 4	PR&LJH	41	\$169,900.00	\$84,926.81
ABFP Income Fund 4	JLR	20067	\$188,666.64	\$94,307.57
ABFP Income Fund 4	TYJ	20415	\$188,766.64	\$94,357.56
ABFP Income Fund 4	R&CW	187	\$190,333.31	\$95,140.68
ABFP Income Fund 4	EOJT	545	\$200,000.00	\$99,972.71
ABFP Income Fund 4	MYS	201	\$208,948.93	\$104,445.95
ABFP Income Fund 4	RDS	20175	\$234,266.66	\$117,101.36
ABFP Income Fund 4	SGG	20534	\$234,436.66	\$117,186.34
ABFP Income Fund 4	ATB	296	\$236,776.66	\$118,356.02
ABFP Income Fund 4	NJF	62	\$236,776.66	\$118,356.02
ABFP Income Fund 4	DR	20449	\$242,666.66	\$121,300.21
ABFP Income Fund 4	HWF	29	\$245,266.66	\$122,599.86
ABFP Income Fund 4	G&AB	20278	\$256,666.66	\$128,298.30
ABFP Income Fund 4	RH	2	\$280,000.00	\$139,961.79
ABFP Income Fund 4	RDS&KLMC	20180	\$280,100.00	\$140,011.77
ABFP Income Fund 4	ESTATE OF PS	20441	\$326,766.66	\$163,338.74
ABFP Income Fund 4	DTM	20220	\$336,000.00	\$167,954.15
ABFP Income Fund 4	MFPL	20221	\$377,333.34	\$188,615.17
ABFP Income Fund 4	G&JF	330	\$378,675.00	\$189,285.82
ABFP Income Fund 4	TM	221	\$462,590.00	\$231,231.87
ABFP Income Fund 4	DJ&MIK	137	\$468,435.00	\$234,153.57
ABFP Income Fund 4	CS	20270	\$473,770.00	\$236,820.34
ABFP Income Fund 4	JS	16	\$474,280.00	\$237,075.27
ABFP Income Fund 4	G&MC	212	\$561,000.00	\$280,423.44
ABFP Income Fund 4	EJB	3	\$789,550.00	\$394,667.25
ABFP Income Fund 4	DWM	152	\$1,472,500.00	\$736,049.04
ABFP Income Fund 4	CAMAPLAN	Bulk	\$6,088,699.00	\$3,043,518.56
ABFP Income Fund 6	G&BD	20490	\$24,416.68	\$13,055.32
ABFP Income Fund 6	CP	441	\$48,833.32	\$26,110.63
ABFP Income Fund 6	JWH	20371	\$49,349.99	\$26,386.89
ABFP Income Fund 6	MDH	20214	\$49,416.66	\$26,422.53
ABFP Income Fund 6	MDGJ	20372	\$58,700.00	\$31,386.23
ABFP Income Fund 6	JCZ	344	\$59,600.00	\$31,867.45
ABFP Income Fund 6	DP	177	\$97,666.68	\$52,221.28
ABFP Income Fund 6	D&LR	283	\$97,666.68	\$52,221.28
ABFP Income Fund 6	LCBJ	20041	\$97,666.68	\$52,221.28
ABFP Income Fund 6	DW	20044	\$97,666.68	\$52,221.28
ABFP Income Fund 6	DR	20448	\$97,666.68	\$52,221.28
ABFP Income Fund 6	P&JT	14	\$97,766.68	\$52,274.74
ABFP Income Fund 6	MG	20079	\$97,766.68	\$52,274.74
ABFP Income Fund 6	BWR	20045	\$97,766.68	\$52,274.74
ABFP Income Fund 6	WJP	20663	\$98,500.01	\$52,666.85
ABFP Income Fund 6	MC	245	\$98,500.01	\$52,666.85
ABFP Income Fund 6	FP	250	\$98,500.01	\$52,666.85
ABFP Income Fund 6	BAS	20108	\$98,500.01	\$52,666.85
ABFP Income Fund 6	JES	395	\$98,500.01	\$52,666.85
ABFP Income Fund 6	RL	20166	\$98,500.01	\$52,666.85
ABFP Income Fund 6	LD&MCB	90	\$98,600.01	\$52,720.32
ABFP Income Fund 6	RGF, INDIVIDUALLY & EXECUTRIX FOR EF, SR.	318	\$99,333.34	\$53,112.42

Receivership Entity	Claimant	Claim #	Allowed Claim	First Interim Distribution
ABFP Income Fund 6	DRD	466	\$99,333.34	\$53,112.42
ABFP Income Fund 6	KEM&LY	165	\$99,333.34	\$53,112.42
ABFP Income Fund 6	KA	20314	\$99,333.34	\$53,112.42
ABFP Income Fund 6	R&NC	20660	\$99,333.34	\$53,112.42
ABFP Income Fund 6	RSSJ	6	\$99,433.34	\$53,165.89
ABFP Income Fund 6	EA&LMC	20464	\$99,433.34	\$53,165.89
ABFP Income Fund 6	K&MW	20062	\$99,433.34	\$53,165.89
ABFP Income Fund 6	J&FC	20401	\$113,375.01	\$60,620.34
ABFP Income Fund 6	RW	20259	\$118,200.00	\$63,200.21
ABFP Income Fund 6	ECD	20299	\$120,618.32	\$64,493.26
ABFP Income Fund 6	PD	124	\$146,500.00	\$78,331.90
ABFP Income Fund 6	DW&JAS	20375	\$146,600.00	\$78,385.37
ABFP Income Fund 6	SAS	338	\$147,750.00	\$79,000.26
ABFP Income Fund 6	ESTATE OF JRKS	20674	\$173,833.34	\$92,946.73
ABFP Income Fund 6	J&SS	82	\$195,433.32	\$104,496.00
ABFP Income Fund 6	PHM	163	\$196,999.99	\$105,333.68
ABFP Income Fund 6	RJD	20334	\$196,999.99	\$105,333.68
ABFP Income Fund 6	JVMI	20409	\$198,666.66	\$106,224.83
ABFP Income Fund 6	RPI	75	\$227,746.67	\$121,773.58
ABFP Income Fund 6	WACS	20613	\$244,306.66	\$130,628.03
ABFP Income Fund 6	CPM	179	\$244,306.66	\$130,628.03
ABFP Income Fund 6	N&ES	13	\$244,406.66	\$130,681.49
ABFP Income Fund 6	MM	375	\$246,816.66	\$131,970.09
ABFP Income Fund 6	RVG	20617	\$247,800.00	\$132,495.87
ABFP Income Fund 6	HG	129	\$249,326.66	\$133,312.16
ABFP Income Fund 6	DD	232	\$249,326.66	\$133,312.16
ABFP Income Fund 6	N&RR	388	\$249,326.66	\$133,312.16
ABFP Income Fund 6	JRKJ	20671	\$249,426.66	\$133,365.63
ABFP Income Fund 6	HWF	28	\$253,066.66	\$135,311.90
ABFP Income Fund 6	AY	208	\$268,300.00	\$143,456.99
ABFP Income Fund 6	ZM&KD	20347	\$292,100.00	\$156,182.59
ABFP Income Fund 6	JB	105	\$295,000.00	\$157,733.18
ABFP Income Fund 6	KM	20525	\$298,000.00	\$159,337.25
ABFP Income Fund 6	JESI&BSDT	291	\$350,400.00	\$187,354.94
ABFP Income Fund 6	JM	20191	\$393,333.34	\$210,310.92
ABFP Income Fund 6	CJ&LAP	20001	\$485,970.00	\$259,842.70
ABFP Income Fund 6	DPR	83	\$486,070.00	\$259,896.17
ABFP Income Fund 6	JHC	447	\$491,915.00	\$263,021.42
ABFP Income Fund 6	AO	20186	\$687,166.67	\$367,420.30
ABFP Income Fund 6	CAMAPLAN	Bulk	\$5,292,136.00	\$2,829,645.64
ABFP MSIF	JDB	353	\$92,292.44	\$22,247.52
ABFP MSIF	ESTATE OF FPJB	427	\$92,292.44	\$22,247.52
ABFP MSIF	CP	443	\$92,292.44	\$22,247.52
ABFP MSIF	JC	20028	\$92,292.44	\$22,247.52
ABFP MSIF	SS	20577	\$92,292.44	\$22,247.52
ABFP MSIF	DR	20307	\$110,750.94	\$26,697.03
ABFP MSIF	P&KA	20562	\$115,365.56	\$27,809.40
ABFP MSIF	HT	20471	\$138,138.00	\$33,298.81
ABFP MSIF	TJ&PMC	107	\$138,438.67	\$33,371.28
ABFP MSIF	CPL	141	\$138,438.67	\$33,371.28
ABFP MSIF	KEM	166	\$138,438.67	\$33,371.28
ABFP MSIF	DM	236	\$138,438.67	\$33,371.28
ABFP MSIF	KMB	520	\$138,438.67	\$33,371.28
ABFP MSIF	DK	20247	\$138,438.67	\$33,371.28
ABFP MSIF	RACP	20494	\$138,438.67	\$33,371.28
ABFP MSIF	AP	20634	\$138,438.67	\$33,371.28
ABFP MSIF	WR	362	\$138,530.97	\$33,393.53
ABFP MSIF	E&LC	434	\$147,667.92	\$35,596.04
ABFP MSIF	ED	20444	\$166,126.41	\$40,045.54
ABFP MSIF	RHP	240	\$184,584.90	\$44,495.05

Receivership Entity	Claimant	Claim #	Allowed Claim	First Interim Distribution
ABFP MSIF	NB	20351	\$184,584.90	\$44,495.05
ABFP MSIF	DG	20377	\$184,584.90	\$44,495.05
ABFP MSIF	DB	20604	\$184,584.90	\$44,495.05
ABFP MSIF	MDW	20734	\$184,584.90	\$44,495.05
ABFP MSIF	LHBL	20513	\$185,507.82	\$44,717.52
ABFP MSIF	DF&KY	30	\$203,043.39	\$48,944.55
ABFP MSIF	VML, INDIVIDUALLY AND PERSONAL REP. OF ESTATE OF DBL	449	\$207,658.01	\$50,056.93
ABFP MSIF	B&JC	415	\$276,877.34	\$66,742.57
ABFP MSIF	JCW	537	\$369,169.80	\$88,990.10
ABFP MSIF	ESL&ED	111	\$461,462.24	\$111,237.62
ABFP MSIF	CAMPLAN	Bulk	\$10,715,277.00	\$2,582,967.33
ABFP MSIF II	L&LR	20315	\$48,587.00	\$30,383.33
ABFP MSIF II	CMS	244	\$50,000.00	\$31,266.93
ABFP MSIF II	FP	251	\$51,851.37	\$32,424.66
ABFP MSIF II	JES	394	\$72,880.00	\$45,574.68
ABFP MSIF II	SS	20359	\$72,880.00	\$45,574.68
ABFP MSIF II	EW	20508	\$72,880.00	\$45,574.68
ABFP MSIF II	UML	96	\$97,173.00	\$60,766.03
ABFP MSIF II	CBR	168	\$97,173.00	\$60,766.03
ABFP MSIF II	CPM	180	\$97,173.00	\$60,766.03
ABFP MSIF II	CMS	243	\$97,173.00	\$60,766.03
ABFP MSIF II	DPAJMM	276	\$97,173.00	\$60,766.03
ABFP MSIF II	MMN	380	\$97,173.00	\$60,766.03
ABFP MSIF II	DJO	505	\$97,173.00	\$60,766.03
ABFP MSIF II	JAIC	20253	\$97,173.00	\$60,766.03
ABFP MSIF II	BA	20397	\$97,173.00	\$60,766.03
ABFP MSIF II	MN	518	\$97,173.00	\$60,766.03
ABFP MSIF II	CN	92	\$145,760.00	\$91,149.35
ABFP MSIF II	HP&EAGI	347	\$145,760.00	\$91,149.35
ABFP MSIF II	B&BC	20082	\$145,760.00	\$91,149.35
ABFP MSIF II	KLM	20178	\$145,760.00	\$91,149.35
ABFP MSIF II	MDW	20735	\$145,760.00	\$91,149.35
ABFP MSIF II	KJT	20398	\$145,760.00	\$91,149.35
ABFP MSIF II	MS	20112	\$155,477.00	\$97,225.77
ABFP MSIF II	RDS&KLMC	20179	\$170,053.00	\$106,340.70
ABFP MSIF II	MDM	20149	\$194,347.00	\$121,532.68
ABFP MSIF II	RTOMKH	97	\$250,000.00	\$156,334.64
ABFP MSIF II	JS	259	\$252,651.00	\$157,992.42
ABFP MSIF II	JWB	20272	\$400,000.00	\$250,135.43
ABFP MSIF II	WCS	20615	\$485,867.00	\$303,831.38
ABFP MSIF II	CAMAPLAN	Bulk	\$6,545,593.00	\$4,093,211.83
Fidelis Financial Planning	GD	531	\$44,375.00	\$23,450.37
Fidelis Financial Planning	R&EM	331	\$46,250.00	\$24,441.23
Fidelis Financial Planning	MK	89	\$46,666.66	\$24,661.41
Fidelis Financial Planning	PS	20595	\$47,000.00	\$24,837.57
Fidelis Financial Planning	A&PP	411	\$47,416.66	\$25,057.76
Fidelis Financial Planning	W&CM	548	\$63,733.33	\$33,680.45
Fidelis Financial Planning	PBTGI	20084	\$83,333.40	\$44,038.28
Fidelis Financial Planning	LG	167	\$89,000.00	\$47,032.85
Fidelis Financial Planning	RM	20060	\$91,666.70	\$48,442.09
Fidelis Financial Planning	AM	150	\$93,833.34	\$49,587.07
Fidelis Financial Planning	E&KJ	88	\$99,333.34	\$52,493.59
Fidelis Financial Planning	RR	339	\$147,750.00	\$78,079.81
Fidelis Financial Planning	D&SMRT	154	\$158,666.66	\$83,848.82
Fidelis Financial Planning	S&LBT	433	\$159,820.00	\$84,458.31
Fidelis Financial Planning	SK&EMSRLT	172	\$167,000.00	\$88,252.64
Fidelis Financial Planning	K&LS	223	\$186,000.00	\$98,293.36
Fidelis Financial Planning	SD	266	\$192,000.00	\$101,464.12
Fidelis Financial Planning	FGS	431	\$200,000.00	\$105,691.79
Fidelis Financial Planning	STG	20426	\$239,250.00	\$126,433.80

Receivership Entity	Claimant	Claim #	Allowed Claim	First Interim Distribution
Fidelis Financial Planning	FLN	157	\$258,000.00	\$136,342.41
Fidelis Financial Planning	J&SW	455	\$268,500.00	\$141,891.23
Fidelis Financial Planning	ML	20120	\$269,000.00	\$142,155.46
Fidelis Financial Planning	WLA	130	\$297,333.35	\$157,128.47
Fidelis Financial Planning	WK	20384	\$575,691.74	\$304,229.45
Fidelis Financial Planning	Camaplan	Bulk	\$1,689,732.00	\$892,953.99
Retirement Evolution	SEJ	468	\$9,266.63	\$5,101.44
Retirement Evolution	JB	534	\$26,100.00	\$14,368.51
Retirement Evolution	HB	533	\$33,041.67	\$18,190.02
Retirement Evolution	WBE	467	\$79,050.00	\$43,518.41
Retirement Evolution	CG&SS	308	\$126,900.00	\$69,860.67
Retirement Evolution	GAS	287	\$13,334.41	\$7,340.83
Retirement Evolution	SEL	498	\$14,784.03	\$8,138.87
Retirement Evolution	CI	20090	\$18,515.03	\$10,192.85
Retirement Evolution	MW	20197	\$19,333.35	\$10,643.35
Retirement Evolution	RI	20052	\$35,225.36	\$19,392.18
Retirement Evolution	M&SD	392	\$38,266.65	\$21,066.46
Retirement Evolution	GAFFRDF	436	\$50,000.00	\$27,525.88
Retirement Evolution	PB	20392	\$65,999.98	\$36,334.15
Retirement Evolution	LLE	49	\$98,700.00	\$54,336.08
Retirement Evolution	R&MD	20676	\$237,500.02	\$130,747.92
Retirement Evolution	RM&LL	20410	\$309,589.00	\$170,434.17
Retirement Evolution	LC	20131	\$38,640.35	\$21,272.19
Retirement Evolution	RSI	20646	\$32,507.68	\$17,896.05
Retirement Evolution	FF	186	\$23,499.97	\$12,937.15
Retirement Evolution	JA	132	\$24,373.34	\$13,417.95
Retirement Evolution	LS	203	\$30,772.50	\$16,940.80
Retirement Evolution	CLR	204	\$46,625.00	\$25,667.88
Retirement Evolution	MBL	267	\$60,000.00	\$33,031.05
Retirement Evolution	LW	188	\$77,363.36	\$42,589.89
Retirement Evolution	THLT	292	\$21,600.00	\$11,891.18
Retirement Evolution	WDL	506	\$99,050.00	\$54,528.76
Retirement Evolution	BC	20432	\$100,000.00	\$55,051.75
Retirement Evolution	BLUE DIAMOND (FBO CN IRA)	20684	\$269,534.28	\$148,383.34
Retirement Evolution	RWL	307	\$9,399.97	\$5,174.85
Retirement Evolution	PRG2FAT	20611	\$18,000.03	\$9,909.33
Retirement Evolution	MP	407	\$25,440.04	\$14,005.19
Retirement Evolution	BKRT DTD 11/22/89	20007	\$46,500.00	\$25,599.06
Retirement Evolution	BS	20462	\$46,666.70	\$25,690.84
Retirement Evolution	JES	487	\$56,800.00	\$31,269.40
Retirement Evolution	JMM	108	\$65,000.00	\$35,783.64
Retirement Evolution	HMK	109	\$65,000.00	\$35,783.64
Retirement Evolution	DEZ	265	\$65,000.00	\$35,783.64
Retirement Evolution	PK	508	\$75,000.00	\$41,288.81
Retirement Evolution	CCR	20472	\$93,063.24	\$51,232.94
Retirement Evolution	SPL	246	\$130,000.00	\$71,567.28
Retirement Evolution	CAK	20305	\$158,522.01	\$87,269.14
Retirement Evolution	RH	20304	\$180,417.05	\$99,322.75
Retirement Evolution	SB	535	\$189,120.86	\$104,114.35
Retirement Evolution	KBI	20006	\$278,100.00	\$153,098.92
Retirement Evolution	PKS	20405	\$304,366.63	\$167,559.16
Retirement Evolution	MRS	20631	\$402,336.67	\$221,493.39
Retirement Evolution	LN	286	\$7,771.42	\$4,278.30
Retirement Evolution	GLS	256	\$9,199.96	\$5,064.74
Retirement Evolution	EBH	517	\$9,399.98	\$5,174.85
Retirement Evolution	AMS	450	\$10,969.18	\$6,038.73
Retirement Evolution	LN	285	\$16,924.00	\$9,316.96
Retirement Evolution	RJL	50	\$18,390.64	\$10,124.37
Retirement Evolution	DH	301	\$18,466.59	\$10,166.18
Retirement Evolution	ALG	211	\$18,800.03	\$10,349.75

Receivership Entity	Claimant	Claim #	Allowed Claim	First Interim Distribution
Retirement Evolution	SWHJ	536	\$19,200.02	\$10,569.95
Retirement Evolution	PSST	12	\$22,287.50	\$12,269.66
Retirement Evolution	SKM	515	\$23,166.63	\$12,753.64
Retirement Evolution	MC	274	\$23,833.31	\$13,120.65
Retirement Evolution	EJNRI	20636	\$23,875.00	\$13,143.61
Retirement Evolution	DVMIT	91	\$23,999.99	\$13,212.42
Retirement Evolution	RBNT	148	\$27,400.00	\$15,084.18
Retirement Evolution	P&PL	85	\$28,000.00	\$15,414.49
Retirement Evolution	LV	20123	\$28,000.00	\$15,414.49
Retirement Evolution	EJNI	20639	\$37,240.29	\$20,501.43
Retirement Evolution	CFT	78	\$37,866.66	\$20,846.26
Retirement Evolution	NPW (ROTH IRA)	207	\$38,898.86	\$21,414.50
Retirement Evolution	BJC	67	\$41,566.65	\$22,883.17
Retirement Evolution	LJDS	227	\$44,666.24	\$24,589.55
Retirement Evolution	RRC	262	\$44,999.57	\$24,773.05
Retirement Evolution	GLJ	194	\$46,678.21	\$25,697.17
Retirement Evolution	MEB	174	\$46,833.33	\$25,782.57
Retirement Evolution	RN	198	\$47,000.00	\$25,874.32
Retirement Evolution	MJ&KAD	86	\$47,999.98	\$26,424.83
Retirement Evolution	GAF	437	\$49,333.34	\$27,158.87
Retirement Evolution	GAF	438	\$49,333.34	\$27,158.87
Retirement Evolution	AMP	510	\$50,000.00	\$27,525.88
Retirement Evolution	W&JC	20332	\$50,000.00	\$27,525.88
Retirement Evolution	OPF	329	\$56,717.42	\$31,223.93
Retirement Evolution	PAM	20308	\$66,974.32	\$36,870.54
Retirement Evolution	EAT	20652	\$71,000.00	\$39,086.74
Retirement Evolution	TP	509	\$75,000.00	\$41,288.81
Retirement Evolution	NKB	173	\$91,624.99	\$50,441.16
Retirement Evolution	SB	384	\$94,666.65	\$52,115.65
Retirement Evolution	SAS	191	\$94,750.00	\$52,161.54
Retirement Evolution	GJC	486	\$96,943.62	\$53,369.16
Retirement Evolution	MG	361	\$97,250.00	\$53,537.83
Retirement Evolution	WM	20650	\$100,000.00	\$55,051.75
Retirement Evolution	NUVIEW TRUST COMPANY INC, FBO ROBIN SCHANG	189	\$112,320.00	\$61,834.13
Retirement Evolution	VJ&JAP	493	\$115,855.92	\$63,780.71
Retirement Evolution	RS	20643	\$136,916.70	\$75,375.04
Retirement Evolution	WP	298	\$143,000.01	\$78,724.01
Retirement Evolution	EJN	20637	\$164,518.04	\$90,570.06
Retirement Evolution	AP	99	\$175,333.33	\$96,524.07
Retirement Evolution	WP	424	\$180,733.36	\$99,496.88
Retirement Evolution	CJF	491	\$187,215.00	\$103,065.14
Retirement Evolution	MA	100	\$192,501.00	\$105,975.17
Retirement Evolution	CA	98	\$197,025.00	\$108,465.72
Retirement Evolution	EAT	20653	\$198,500.00	\$109,277.73
Retirement Evolution	B&DO	305	\$220,000.00	\$121,113.86
Retirement Evolution	NPW (IRA)	206	\$240,956.00	\$132,650.50
Retirement Evolution	GAS	288	\$249,537.50	\$137,374.77
Retirement Evolution	MDW	205	\$250,000.00	\$137,629.38
Retirement Evolution	WHS	20358	\$279,499.99	\$153,869.64
Retirement Evolution	RG	358	\$352,706.20	\$194,170.94
Retirement Evolution	GC	209	\$373,234.51	\$205,472.14
Retirement Evolution	JZ	20350	\$819,112.13	\$450,935.58
Retirement Evolution	RS	20000	\$46,666.70	\$25,690.84
Retirement Evolution	WKS	233	\$224,200.00	\$123,426.03
Retirement Evolution	CAMAPLAN	Bulk	\$265,280.00	\$146,041.29
			\$225,649,550.11	\$110,009,878.15

Exhibit “28”

**CBSG et al Receivership
Distribution Analysis - CBSG**

Creditor	Claim #	Description	Allowed	First Distr.
CBSG				
INVESTORS			Amount to distribute: \$95,807,810.68	
Exchange Note Investors				
MB	322	EXCH. NOTE INVEST.	\$29,166.52	\$14,797.61
RR	20427	EXCH. NOTE INVEST.	\$122,916.62	\$62,361.66
MM	20070	EXCH. NOTE INVEST.	\$128,833.32	\$65,363.50
KHS	425	EXCH. NOTE INVEST.	\$137,541.68	\$69,781.68
MCA CAROLINA INCOME FUND LLC	454	EXCH. NOTE INVEST.	\$185,833.35	\$94,282.42
JADE FUND LLC	20500	EXCH. NOTE INVEST.	\$189,275.00	\$96,028.54
LToETH	20227	EXCH. NOTE INVEST.	\$276,250.00	\$140,155.25
MCA CAPITAL FUND I, LLC	20208	EXCH. NOTE INVEST.	\$292,000.00	\$148,146.00
JAX FUND LLC	20407	EXCH. NOTE INVEST.	\$418,341.70	\$212,245.37
JN&MA	213	EXCH. NOTE INVEST.	\$424,447.73	\$215,343.26
WORKWELL FUND I LLC	20601	EXCH. NOTE INVEST.	\$442,616.70	\$224,561.28
MERCHANT GROWTH & INCOME FUNDING LLC	278	EXCH. NOTE INVEST.	\$452,500.06	\$229,575.59
DC	20297	EXCH. NOTE INVEST.	\$467,604.25	\$237,238.69
VKS MANAGEMENT LLC	20156	EXCH. NOTE INVEST.	\$539,500.00	\$273,714.95
LWM EQUITY FUND LP	463	EXCH. NOTE INVEST.	\$540,506.75	\$274,225.72
LWM INCOME FUND 2 LLC	462	EXCH. NOTE INVEST.	\$636,000.00	\$322,674.16
TEMBER C EATON TRUST	312	EXCH. NOTE INVEST.	\$661,666.66	\$335,696.12
MERCHANT FACTORING INCOME FUND	479	EXCH. NOTE INVEST.	\$768,016.68	\$389,652.73
RAZR MCA FUND LLC	20566	EXCH. NOTE INVEST.	\$857,142.01	\$434,870.40
GSN	60	EXCH. NOTE INVEST.	\$873,333.34	\$443,085.06
DJHRL	20537	EXCH. NOTE INVEST.	\$965,000.00	\$489,592.08
CAPE COD INCOME FUND	20482	EXCH. NOTE INVEST.	\$1,002,683.49	\$508,710.77
MK ONE INCOME	37	EXCH. NOTE INVEST.	\$1,129,388.68	\$572,994.56
GR8 INCOME FUND LLC	20578	EXCH. NOTE INVEST.	\$1,303,000.04	\$661,076.17
NASHI INC	311	EXCH. NOTE INVEST.	\$1,427,716.66	\$724,351.06
BLUE STREAM INCOME FUND	333	EXCH. NOTE INVEST.	\$1,546,436.51	\$784,583.49
WELLEN FUND 1	20581	EXCH. NOTE INVEST.	\$1,796,906.57	\$911,659.30
MARINER MCA INCOME FUND LLC	470	EXCH. NOTE INVEST.	\$2,374,695.72	\$1,204,800.23
TITAN HOLDINGS LLC	20546	EXCH. NOTE INVEST.	\$3,466,395.87	\$1,758,673.54
SPARTAN INCOME FUND & SPARTAN INCOME FUND PARALLEL	457	EXCH. NOTE INVEST.	\$3,609,996.07	\$1,831,529.00
MID-ATLANTIC MCA FUND LLC	485	EXCH. NOTE INVEST.	\$3,632,473.34	\$1,842,932.83
LWM INCOME FUND PARALLEL LLC	464	EXCH. NOTE INVEST.	\$3,711,568.47	\$1,883,061.69
STFG INCOME FUND LLC	20599	EXCH. NOTE INVEST.	\$6,999,894.67	\$3,551,391.70
MCA NATIONAL FUND, LLC	20207	EXCH. NOTE INVEST.	\$7,317,333.84	\$3,712,444.24
SHERPA I INCOME FUND	429	EXCH. NOTE INVEST.	\$8,229,719.88	\$4,175,342.67
MERCHANT SERVICES INCOME FUND PARALLEL	20678	EXCH. NOTE INVEST.	\$13,822,660.40	\$7,012,917.16
PISCES INCOME FUND LLC & PISCES INCOME FUND PARALLEL	397	EXCH. NOTE INVEST.	\$13,906,439.30	\$7,055,422.33
CAPRICORN INCOME & CAPRICORN PARALLEL	20338	EXCH. NOTE INVEST.	\$14,582,727.80	\$7,398,536.83
CAMAPLAN	Bulk	EXCH. NOTE INVEST.	\$1,376,117.00	\$698,172.00
Receivership entities - Exchange Note Investors				
ABFP INCOME FUND	Rec.	EXCH. NOTE INVEST.	\$11,308,368.64	\$5,378,535.83
ABFP INCOME FUND 2	Rec.	EXCH. NOTE INVEST.	\$4,305,458.73	\$2,026,467.52
ABFP INCOME FUND 3	Rec.	EXCH. NOTE INVEST.	\$24,416,692.50	\$11,770,202.80
ABFP INCOME FUND 4	Rec.	EXCH. NOTE INVEST.	\$19,210,105.40	\$9,291,574.10
ABFP INCOME FUND 6	Rec.	EXCH. NOTE INVEST.	\$17,875,791.31	\$8,672,755.35
FIDELIS FIN. PLANNING	Rec.	EXCH. NOTE INVEST.	\$5,673,275.94	\$2,743,524.30
RETIREMENT EVOLUTION FUNDS (ALL)	Rec.	EXCH. NOTE INVEST.	\$10,116,907.10	\$4,862,759.15
TOTAL CBSG EXCHANGE NOTE INVESTOR CLAIMS			\$193,551,246.30	\$95,807,810.68
			Distribution %	50.7%

Creditor	Claim #	Description	Allowed	First Distr.
Non-Exchange Note Investors				
Amount to distribute:				\$0.00
AHL	20640	NON-EXCH. NOTE INV.	\$221,000.00	\$0.00
DJO	504	NON-EXCH. NOTE INV.	\$432,165.67	\$0.00
PEF1L	20696	NON-EXCH. NOTE INV.	\$2,349,560.04	\$0.00
RF	386	NON-EXCH. NOTE INV.	\$15,624.87	\$0.00
AEC	503	NON-EXCH. NOTE INV.	\$61,250.10	\$0.00
DH	474	NON-EXCH. NOTE INV.	\$193,749.90	\$0.00
SEI	481	NON-EXCH. NOTE INV.	\$241,666.66	\$0.00
RC	400	NON-EXCH. NOTE INV.	\$700,000.01	\$0.00
GL	472	NON-EXCH. NOTE INV.	\$858,333.26	\$0.00
JT	20710	NON-EXCH. NOTE INV.	\$1,833,333.41	\$0.00
TOTAL CBSG NON-EXCHANGE NOTE INVESTOR CLAIMS			\$6,906,683.92	\$0.00

Chehebar Group / Insiders				
Amount to distribute:				\$0.00
IBSAI	409	CHEHEBAR GROUP	\$0.00	\$0.00
IS2AGRAT	410	CHEHEBAR GROUP	\$0.00	\$0.00
MCL	476	CHEHEBAR GROUP	\$0.00	\$0.00
ESL	477	CHEHEBAR GROUP	\$0.00	\$0.00
GCGL	478	CHEHEBAR GROUP	\$0.00	\$0.00
IS	483	CHEHEBAR GROUP	\$0.00	\$0.00
JC	484	CHEHEBAR GROUP	\$0.00	\$0.00
JS	499	CHEHEBAR GROUP	\$0.00	\$0.00
CC	500	CHEHEBAR GROUP	\$0.00	\$0.00
SC	501	CHEHEBAR GROUP	\$0.00	\$0.00
EC	502	CHEHEBAR GROUP	\$0.00	\$0.00
AC	544	CHEHEBAR GROUP	\$0.00	\$0.00
TOTAL CHEHEBAR GROUP / INSIDERS CLAIMS			\$0.00	\$0.00

TOTAL CBSG INVESTOR CLAIMS **\$200,457,930.22** **\$95,807,810.68**
47.8%

EMPLOYEES					
Amount to distribute:			\$0.00	Allowed	First Distr.
SB	20144	EMPLOYEE	\$1,859.00	\$0.00	
FULL SPECTRUM PROCESSING	Bulk	EMPLOYEE	\$0.00	\$0.00	
ABETTERFINANCIALPLAN.COM	Bulk	EMPLOYEE	\$16,033.15	\$0.00	
TOTAL EMPLOYEE CLAIMS			\$17,892.15	\$0.00	
			Distribution %	0.0%	

TRADE VENDORS					
Amount to distribute:			\$0.00		
AMEX TRS CO INC	20323	TRADE VENDOR	\$7.20	\$0.00	
AMEX TRS CO INC	20324	TRADE VENDOR	\$419.14	\$0.00	
AMEX TRS CO INC	20331	TRADE VENDOR	\$4,060.21	\$0.00	
AMEX TRS CO INC	20329	TRADE VENDOR	\$5,430.29	\$0.00	
AMEX TRS CO INC	20328	TRADE VENDOR	\$10,865.75	\$0.00	
WELTMAN WEINBERG & REIS CO LPA	20132	TRADE VENDOR	\$11,660.10	\$0.00	
SMALL HERRIN LLP	20628	TRADE VENDOR	\$15,430.78	\$0.00	
AMEX TRS CO INC	20327	TRADE VENDOR	\$19,687.14	\$0.00	
WELTMAN WEINBERG & REIS CO LPA	20133	TRADE VENDOR	\$24,467.76	\$0.00	
HAYNES AND BOONE LLP	20479	TRADE VENDOR	\$28,665.04	\$0.00	
AMEX TRS CO INC	20325	TRADE VENDOR	\$30,824.59	\$0.00	
AMEX TRS CO INC	20326	TRADE VENDOR	\$35,004.67	\$0.00	
HUTCHENS LAW FIRM LLP	20600	TRADE VENDOR	\$41,946.26	\$0.00	
STATE OF FLORIDA - DEPARTMENT OF REVENUE	20708	TRADE VENDOR	\$234,702.96	\$0.00	
20 N. 3RD ST. LTD	Bulk	TRADE VENDOR	\$1.00	\$0.00	
FULL SPECTRUM PROCESSING	Bulk	TRADE VENDOR	\$0.00	\$0.00	
TOTAL TRADE VENDOR CREDITORS			\$463,172.89	\$0.00	

Creditor	Claim #	Description	Allowed	First Distr.
MERCHANTS		Amount to distribute:	\$0.00	
AMERICORE HEALTH LLC	20712	MERCHANT	\$14,000.00	\$0.00
ST. ALEXIUS HOSPITAL CORPORATION #1	20717	MERCHANT	\$17,380.53	\$0.00
DJL BUILDERS INC; C/O STROBL PLLC	20475	MERCHANT	\$26,404.00	\$0.00
PINEVILLE MEDICAL CENTER LLC	20716	MERCHANT	\$27,968.88	\$0.00
AMERICORE HOLDINGS LLC	20713	MERCHANT	\$30,669.30	\$0.00
HANNAH SOLAR LLC	20647	MERCHANT	\$100,601.50	\$0.00
JACQUELINE CALDERIN CHAPTER 7 TRUSTEE	20630	MERCHANT	\$106,462.35	\$0.00
ELLWOOD MEDICAL CENTER OPERATIONS LLC	20715	MERCHANT	\$359,594.93	\$0.00
PLAYHUT, INC. N/KA PH DIP INC.	354	MERCHANT	\$1,973,420.95	\$0.00
SETH E. DIZARD, RECEIVER OF RIDGEWAY TRAILER CO.	459	MERCHANT	\$6,910,198.00	\$0.00
FAST ADVANCE FUNDING	Bulk	MERCHANT	\$0.00	\$0.00
FULL SPECTRUM PROCESSING	Bulk	MERCHANT	\$0.00	\$0.00
RECRUITING AND MARKETING SERVICES	Bulk	MERCHANT	\$0.00	\$0.00
TOTAL MERCHANT CLAIMS			\$9,566,700.44	\$0.00

INSIDERS		Amount to distribute:	\$0.00	
CAPITAL SOURCE 2000 INC.	496	INSIDER	\$8,130,039.00	\$0.00
LISA MCELHONE, TRUSTEE OF THE LME TRUST	20726	INSIDER	\$0.00	\$0.00
CONTRACT FINANCING SOLUTIONS	Bulk	INSIDER	\$0.00	\$0.00
EAGLE SIX CONSULTING	Bulk	INSIDER	\$0.00	\$0.00
FULL SPECTRUM PROCESSING	Bulk	INSIDER	\$0.00	\$0.00
HERITAGE BUSINESS CONSULTING	Bulk	INSIDER	\$0.00	\$0.00
LME 2017 FAMILY TRUST	Bulk	INSIDER	\$0.00	\$0.00
RECRUITING AND MARKETING SERVICES	Bulk	INSIDER	\$0.00	\$0.00
TOTAL INSIDER CLAIMS			\$8,130,039.00	\$0.00

20 N 3RD ST LTD.

TRADE VENDOR		Amount to distribute:	\$0.00	
20 NORTH THIRD STREET CONDOMINIUM ASSN	20545	TRADE VENDOR	\$541,486.08	\$0.00
TOTAL 20 N 3RD ST. LTD TRADE CLAIMS			\$541,486.08	\$0.00

CONTRACT FINANCING SOLUTIONS

INSIDERS		Amount to distribute:	\$0.00	
LISA MCELHONE	20690	INSIDER	\$0.00	\$0.00
TOTAL CONTRACT FINANCING SOLUTIONS INSIDER CLAIM			\$0.00	\$0.00

EAGLE SIX CONSULTING

INSIDERS		Amount to distribute:	\$0.00	
LISA MCELHONE, TRUSTEE OF THE LME TRUST	20705	INSIDER	\$0.00	\$0.00
TOTAL EAGLE SIX CONSULTING INSIDER CLAIM			\$0.00	\$0.00

Creditor	Claim #	Description	Allowed	First Distr.
FULL SPECTRUM PROCESSING				
EMPLOYEES			Amount to distribute: \$0.00	
EK	20727	EMPLOYEE	\$1,166.00	\$0.00
SL	20533	EMPLOYEE	\$1,211.53	\$0.00
VD	20169	EMPLOYEE	\$1,519.23	\$0.00
MV	20217	EMPLOYEE	\$1,600.00	\$0.00
MF	20201	EMPLOYEE	\$1,929.39	\$0.00
RJ	20364	EMPLOYEE	\$2,046.16	\$0.00
KM	20196	EMPLOYEE	\$2,080.00	\$0.00
STN	20240	EMPLOYEE	\$2,208.00	\$0.00
TL	20277	EMPLOYEE	\$2,288.00	\$0.00
CAR	20484	EMPLOYEE	\$2,288.46	\$0.00
AR	20511	EMPLOYEE	\$2,548.00	\$0.00
DP	20368	EMPLOYEE	\$3,173.07	\$0.00
JL	20709	EMPLOYEE	\$3,923.07	\$0.00
KY	20142	EMPLOYEE	\$8,076.93	\$0.00
JK	20275	EMPLOYEE	\$8,076.93	\$0.00
ABM	20276	EMPLOYEE	\$10,500.00	\$0.00
TOTAL FULL SPECTRUM PROCESSING EMPLOYEE CLAIMS			\$54,634.77	\$0.00

INSIDERS			Amount to distribute: \$0.00	
LISA MCELHONE, TRUSTEE OF THE LME TRUST	20682	INSIDER	\$0.00	\$0.00
LISA MCELHONE	20689	INSIDER	\$0.00	\$0.00
TOTAL FULL SPECTRUM PROCESSING INSIDER CLAIMS			\$0.00	\$0.00

MERCHANTS			Amount to distribute: \$0.00	
NATIONAL LABOR RELATIONS BOARD	20667	MERCHANT	\$59,614.00	\$0.00
TOTAL FULL SPECTRUM PROCESSING MERCHANT CLAIMS			\$59,614.00	\$0.00

TRADE VENDORS			Amount to distribute: \$0.00	
AMEX TRS CO INC	20330	TRADE VENDOR	\$28,485.13	\$0.00
TOTAL FULL SPECTRUM PROCESSING TRADE CLAIMS			\$28,485.13	\$0.00

HERITAGE BUSINESS CONSULTANTS				
INSIDERS			Amount to distribute: \$0.00	
LISA MCELHONE, TRUSTEE OF THE LME TRUST	20703	INSIDER	\$0.00	\$0.00
TOTAL HERITAGE BUSINESS CONS. INSIDER CLAIMS			\$0.00	\$0.00

LME 2017 FAMILY TRUST				
INSIDERS			Amount to distribute: \$0.00	
LISA MCELHONE, TRUSTEE OF THE LME TRUST	20681	INSIDER	\$0.00	\$0.00
LISA MCELHONE, TRUSTEE OF THE LME TRUST	20686	INSIDER	\$0.00	\$0.00
LISA MCELHONE	20688	INSIDER	\$0.00	\$0.00
LISA MCELHONE, TRUSTEE OF THE LME TRUST	20698	INSIDER	\$0.00	\$0.00
TOTAL LME 2017 FAMILY TRUST INSIDER CLAIMS			\$0.00	\$0.00

Creditor	Claim #	Description	Allowed	First Distr.
RECRUITING AND MARKETING SERVICES				
INSIDERS				
Amount to distribute:			\$0.00	
LISA MCELHONE, TRUSTEE OF THE LME TRUST	20685	INSIDER	\$0.00	\$0.00
LISA MCELHONE	20691	INSIDER	\$0.00	\$0.00
JOSEPH LAFORTE	20714	INSIDER	\$0.00	\$0.00
TOTAL RECRUITING AND MARKETING RES. INSIDER CLAIMS			\$0.00	\$0.00
MERCHANT				
Amount to distribute:			\$0.00	
FW	20512	MERCHANT	\$43,000.00	\$0.00
TOTAL RECRUITING AND MARKETING RES. MERCHANT CLAIMS			\$43,000.00	\$0.00

Exhibit “29”

CBSG et al Receivership
Distribution Analysis - Fast Advance Funding

Creditor	Claim #	Description	Allowed	First Distr.
<u>FAST ADVANCE FUNDING</u>				
<u>INVESTORS</u>			Amount to distribute: \$1,502,665.94	
ABFP Multi Strategy Investment Fund	Rec.		\$4,954,925.02	\$1,402,864.29
ABFP Multi Strategy Investment Fund II	Rec.		\$352,500.02	\$99,801.65
Total Fast Advance Funding Investor Claims			\$5,307,425.04	\$1,502,665.94
			Distribution %	28.3%
<u>MERCHANTS</u>			Amount to distribute: \$0.00	
Pineville Medical Center LLC	20719	Merchant	\$8,580.00	\$0.00
Ellwood Medical Center Operations LLC	20718	Merchant	\$77,919.09	\$0.00
Michael Wheatley, James Law Trustee	20603	Merchant	\$0.00	\$0.00
Total Fast Advance Funding Merchant Claims			\$86,499.09	\$0.00
			Distribution %	0.0%

Exhibit “30”

CBSG et al Receivership
Distribution Analysis - ABFP Entities

Creditor	Claim #	Description	Allowed	First Distr.
ABFP INCOME FUND				
INVESTORS	Amount to distribute:			\$5,444,981.80
EVB	125	ABFP IF Investor	\$40,916.59	\$15,053.29
MAN	20406	ABFP IF Investor	\$58,718.66	\$21,602.71
J&HD	230	ABFP IF Investor	\$63,600.00	\$23,398.57
MK	252	ABFP IF Investor	\$77,333.34	\$28,451.09
CW	20700	ABFP IF Investor	\$82,751.59	\$30,444.47
JLT	20127	ABFP IF Investor	\$82,751.59	\$30,444.47
P&KA	20561	ABFP IF Investor	\$83,159.96	\$30,594.71
MTS	237	ABFP IF Investor	\$87,693.30	\$32,262.54
F&AV	254	ABFP IF Investor	\$97,559.96	\$35,892.50
RF	20552	ABFP IF Investor	\$122,850.00	\$45,196.76
TJ&PMC	93	ABFP IF Investor	\$143,246.00	\$52,700.49
PF	20342	ABFP IF Investor	\$155,540.00	\$57,223.47
GRC	81	ABFP IF Investor	\$157,500.00	\$57,944.56
REK	349	ABFP IF Investor	\$157,550.00	\$57,962.96
SI	20413	ABFP IF Investor	\$157,550.00	\$57,962.96
TC&HLA	48	ABFP IF Investor	\$158,300.00	\$58,238.88
KAVH	20020	ABFP IF Investor	\$162,500.00	\$59,784.07
CP	20344	ABFP IF Investor	\$164,391.65	\$60,480.01
DH	7	ABFP IF Investor	\$164,500.00	\$60,519.88
AS&RB	20391	ABFP IF Investor	\$169,579.96	\$62,388.80
MRaLLS	20271	ABFP IF Investor	\$176,833.34	\$65,057.34
KD	43	ABFP IF Investor	\$196,966.66	\$72,464.42
A&JB	263	ABFP IF Investor	\$200,666.66	\$73,825.66
NB	20349	ABFP IF Investor	\$232,100.00	\$85,390.05
KJT	20398	ABFP IF Investor	\$234,266.66	\$86,187.17
DM	115	ABFP IF Investor	\$235,100.00	\$86,493.76
DLA	378	ABFP IF Investor	\$244,773.34	\$90,052.60
DES	20264	ABFP IF Investor	\$286,146.74	\$105,273.95
PHM	162	ABFP IF Investor	\$290,725.07	\$106,958.33
M&GC	113	ABFP IF Investor	\$304,706.06	\$112,101.96
RLA	310	ABFP IF Investor	\$380,880.00	\$140,126.51
JR&MBS	289	ABFP IF Investor	\$428,050.00	\$157,480.44
SHLF	345	ABFP IF Investor	\$439,230.84	\$161,593.90
DJHRL	20535	ABFP IF Investor	\$447,751.93	\$164,728.82
DKaBB	20245	ABFP IF Investor	\$482,771.69	\$177,612.66
DCVL	20455	ABFP IF Investor	\$560,543.38	\$206,225.02
R&SG	63	ABFP IF Investor	\$594,666.66	\$218,779.04
DKaBB	20246	ABFP IF Investor	\$482,771.69	\$177,612.66
CAMAPLAN	Bulk	ABFP IF Investor	\$6,193,145.00	\$2,278,470.31
Total ABFP Income Fund Investor Claim			\$14,800,088.32	\$5,444,981.80
			Distribution %	36.8%

ABFP INCOME FUND 2

INVESTORS	Amount to distribute:			\$3,961,289.69
RF	65	ABFP IF 2 Investor	\$38,864.89	\$23,634.00
DWS	348	ABFP IF 2 Investor	\$42,501.65	\$25,845.54
VNV	327	ABFP IF 2 Investor	\$43,645.47	\$26,541.10
SNG	20339	ABFP IF 2 Investor	\$50,981.96	\$31,002.47
SCC	20519	ABFP IF 2 Investor	\$54,291.02	\$33,014.73
WFS	156	ABFP IF 2 Investor	\$57,584.67	\$35,017.62
BS&DMN	513	ABFP IF 2 Investor	\$61,220.82	\$37,228.79
KMB	521	ABFP IF 2 Investor	\$62,072.95	\$37,746.98
NP&HNS	184	ABFP IF 2 Investor	\$63,977.51	\$38,905.15
AAP	20560	ABFP IF 2 Investor	\$64,613.11	\$39,291.67
BK	20126	ABFP IF 2 Investor	\$73,868.91	\$44,920.18
MG	20077	ABFP IF 2 Investor	\$77,076.15	\$46,870.52
GJM	20594	ABFP IF 2 Investor	\$80,000.00	\$48,648.54
BK&LR	373	ABFP IF 2 Investor	\$81,494.33	\$49,557.25

Creditor	Claim #	Description	Allowed	First Distr.
PM	199	ABFP IF 2 Investor	\$81,594.33	\$49,618.06
JL	461	ABFP IF 2 Investor	\$81,594.33	\$49,618.06
SaCG	20499	ABFP IF 2 Investor	\$81,594.33	\$49,618.06
M&CC	68	ABFP IF 2 Investor	\$82,363.83	\$50,086.00
DB&JK	192	ABFP IF 2 Investor	\$83,133.33	\$50,553.94
MG	317	ABFP IF 2 Investor	\$83,133.33	\$50,553.94
BC	490	ABFP IF 2 Investor	\$83,133.33	\$50,553.94
RRD	519	ABFP IF 2 Investor	\$83,133.33	\$50,553.94
JLR	20065	ABFP IF 2 Investor	\$83,133.33	\$50,553.94
PY	20480	ABFP IF 2 Investor	\$83,902.83	\$51,021.87
J&KR	383	ABFP IF 2 Investor	\$84,902.96	\$51,630.06
DW&JAS	20373	ABFP IF 2 Investor	\$84,903.26	\$51,630.24
MS	20557	ABFP IF 2 Investor	\$84,903.26	\$51,630.24
SS	20576	ABFP IF 2 Investor	\$86,017.41	\$52,307.76
WF&RG	332	ABFP IF 2 Investor	\$86,117.40	\$52,368.57
BC	20019	ABFP IF 2 Investor	\$86,117.41	\$52,368.57
DR	234	ABFP IF 2 Investor	\$97,355.52	\$59,202.55
MS	527	ABFP IF 2 Investor	\$117,262.38	\$71,308.04
RF	20283	ABFP IF 2 Investor	\$122,031.83	\$74,208.37
ECD	324	ABFP IF 2 Investor	\$124,550.00	\$75,739.69
GWCI	47	ABFP IF 2 Investor	\$164,527.67	\$100,050.38
AB	20422	ABFP IF 2 Investor	\$165,259.67	\$100,495.51
JRJ	299	ABFP IF 2 Investor	\$170,488.30	\$103,675.08
RAMI	20015	ABFP IF 2 Investor	\$172,774.58	\$105,065.38
JL	20294	ABFP IF 2 Investor	\$202,358.64	\$123,055.65
B&JC	416	ABFP IF 2 Investor	\$203,735.82	\$123,893.12
JJ&JEC	316	ABFP IF 2 Investor	\$301,060.94	\$183,077.18
CAMAPLAN	Bulk	ABFP IF 2 Investor	\$2,480,859.00	\$1,508,627.01
Total ABFP Income Fund 2 Investor Claims			\$6,514,135.79	\$3,961,289.69
			Distribution %	60.8%

ABFP INCOME FUND 3

INVESTORS	Amount to distribute:			
			\$11,884,565.42	
RJ	117	ABFP IF 3 Investor	\$23,876.63	\$11,137.63
JKK	219	ABFP IF 3 Investor	\$46,433.36	\$21,659.58
RS&KM	20181	ABFP IF 3 Investor	\$46,433.36	\$21,659.58
JS	135	ABFP IF 3 Investor	\$46,766.69	\$21,815.06
STSL	20396	ABFP IF 3 Investor	\$46,766.69	\$21,815.06
M&MH	20095	ABFP IF 3 Investor	\$47,333.35	\$22,079.39
WK&GMH	190	ABFP IF 3 Investor	\$56,800.00	\$26,495.26
CV	20204	ABFP IF 3 Investor	\$67,625.00	\$31,544.75
JET	46	ABFP IF 3 Investor	\$70,125.00	\$32,710.92
WCW	133	ABFP IF 3 Investor	\$89,433.38	\$41,717.62
JB	20057	ABFP IF 3 Investor	\$90,166.71	\$42,059.69
JDN	253	ABFP IF 3 Investor	\$91,068.29	\$42,480.25
WR	363	ABFP IF 3 Investor	\$91,099.29	\$42,494.71
JC	102	ABFP IF 3 Investor	\$91,168.29	\$42,526.90
JG	336	ABFP IF 3 Investor	\$91,168.29	\$42,526.90
MG	20078	ABFP IF 3 Investor	\$91,168.29	\$42,526.90
R&KF	20282	ABFP IF 3 Investor	\$91,168.29	\$42,526.90
SM	20265	ABFP IF 3 Investor	\$91,909.96	\$42,872.86
AD	77	ABFP IF 3 Investor	\$91,909.96	\$42,872.86
WFS	155	ABFP IF 3 Investor	\$91,909.96	\$42,872.86
GS	20190	ABFP IF 3 Investor	\$91,909.96	\$42,872.86
W&MC	20447	ABFP IF 3 Investor	\$91,909.96	\$42,872.86
DHJJ	84	ABFP IF 3 Investor	\$92,009.96	\$42,919.51
JIL	20290	ABFP IF 3 Investor	\$92,009.96	\$42,919.51
PVP&HNS	185	ABFP IF 3 Investor	\$92,009.96	\$42,919.51
G&MM	26	ABFP IF 3 Investor	\$92,751.63	\$43,265.47
MH	20518	ABFP IF 3 Investor	\$92,751.63	\$43,265.47
NJF	61	ABFP IF 3 Investor	\$92,751.63	\$43,265.47
K&MW	20062	ABFP IF 3 Investor	\$92,751.63	\$43,265.47
BM&FJOJ	55	ABFP IF 3 Investor	\$92,851.63	\$43,312.12
DLC	303	ABFP IF 3 Investor	\$93,693.30	\$43,704.73

Creditor	Claim #	Description	Allowed	First Distr.
KMB	522	ABFP IF 3 Investor	\$93,693.30	\$43,704.73
A&MEP	20641	ABFP IF 3 Investor	\$93,693.30	\$43,704.73
W&CS	260	ABFP IF 3 Investor	\$93,693.30	\$43,704.73
JD	547	ABFP IF 3 Investor	\$93,693.30	\$43,704.73
JA&DRW	20172	ABFP IF 3 Investor	\$93,693.30	\$43,704.73
KE	20216	ABFP IF 3 Investor	\$93,693.30	\$43,704.73
WP	19	ABFP IF 3 Investor	\$94,200.04	\$43,941.10
JJM	335	ABFP IF 3 Investor	\$94,434.97	\$44,050.69
DB	193	ABFP IF 3 Investor	\$94,775.00	\$44,209.30
NP&HNS	183	ABFP IF 3 Investor	\$94,775.00	\$44,209.30
FA&CCW	20212	ABFP IF 3 Investor	\$96,118.31	\$44,835.91
CMS	242	ABFP IF 3 Investor	\$96,218.31	\$44,882.56
LD	20621	ABFP IF 3 Investor	\$97,059.98	\$45,275.17
JAS	241	ABFP IF 3 Investor	\$97,801.65	\$45,621.13
RN&JLB	182	ABFP IF 3 Investor	\$100,326.66	\$46,798.96
RPI	70	ABFP IF 3 Investor	\$102,949.97	\$48,022.65
RL	20215	ABFP IF 3 Investor	\$108,300.00	\$50,518.25
JCH	20739	ABFP IF 3 Investor	\$108,300.00	\$50,518.25
DTM	20219	ABFP IF 3 Investor	\$111,200.00	\$51,871.00
MS	20110	ABFP IF 3 Investor	\$112,300.00	\$52,384.12
LL	20362	ABFP IF 3 Investor	\$112,808.29	\$52,621.22
RW	20268	ABFP IF 3 Investor	\$113,300.00	\$52,850.58
ESTATE OF JKS	20675	ABFP IF 3 Investor	\$114,791.63	\$53,546.38
CS	20137	ABFP IF 3 Investor	\$119,483.37	\$55,734.91
J&SSG	64	ABFP IF 3 Investor	\$136,088.31	\$63,480.55
WPBJ	20025	ABFP IF 3 Investor	\$137,750.00	\$64,255.67
ASR	38	ABFP IF 3 Investor	\$138,534.93	\$64,621.82
WMK	153	ABFP IF 3 Investor	\$139,100.00	\$64,885.40
G&MZ	217	ABFP IF 3 Investor	\$142,136.63	\$66,301.89
SJ&KAB	114	ABFP IF 3 Investor	\$150,150.00	\$70,039.85
JAM	215	ABFP IF 3 Investor	\$154,733.35	\$72,177.83
RN&JLB	181	ABFP IF 3 Investor	\$175,266.60	\$81,755.89
MTS	257	ABFP IF 3 Investor	\$180,333.29	\$84,119.32
DW&JAS	20374	ABFP IF 3 Investor	\$180,433.29	\$84,165.97
JLS	20477	ABFP IF 3 Investor	\$180,433.29	\$84,165.97
RF	20105	ABFP IF 3 Investor	\$181,999.96	\$84,896.77
HL	20241	ABFP IF 3 Investor	\$182,099.96	\$84,943.42
T&JD	116	ABFP IF 3 Investor	\$182,099.96	\$84,943.42
JRKJ	20672	ABFP IF 3 Investor	\$183,666.63	\$85,674.21
EAR	20476	ABFP IF 3 Investor	\$183,666.63	\$85,674.21
TGD&GJM	20474	ABFP IF 3 Investor	\$183,766.63	\$85,720.86
JM	20367	ABFP IF 3 Investor	\$186,344.93	\$86,923.55
W&MM	10	ABFP IF 3 Investor	\$187,099.97	\$87,275.75
RWM	20093	ABFP IF 3 Investor	\$214,500.00	\$100,056.93
DER	20478	ABFP IF 3 Investor	\$225,516.71	\$105,195.85
PMCS	20295	ABFP IF 3 Investor	\$231,666.70	\$108,064.61
G&OE	120	ABFP IF 3 Investor	\$233,750.03	\$109,036.41
MDW	20732	ABFP IF 3 Investor	\$236,780.00	\$110,449.79
SRT	20252	ABFP IF 3 Investor	\$270,600.00	\$126,225.66
GJN	277	ABFP IF 3 Investor	\$278,833.33	\$130,066.23
LG&JPS	20390	ABFP IF 3 Investor	\$280,500.00	\$130,843.68
RF	20203	ABFP IF 3 Investor	\$315,066.70	\$146,967.86
PHM	161	ABFP IF 3 Investor	\$315,583.29	\$147,208.83
RSD&DLG	20254	ABFP IF 3 Investor	\$369,199.93	\$172,219.17
PROVIDENT TRUST GROUP LLC, F/B/O LEL IRA	151	ABFP IF 3 Investor	\$369,324.97	\$172,277.49
JESJ&BSD TRUST	290	ABFP IF 3 Investor	\$385,700.00	\$179,915.88
IAPL	20048	ABFP IF 3 Investor	\$454,999.96	\$212,241.95
JC	20136	ABFP IF 3 Investor	\$556,100.00	\$259,401.67
RM	402	ABFP IF 3 Investor	\$593,999.96	\$277,080.71
EWC	20042	ABFP IF 3 Investor	\$676,350.00	\$315,494.19
AL	20068	ABFP IF 3 Investor	\$901,666.71	\$420,596.74
RJD	20333	ABFP IF 3 Investor	\$1,377,599.99	\$642,603.37
CAMAPLAN	Bulk	ABFP IF 3 Investor	\$9,101,411.00	\$4,245,497.57
Total ABFP Income Fund 3 Investor Claims			\$25,477,888.66	\$11,884,565.42

Creditor	Claim #	Description	Allowed Distribution %	First Distr. 46.6%
ABFP INCOME FUND 4				
INVESTORS	Amount to distribute:			\$9,375,652.56
CMZ	398	ABFP IF 4 Investor	\$38,066.69	\$19,028.15
AKR	20623	ABFP IF 4 Investor	\$39,148.34	\$19,568.83
KLM	20177	ABFP IF 4 Investor	\$41,933.36	\$20,960.96
M&JM	216	ABFP IF 4 Investor	\$46,766.66	\$23,376.95
JL	202	ABFP IF 4 Investor	\$47,683.31	\$23,835.15
JR	224	ABFP IF 4 Investor	\$47,683.31	\$23,835.15
SGR	20651	ABFP IF 4 Investor	\$47,683.31	\$23,835.15
WP	21	ABFP IF 4 Investor	\$48,416.65	\$24,201.72
BS	20202	ABFP IF 4 Investor	\$48,833.32	\$24,410.00
MS	20111	ABFP IF 4 Investor	\$57,200.00	\$28,592.19
MH	164	ABFP IF 4 Investor	\$71,375.00	\$35,677.76
RHB	80	ABFP IF 4 Investor	\$94,333.36	\$47,153.81
J&TK	220	ABFP IF 4 Investor	\$94,433.36	\$47,203.79
VJO	275	ABFP IF 4 Investor	\$94,433.36	\$47,203.79
KFT	408	ABFP IF 4 Investor	\$94,433.36	\$47,203.79
MMN	381	ABFP IF 4 Investor	\$94,433.36	\$47,203.79
B&JR	20284	ABFP IF 4 Investor	\$94,433.36	\$47,203.79
RHP	239	ABFP IF 4 Investor	\$95,166.69	\$47,570.36
NWH	306	ABFP IF 4 Investor	\$95,166.69	\$47,570.36
GD	20745	ABFP IF 4 Investor	\$95,266.69	\$47,620.34
JP&MGB	340	ABFP IF 4 Investor	\$95,276.64	\$47,625.32
KG	20380	ABFP IF 4 Investor	\$100,800.00	\$50,386.24
DF&KY	31	ABFP IF 4 Investor	\$108,583.36	\$54,276.86
W&LS	39	ABFP IF 4 Investor	\$113,300.00	\$56,634.54
FD	140	ABFP IF 4 Investor	\$114,200.00	\$57,084.41
V&JC	20378	ABFP IF 4 Investor	\$114,200.00	\$57,084.41
NS&TJJS	119	ABFP IF 4 Investor	\$114,300.00	\$57,134.40
RW	20258	ABFP IF 4 Investor	\$114,300.00	\$57,134.40
CS	471	ABFP IF 4 Investor	\$116,103.31	\$58,035.81
JRW	225	ABFP IF 4 Investor	\$118,016.64	\$58,992.21
TMF	391	ABFP IF 4 Investor	\$118,016.64	\$58,992.21
RPI	72	ABFP IF 4 Investor	\$123,716.69	\$61,841.46
JB	136	ABFP IF 4 Investor	\$132,350.00	\$66,156.94
MGDMGIL	379	ABFP IF 4 Investor	\$141,600.00	\$70,780.68
G&PG	20440	ABFP IF 4 Investor	\$141,600.00	\$70,780.68
PR&LJH	41	ABFP IF 4 Investor	\$169,900.00	\$84,926.81
JLR	20067	ABFP IF 4 Investor	\$188,666.64	\$94,307.57
TYJ	20415	ABFP IF 4 Investor	\$188,766.64	\$94,357.56
R&CW	187	ABFP IF 4 Investor	\$190,333.31	\$95,140.68
EOJT	545	ABFP IF 4 Investor	\$200,000.00	\$99,972.71
MYS	201	ABFP IF 4 Investor	\$208,948.93	\$104,445.95
RDS	20175	ABFP IF 4 Investor	\$234,266.66	\$117,101.36
SGG	20534	ABFP IF 4 Investor	\$234,436.66	\$117,186.34
ATB	296	ABFP IF 4 Investor	\$236,776.66	\$118,356.02
NJF	62	ABFP IF 4 Investor	\$236,776.66	\$118,356.02
DR	20449	ABFP IF 4 Investor	\$242,666.66	\$121,300.21
HWF	29	ABFP IF 4 Investor	\$245,266.66	\$122,599.86
G&AB	20278	ABFP IF 4 Investor	\$256,666.66	\$128,298.30
RH	2	ABFP IF 4 Investor	\$280,000.00	\$139,961.79
RDS&KLMC	20180	ABFP IF 4 Investor	\$280,100.00	\$140,011.77
ESTATE OF PS	20441	ABFP IF 4 Investor	\$326,766.66	\$163,338.74
DTM	20220	ABFP IF 4 Investor	\$336,000.00	\$167,954.15
MFPL	20221	ABFP IF 4 Investor	\$377,333.34	\$188,615.17
G&JF	330	ABFP IF 4 Investor	\$378,675.00	\$189,285.82
TM	221	ABFP IF 4 Investor	\$462,590.00	\$231,231.87
DJ&MJK	137	ABFP IF 4 Investor	\$468,435.00	\$234,153.57
CS	20270	ABFP IF 4 Investor	\$473,770.00	\$236,820.34
JS	16	ABFP IF 4 Investor	\$474,280.00	\$237,075.27
G&MC	212	ABFP IF 4 Investor	\$561,000.00	\$280,423.44
EJB	3	ABFP IF 4 Investor	\$789,550.00	\$394,667.25

Creditor	Claim #	Description	Allowed	First Distr.
DWM	152	ABFP IF 4 Investor	\$1,472,500.00	\$736,049.04
CAMAPLAN	Bulk	ABFP IF 4 Investor	\$6,088,699.00	\$3,043,518.56
Total ABFP Income Fund 4 Investor Claims			\$18,756,424.60	\$9,375,652.56
			Distribution %	50.0%

ABFP INCOME FUND 6

INVESTORS

Amount to distribute: \$8,746,300.34

G&BD	20490	ABFP IF 6 Investor	\$24,416.68	\$13,055.32
CP	441	ABFP IF 6 Investor	\$48,833.32	\$26,110.63
JWH	20371	ABFP IF 6 Investor	\$49,349.99	\$26,386.89
MDH	20214	ABFP IF 6 Investor	\$49,416.66	\$26,422.53
MDGJ	20372	ABFP IF 6 Investor	\$58,700.00	\$31,386.23
JCZ	344	ABFP IF 6 Investor	\$59,600.00	\$31,867.45
DP	177	ABFP IF 6 Investor	\$97,666.68	\$52,221.28
D&LR	283	ABFP IF 6 Investor	\$97,666.68	\$52,221.28
LCBJ	20041	ABFP IF 6 Investor	\$97,666.68	\$52,221.28
DW	20044	ABFP IF 6 Investor	\$97,666.68	\$52,221.28
DR	20448	ABFP IF 6 Investor	\$97,666.68	\$52,221.28
P&JT	14	ABFP IF 6 Investor	\$97,766.68	\$52,274.74
MG	20079	ABFP IF 6 Investor	\$97,766.68	\$52,274.74
BWR	20045	ABFP IF 6 Investor	\$97,766.68	\$52,274.74
WJP	20663	ABFP IF 6 Investor	\$98,500.01	\$52,666.85
MC	245	ABFP IF 6 Investor	\$98,500.01	\$52,666.85
FP	250	ABFP IF 6 Investor	\$98,500.01	\$52,666.85
BAS	20108	ABFP IF 6 Investor	\$98,500.01	\$52,666.85
JES	395	ABFP IF 6 Investor	\$98,500.01	\$52,666.85
RL	20166	ABFP IF 6 Investor	\$98,500.01	\$52,666.85
LD&MCB	90	ABFP IF 6 Investor	\$98,600.01	\$52,720.32
RGF, Individually & Executrix for EF, Sr.	318	ABFP IF 6 Investor	\$99,333.34	\$53,112.42
DRD	466	ABFP IF 6 Investor	\$99,333.34	\$53,112.42
KEM&LY	165	ABFP IF 6 Investor	\$99,333.34	\$53,112.42
KA	20314	ABFP IF 6 Investor	\$99,333.34	\$53,112.42
R&NC	20660	ABFP IF 6 Investor	\$99,333.34	\$53,112.42
RSSJ	6	ABFP IF 6 Investor	\$99,433.34	\$53,165.89
EA&LMC	20464	ABFP IF 6 Investor	\$99,433.34	\$53,165.89
K&MW	20062	ABFP IF 6 Investor	\$99,433.34	\$53,165.89
J&FC	20401	ABFP IF 6 Investor	\$113,375.01	\$60,620.34
RW	20259	ABFP IF 6 Investor	\$118,200.00	\$63,200.21
ECD	20299	ABFP IF 6 Investor	\$120,618.32	\$64,493.26
PD	124	ABFP IF 6 Investor	\$146,500.00	\$78,331.90
DW&JAS	20375	ABFP IF 6 Investor	\$146,600.00	\$78,385.37
SAS	338	ABFP IF 6 Investor	\$147,750.00	\$79,000.26
ESTATE OF JRKS	20674	ABFP IF 6 Investor	\$173,833.34	\$92,946.73
J&SS	82	ABFP IF 6 Investor	\$195,433.32	\$104,496.00
PHM	163	ABFP IF 6 Investor	\$196,999.99	\$105,333.68
RJD	20334	ABFP IF 6 Investor	\$196,999.99	\$105,333.68
JVMI	20409	ABFP IF 6 Investor	\$198,666.66	\$106,224.83
RPI	75	ABFP IF 6 Investor	\$227,746.67	\$121,773.58
WaCS	20613	ABFP IF 6 Investor	\$244,306.66	\$130,628.03
CPM	179	ABFP IF 6 Investor	\$244,306.66	\$130,628.03
N&ES	13	ABFP IF 6 Investor	\$244,406.66	\$130,681.49
MM	375	ABFP IF 6 Investor	\$246,816.66	\$131,970.09
RVG	20617	ABFP IF 6 Investor	\$247,800.00	\$132,495.87
HG	129	ABFP IF 6 Investor	\$249,326.66	\$133,312.16
DD	232	ABFP IF 6 Investor	\$249,326.66	\$133,312.16
N&RR	388	ABFP IF 6 Investor	\$249,326.66	\$133,312.16
JRKJ	20671	ABFP IF 6 Investor	\$249,426.66	\$133,365.63
HWF	28	ABFP IF 6 Investor	\$253,066.66	\$135,311.90
AY	208	ABFP IF 6 Investor	\$268,300.00	\$143,456.99
ZM&KD	20347	ABFP IF 6 Investor	\$292,100.00	\$156,182.59
JB	105	ABFP IF 6 Investor	\$295,000.00	\$157,733.18
KM	20525	ABFP IF 6 Investor	\$298,000.00	\$159,337.25
JESJ&BSDT	291	ABFP IF 6 Investor	\$350,400.00	\$187,354.94
JM	20191	ABFP IF 6 Investor	\$393,333.34	\$210,310.92

Creditor	Claim #	Description	Allowed	First Distr.
CJ&LAP	20001	ABFP IF 6 Investor	\$485,970.00	\$259,842.70
DPR	83	ABFP IF 6 Investor	\$486,070.00	\$259,896.17
JHC	447	ABFP IF 6 Investor	\$491,915.00	\$263,021.42
AO	20186	ABFP IF 6 Investor	\$687,166.67	\$367,420.30
CAMAPLAN	Bulk	ABFP IF 6 Investor	\$5,292,136.00	\$2,829,645.64
Total ABFP Income Fund 6 Investor Claims			\$16,357,741.13	\$8,746,300.34
			Distribution %	53.5%

ABFP MULTI STRATEGY INVESTMENT FUND

INVESTORS

			Amount to distribute:	\$3,791,180.10
JDB	353	ABFP MSIF Investor	\$92,292.44	\$22,247.52
ESTATE OF FPJB	427	ABFP MSIF Investor	\$92,292.44	\$22,247.52
CP	443	ABFP MSIF Investor	\$92,292.44	\$22,247.52
JC	20028	ABFP MSIF Investor	\$92,292.44	\$22,247.52
SS	20577	ABFP MSIF Investor	\$92,292.44	\$22,247.52
DR	20307	ABFP MSIF Investor	\$110,750.94	\$26,697.03
P&KA	20562	ABFP MSIF Investor	\$115,365.56	\$27,809.40
HT	20471	ABFP MSIF Investor	\$138,138.00	\$33,298.81
TJ&PMC	107	ABFP MSIF Investor	\$138,438.67	\$33,371.28
CPL	141	ABFP MSIF Investor	\$138,438.67	\$33,371.28
KEM	166	ABFP MSIF Investor	\$138,438.67	\$33,371.28
DM	236	ABFP MSIF Investor	\$138,438.67	\$33,371.28
KMB	520	ABFP MSIF Investor	\$138,438.67	\$33,371.28
DK	20247	ABFP MSIF Investor	\$138,438.67	\$33,371.28
RaCP	20494	ABFP MSIF Investor	\$138,438.67	\$33,371.28
AP	20634	ABFP MSIF Investor	\$138,438.67	\$33,371.28
WR	362	ABFP MSIF Investor	\$138,530.97	\$33,393.53
E&LC	434	ABFP MSIF Investor	\$147,667.92	\$35,596.04
ED	20444	ABFP MSIF Investor	\$166,126.41	\$40,045.54
RHP	240	ABFP MSIF Investor	\$184,584.90	\$44,495.05
NB	20351	ABFP MSIF Investor	\$184,584.90	\$44,495.05
DG	20377	ABFP MSIF Investor	\$184,584.90	\$44,495.05
DB	20604	ABFP MSIF Investor	\$184,584.90	\$44,495.05
MDW	20734	ABFP MSIF Investor	\$184,584.90	\$44,495.05
LHBL	20513	ABFP MSIF Investor	\$185,507.82	\$44,717.52
DF&KY	30	ABFP MSIF Investor	\$203,043.39	\$48,944.55
VML, INDIV. AND PERSONAL REP. OF EST. OF DBL	449	ABFP MSIF Investor	\$207,658.01	\$50,056.93
B&JC	415	ABFP MSIF Investor	\$276,877.34	\$66,742.57
JCW	537	ABFP MSIF Investor	\$369,169.80	\$88,990.10
ESL&ED	111	ABFP MSIF Investor	\$461,462.24	\$111,237.62
CAMAPLAN	Bulk	ABFP MSIF Investor	\$10,715,277.00	\$2,582,967.33
Total ABFP Multi Strategy Investment Fund Inv. Claim			\$15,727,471.46	\$3,791,180.10
			Distribution %	24.1%

INSIDERS

			Amount to distribute:	\$0.00
SHANNON WESTHEAD	430	ABFP MSIF Investor	\$46,146.23	\$0.00
Total Insider Claims			\$46,146.23	\$0.00

ABFP MULTI STRATEGY INVESTMENT FUND II

INVESTORS

			Amount to distribute:	\$6,671,960.16
L&LR	20315	ABFP MSIF II Investo	\$48,587.00	\$30,383.33
CMS	244	ABFP MSIF II Investo	\$50,000.00	\$31,266.93
FP	251	ABFP MSIF II Investo	\$51,851.37	\$32,424.66
JES	394	ABFP MSIF II Investo	\$72,880.00	\$45,574.68
SS	20359	ABFP MSIF II Investo	\$72,880.00	\$45,574.68
EW	20508	ABFP MSIF II Investo	\$72,880.00	\$45,574.68
UML	96	ABFP MSIF II Investo	\$97,173.00	\$60,766.03
CBR	168	ABFP MSIF II Investo	\$97,173.00	\$60,766.03
CPM	180	ABFP MSIF II Investo	\$97,173.00	\$60,766.03
CMS	243	ABFP MSIF II Investo	\$97,173.00	\$60,766.03
DPAJMM	276	ABFP MSIF II Investo	\$97,173.00	\$60,766.03
MMN	380	ABFP MSIF II Investo	\$97,173.00	\$60,766.03
DJO	505	ABFP MSIF II Investo	\$97,173.00	\$60,766.03

Creditor	Claim #	Description	Allowed	First Distr.
JalK	20253	ABFP MSIF II Investo	\$97,173.00	\$60,766.03
BA	20397	ABFP MSIF II Investo	\$97,173.00	\$60,766.03
MN	518	ABFP MSIF II Investo	\$97,173.00	\$60,766.03
CN	92	ABFP MSIF II Investo	\$145,760.00	\$91,149.35
HP&EAGI	347	ABFP MSIF II Investo	\$145,760.00	\$91,149.35
B&BC	20082	ABFP MSIF II Investo	\$145,760.00	\$91,149.35
KLM	20178	ABFP MSIF II Investo	\$145,760.00	\$91,149.35
MDW	20735	ABFP MSIF II Investo	\$145,760.00	\$91,149.35
KJT	20398	ABFP MSIF II Investo	\$145,760.00	\$91,149.35
MS	20112	ABFP MSIF II Investo	\$155,477.00	\$97,225.77
RDS&KLMC	20179	ABFP MSIF II Investo	\$170,053.00	\$106,340.70
MDM	20149	ABFP MSIF II Investo	\$194,347.00	\$121,532.68
RTOMKH	97	ABFP MSIF II Investo	\$250,000.00	\$156,334.64
JS	259	ABFP MSIF II Investo	\$252,651.00	\$157,992.42
JWB	20272	ABFP MSIF II Investo	\$400,000.00	\$250,135.43
WCS	20615	ABFP MSIF II Investo	\$485,867.00	\$303,831.38
CAMAPLAN	Bulk	ABFP MSIF II Investo	\$6,545,593.00	\$4,093,211.83
Total ABFP Multi Strategy Investment Fund Inv. II Claim			\$10,669,356.37	\$6,671,960.16
			Distribution %	62.5%

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<u>EMPLOYEES</u>	Amount to distribute:			\$0.00
AB	20281	Employee	\$1,974.36	\$0.00
AZ	20293	Employee	\$2,692.31	\$0.00
KG	20280	Employee	\$4,461.54	\$0.00
MP	20352	Employee	\$6,904.94	\$0.00
MJT	258	Employee	\$0.00	\$0.00
Total abetterfinancialplan.com Employee Claims			\$16,033.15	\$0.00
			Distribution %	0.0%

Exhibit “31”

CBSG et al Receivership
Distribution Analysis - Fidelis Financial Planning

Creditor	Claim #	Description	Allowed	First Distr.
Fidelis Financial Planning				
INVESTOR	Amount to distribute:			\$2,938,946.30
GD	531	Fidelis Fin. Investor	\$44,375.00	\$23,450.37
R&EM	331	Fidelis Fin. Investor	\$46,250.00	\$24,441.23
MK	89	Fidelis Fin. Investor	\$46,666.66	\$24,661.41
PS	20595	Fidelis Fin. Investor	\$47,000.00	\$24,837.57
A&PP	411	Fidelis Fin. Investor	\$47,416.66	\$25,057.76
W&CM	548	Fidelis Fin. Investor	\$63,733.33	\$33,680.45
PBTGI	20084	Fidelis Fin. Investor	\$83,333.40	\$44,038.28
LG	167	Fidelis Fin. Investor	\$89,000.00	\$47,032.85
RM	20060	Fidelis Fin. Investor	\$91,666.70	\$48,442.09
AM	150	Fidelis Fin. Investor	\$93,833.34	\$49,587.07
E&KJ	88	Fidelis Fin. Investor	\$99,333.34	\$52,493.59
RR	339	Fidelis Fin. Investor	\$147,750.00	\$78,079.81
D&SMRT	154	Fidelis Fin. Investor	\$158,666.66	\$83,848.82
S&LBT	433	Fidelis Fin. Investor	\$159,820.00	\$84,458.31
SK&EMSRLT	172	Fidelis Fin. Investor	\$167,000.00	\$88,252.64
K&LS	223	Fidelis Fin. Investor	\$186,000.00	\$98,293.36
SD	266	Fidelis Fin. Investor	\$192,000.00	\$101,464.12
FGS	431	Fidelis Fin. Investor	\$200,000.00	\$105,691.79
STG	20426	Fidelis Fin. Investor	\$239,250.00	\$126,433.80
FLN	157	Fidelis Fin. Investor	\$258,000.00	\$136,342.41
J&SW	455	Fidelis Fin. Investor	\$268,500.00	\$141,891.23
ML	20120	Fidelis Fin. Investor	\$269,000.00	\$142,155.46
WLA	130	Fidelis Fin. Investor	\$297,333.35	\$157,128.47
WK	20384	Fidelis Fin. Investor	\$575,691.74	\$304,229.45
CAMAPLAN	Bulk	Fidelis Fin. Investor	\$1,689,732.00	\$892,953.99
			\$5,561,352.18	\$2,938,946.30
			Distribution %	52.8%

Exhibit “32”

CBSG et al Receivership
Distribution Analysis - Retirement Evolution

Creditor	Claim #	Description	Allowed	First Distr.
INVESTORS	Amount to distribute:			\$6,133,010.15
SEJ	468	Investor	\$9,266.63	\$5,101.44
JB	534	Investor	\$26,100.00	\$14,368.51
HB	533	Investor	\$33,041.67	\$18,190.02
WBE	467	Investor	\$79,050.00	\$43,518.41
CG&SS	308	Investor	\$126,900.00	\$69,860.67
GAS	287	Investor	\$13,334.41	\$7,340.83
SEL	498	Investor	\$14,784.03	\$8,138.87
CI	20090	Investor	\$18,515.03	\$10,192.85
MW	20197	Investor	\$19,333.35	\$10,643.35
RI	20052	Investor	\$35,225.36	\$19,392.18
M&SD	392	Investor	\$38,266.65	\$21,066.46
GAFFRDF	436	Investor	\$50,000.00	\$27,525.88
PB	20392	Investor	\$65,999.98	\$36,334.15
LLE	49	Investor	\$98,700.00	\$54,336.08
R&MD	20676	Investor	\$237,500.02	\$130,747.92
RM&LL	20410	Investor	\$309,589.00	\$170,434.17
LC	20131	Investor	\$38,640.35	\$21,272.19
RSI	20646	Investor	\$32,507.68	\$17,896.05
FF	186	Investor	\$23,499.97	\$12,937.15
JA	132	Investor	\$24,373.34	\$13,417.95
LS	203	Investor	\$30,772.50	\$16,940.80
CLR	204	Investor	\$46,625.00	\$25,667.88
MBL	267	Investor	\$60,000.00	\$33,031.05
LW	188	Investor	\$77,363.36	\$42,589.89
THLT	292	Investor	\$21,600.00	\$11,891.18
WDL	506	Investor	\$99,050.00	\$54,528.76
BC	20432	Investor	\$100,000.00	\$55,051.75
Blue Diamond (FBO CN IRA)	20684	Investor	\$269,534.28	\$148,383.34
RWL	307	Investor	\$9,399.97	\$5,174.85
PRG2FAT	20611	Investor	\$18,000.03	\$9,909.33
MP	407	Investor	\$25,440.04	\$14,005.19
BKRT dtd 11/22/89	20007	Investor	\$46,500.00	\$25,599.06
BS	20462	Investor	\$46,666.70	\$25,690.84
JES	487	Investor	\$56,800.00	\$31,269.40
JMM	108	Investor	\$65,000.00	\$35,783.64
HMK	109	Investor	\$65,000.00	\$35,783.64
DEZ	265	Investor	\$65,000.00	\$35,783.64
PK	508	Investor	\$75,000.00	\$41,288.81
CCR	20472	Investor	\$93,063.24	\$51,232.94
SPL	246	Investor	\$130,000.00	\$71,567.28

Creditor	Claim #	Description	Allowed	First Distr.
CAK	20305	Investor	\$158,522.01	\$87,269.14
RH	20304	Investor	\$180,417.05	\$99,322.75
SB	535	Investor	\$189,120.86	\$104,114.35
KBI	20006	Investor	\$278,100.00	\$153,098.92
PKS	20405	Investor	\$304,366.63	\$167,559.16
MRS	20631	Investor	\$402,336.67	\$221,493.39
LN	286	Investor	\$7,771.42	\$4,278.30
GLS	256	Investor	\$9,199.96	\$5,064.74
EBH	517	Investor	\$9,399.98	\$5,174.85
AMS	450	Investor	\$10,969.18	\$6,038.73
LN	285	Investor	\$16,924.00	\$9,316.96
RJL	50	Investor	\$18,390.64	\$10,124.37
DH	301	Investor	\$18,466.59	\$10,166.18
ALG	211	Investor	\$18,800.03	\$10,349.75
SWHJ	536	Investor	\$19,200.02	\$10,569.95
PSST	12	Investor	\$22,287.50	\$12,269.66
SKM	515	Investor	\$23,166.63	\$12,753.64
MC	274	Investor	\$23,833.31	\$13,120.65
EJNRI	20636	Investor	\$23,875.00	\$13,143.61
DVMIT	91	Investor	\$23,999.99	\$13,212.42
RBNT	148	Investor	\$27,400.00	\$15,084.18
P&PL	85	Investor	\$28,000.00	\$15,414.49
LV	20123	Investor	\$28,000.00	\$15,414.49
EJNI	20639	Investor	\$37,240.29	\$20,501.43
CFT	78	Investor	\$37,866.66	\$20,846.26
NPW (Roth IRA)	207	Investor	\$38,898.86	\$21,414.50
BJC	67	Investor	\$41,566.65	\$22,883.17
LJDS	227	Investor	\$44,666.24	\$24,589.55
RRC	262	Investor	\$44,999.57	\$24,773.05
GLJ	194	Investor	\$46,678.21	\$25,697.17
MEB	174	Investor	\$46,833.33	\$25,782.57
RN	198	Investor	\$47,000.00	\$25,874.32
MJ&KAD	86	Investor	\$47,999.98	\$26,424.83
GAF	437	Investor	\$49,333.34	\$27,158.87
GAF	438	Investor	\$49,333.34	\$27,158.87
AMP	510	Investor	\$50,000.00	\$27,525.88
WaJC	20332	Investor	\$50,000.00	\$27,525.88
OPF	329	Investor	\$56,717.42	\$31,223.93
PAM	20308	Investor	\$66,974.32	\$36,870.54
EAT	20652	Investor	\$71,000.00	\$39,086.74
TP	509	Investor	\$75,000.00	\$41,288.81
NKB	173	Investor	\$91,624.99	\$50,441.16
SB	384	Investor	\$94,666.65	\$52,115.65
SAS	191	Investor	\$94,750.00	\$52,161.54
GJC	486	Investor	\$96,943.62	\$53,369.16

Creditor	Claim #	Description	Allowed	First Distr.
MG	361	Investor	\$97,250.00	\$53,537.83
WM	20650	Investor	\$100,000.00	\$55,051.75
Nuview Trust Company, Inc. FBO RS	189	Investor	\$112,320.00	\$61,834.13
VJ&JAP	493	Investor	\$115,855.92	\$63,780.71
RS	20643	Investor	\$136,916.70	\$75,375.04
WP	298	Investor	\$143,000.01	\$78,724.01
EJN	20637	Investor	\$164,518.04	\$90,570.06
AP	99	Investor	\$175,333.33	\$96,524.07
WP	424	Investor	\$180,733.36	\$99,496.88
CJF	491	Investor	\$187,215.00	\$103,065.14
MA	100	Investor	\$192,501.00	\$105,975.17
CA	98	Investor	\$197,025.00	\$108,465.72
EAT	20653	Investor	\$198,500.00	\$109,277.73
B&DO	305	Investor	\$220,000.00	\$121,113.86
NPW (IRA)	206	Investor	\$240,956.00	\$132,650.50
GAS	288	Investor	\$249,537.50	\$137,374.77
MDW	205	Investor	\$250,000.00	\$137,629.38
WHS	20358	Investor	\$279,499.99	\$153,869.64
RG	358	Investor	\$352,706.20	\$194,170.94
GC	209	Investor	\$373,234.51	\$205,472.14
JZ	20350	Investor	\$819,112.13	\$450,935.58
RS	20000	Investor	\$46,666.70	\$25,690.84
WKS	233	Investor	\$224,200.00	\$123,426.03
CAMAPLAN	Bulk	Investor	\$265,280.00	\$146,041.29
			\$11,140,444.92	\$6,133,010.15
			Distribution %	55.1%

INSIDER INVESTORS

Amount to distribute:			\$0.00
JOHN GISSAS	20704	Investor	\$0.00
BLUE DIAMOND (JOHN GISSAS)	20692	Investor	\$0.00
			\$0.00
			\$0.00