

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO.: 20-CV-81205-RAR

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

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**RECEIVER’S MOTION TO SUPPLEMENT MOTION TO (1) APPROVE  
PROPOSED PLAN OF DISTRIBUTION AND (2) AUTHORIZE FIRST  
INTERIM DISTRIBUTION TO ADJUST ALLOWED CLAIM AMOUNTS AND  
PROPOSED FIRST INTERIM DISTRIBUTIONS FOR CERTAIN AGENT FUNDS**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver (“Receiver”) of the Receivership Entities,<sup>1</sup> by and through his undersigned counsel, files this Motion to supplement his Motion to

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<sup>1</sup> 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.;

(1) Approve Proposed Plan of Distribution and (2) Authorize First Interim Distribution [ECF No. 2014] (the “Distribution Motion”) to adjust the allowed claim amounts and proposed first interim distributions for five agent fund claimants, and states:

**I. Introduction**

In the Distribution Motion, the Receiver indicated that further analysis was required in determining whether proposed distributions should be issued to certain agent funds that are not Receivership Entities (the “Agent Funds”), or whether those distributions should bypass these Agent Funds and be paid out directly to the end investors in those Agent Funds. Through this process of reconciling the Agent Fund claims, the Receiver engaged in a detailed review of the underlying investor information within those Agent Funds, including summarizing all transaction information for these individual investors, including the principal invested by and returned to, and any interest payments received by, those individual investors.

During this process, the Receiver identified certain discrepancies between the calculations for the transactions between CBSG and the Agent Funds, as compared to the transactions between the Agent Funds and their individual investors. Specifically, the Receiver has identified discrepancies in the net investment calculations for five Agent Funds. Due to sloppy recordkeeping by prior management, certain principal and interest payments were not attributed to the correct Agent Funds. When adjustments are made to attribute those payments to the correct Agent Funds, it is necessary to adjust the net investment calculations (and, thus, the Allowed Claim Amounts) for certain Agent Funds. These adjustments will also result in an adjustment to the proposed first interim distribution for these five Agent Funds.

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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.

The Court has not yet issued an Order on the Distribution Motion. As a result, the Receiver believes it would be appropriate to amend the relief he is requesting in the Distribution Motion to account for these adjustments. Additionally, the Receiver believes the most efficient way to incorporate these amendments would be to adjust the amounts that have been proposed for distribution to these five Agent Funds, without changing the proposed first interim distribution amounts to any other Claimants. These adjustments would result in a larger total first interim distribution. Based on the amount the Receiver has proposed to hold back from the first interim distribution, there are sufficient funds within the Receivership Estate to make this adjustment. Therefore, the Receiver is providing the Court with an amended proposed Order on the Distribution Motion and amended schedules of the proposed first interim distribution.

## **II. Factual Background**

On June 26, 2023, the Court entered its Order Granting Receiver's Motion to (1) Approve Proposed Treatment of Claims and (2) for Determination of Ponzi Scheme [ECF No. 1976] (the "Claims Determination Order"). In the Claims Determination Order, the Court adopted the Receiver's proposed claims determinations for claimants that submitted claims in the receivership claims process and directed the Receiver to file a motion to approve a distribution plan and to seek authorization for an initial distribution. On August 23, 2024, the Receiver filed the Distribution Motion. Included with the Distribution Motion are the Receiver's recommendations for the first interim distribution amounts to be issued to each claimant with allowed claims. Those recommendations are detailed on schedules the Receiver attached to the Distribution Motion and included with his proposed Order on the Distribution Motion.

Through the process of preparing to issue distributions to the Agent Funds that are scheduled to receive distributions under the Receiver's proposed distribution plan, the Receiver

has identified certain discrepancies in the Allowed Claim Amounts for five Agent Funds. Specifically, due to sloppy recordkeeping by prior management of the Receivership Entities, several payments to and from these Agent Funds were misattributed to the wrong entity. As a result of these errors, the net investment calculations for these Agent Funds are incorrect, which resulted in an incorrect Allowed Claim Amount.

Because the Court has not yet issued its Order on the Distribution Motion, the Receiver believes it would be appropriate to adjust the Allowed Claim Amounts and proposed first distribution amounts for these five Agent Funds and incorporate those adjustments into the Receiver's Distribution Motion. In the Receiver's proposed first interim distribution, Claimants with Allowed Claims against CBSG are scheduled to receive approximately 50.7% of their Allowed Claim amounts. Thus, the adjustments to the claim amounts and the proposed distributions, using this same distribution percentage, these five Agent Funds would receive as part of the first interim distribution is detailed as follows:

<b>Claimant</b>	<b>Claim No.</b>	<b>Initial Allowed Claim Amount</b>	<b>Adjusted Allowed Claim Amount</b>	<b>Initial Proposed First Distribution</b>	<b>Adjusted Proposed First Distribution</b>
LWM Equity Fund LP	463	\$540,506.75	\$1,026,670.15	\$274,225.72	\$520,880.40
LWM Income Fund 2 LLC	462	\$636,000.00	\$618,033.35	\$322,674.16	\$313,558.80
LWM Income Fund Parallel LLC	464	\$3,711,568.47	\$3,333,584.00	\$1,883,061.69	\$1,691,291.56
Mariner MCA Income Fund	470	\$2,374,695.72	\$3,417,158.51	\$1,204,800.23	\$1,733,693.03
Merchant Factoring Income Fund	479	\$768,016.68	\$697,733.43	\$389,652.73	\$353,944.58

The net impact of these adjustments would be an increase of the total proposed first interim distribution amount of \$538,953.84. Rather than recalculate the proposed distributions for all

Claimants with Allowed Claims that are scheduled to receive a first interim distribution under the Receiver's proposed distribution plan, the Receiver believes it would be appropriate simply to adjust the proposed distribution amounts for only these five claimants.

The Receiver suggested a similar approach with the proposed inclusion of the claim from Victory Income Fund. *See* [ECF No. 2061]. Including the adjusted distribution amounts for these five Agent Funds, together with the amount the Receiver previously proposed for allocation to Victory Income Fund, would result in a reduction of the proposed holdback amount from \$60,173,155.69 to \$59,314,318.84. This relatively slight reduction would be appropriate because the Receiver has recovered additional funds since the time he filed the Distribution Motion and proposed the holdback amount. For example, in the Receiver's Quarterly Status Report dated July 31, 2024, the Receiver reported a current cash balance of \$166,295,148, as of July 26, 2024. [ECF No. 2005 at 2]. In the Receiver's most recent Quarterly Status Report dated October 31, 2024, the Receiver reported a current cash balance of \$175,152,705, as of October 31, 2024. [ECF No. 2059 at 2]. In other words, the additional funds the Receiver has recovered over the past quarter more than account for the reduction to the holdback the Receiver is proposing through this motion.

To ensure there is clarity in the adjustments the Receiver has proposed to the Distribution Motion through his motion to supplement regarding the claim from Victory Income Fund [ECF No. 2061] and the instant motion, the Receiver is submitting updated schedules of the proposed distribution amounts he is requesting through the Distribution Motion, as supplemented. In addition, the Receiver is submitting an amended Proposed Order on the Distribution Motion in "track changes" format, detailing the specific changes the Receiver is proposing through the motions to supplement he filed since submitting his proposed Order on the Distribution Motion on October 21, 2024.

Attached as **Exhibit 1** is an updated proposed Order on the Distribution Motion, with tracked changes reflected. Attached as **Exhibit 2** is an updated proposed schedule of the distribution amounts to all Claimants under the Receiver's proposed First Distribution, including Victory Income Fund and the five Agent Funds that are discussed in the instant motion. Attached as **Exhibit 3** is an updated proposed schedule of the distribution amounts to claimants with Allowed Claims against CBSG, including Victory Income Fund and the five Agent Funds that are discussed in the instant motion. If the Court agrees with the Receiver, these exhibits could be substituted in place of the exhibits the Receiver previously submitted to the Court with his proposed Order on the Distribution Motion as Exhibits 1 and 2, respectively.<sup>2</sup>

### **III. Analysis**

The Court has broad discretion in establishing the claims and distribution procedures in a receivership. *See SEC v. Equitybuild, Inc.*, 18-CV-5587, 2023 WL 2018906, at \*1 (N.D. Ill. Feb. 15, 2023) (“District courts have broad discretion in approving a plan for distribution of receivership funds.”). The Receiver, on his own initiative, identified certain discrepancies in the net investment calculations for these five Agent Funds. As a result, he is suggesting changes to the amounts for distribution to these five Agent Funds as part of his proposed first interim distribution. These errors were the result of sloppy recordkeeping by prior management regarding the inflows and outflows of funds for these five Agent Funds. Because the Court has not yet issued an Order on the Distribution Motion, and these changes are consistent with the methodology the Court previously approved for calculating the Allowed Claim Amounts for the claims of all

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<sup>2</sup> Exhibits 3, 4, 5, and 6 to the Receiver's proposed Order on the Distribution Plan are unchanged as a result of the Receiver's motions to supplement the Distribution Motion.

claimants, it would be appropriate for the Court to incorporate these suggested amendments when the Court issues its ruling on the Receiver's Distribution Motion.

**V. Conclusion**

WHEREFORE, the Receiver requests that the Court consider this amendment to his Distribution Motion, as set forth herein, and amend the Allowed Claim Amounts and proposed first interim distributions for the five Agent Funds, as set forth herein. The Receiver recommends that claimants be afforded one week to file a response to this motion. The Receiver would then file a reply, if necessary, within two days thereafter, and recommends that the Court's ruling on the proposed treatment of the claims of these five Agent Funds be incorporated into the Court's overall Order on the Distribution Motion. A proposed Order establishing a briefing schedule on this motion is attached as **Exhibit 4**.

Dated: December 4, 2024

Respectfully Submitted,

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on December 4, 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”

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 20-CV-81205-RAR

SECURITIES & EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

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**[PROPOSED] ORDER ON RECEIVER’S MOTION TO APPROVE PROPOSED  
DISTRIBUTION PLAN AND TO AUTHORIZE FIRST INTERIM DISTRIBUTION**

THIS CAUSE comes before the Court on the Receiver’s Motion to (1) Approve Plan of Distribution and (2) Authorize First Interim Distribution [ECF No. 2014] (the “Distribution Motion”), ~~and~~ the Receiver’s first Motion to Supplement the Distribution Motion [ECF No. 2047] (the “First Motion to Supplement”), ~~the Receiver’s second Motion to Supplement the Distribution Motion [ECF No. 2061] (the “Second Motion to Supplement”), and the Receiver’s third Motion to Supplement the Distribution Motion [ECF No. 20XX] (the “Third Motion to Supplement”).~~<sup>1</sup> In Orders dated August 27, 2024 [ECF No. 2014], September 6, 2024 [ECF No. 2026], September 24, 2024 [ECF No. 2048], October 1, 2024 [ECF No. 2051], ~~and~~ October 8, 2024 [ECF No. 2054], November 13, 2024 [ECF No. 2062], and December \_\_, 2024 [ECF No. 20XX], the Court solicited responses or objections to the Distribution Motion, as amended through the Motions to

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Distribution Motion. The First Motion to Supplement, Second Motion to Supplement, and Third Motion to Supplement are referred to, collectively, as the “Motions to Supplement.”

Supplement, permitted the Receiver to file replies,<sup>2</sup> and permitted the Chehebars<sup>3</sup> to file a sur-reply to the Distribution Motion.

The Distribution Motion is now fully briefed. Five claimants (or groups of claimants) filed responses to the Distribution Motion. *See* [ECF Nos. 2028, 2031, 2032, 2033, 2041]. The Receiver filed replies in which he addressed each of these responses. *See* [ECF Nos. 2044, 2045, 2046, 2049]. Thereafter, as permitted by the Court, the Chehebars filed a sur-reply. *See* [ECF No. 2052]. Additionally, one investor submitted a timely response to the Receiver's First Motion to Supplement, and the Receiver filed a reply to that response. *See* [ECF Nos. 2053-1, 2055]. Finally, Bill Bromley filed an untimely response to the First Motion to Supplement. See [ECF No. 2060]. Despite its untimely filing, the Court addresses the arguments from Mr. Bromley's response in this Order.

Having reviewed the filings, the record, applicable law, and being otherwise fully advised, it is hereby

**ORDERED AND ADJUDGED** that the Distribution Motion and the Motion<sub>s</sub> to Supplement are **GRANTED** as set forth herein.

### **BACKGROUND**

#### **Defendants**

Defendants Joseph LaForte and Lisa McElhone operated Complete Business Solutions

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<sup>2</sup> Pursuant to the Court's prior ruling on the Chehebars' motion for bifurcation, this Order addresses the issue of the enforceability of the Chehebars' UCC-1 financing statements, but not allegations that the Chehebars were "insiders" to the fraud scheme at the center of this case. *See* [ECF Nos. 2021, 2024, 2026].

<sup>3</sup> The "Chehebars" refers to a family who, collectively, including other investors they recruited, invested approximately \$55 million with Par Funding. Certain of the Chehebars also received Consulting Agreements from Par Funding, through which they were paid millions of dollars for recruiting additional investors for Par Funding.

Group, Inc. (“CBSG” or “Par Funding”). Amended Complaint ¶¶ 4–5, [ECF No. 119]. The chief financial officer of the company was defendant Joseph Cole Barleta. *Id.* ¶ 4. Par Funding’s investment director was defendant Perry Abbonizio. *Id.* Defendants LaForte, Cole, and Abbonizio solicited investors to purchase unregistered securities from Par Funding, as discussed below. *Id.* Defendant Dean Vagnozzi owned ABetterFinancialPlan.com d/b/a A Better Financial Plan (“ABFP”). *Id.* ¶ 6. Vagnozzi created and operated several “Agent Funds” (discussed below), and recruited, trained, and assisted others (*e.g.*, defendants Michael Furman and John Gissas) to establish their own agent funds to solicit investors for Par Funding. *Id.* ¶ 7.

### **Defendants’ Unregistered Securities Offerings**

Between 2012 and 2020, Par Funding operated a business whereby it entered into merchant cash advance (“MCA”) agreements. *Id.* ¶ 1. Defendants funded the MCAs by selling unregistered securities to hundreds of investors. *Id.* In all, Defendants raised nearly half a billion dollars through the sales of these unregistered securities. *Id.*

Between August 2012 and December 2017, Par Funding—directly or through its network of unregistered sales agents—issued promissory notes to investors in exchange for their securities purchases. *Id.* ¶ 2. Par Funding represented to investors that it would use the funds it received through these investments to fund its merchant cash advances. At the end of 2017 and the beginning of 2018, Par Funding learned it was under investigation for conducting sales through unregistered agents in violation of Pennsylvania securities law. *Id.* ¶¶ 3–4. So, beginning in January 2018, Par Funding began to utilize “Agent Funds,” which issued their own promissory notes and sold them to investors. The Defendants funneled the funds they raised through these Agent Funds into Par Funding. *Id.* ¶ 4. The managers of these Agent Funds profited by receiving promissory notes from Par Funding that provided for higher rates of return than the notes the Agent

Funds issued to their own investors. For example, if Par Funding issued a note to an Agent Fund that promised a return of 20% interest, and the Agent Fund issued notes to its investors that provided for a 10% interest rate, the Agent Fund manager would retain for himself the difference between those two interest rates. *Id.*

### **The Receiver's Appointment**

The SEC filed this action in July 2020, alleging that Defendants violated federal securities laws by making false or misleading statements and omissions concerning Par Funding's securities offerings. *See generally id.* ¶¶ 159–294. Three days after the SEC filed this action, the Court appointed the Receiver and instructed him “[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.” Order Granting Motion for Appointment of Receiver [ECF No. 36] (“Initial Receivership Order” or “IRO”) at ¶ 1. Subsequently, the Court expanded the scope of the receivership and instructed the Receiver to “develop a plan for the fair, reasonable, and efficient recovery and liquidation of all remaining, recovered and recoverable Receivership Property.” Amended Order Appointing Receiver [ECF No. 141] (“Amended Receivership Order” or “ARO”) at ¶ 52.

### **Judgments**

During this action's infancy, the Court granted the SEC's requests for a temporary restraining order and asset freeze. [ECF No. 42]. After a two-day preliminary injunction hearing, *see* [ECF Nos. 170, 192], Defendants consented to entries of preliminary injunctions against them, *see* [ECF Nos. 173, 176, 187, 200–01, 221, 255, 336]. In November 2021, on the eve of trial, the Court entered consent judgments against Abbonizio, Cole, McElhone, LaForte, and Vagnozzi. *See*

[ECF Nos. 999, 1006, 1008, 1010, 1018].<sup>4</sup> The Court later entered final judgments against all individual defendants and administratively closed the case. *See* [ECF No. 1453].

**The Receiver's Recovery of Receivership Property**

At the time of the Receiver's appointment, approximately 80 direct investors (which included individuals and Agent Funds) had approximately \$360 million invested with Par Funding and, in return, had received approximately \$100 million in interest payments.<sup>5</sup> *See* Receiver's Motion to Establish and Approve: (1) Proof of Claim Form, (2) Claims Bar Date & Notice Procedures, and (3) Procedures to Administer & Determine Claims [ECF No. 1467] ("Claims Process Motion") at 2. And more than 1,500 individual investors had money invested in CBSG through the Agent Funds. *Id.*

As of July 26, 2024, the Receiver has recovered or otherwise assumed control of approximately \$166 million in cash, as well as other assets. *See* [ECF No. 2005] at 2. In general, the Receivership Estate consists of funds the Receiver recovered from bank accounts, routine collections on the MCA accounts, and settlement payments in connection with MCA balances and related judgments; real property that Defendants purchased with commingled investor funds; and personal property (*e.g.*, vehicles, watercrafts, artworks, luxury watches) that Defendants purchased with commingled investor funds. *Id.* at 4.<sup>6</sup> The Receiver remains in pursuit of additional recovery, including a substantial settlement with Eckert Seamans Cherin & Mellott, LLC, a law firm that

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<sup>4</sup> Defendant Michael Furman did not stipulate to entry of a consent judgment. At trial, a jury returned a verdict against him. *See* [ECF No. 1101].

<sup>5</sup> These figures do not include amounts of investments paid, or interest payments received, by investors who were fully repaid by CBSG before July 27, 2020.

<sup>6</sup> The Receiver advised the Court that he anticipates recovering additional cash from persons and entities with outstanding payment obligations to one or more Receivership Entities, and from third parties the Receiver identifies as liable to one or more Receivership Entities pursuant to the Receiver's continued analysis and recovery efforts. *See* Claims Process Motion at 4.

was involved in establishing the Agent Funds that Par Funding and ABFP utilized to raise investor funds. *See* [ECF No. 2056].

**Administration and Determination of Claims**

After litigation on liability issues concluded, *see* [ECF No. 1453], the Court approved a proof of claim form, established a claims bar date, and set forth procedures for notifying claimants and administering their claims to Receivership Property. *See generally* Order (1) Approving Proof of Claim Form; (2) Establishing Claims Bar Date & Notice Procedures and (3) Approving Procedures to Administer & Determine Claims [ECF No. 1471] (“Claims Process Order”).

In calculating the allowed claim amounts, the Receiver proposed using the “net investment” method, which considers all investors’ net investments in Par Funding (*i.e.*, total cash in, minus total cash out for all notes held by investors, including investors who were already fully repaid). *See* Motion (1) to Approve Proposed Treatment of Claims and (2) for Determination of Ponzi Scheme [ECF No. 1843] (“Claims Determination Motion”) at 47-52. As support for this proposed methodology, the Receiver also asked the Court to make a finding that Par Funding operated as a Ponzi scheme. *See* Claims Determination Motion at 40-47.

In the Order granting the Receiver’s Claims Determination Motion [ECF No. 1976] (“Claims Determination Order”), the Court held that the “net investment” methodology of calculating investor claims, as proposed by the Receiver, “provides an equitable means of determining the maximum allowable claim amount that investors may be entitled to recover against the Receivership Estate’s assets.” Claims Determination Order at 12. The Court further concluded that there is “overwhelming evidence in the record . . . that CBSG operated as a textbook Ponzi scheme.” *Id.* at 26; *see also id.* at 14–25 (setting forth the Court’s findings of fact and conclusions of law on this issue). The Court emphasized that it made such finding “for the limited

purpose of determining the most equitable method of distributing money to defrauded investors” *Id.* at 12. Accordingly, the express terms of the Claims Determination Order provide that the Court’s Ponzi scheme determination “[does] not disturb previous orders . . . regarding liability, disgorgement, or penalties.” *Id.*; *see also id.* at 16 (repeating limitation on scope of Ponzi scheme determination).

The Receiver and his team of professional consultants analyzed and validated the proofs of claim that claimants submitted. *See* Claims Determination Motion at 5–6. Upon making his determination of a claim, the Receiver mailed each claimant a notice of determination, using the address the claimant provided to the Receiver on its proof of claim form. *Id.* at 6.<sup>7</sup> Upon receiving such notice from the Receiver, claimants were afforded 30 days to raise an objection. *Id.*

The Receiver resolved multiple objections without Court intervention. *See, e.g.*, [ECF No. 1875] (providing notice of amended notices of determination). The Court permitted claimants with unresolved objections to seek resolution of the disputed claims determinations by filing a response or objection to the Receiver’s Claims Determination Motion, *see* [ECF No. 1845], and the Court received more than 40 such filings. *See* [ECF Nos. 1855, 1858–60, 1862–73, 1880–87, 1889–90, 1892–98, 1900–10, 1920, 1922]. With the Court’s permission, the Receiver filed replies in support of the Claims Determination Motion, each of which addressed a group of similar or related objections. *See* [ECF Nos. 1928–31, 1933–34]; *see also* [ECF No. 1958] (proofs of claim and notices of determination relating to each unresolved objection filed, under seal, by the Receiver at the Court’s request).

The Receiver identified seven categories of claimants with claims against the Receivership

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<sup>7</sup> The Receiver also emailed notices to claimants who had provided an email address on a proof of claim submitted to the Receiver. *See* Claims Motion at 6.



Estate: (1) Defrauded Investors (including Direct Investors and Agent Fund Investors); (2) Insider Investors; (3) Employees; (4) Merchants in Litigation; (5) Vendors/Trade Creditors/Tax Claims; (6) Defendants/Insiders; and (7) Professional Claims. The Court ruled on the Receiver's claims determinations as follows:

- As to Defrauded Investors:
  - Held that Non-Receivership Entity Agent Funds—rather than the individual, retail investors who invested through them—were the proper claimants, overruled objections submitted by individual investors in Non-Receivership Entity Agent Funds, and approved the Receiver's rejection of such individual investors' claims;
  - Approved the Receiver's proposed treatment of Agent Funds' claims, and reserved ruling on the propriety of making distributions directly to the retail investors, rather than to the fund managers of the Agent Funds; and
  - Overruled the remainder of Defrauded Investors' objections and approved the Receiver's related claims determinations. *See generally* Claims Determination Order at 24–31, Exs. 1–2.<sup>8</sup>
- As to Insider Investors:
  - Deferred ruling on the Chehebars' objections regarding their purported priority lien status, designation as “Insider Investors,” and the potential effect of such designation on their claims;
  - Overruled the remainder of objections (except for a computational objection affecting only Claim 477); and

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<sup>8</sup> *See also* Claims Motion at 24–35, Exs. 8–20; [ECF Nos. 1858–59, 1862–68, 1870–73, 1880–86, 1892–95, 1898, 1900–05, 1907–10, 1920, 1922].

- Approved the Receiver’s related claims determinations. *See generally id.* at 31–34, Ex. 3.<sup>9</sup>
- Overruled an Employee’s objections and approved the Receiver’s related claims determinations for Employee claims. *See generally id.* at 34–36, Ex. 4.<sup>10</sup>
- Overruled objections of Merchants in Litigation and approved the Receiver’s related claims determinations. *See generally id.* at 36–39, Ex. 5.<sup>11</sup>
- As to Defendants/Insiders:
  - Overruled objections from LaForte, McElhone, and John Gissas, and approved the Receiver’s related claims determinations. *See generally id.* at 40–42, Ex. 7.<sup>12</sup>
  - Approved the Receiver’s determination regarding the claim from Capital Source 2000 Inc. (“CS2000”), and held that the Receiver reserved the right to challenge CS2000’s right to receive a distribution “due to, among other things, [CS2000’s] knowledge of and participation in the fraudulent conduct at issue in the underlying case.” *Id.* at 41.
- No claimants within the Vendors/Trade Creditors/Tax Claims category objected to the Receiver’s notices of determination or submitted a response to the Claims Motion, and the Court approved the Receiver’s related claims determinations. *See generally id.* at 39, Ex. 6.
- As to claimants with Professional Claims, the Court instructed the Receiver and associated professionals to continue submitting quarterly applications for payment of fees and reimbursement of expenses arising from services provided to the Receivership Estate. *See generally id.* at 42.<sup>13</sup>

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<sup>9</sup> *See also* Claims Motion at 35–37, Exs. 21–22; [ECF Nos. 1843, 1860, 1889].

<sup>10</sup> *See also* Claims Motion at 38–39, Ex. 25; [ECF Nos. 1869, 1930].

<sup>11</sup> *See also* Claims Motion at 39, Exs. 24, 26; [ECF Nos. 1887, 1896–97, 1929, 1931].

<sup>12</sup> *See also* Claims Determination Motion at 37, Ex. 23; [ECF No. 1890].

<sup>13</sup> *See also* Claims Determination Motion at 23.

Upon making these findings of fact and conclusions of law, the Court directed the Receiver to file a motion to approve a distribution plan and to authorize an initial distribution. *See id.*

### **LEGAL STANDARD**

“The district court has broad powers and wide discretion to determine relief in an equity receivership.” *SEC v. Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992). In particular, “[a]s an exercise of its equity powers, the court may order wrongdoers to disgorge their fraudulently obtained profits.” *SEC v. Fishbach Corp.*, 133 F.3d 170, 175 (2d Cir. 1997) (citations omitted). “Once 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.” *Id.* at 175 (citations omitted).

Pursuant to these broad discretionary powers, courts tasked with overseeing the administration of a receivership for a company that operated as a Ponzi scheme may authorize any distribution protocol for receivership assets that the court determines to be “fair and reasonable.” *SEC v. Wealth Mgmt. LLC*, 628 F.3d 323, 332 (7th Cir. 2010); *accord SEC v. Wang*, 944 F.2d 80, 81 (2d Cir. 1991); *SEC v. Byers*, 637 F. Supp. 2d 166, 174 (S.D.N.Y. 2009); *see also SEC v. Enter. Tr. Co.*, No. 08 C 1260, 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.”).

“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). Nevertheless, “the court itself . . . has the care of the property in dispute,” whereas a “receiver is but the creature of the court.” *SEC v. Safety Fin. Serv., Inc.*, 674 F.2d 368, 373 (5th Cir. 1982).

Unlike a case arising under Title 11 of the U.S. Code, there is no statutory mandate that prescribes how the assets recovered in an equitable receivership should be distributed. Thus, it is well within this Court’s discretion to approve a distribution plan that utilizes a *pro rata* approach, rather than one that attempts to trace a claimant’s investment into a fraudulent scheme. *See, e.g., SEC v. Quan*, 870 F.3d 754, 762 (8th Cir. 2017); *United States v. Durham*, 86 F.3d 70, 73 (5th Cir. 1996). *Pro rata* distributions are “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.” *SEC v. Credit Bancorp, Ltd.*, 290 F.3d 80, 89 (2d Cir. 2002) (quoting *Durham*, 86 F.3d at 72); *accord Elliott*, 953 F.2d at 1569; *SEC v. Credit Bancorp*, 194 F.R.D. 457, 463 (S.D.N.Y. 2000).

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.” *SEC v. Homeland Commc’ns Corp.*, No. 07-cv-80802, 2010 WL 2035326, at \*2 (S.D. Fla. May 24, 2010) (internal quotation and citation omitted). “[E]quity should not permit one group a preference over another, because ‘equality is equity.’” *Id.* (citing *Elliott*, 953 F.2d at 1570).

## ANALYSIS

### **A. Priority of Classification of Claims for Distribution**

In the Distribution Motion, the Receiver proposed the establishment of eight different classes of claims. The Court approves and adopts the Receiver’s proposed classes. As such, the priority of each Allowed Claim will be determined according to its classification, as listed below in decreasing order of priority:

**Class 1:** Administrative Claims of the Receivership Estate;

**Class 2:** Government Tax Liabilities of the Receivership Estate;

**Class 3:** Exchange Offering Investors with Priority Lien Status;<sup>14</sup>

**Class 4:** Other Defrauded Investors;

**Class 5:** Employees;

**Class 6:** Vendors, Trade Creditors, Governmental Entities;

**Class 7:** Merchants; and

**Class 8:** Insiders / Insider Investors.

**Class 1 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 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 shall continue to submit quarterly applications to the Court for payment of Professional Claims, consistent with the requirements of the Amended Receivership Order, and satisfy these Professional Claims in the ordinary course in accordance with the Court's rulings.

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<sup>14</sup> As discussed below, the Court is designating the claims of these Claimants as Class 3(a) Claims, and temporarily establishing a Class 3(b) category for the claims of the Chehebars.

All current and future Class 1 claims shall be paid, in full, from funds held in the bank accounts of the Receivership Estate, and shall be accorded priority over all other claims. Because the Receiver will not know the full amount of the Class 1 claims until the conclusion of this case, the Receiver shall, 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 and Professional Claims. The Receiver may reserve additional amounts from additional funds he recovers for the benefit of the Receivership Estate, but shall 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 this Order.

### **Class 2 Claims**

Class 2 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 shall 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. Because the Receiver will not know the full amount sought through Class 2 claims until the conclusion of this case, the Receiver shall, in the exercise of his discretion, hold back a sum to satisfy all future Class 2 claims. The Receiver may reserve additional amounts from future recoveries, but shall endeavor to reserve no more for Class 2 claims than he reasonably believes to be necessary to pay out such claims.

All Class 2 Claims shall have priority over claims of Classes 3 through 8. Any amount left in reserve for Class 2 claims at the conclusion of this case shall be distributed to claimants with

claims in Classes 3 through 8.

**Class 3(a) and 3(b) Claims**

Class 3 includes Allowed Claims of a claimant who invested money directly with CBSG and obtained a security agreement that was supported by a valid UCC-1 financing statement. Class 3 consists of certain direct investors and Agent Funds who invested directly in CBSG's merchant cash advance business. These investors obtained security agreements and, in April 2020, in connection with the "exchange offering," a UCC-1 financing statement reflecting these investors' respective security interests in CBSG's assets under the security agreements was filed (the "Exchange Offering Secured Investors"). In accordance with the terms of the security agreements and the related UCC-1 financing statement, all security interests of all Class 3 claims are of equal priority. Due to the creation of the Class 3(b) Claim category, discussed below, these claims of the Exchange Offering Secured Investors are now characterized as Class 3(a) Claims.

In addition, the Chehebars filed UCC-1 financing statements against CBSG on August 7, 2020, after the appointment of the Receiver (the "Chehebar 2020 Liens"). The Court has not yet made a determination about whether the Chehebars violated the Initial Receivership Order when they filed the Chehebar 2020 Liens, or whether the Chehebars are properly designated as "Insiders," so as to invalidate or otherwise subordinate the Chehebars' claims. In any event, because the Chehebar 2020 Liens were filed in August 2020, approximately four months after the liens of the Exchange Offering Secured Investors, the Chehebar 2020 Liens are junior to the Class 3(a) claims of the Exchange Offering Secured Investors. Thus, the claims of the Chehebars will temporarily be classified as Class 3(b) Claims.

All Class 3(a) claims shall have priority over claims of Classes 3(b) and 4 through 8. Pending further Order of the Court, all Class 3(b) claims shall have priority over claims of Classes

4 through 8. With the exception of Class 4 claims against Receivership Entities other than CBSG (as discussed below), all Class 3(a) claims shall be paid in full before a distribution is made to a lower class.

As part of the Initial Distribution, there are sufficient funds to make pro rata distributions to Class 3(a) claimants, but not to Class 3(b) claimants. At the time of this Order, uncertainty remains concerning whether the Receiver will achieve future recoveries sufficient to pay all Class 3(a) claims in full. If the Receiver is unable to pay such claims in full, he shall make *pro rata* distributions to all Class 3(a) claimants before a distribution is made to a lower class (with the exception of Class 4 claims against Receivership Entities other than CBSG (as discussed below)).

#### **Class 4 Claims**

Class 4 includes Allowed Claims of a claimant who invested money with one or more Receivership Entities, but does not have a properly-filed and valid UCC-1 financing statement that supports a security agreement over the assets of the Receivership Entities.

All Class 4 claims shall have priority over all claims of Classes 5 through 8, and shall be paid in full before a distribution is made to a lower class. There are insufficient funds within the Receivership Estate to provide *pro rata* distributions to Class 4 Claimants who invested directly in CBSG, and uncertainty remains concerning whether the Receiver will obtain future recoveries sufficient to pay such claims on a *pro rata* basis. However, there are sufficient funds within the Receivership Estate to provide *pro rata* distributions to Class 4 Claimants with Allowed Claims against Receivership Entities other than CBSG (*i.e.*, Fidelis Financial Planning LLC, the ABFP entities, and the Retirement Evolution entities).

At the time of this Order, uncertainty remains concerning whether the Receiver will obtain future recoveries sufficient to pay such claims in full. Nevertheless, the Agent Funds that are



Receivership Entities are Class 3(a) claimants and, therefore, will receive a distribution from CBSG. Each of these Agent Fund Receivership Entities shall combine funds solely attributable to it with funds it receives from CBSG's distribution, and shall make *pro rata* distributions consisting of such combined funds to every Class 4 claimant with an Allowed Claim against it.

#### **Class 5 Claims**

Class 5 includes Allowed Claims of an Employee of a Receivership Entity who seeks wages or other payment for services that he or she rendered to the Receivership Entity-employer prior to the Receiver's appointment.

All Class 5 claims shall have priority over all claims of Classes 6 through 8, and shall be paid in full before a distribution is made to a lower class. If there are sufficient funds available for distributions to be made to Class 5 claimants, such distributions shall be made without consideration for payroll- and wage-related taxes.

#### **Class 6 Claims**

Class 6 includes Allowed Claims of businesses owed for goods, services, or credit provided to a Receivership Entity prior to the Receiver's appointment; credit card companies owed on unpaid amounts incurred by a Receivership Entity (or an owner or representative thereof) prior to the Receiver's appointment; and governmental entities owed on unpaid taxes attributable to periods prior to the Receiver's appointment.

All Class 6 claims shall have priority over all claims of Classes 7 and 8, and shall be paid in full before a distribution is made to a lower class.

#### **Class 7 Claims**

Class 7 includes Allowed Claims of companies that received funding pursuant to a merchant cash advance agreement with a Receivership Entity and were parties to litigation against

a Receivership Entity at the time of the Receiver's appointment.

All Class 7 claims shall have priority over all Class 8 claims and shall be paid in full before a distribution is made to a lower class.

### **Class 8 Claims**

Class 8 includes Allowed Claims of investors who invested in CBSG, including through a Receivership Entity, and whose priority of payment was deemed by the Receiver as subordinate to that of Classes 1 through 7 based on a consideration of the equities of the case, the Claimant's relevant acts, involvement in the underlying fraud scheme, and access to information unavailable to Defrauded Investors.

All Class 8 claims shall be paid after all other claims of Classes 1 through 7 are fully paid.

## **B. Claimant-Specific Distribution Determinations**

### **1. Exchange Offering Secured Investors**

On April 13, 2020—and, thus, before this action's commencement and prior to the Receiver's appointment—Albert Vagnozzi<sup>15</sup> filed a UCC-1 financing statement that purported to establish a priority interest over CBSG's assets in favor of investors who accepted an "exchange offering" from CBSG. *See* Distribution Motion at Ex. 25.<sup>16</sup> Under the exchange offering, investors who previously invested in CBSG received an Exchange Note and a new security agreement from CBSG, pursuant to which the investors accepted a lower interest rate and a lengthened repayment period for their prior investments. In exchange for these new, less favorable terms, these investors received a newly-recorded priority security interest over CBSG's assets. Each Exchange Note

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<sup>15</sup> Albert Vagnozzi was also the manager of an Agent Fund (*i.e.*, Capricorn Income Fund I, LLC and Capricorn Income Fund I Parallel, LLC).

<sup>16</sup> Of the claimants with Allowed Claims against CBSG, only the Chehebars, certain other investors recruited by the Chehebars, and four other Claimants did not accept the exchange offering.

identified Albert Vagnozzi as the investors’ “Security Agent.” *See, e.g.*, Distribution Motion at Ex. 26, A-2, § 1.02(i). Under the security agreements, Albert Vagnozzi—as the Security Agent—was required to file a UCC-1 financing statement in favor of the secured parties thereunder, *id.* at C-2, ¶ 2(c), and the security interests granted to the Exchange Offering Secured Investors were of “equal priority” and “*pari passu*,” *id.* ¶¶ 2(b)–(c).

Albert Vagnozzi’s designation as the investors’ Security Agent, and the financing statements’ omissions of the secured parties’ names within the financing statements, are permissible under the UCC. Indeed, financing statements must provide *either* “the name of the secured party *or a representative of the secured party*.” Del. Code Ann. tit. 6, § 9-502(a)(2) (West 2013) (emphasis added), *discussed by In re Oak Rock Fin., LLC*, 527 B.R. 105, 115 (Bankr. E.D.N.Y. 2015) (“because searches are not conducted under the secured party’s name,” a financing statement is valid even if it contains an error in the secured party’s representative’s name) (quotation and citation omitted); *see also In re Adirondack Timber Enter., Inc.*, 71 UCC Rep. Serv. 2d 722, 2010 WL 1741378, at \*4 (Bankr. N.D.N.Y. Apr. 28, 2010) (“A financing statement . . . 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.”) (discussing UCC § 9-503 cmt. 3 (Am. L. Inst. & Unif. L. Comm’n 2010)).

Under UCC § 9–502(a), a security interest recorded on behalf of a represented party is enforceable so long as the alleged representative is “able to demonstrate some source of its authority to be deemed the ‘representative of the secured party.’” *In re QuVIS, Inc.*, 71 UCC Rep. Serv. 2d 801, 2010 WL 2228246, at \*6 (Bankr. D. Kan. June 1, 2010) (quoting Kansas analog of Del. Code Ann. tit. 6, § 9–502(a)(2) (West 2013)). Here, the Exchange Notes—all of which were signed by an authorized representative of CBSG—expressly state that Albert Vagnozzi was

granted the authority to serve as the representative for each secured party thereunder. *See, e.g.*, Distribution Motion at Ex. 26, A-2, § 1.02(i).

The Chehebars argue that Albert Vagnozzi should be characterized as an Insider and, therefore, his purported Insider status should be attributed to the Exchange Offering Secured Investors based on Albert Vagnozzi's role as their security agent for filing the UCC lien. *See* [ECF No. 2041] at 11-14. The Court rejects this argument. Albert Vagnozzi's role with respect to the Exchange Offering Secured Investors was limited to filing a UCC lien on their behalf. As a result, Albert Vagnozzi's knowledge of or involvement in any underlying fraud is not imputed to the Exchange Offering Secured Investors. *See Downs v. McNeil*, 520 F.3d 1311, 1320 (11th Cir. 2008).

Moreover, the Chehebars' attempted reliance on 15 U.S.C. § 78cc and equitable subordination principles to invalidate the liens of the Exchange Offering Secured Investors is misplaced. Neither the Receiver nor the Exchange Offering Secured Investors are seeking to invalidate or avoid the Exchange Offering Secured Investors' underlying security agreements or liens. Additionally, the ultimate beneficiaries of this lien are the retail investors who invested through these Agent Funds, and there has been no finding that these defrauded investors were insiders or otherwise engaged in improper conduct, as would be required for equitable subordination principles to apply. As such, the Exchange Offering Secured Investors with Allowed Claims possess validly recorded security interests of equal priority as of April 13, 2020, and are Class 3(a) Claimants.

## **2. The Chehebars' 2017 and 2020 UCC Liens**

### **i. Validity of 2017 Liens**

In exchange for investing in, and loaning money to, CBSG, four members of the Chehebar family (*i.e.*, GEMJ Chehebar GRAT, LLC, Albert Chehebar, Isaac Shehebar, and the Isaac

Shehebar 2008 AIJJ Grantor Retained Annuity Trust (collectively, “2017 Chehebar Lienholders”) received promissory notes and were provided security agreements; and, in 2017, they recorded UCC-1 financing statements in Delaware and Pennsylvania against all of CBSG’s assets. *See* [ECF No. 1889 at 15; ECF No. 1843-3 at 2] (collectively, “2017 liens”).

The Court appointed the Receiver and entered the IRO about three years later, in July of 2020. *See generally* IRO [ECF No. 36]. The IRO prohibits the Receivership Entities and “*all persons receiving notice*” of the IRO from “hinder[ing] or interfer[ing] with the Receiver’s efforts to take control or possession of the *Receivership Entities’ property interests*,” and from hindering or interfering with the Receiver’s efforts to “preserve” those property interests. IRO ¶ 9 (emphasis added). “[P]ersons receiving notice” of the IRO include “all known . . . *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).

A few weeks later, on August 13, 2020, the Court entered the Amended Order Appointing Receiver. The ARO clarified the terms of the IRO and specifically provided that the prohibition of interference with the Receiver’s taking control of Receivership Property prevented creditors, such as the 2017 Chehebar Lienholders, from “creating or enforcing a lien upon any Receivership Property.” ARO ¶ 29(A).

By virtue of the liens they recorded against all of CBSG’s assets, the four Chehebars who obtained the 2017 Liens are “known . . . *creditors*” of CBSG when the Court entered the IRO and the ARO in 2020. Furthermore, the Chehebars do not dispute that they became aware of the appointment of the Receiver prior to 2022—when the 2017 Liens, by operation of law, ordinarily would have expired five years later—and, thus, are “persons receiving notice” of the IRO and the ARO, who may not hinder or interfere with the Receiver’s efforts “to take control or possession

of the Receivership Entities' property interests . . . or . . . [to] preserve them." *Id.* ¶¶ 6, 9.

The Chehebars failed to request leave of Court to file continuation statements for the 2017 liens. *See* Del. Code tit. 6, § 9-515(c)–(e); 13 Pa. C.S. § 9515(c)–(e). Consequently, the 2017 Liens, which were created in January 2017, expired five years later, in January 2022. *See* Del. Code tit. 6, § 9-515(a); 13 Pa. C.S. § 9515(a). Neither the parties nor the Court have located a single instance in which a receivership court has held that a secured party is not required to file continuation statements for financing statements that pre-exist a receiver's appointment. *Cf. 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").

The 2017 Chehebar Lienholders suggest that bankruptcy principles should control in this situation and freeze the respective priority of secured claims as of the date the ARO was entered. But the Bankruptcy Code, as amended, does not provide that "a creditor's rights are frozen on the petition date[, thereby] excusing [the creditor] from maintaining its secured position during the administration of the case for purposes of an objection to claim." *In re 800 Bourbon St., LLC*, 541 B.R. 616, 626 (Bankr. E.D. La. 2015). Instead, once a bankruptcy petition is filed, an automatic stay is imposed over "any act to create, perfect, or enforce any lien against property of the estate," 11 U.S.C. § 362(a)(4), but not over acts "to maintain or continue the perfection of an interest in property of the estate," *id.* § 362(b)(3). In other words, "[t]he Bankruptcy Code specifically allows creditors . . . to file continuation statements without violating the automatic stay." *In re 800 Bourbon St., LLC*, 541 B.R. at 627.

The Chehebars have identified other bankruptcy decisions holding that, within the context

of a bankruptcy proceeding, courts may determine that priority rights are determined and frozen as of the date the debtor files its petition for bankruptcy. *See* [ECF No. 2041] at 4-8. This is not a bankruptcy case. It is true that courts presiding over equitable receiverships sometimes look to bankruptcy cases when there is no applicable law on a particular topic. But issues regarding the relative priority of liens and the effect of a lapsed UCC lien are “property rights” that “are determined by state law.” *In re 800 Bourbon St., LLC*, 541 B.R. at 627. Under Delaware and Pennsylvania UCC law, the commencement of a bankruptcy proceeding does not toll a subsequent lapse of a pre-petition lien. *See* Del. Code tit. 6, § 9-515, cmt. 4; 13 Pa. C.S. § 9515, cmt. 4. Rather, both states’ UCCs provide that a secured party wishing to preserve its priority status must file a continuation statement to prevent its pre-bankruptcy financing statement from lapsing during the debtor’s bankruptcy, and excuse secured parties from obtaining relief from an automatic stay before filing a continuation statement. *See id.*

The Court has not identified any applicable law in Delaware or Pennsylvania that would freeze the priority of a UCC lien upon the appointment of a receiver. Receiverships take many different forms. The scope of a receivership—including the receiver’s duties and the actions others are prohibited from taking following the entry of the appointment order—are governed by the specific language in the appointment orders. Here, after the Receiver’s appointment, the 2017 Chehebar Lienholders were obligated to seek leave of Court to extend the 2017 liens if they desired to maintain any priority rights over Receivership Property. *See, e.g.*, IRO ¶ 9. Having failed to do so, the Chehebars’ 2017 Liens expired under applicable state UCC law in 2022. *See* Del. Code tit. 6, § 9-515(a); 13 Pa. C.S. § 9515(a).

**ii. Validity of 2020 liens**

The Chehebars represent that “[i]n March of 2020, CBSG ceased paying interest on [their]

Promissory Notes” apparently because of “the harm the COVID-19 pandemic inflicted on CBSG’s MCA funding business.” [ECF No. 2041 at 3] (record citation omitted). So, “in April 2020, the [Chehebars] contacted their counsel at Paul, Weiss, Rifkind, Wharton & Garrison LLP (‘Paul Weiss’) regarding [their] concern about CBSG’s financial viability.” [*Id.*] (record citation omitted). “In June 2020, the decision was made that the [Chehebars] would file UCC Financing Statements to perfect any unperfected security interests.” [*Id.*] (record citation omitted).

The Court entered the IRO on July 27, 2020, and, merely 11 days later, the Chehebars—through Paul Weiss—filed additional liens against Receivership Property (the “2020 Liens”). Four of the 2020 Liens were new recordings on behalf of the 2017 Chehebar Lienholders, rather than (untimely) continuation statements.<sup>17</sup> All other 2020 liens were newly recorded by Chehebars other than the 2017 Lienholders; specifically, Cherie, Ezra, Josef, Joyce, Michael, and Steven Chehebar, and Ezra Shehebar, LLC. *Compare* [ECF No. 1889-5] (2020 Liens) *with* [ECF Nos. 1889-3, 1889-4] (2017 Liens). A few days later, on August 13, 2020, the Court entered the ARO.

Although the ARO clarified and expanded on certain provisions of the IRO, both orders—in nearly identical language—enjoined noticed persons from interfering with the Receiver’s efforts to control, possess, and manage Receivership Property. *Compare, e.g.*, IRO ¶ 9 (prohibiting “persons receiving notice” of the IRO from interfering with the Receiver’s efforts “to take control or possession of the Receivership Entities’ property interests” and “[to] preserve them”) *with* ARO ¶ 29(A) (prohibiting “persons receiving notice” of the ARO, “without the express written agreement of the Receiver,” from interfering with the Receiver’s efforts “to take control, possession, or management of any Receivership Property,” such as “creating or enforcing a lien

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<sup>17</sup> For a continuation statement to be timely under the Delaware and Pennsylvania UCCs, it must be filed six or fewer months before five years have passed since the financing statement was filed. Del. Code tit. 6, § 9-515(d); 13 Pa. C.S. § 9515(d).



upon any Receivership Property”). The IRO’s omission, and the ARO’s inclusion, of non-exhaustive examples of prohibited acts of interference with the Receiver’s efforts to control, possess, or manage Receivership Property does not render such acts retroactively permissible under the IRO but prospectively (and exclusively) prohibited by the ARO.

The Chehebars suggest that they “did not have notice of the IRO” when they recorded the 2020 Liens, *see* [ECF No. 2041 at 4], and argue, therefore, they were not “persons receiving notice” of the IRO at the time they filed the 2020 Liens. [*Id.* at 9]. The Receiver and the Chehebars both submitted evidence supporting their respective positions on whether the Chehebars had knowledge of the entry of the IRO. While the timing of the Chehebars’ filing of the 2020 Liens strongly suggests they were aware of the Receiver’s appointment, there are disputed questions of fact on this issue. At this stage of the litigation, the Court need not make a factual finding about whether the Chehebars had notice of the IRO when they recorded the 2020 Liens.

Assuming, *arguendo*, the Chehebars’ 2020 Liens are valid, those liens (and therefore, their claims against the assets of the CBSG) would be characterized as Class 3(b) Claims, which are junior to the claims supported by the April 2020 liens of the exchange offering noteholders. The Allowed Claim amounts of the April 2020 lienholders total in excess of \$193 million. In the Distribution Motion, the Receiver has proposed an initial distribution of \$110 million, which included a distribution of approximately \$95.8 million to claimants with allowed claims against CBSG. In other words, the secured exchange offering noteholders with Allowed Claims would be receiving an initial distribution that amounts to 50.7% of their total allowed claim amounts. Unless and until the Receiver is in a position to distribute 100 percent of the Allowed Claim amount to all Class 3(a) exchange offering noteholders, there will be insufficient funds within the Receivership for a distribution to other Claimants with allowed claims against CBSG.

Accordingly, the Court will defer ruling whether the Chehebars' 2020 Liens are valid and, for the time being, classify the Chehebars as Class 3(b) Claimants. If, through a subsequent motion, the Receiver requests permission to distribute funds exceeding 100% of the allowed claim amounts for the Class 3(a) exchange offering noteholders, such that there are additional funds available for distribution to other claimants with Allowed Claims against CBSG, the Court will address this issue at that time. Specifically, if it appears there are funds available for distribution to Claimants with lower priority than Class 3(a) Claimants, such that the Chehebars' Class 3(b) claims would potentially be in a position to receive a distribution, the Court will permit limited discovery into this notice issue, and determine whether the Chehebars violated the IRO when they filed their 2020 Liens. In addition, the Court may consider at that time whether the Chehebars are properly considered Insiders, such that their claims should be classified as Class 8 Claims.

### **3. Insiders and Insider Investors**

The Court carefully considered the “overwhelming evidence” the Receiver presented and the “well-developed record” in this case before concluding that, for the purpose of fashioning the most equitable method of distribution of the Receivership Estate, CBSG operated as a Ponzi scheme from 2012 through the Receiver’s appointment in 2020. *See* Order Granting Claims Motion at 11–26. As support for its conclusion, the Court found that CBSG accepted at least \$478.6 million from investors between 2012 and 2019 and, in exchange, issued promissory notes to investors. *Id.* at 23 (record citation omitted). Although CBSG characterized the funds it raised as loans, in truth, they were investments. *Id.* (omitting record citations) (citing *Cuthill v. Greenmark, LLC*, 275 B.R. 641, 648 (Bankr. M.D. Fla. 2002) (finding debtor perpetrated a “textbook Ponzi scheme” by issuing promissory notes to raise funds, and using raised funds to pay previous investors)).

In addition, although “CBSG did, in fact, operate a merchant cash advance business,” the Court found that CBSG “conducted little to no *legitimate* business.” Claims Determination Order at 23 (emphasis in original). Rather, CBSG operated at a loss “for eight straight years,” misrepresented uncollectable losses as profits, “declined to account for uncollectable debt,” and “maintained an artificially higher advance balance through its ‘reload’ practice,” which “distorted the loss rate calculation by concealing losses as refinances,” and which CBSG used to “gull new investors.” *Id.* at 24 (record citations omitted) (citing *Scholes v. Lehmann*, 56 F.3d 750, 755 (7th Cir. 1995) (a Ponzi scheme may be found even if “some or for that matter all of [the company’s] profit . . . [came] from ‘legitimate’ trades”)).

Additionally, the Court found that CBSG’s merchant cash advance activities—“purportedly the heart of CBSG’s revenue generating business” operations—resulted in a net cash deficit of over \$300 million dollars between 2012 and 2019. Claims Determination Order at 24 (record citation omitted). Had “CBSG accurately maintained its balance sheet to show uncollectable accounts, it would have reflected that [CBSG’s] debts exceeded [its] assets by **\$128 million . . . .**” *Id.* at 25 (emphasis in original) (record citation omitted). And notwithstanding that CBSG’s external auditor determined that, with respect to the year it was engaged, “the business sustained \$8.2 million in losses before income taxes,” CBSG’s management distributed \$14.3 million to McElhone. *Id.* at 24–25 (record citations omitted).

Lastly, the Court determined that CBSG paid earlier investors with funds from recent investors. *Id.* at 25 (record citation omitted). Year after year, CBSG’s operating expenditures grew while its cash dwindled; by 2019, CBSG’s net cash deficit exceeded \$300 million. *Id.* (record citation omitted). Lacking sufficient merchant cash advance revenue to pay investors, CBSG raised funds from new investors and used those funds to pay earlier investors. *Id.* (record citation

omitted). The Receiver submitted evidence demonstrating that between 2012 and 2019, CBSG obtained over \$478 million in investments and distributed over \$136 million to older investors, using funds invested by more recent investors. *Id.* (record citations omitted).

When making distribution determinations affecting hundreds of claims to receivership property, it is often true that “equality is equity,” *Cunningham v. Brown*, 265 U.S. 1, 13 (1924), and a receivership court’s exercise of equity powers may result in forfeited or superseded rights. *See 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”); *see also United States v. Vanguard Inv. Co.*, 6 F.3d 222, 226 (4th Cir. 1993) (receivership courts have “the discretionary power to deny . . . equitable remedies as inimical to receivership purposes even though they are or might be warranted under controlling law”) (discussing *Elliott*, 953 So. 2d at 1569–70). For example, where “numerous victims of a fraud have competing claims to a limited receivership res,” a court may deny a claimant’s request for equitable relief that “would come at the direct expense of the other . . . victims,” *Credit Bancorp*, 2000 WL 1752979, at \*19, and “order wrongdoers to disgorge their fraudulently obtained profits” to be distributed to their victims, *Fishbach Corp.*, 133 F.3d at 175.

Consistent with these guiding equitable principles, courts routinely approve distribution plans that reject Insider Investors’ claims, regardless of the strength of evidence demonstrating the Insider Investors’ 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 summary disposal of claim by sales agent who received commissions for recruiting investors without evidentiary hearing on sales agent’s knowledge of the underlying fraud); *SEC v. Merrill Scott & Assocs., Ltd.*, No. 2:02-cv-39, 2006 WL 3813320, at \*11 (D. Utah Dec. 26, 2006) (approving Receiver’s proposed rejection of claim

from investor who represented he lacked knowledge of underlying fraud but had violated asset freeze orders, interfered with the receiver's efforts to preserve receivership property, personally recovered \$400,000 from prior marketing services provided to the investment fund, and allowed fund to use his name to recruit investors).

The Court has reviewed the Receiver's recommendations on designating certain Claimants as Insiders and Insider Investors, subordinating those Claimants' claims to Class 8, and argument and evidence supporting and opposing such recommendations. *See, e.g.*, [ECF Nos. 2014, 2041, 2047-8, 2047-9, 2047-10, 2049, 2052]. For the reasons set forth below, the Court hereby approves the Receiver's classification of Capital Source 2000, Inc. ("CS2000"), William Bromley, John Gissas, and Shannon Westhead as Insiders or Insider Investors, and approves subordination of these claims to Class 8.

*a. CS2000*

CS2000 was a merchant cash advance company that defendant Cole and his business partner, William Bromley, created. Bromley and Cole each had their separate roles in the operation. Bromley identified a number of investors who were looking to invest in a merchant cash advance business. *See* [ECF No. 2047-9]. Cole, on the other hand, offered CBSG's existing business platform to serve as CS2000's operational arm. *See* [ECF No. 2047-10].

Pursuant to an agreement between CBSG and CS2000, CBSG generated sales leads, solicited merchant cash advance customers, performed underwriting services, documented the merchant cash advance agreements and maintained associated records, utilized its collections team to collect on the advances, and otherwise serviced merchant cash advance customers on behalf of CS2000. *See generally* [*id.*]. CS2000 raised investor funds and paid CBSG 14% of the gross amount of funding that CBSG advanced to these merchants on CS2000's behalf. *See* [*id.*]. In

exchange, CBSG paid CS2000 portions of the amounts CBSG subsequently recovered from the merchants.

CS2000 argues in its response to the Distribution Motion that CS2000 was never sued for its conduct relating to CBSG, Cole has not been convicted of any crime and he should be presumed innocent, CS2000 has attempted to “work” with the SEC and the Receiver to address any concerns related to CS2000’s claim, and denial of CS2000’s claim would result in injury to its noteholders rather than to Bromley and Cole. *See* [ECF No. 2028]. The Receiver filed a reply in which he addressed each of these arguments. *See* [ECF No. 2044].

Cole is unquestionably an insider at CBSG, as he was intimately involved in CBSG’s fraudulent business operations. Indeed, Cole voluntarily opted not to contest or dispute liability in this case, and he consented to entries of a judgment of disgorgement and a permanent injunction based on his conduct in the fraudulent scheme. *See* [ECF No. 1016]. And despite CS2000’s suggestions that he should be presumed innocent, Cole has now pled guilty to a federal RICO charge in a criminal case pending in the U.S. District Court for the Eastern District of Pennsylvania; this charge is based on, *inter alia*, Cole’s role in a racketeering enterprise that conspired to commit crimes related to fleecing CBSG’s investors and concealing from them defendant LaForte’s criminal history and true role in operating CBSG, and misrepresenting the profitability of the company. *See generally* Superseding Indictment, *United States v. LaForte*, No. 2:24-cr-65-MAK-3 (E.D. Pa. Mar. 21, 2024), [ECF No. 15]; Minute Entry Regarding Change of Plea, *United States v. LaForte*, No. 2:24-cr-65-MAK-3 (E.D. Pa. Oct. 16, 2024), [ECF No. 135].

In addition, CS2000 was not an investor in CBSG. Rather, it operated as a sister company that participated in raising investor funds that were then used to co-fund MCA agreements with CBSG. In other words, CS200 was involved in the very same fraudulent activity underlying the

claims against CBSG and the other Defendants in this case and, therefore, is properly deemed an insider. Moreover, CS2000 is not similarly situated to the Defrauded Investors. CS2000 was a business partner to CBSG, not an unwitting investor. Consequently, CS2000's claim is subordinated to Class 8.

***b. William Bromley***

Certain investors used self-directed individual retirement accounts maintained with a third-party administrator, CamaPlan, to make their investments. Order Granting Claims Motion at 29. The CamaPlan administrator is the custodian of these accounts, and CamaPlan will receive any distributions due to individual investors/accountholders. *Id.* In the Order Granting Claims Motion, the Court instructed CamaPlan to submit a "bulk claim" for all individual accountholders who authorized CamaPlan to submit a claim on their behalf. *Id.* The Receiver submitted proposed determinations and treatment of the CamaPlan bulk claim with respect to accountholders who invested through a CamaPlan individual retirement account. [ECF No. 1976-2].

The Receiver subsequently advised that one CamaPlan accountholder "has an Allowed Claim in Fast Advance Funding that was not specifically referenced in the Receiver's Distribution Plan." [ECF No. 2047 at 2]. That accountholder is William Bromley, who is the co-founder and co-owner of CS2000, along with defendant Cole. As stated above, CS2000 raised investor funds and provided them to CBSG to use in the funding of certain merchant cash advances. In exchange, CBSG paid CS2000 portions of the amounts CBSG subsequently recovered from the merchants.

Bromley was responsible for identifying the investors whose money would be used to fund this operation, and was CS2000's main fundraiser. *See, e.g.*, [ECF No. 2047-9]. Since CS2000 and Cole are properly deemed to be insiders, Bromley is as well. *See Byers*, 637 F. Supp. 2d at 184 (approving distribution plan that rejected claims of "those involved in the fraudulent scheme");

*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). This is so, even if Bromley plausibly lacked knowledge that CBSG was operating as a Ponzi scheme and defrauding its investors. *See Merrill Scott*, 2006 WL 3813320, at \*11; *Pension Fund of Am. L.C.*, 377 F. App'x at 963.

~~Notably, The Court established a deadline of October 7 for any objections or responses to the First Motion to Supplement. [ECF No. 2048]. Bromley filed an untimely response on November 1, 2024. See [ECF No. 2060]. Notwithstanding the untimely nature of his response, the Court has considered and rejects Bromley's opposition. Bromley argues that the Receiver has not established that Bromley engaged in "unfair conduct" or "impropriety" so as to support the subordination of his claim to the claims of other investors. *Id.* at 5. As explained above, however, an insider designation is supported in circumstances where a claimant was compensated for recruiting additional investors, regardless of their knowledge of or involvement in the underlying fraud scheme. ~~did not challenge this proposed insider designation or otherwise file an opposition to the Distribution Motion. Notwithstanding the lack of opposition,~~ The Court finds that there is more than sufficient evidence to support a determination that Bromley was an "insider." Accordingly, Bromley's claim, which was submitted by CamaPlan on his behalf, is properly characterized as a Class 8 claim.~~

***c. John Gissas***

Defendant John Gissas served as the principal of Retirement Evolution Group, LLC. Like defendant Cole, Gissas consented to entries of a judgment of disgorgement and a permanent injunction against him based on his conduct related to CBSG's fraudulent scheme. [ECF No. 1131]. Nevertheless, Gissas submitted two claims against the Receivership Estate arising from



investments he made, through companies he wholly owned and controlled, of his own money in RE Income Fund, which then invested in, and obtained promissory notes from, CBSG.

Gissas is an insider and, therefore, not permitted to receive any distributions from the Receivership Estate. *See Byers*, 637 F. Supp. 2d at 184 (approving “eminently reasonable” distribution plan that excluded claims by “those involved in the fraudulent scheme”); *Basic Energy & Affiliated Res., Inc.*, 273 F.3d at 660–61, 667 (upholding distribution plan that reduced the recoveries of investors who received commissions 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). Otherwise, the distributions would effectively offset the disgorgement and civil penalties defendant Gissas agreed to pay pursuant to his consent.

Like Bromley, Gissas did not challenge this proposed insider designation or otherwise file an opposition to the Distribution Motion. Notwithstanding the lack of opposition, the Court finds that there is more than sufficient evidence to support a determination that Gissas was an “insider.” Accordingly, Gissas’ claims are properly relegated to Class 8.

***d. Shannon Westhead***

Shannon Westhead worked for defendant Dean Vagnozzi at ABFP. She was also the co-manager of a separate Agent Fund, Pisces Income Fund, LLC (“Pisces”), and was responsible for soliciting investors for CBSG and managing their investments through Pisces. In 2023, the SEC sued her for allegedly making material misrepresentations and omissions to investors regarding the CBSG investment scheme and for offering unregistered securities to investors. *See generally* Compl., *SEC v. Westhead*, No. 1:23-cv-23749-RAR (S.D. Fla. Sept. 29, 2023), ECF No. 1.

Ms. Westhead submitted a claim against ABFP Multi-Strategy Investment Fund L.P.,

seeking to recover amounts she invested through that fund. The Court already concluded that individuals involved in raising investor funds are Insider Investors. *See* Order Granting Claims Motion at 35–36. Thus, even if Ms. Westhead is not found liable for violating federal securities laws, and regardless of whether she knew that CBSG was a fraudulent scheme, her claim is properly denied based on her role in recruiting additional investors. *See Merrill Scott*, 2006 WL 3813320, at \*11; *Pension Fund of Am. L.C.*, 377 F. App’x at 962.

Ms. Westhead filed a response to the Distribution Motion, arguing that (1) the SEC’s lawsuit against her is still pending and she “is vigorously contesting” liability for committing the securities violations the SEC has alleged in that case; (2) she had no knowledge that “CBSG was anything other than an above-board company;” (3) she did not raise investor funds for CBSG; and (4) she is seeking to recoup her own investment, rather than commissions she was entitled to for recruiting other investors into the CBSG Ponzi scheme. [ECF No. 2031]. It is clear that Westhead was involved in raising funds from other investors, which were intended for investment into CBSG. It is irrelevant that Westhead claims not to have knowledge that CBSG was operating a fraudulent business, or that Westhead was raising money for an Agent Fund, as opposed to direct investments into CBSG. Because she is a claimant who was involved in recruiting other investors into this fraudulent investment scheme, Ms. Westhead’s claim is subordinated to Class 8.<sup>18</sup>

## **C. Distribution Procedures**

### **1. Pro Rata Distribution**

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<sup>18</sup> The Receiver has indicated that he reached an agreement in principle with the Parker Plaintiffs and Pisces during the mediation involving the Eckert Seaman settlement. The Receiver has further represented that, at such time when the parties to that settlement execute the appropriate settlement paperwork and the Receiver files his motion for approval of the settlement agreement, the Receiver would withdraw his request to designate Shannon Westhead’s individual claim against ABFP Multi-Strategy Investment Fund, L.P. as a Class 8 Claim, such that it would be reclassified as a Class 4 Claim. The Court will entertain such a motion at the appropriate time.

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 Credit Bancorp, Ltd.*, 290 F.3d at 88–90; *SEC v. Forex Asset Mgmt., LLC*, 242 F.3d 325, 331 (5th Cir. 2001). *Pro rata* distribution is appropriate where victims are 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. *CFTC v. Rolando*, No. 3:08-cv-64, 2008 WL 5225851, at \*4 (D. Conn. Dec. 10, 2008); *accord Durham*, 86 F.3d at 73; *Elliott*, 953 F.2d at 1570. Although 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 SEC v. Merrill Scott & Assocs., Ltd.*, No. 2:02-cv-39, 2007 WL 26981, at \*2 (D. Utah Jan. 3, 2007).

One investor, Raymond Doreian, filed an objection to the Distribution Motion. [ECF No. 2033]. In his objection, Mr. Doreian requests that his claim be paid in full, prior to the claims of other investors, because he is a senior citizen and was subjected to securities violations by Dean Vagnozzi and ABFP. The Court is sympathetic to these concerns. These very same concerns are likely what compelled the Securities and Exchange Commission to file its enforcement action against Vagnozzi, ABFP, and the other Defendants. Ultimately, however, Mr. Doreian is similarly situated to the many other investors who were victimized by Vagnozzi’s and the other Defendants’ violations of the securities laws. Although each investor’s dealings and interactions with CBSG or the other Defendants might have varied, all investors were defrauded in a similar manner and, therefore, a *pro rata* distribution is an equitable remedy. *See Merrill Scott & Assocs., Ltd.*, 2007 WL 26981, at \*2.

The Receiver is authorized to begin distributing funds on an interim basis to Claimants in accordance with the priority classifications set forth above. Distributions shall be calculated based on the *pro rata* amount allocated to each Allowed Claim within a Class. Claimants with Allowed Claims shall receive *pro rata* distributions of their Allowed Claim Amounts.

The Receiver shall employ a two-step process when making interim distributions. First, the Receiver will distribute CBSG funds on a *pro rata* basis to 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 investors within each Class, on a successive basis.

Second, where the Distribution is directed to a Claimant that is both an Agent Fund and a Receivership Entity, the Receiver shall first distribute funds from CBSG to the Receivership Entity Agent Fund through an internal transfer. The Receiver shall then combine those funds distributed from CBSG to the Receivership Entity Agent Fund with other assets belonging to that specific Receivership Entity, and then distribute the total combined funds to Claimants with Allowed Claims against that Receivership Entity.<sup>19</sup>

### **Illustration**

ABFP Income Fund 3 is both an Agent Fund and a Receivership Entity.

*Step 1:* ABFP Income Fund 3 shall receive a *pro rata* Distribution from CBSG at the same *pro rata* percentage received by all other investors in the same Class with Allowed Claims against CBSG. The Distribution from CBSG to ABFP Income Fund 3 shall be accomplished through an internal accounting transaction that allocates the funds from CBSG to ABFP Income Fund 3.

*Step 2:* Those funds shall then be combined with other funds attributable solely to ABFP Income Fund 3, and the total of such combined funds shall be distributed, on a *pro rata* basis, to Claimants with Allowed Claims against ABFP Income Fund

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<sup>19</sup> In 2020, certain Receivership Entities created and used “parallel” funds to issue exchange notes to investors. For the purposes of making Distributions pursuant to this Plan, each such parallel fund is combined with its predecessor Receivership Entity.

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**2. Payment Method**

The Receiver shall issue Distributions by sending a check in the name of the Claimant to the address identified in said Claimant's Claim documentation or an address specified by any change of address notices the Receiver received. Claimants shall advise the Receiver, in writing, of any change of address or Claimant name/party-in-interest.

**3. Duty to Provide Information**

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

**4. Distributions to Agent Funds**

Certain Non-Receivership Entity Agent Funds have advised that they are not equipped to send funds back to their individual investors (e.g., the Agent Fund is no longer active and does not maintain a bank account), and requested that the Receiver bypass the Agent Fund and disburse any distribution payments directly to the individual investors within the Agent Fund. In other situations, the Receiver has indicated concerns that any amounts he distributes to the Agent Funds might not be equitably distributed to the retail investors within those Agent Funds. As a result, the Receiver is authorized to make distributions to the individual investors in such Non-Receivership Entity Agent Funds, provided that the Receiver has received sufficient information from the Non-Receivership Entity Agent Funds to confirm how funds should be allocated to the

individual investors therein.<sup>20</sup> The Non-Receivership Entity Agent Funds shall 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.

To ensure that the Agent Funds distribute any funds they receive from CBSG in an equitable fashion, and to hold the Agent Fund managers directly accountable to the Court, the Receiver shall 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 document shall require the Agent Funds 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 shall 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 shall 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 subsequently amended by the Court, as a condition precedent to the Agent Funds’ receipt of distributions.

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 shall consult with the SEC to determine whether the Agent Fund managers performed all

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<sup>20</sup> “Sufficient information” shall be interpreted to include for example, an IRS Form W-9 for each investor.

the requisite steps, provided appropriate supporting documentation, and properly calculated the distribution amounts. Thereafter, the Receiver shall notify the Court if a dispute arises regarding the proposed distributions of any Agent Funds; otherwise, the Receiver shall instruct the Agent Fund manager to proceed with the proposed distribution at the Agent Fund level.

The Receiver shall not issue an approved distribution to an Agent Fund until confirming the Agent Fund has complied with the procedures or requirements established hereunder, or pending a further order from the Court.

**5. Interest on Claims**

Interest will not accrue or be paid on any Claim. No holder of an Allowed Claim shall be entitled to accrual of interest on any Claim.

**6. No de Minimis Distributions**

The Receiver determined that the cost involved in making a distribution of \$50 or less would not be cost effective. The Receiver shall not be required to make a distribution to a Claimant if the total amount to be paid is \$50 or less. The Receiver shall reserve any distribution of \$50 or less that is due to a Claimant until such Claimant is owed a distribution payment of \$50 or more.

**7. Unclaimed Distributions**

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

**8. Undeliverable Distributions**

The Receiver shall have no affirmative obligation to attempt locating a Claimant.

Accordingly, if a distribution is returned to the Receiver as undeliverable and the Receiver does not receive a forwarding address within 90 days after attempting the distribution, the Receiver shall treat the distribution as forfeited by that Claimant, and the funds at issue shall revert back to the Receivership Estate. The forfeiture of a distribution shall not preclude the Claimant from receiving a future distribution, provided the Claimant complies with the procedures set forth herein with respect to 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 shall, 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, and if the total amount of such funds is \$10,000 or less, the Receiver shall donate such funds to a non-denominational charity (to be determined at a later date). If more than \$10,000 remains after this final distribution, the Receiver will seek Court approval to determine whether the Receiver shall redistribute such funds to Claimants or donate such funds to charity in accordance with this provision.

**D. Additional Provisions**

**1. Court Approval**

This Plan shall be binding on all creditors of, and parties in interest to, the Receivership Estate.

**2. Right to Modify**

This Plan may be modified by the Court, with notice deemed appropriate by the Court or subject to such future orders of this Court.



### **3. Payment Effects Release**

Upon the Receiver's payment of an Allowed Claim, in full or in part, pursuant to this Plan, 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 a Claimant or any other person against the Receiver, his agents, the Receivership Estate, a Receivership Entity, the U.S. 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, this Plan, or the Receivership Estate. In the event a claim is 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 this Order shall apply.

### **4. Waiver**

The Receiver, his agents, attorneys, accountants, other retained professionals, and employees, whether currently 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, *see* [ECF No. 141 ¶ 49], except upon a finding by this Court that such person acted or failed to act as a result of malfeasance, bad faith, gross negligence, or in reckless disregard of their duties.

**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 Receiver shall not be required or expected to have accrued Receivership Assets to guard against such a 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 a good faith dispute remains pending 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 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, the Court's approval of this Plan is not, and is 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 over all Receivership Assets and all matters in controversy in this case. Instead, this Court shall 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.

**E. Pooling of Receivership Assets**

For purposes of a distribution plan in an equity receivership, courts may ignore separate identities of entities that are part of “a unified scheme to defraud.” *SEC v. Sunwest Mgmt., Inc.*, Civil No. 09-6056-HO, 2009 WL 3245879, at\*1 (D. Or. Oct. 2, 2009) (receivership entities considered “unitary enterprise” for distribution purposes due to extensive commingling of funds); *SEC v. AmeriFirst Funding, Inc.*, No. 3:07-cv-1188-D, 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 Forex Asset Mgmt. LLC*, 242 F.3d at 331 (affirming plan adopted by district court pooling assets of entities for distribution); *Durham*, 86 F.3d at 71–73 (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 other related entities that CBSG’s owners created for the purpose of holding other commercial investment properties and other assets—were sourced with commingled investor funds. Indeed, the books and records of CBSG reflect that its owners, LaForte and McElhone, commingled funds between all of these entities and used investor funds to support the entities’ various operations. As such, the Court is authorized to treat these Receivership Entities “as one substantively pooled estate for the purposes of distribution” under the Distribution Plan. *SEC v. Detroit Mem’l Partners, LLC*, No. 1:13-cv-1817, 2016 WL 6595942, at \*6 (N.D. Ga. Nov. 8, 2016) (quoting *SEC v. Founding Partners Cap. Mgmt.*, No. 2:09-cv-229-FtM-29-SPC, 2014 WL 2993780, at \*6 (M.D. Fla. July 3, 2014)). Accordingly, funds from CBSG and its related entities shall be distributed from a single pool of Receivership Assets.

**F. Claim Priority and Classification**

Claims are classified into priority Classes based on the equities and factual circumstances

surrounding each Claim. In making priority determinations, “the fundamental principle [that] emerges from case law is that any distribution should be done equitably and fairly, with similarly situated investors or customers treated alike.” *Homeland Commc’ns Corp.*, 2010 WL 2035326, at \*2 (quoting *Credit Bancorp. Ltd.*, 2000 WL 1752979, at \*13). The Receiver demonstrated that investors in CBSG were generally situated similarly. As such, the approved Distribution Plan places Defrauded Investors within the same Class and anticipates their receipt of the same *pro rata* percentage of distribution.

In addition, the Court approves of subordinating certain Claims under the Distribution Plan based on the factual circumstances and equities of each Claim, which the Court is authorized to do pursuant to its broad equitable powers. *See SEC 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.”); *see also 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 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 Court finds it is in the best interest of the Receivership Estate to subordinate certain Claims to those of others.

#### **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 shall distribute as much of these funds as possible, provided that sufficient funds are held back for disputed claims and other ongoing costs and expenses, as follows:

- There are certain disputed claims from the Chehebars in the amount of approximately \$36.5 million that may be the subject of appeals and future challenges. The Receiver shall hold back this amount from the proposed Initial Distribution.
- In addition, the Receiver shall hold back approximately \$23.66 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, and other pending claims.

After accounting for those holdbacks and certain adjustments,<sup>21</sup> the Receiver shall make a distribution of \$~~110,868,715.00~~110,009,878.15 to the Claimants identified on **Exhibit 1** (List of First Interim Distributions for All Receivership Entities),<sup>22</sup> in the amounts set forth therein. These distributions shall be on a *pro rata* basis within each class for each of the Receivership Entities, subject to applicable exceptions, priorities, and other parameters outlined in this Distribution Plan. Because the assets available to each of the Receivership Entities varies, Claimants with Claims against different Receivership Entities will not necessarily receive the same *pro rata* percentage of their Allowed Claims through this proposed First Interim Distribution.

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<sup>21</sup> As detailed in the Second Motion to Supplement and the Third Motion to Supplement, the Receiver recommended that the Allowed Claim Amounts and proposed first distribution amounts for certain claimants be amended to account for the inclusion of the claim from Victory Income Fund (Claim No. 90001) and the adjustment of the amounts for the claims from LWM Equity Fund LP (Claim No. 463), LWM Income Fund 2 LLC (Claim No. 462), LWM Income Fund Parallel LLC (Claim No. 464), Mariner MCA Income Fund (Claim No. 470), and Merchant Factoring Income Fund (Claim No. 479). The Court agrees with and adopts those proposed adjustments.

<sup>22</sup> 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 in Receivership Estate on August 2, 2024**

As of August 2, 2024, the Receiver held \$165,347,009.84 in cash. In addition, one of the Receivership Entities, ABFP Income Fund 2, had \$1,905,021.00 in a Charles Schwab investment account, which the Receiver shall liquidate 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 <sup>23</sup>
Fast Advance Funding LLC	\$1,631,319
ABFP Income Fund, LLC/Parallel	\$66,445.96
ABFP Income Fund 2, L.P.	\$1,934,822.17 <sup>24</sup>
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 Multi-Strategy Investment Fund L.P.	\$2,769,552.91 <sup>25</sup>
ABFP Multi-Strategy Investment Fund 2 L.P.	\$6,830,785.87
Fidelis Financial Planning LLC	\$195,422.00

<sup>23</sup> This amount includes funds held in CBSG bank accounts, in the accounts of the Receiver’s qualified settlement fund, and by the following Receivership Entities: (a) Blue Valley Holdings, LLC; (b) Contract Financing Solutions, Inc.; (c) Eagle Six Consulting, Inc.; (d) Full Spectrum Processing, Inc.; (e) Heritage Business Consulting, Inc.; (f) Liberty Eighth Avenue LLC; (g) LWP North LLC; (h) Recruiting and Marketing Resources, Inc.; (i) The LME 2017 Family Trust; and various single-purpose entities McElhone created to hold real estate properties she purchased with commingled funds from CBSG’s investors.

<sup>24</sup> 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 shall liquidate this investment account in advance of the First Interim Distribution and, therefore, the ~~current~~ value of this account as of that prior date is included in the Distribution amounts set forth herein.

<sup>25</sup> The amounts to ABFP Multi-Strategy Investment Fund L.P. and ABFP Multi-Strategy Investment Fund 2, L.P. include only the cash held in these entities’ bank accounts, and do not include the value of the death benefits for the remaining, unmatured life insurance policies these entities own.

Retirement Evolution Group, LLC	\$1,270,251.00
<b>Total:</b>	<b>\$167,252,030.84</b>

**B. Reserves from Cash Availability**

Certain Claimants and other parties argued they have priority Claims against certain of CBSG’s assets or Receivership Entities and are entitled to recover a distribution on those Claims. Although the Court has adjudicated all Claimants’ objections to the Receiver’s claim determinations, some Claimants attempted to appeal that ruling, *see* [ECF No. 1996], and others have made clear they intend to challenge this Distribution Plan.

“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 also SEC 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). In some cases, the “proper set-aside amount” to be retained by a 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.*

As such, the Receiver shall hold back funds from the total cash in the Receivership Estate to account for certain disputed claims and other anticipated future expenses and potential contingencies. Specifically, the Receiver shall hold back from CBSG's distributable funds: \$36,513,666.61 for the purportedly senior secured Claims of certain Chehebars who obtained the 2017 Liens; \$728,486.08 for a Claim of a condominium association for property located at 20 North Third Street in Philadelphia, Pennsylvania that the Receiver controls;<sup>26</sup> and \$20 million for continuing operations and other future expenses and contingencies of the Receivership Estate, including other potential claims against the Receivership Estate. In addition, the Receiver shall hold back \$2,101,641 from the cash of the ABFP Multi-Strategy Investment Fund L.P. and \$829,362.00 from the cash of ABFP Multi-Strategy Investment Fund 2 L.P as a reserve of three years of continued payment of premiums for life insurance policies these entities own.

The Chehebars, collectively, asserted Claims against the Receivership Estate in the amount of \$50,871,124.89. As described above, the Chehebars argue they are entitled to senior secured

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<sup>26</sup> This is the current amount of the Claim the association asserts against the entity that owns the condominium unit. Although the Receiver does not believe the Claim should be valued at that amount, the Court approves the Receiver's holdback of the full amount of the Claim in an abundance of caution.



liens based on UCC-1 financing statements they recorded against all of CBSG's assets. The Court held that the Chehebars' 2017 Liens expired without properly being renewed, and has deferred ruling on whether the Chehebars' 2020 Liens were filed in violation of the Initial Receivership Order. Moreover, only a portion of the Chehebars' liens—*i.e.*, \$36,513,666.61 related to the 2017 Liens filed by the four 2017 Chehebar Lienholders—if valid, would have priority over the UCC-1 financing statement Albert Vagnozzi filed as the Security Agent for the Secured Exchange Offering Noteholders. The remaining Chehebars recorded their UCC-1 financing statements in August 2020, after Albert Vagnozzi filed the lien on behalf of the Secured Exchange Offering Noteholders in April 2020.

It would likely prove difficult for the Receiver to claw back more than \$36 million in funds from other Claimants if the Receiver failed to hold back the amount of the Chehebars' purportedly priority Claims based on the 2017 Liens, that amount was distributed to other Claimants, and the Chehebars ultimately succeeded in an appeal or other challenge to this Order. As such, despite the Court's rulings on these issues, the Court directs the Receiver to hold back \$36,513,666.61 from the First Interim Distribution to account for the portion of the Chehebar's claims of purportedly senior secured status.

In addition, the condominium association for the property the Receiver controls at 20 North Third Street in Philadelphia, Pennsylvania asserted a Claim of \$728,486.08 against the Receivership Entity that owns the property. 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 advised he 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 closing on that sale. If the

Receiver elects to resolve this claim, it will likely resolve for less than the claimed amount. The Receiver has indicated that the sale proceeds of a sale of this property will more than satisfy the amount of the association's Claim. Nevertheless, the Receiver shall hold back the Claim amount from the First Interim Distribution in an abundance of caution.

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 responsible for winding down the operations of these Receivership Entities. To account for these entities' operational expenses, professional fees, other expenses, contingencies, and potential additional claims against the Receivership Entities, and given the potential difficulties that may arise without a holdback of sufficient funds to pay these unknown costs and expenses, the Receiver shall hold back an additional \$20 million from the First Interim Distribution. As the distribution process advances, the Receiver shall advise the Court if, in the Receiver's professional judgment, a reduction of the holdback amount may be appropriate, at which time the Court will determine whether any remainder thereof may be made available for distribution to Claimants with Allowed Claims.

Finally, ABFP Multi-Strategy Investment Fund L.P. and ABFP Multi-Strategy Investment Fund 2 L.P. own several life insurance policies, the premiums for which are due on a periodic basis (either monthly, quarterly, semi-annually, or annually), depending on the particular policy. To ensure the Receivership Estate has sufficient cash to pay these premiums when they become due so that the policies do not lapse, the Receiver shall hold back \$2,101,641 from the cash of ABFP Multi-Strategy Investment Fund L.P. and \$829,362 from the cash of ABFP Multi-Strategy Investment Fund 2 L.P., which amounts suffice to pay policy premiums for three years.

**C. Motions to Supplement Distribution Motion**

**First Motion to Supplement**

In the First Motion to Supplement, the Receiver proposed five modifications to the Distribution Motion: (1) recalculating the Allowed Claim Amounts and proposed initial distributions for two Claimants who invested in ABFP Income Fund 4; (2) recalculating the Allowed Claim Amounts and proposed initial distributions for two Claimants who invested in the Retirement Evolution funds; (3) allowing late-filed claims for seven individual investors who invested in the Retirement Evolution funds; (4) designating investor William Bromley, the co-owner of CS2000, as an “Insider Investor” and, therefore, classifying his claim as a Class 8 Claim; and (5) treating Pisces Income Fund, LLC (“Pisces”) similarly to the “Parker Plaintiffs,” such that any distributions to Pisces are held back until such time that its independent claims seeking collateral recovery against Eckert Seamans are resolved. Only one objection to the Motion to Supplement was filed. One investor, Patricia Staub, opposes the allowance of the seven late-filed claims for the investors in the Retirement Evolution funds. *See* [ECF No. 2053-1].

As the Receiver explained in his reply to Ms. Staub’s response, *see* [ECF No. 2055], these seven investors have indicated that they were under the mistaken belief that John Gissas, the prior manager of the Retirement Evolution funds, was submitting claims in this receivership on their behalf. And, in fact, Mr. Gissas did attempt to submit a bulk claim on behalf of all investors in the Retirement Evolution funds. When the Receiver recommended the denial of Mr. Gissas’ bulk claim, Mr. Gissas was prohibited from communicating with these investors as a result of a condition of his pre-trial release relating to state criminal charges in Florida involving Mr. Gissas’ promotion of investments in the Retirement Evolution funds. *See* Distribution Motion at 5-6.

The Court has broad discretion to approve a proposed distribution plan that allows late-filed claims where the claimants have provided a justification for their delay in submitting claims.

*See Callahan v. Moneta Capital Corp.*, 415 F.3d 114, 120 (1st Cir. 2005) (“[A] District Court acting as a receivership court has broad discretion in determining whether to permit a claimant to file a late claim or to amend a timely filed claim.”); *SEC v. Nadel*, 8:09-CV-87-T-26TBM, 2013 WL 12161449, at \*3 (M.D. Fla. Apr. 12, 2013) (noting that receiver allowed “late-filed claims in which the claimants provided reasons for missing the claims” as part of plan of distribution). Here, the Court finds that these seven investors’ failure to submit timely claims was the result of excusable neglect. *See Commodity Futures Trading Com’n v. Lake Shore Asset Mgmt. Ltd.*, 646 F.3d 401, 405 (7th Cir. 2011) (holding that court should apply “excusable neglect” standard when considering late-filed claims and take into consideration “the excuse offered by the party seeking the waiver or extension and the consequences to all persons affected by the granting or denying of it.”). Moreover, although the inclusion of these late-filed claims will necessarily lower the distribution amounts to other investors with Allowed Claims against the Retirement Evolution funds, those adjustments are relatively minor. Additionally, had the Receiver been presented with these claims when he initially calculated the proposed distribution amounts for Claimants with Allowed Claims against the Retirement Evolution funds, the Receiver would have allowed these seven claims, which would have resulted in the same proposed distribution amounts the Receiver is now proposing through his Motion to Supplement. Accordingly, the Court finds that these claims should be recharacterized as Allowed Claims and included within the Receiver’s Distribution Plan.

Second Motion to Supplement

In the Second Motion to Supplement, the Receiver proposed allowing a claim from Victory Income Fund and amending the plan of distribution to provide for a distribution to Victory Income Fund. See [ECF No. 2061]. As the Receiver explained in the Second Motion to Supplement,

Victory Income Fund filled out a Proof of Claim form and attempted to submit it to the Receiver’s claims agent, but the Proof of Claim form was lost in the mail. As a result, the Receiver did not receive this Proof of Claim form and, therefore, did not make any recommendations in his Claims Determination Motion about whether this claim should be determined to be an Allowed Claim. Additionally, the Receiver did not propose in the Distribution Motion an allocation for a distribution amount to Victory Income Fund as part of his proposed first interim distribution.

Because this Proof of Claim form was lost in the mail through no fault of Victory Income Fund, the Receiver has proposed that Victory Income Fund’s claim be recharacterized as an “Allowed Claim,” and included in the Receiver’s proposed first interim distribution. The Court agrees with this recommendation. As such, Victory Income Fund’s claim is deemed to be an Allowed Claim with an Allowed Claim Amount of \$630,500.34, and this claim is included within the distribution plan with a first interim distribution amount of \$319,883.01.

Third Motion to Supplement

In the Third Motion to Supplement, the Receiver proposed certain adjustments to the Allowed Claim Amounts and the proposed first interim distribution amounts for five agent fund claimants. See [ECF No. 20XX]. The Receiver proposed these amendments after identifying certain discrepancies in the records of the Receivership Entities regarding payments to and from these agent funds, which impacted the Receiver’s net investment calculations.

For the reasons explained in the Third Motion to Supplement, the Court agrees with these proposed adjustments and adopts the Receiver’s proposed amended calculations for these claimants, as follows:

<u>Claimant</u>	<u>Claim No.</u>	<u>Adjusted Allowed Claim Amount</u>	<u>Adjusted Proposed First Distribution</u>
<u>LWM Equity Fund LP</u>	<u>463</u>	<u>\$1,026,670.15</u>	<u>\$520,880.40</u>
<u>LWM Income Fund 2 LLC</u>	<u>462</u>	<u>\$618,033.35</u>	<u>\$313,558.80</u>

<u>LWM Income Fund Parallel LLC</u>	<u>464</u>	<u>\$3,333,584.00</u>	<u>\$1,691,291.56</u>
<u>Mariner MCA Income Fund</u>	<u>470</u>	<u>\$3,417,158.51</u>	<u>\$1,733,693.03</u>
<u>Merchant Factoring Income Fund</u>	<u>479</u>	<u>\$697,733.43</u>	<u>\$353,944.58</u>

Accordingly, the Court agrees with the Receiver’s recommendations in the Motion<sup>s</sup> to Supplement and adopts his proposed amendments and revisions to the Distribution Motion.

**D. Allocations of Distributions to Pisces and the Parker Plaintiffs**

Certain Claimants with Allowed Claims—namely, Pisces Income Fund, LLC, which is discussed above, and other Agent Funds described as the “Parker Plaintiffs”—seek to recover their investment losses in claims they asserted against Eckert Seamans. To ensure this Distribution Plan is fair and equitable to all Claimants, the Court finds it is appropriate to allocate, but not distribute, Distributions to Pisces and the Parker Plaintiffs at this time, given their stated intention to pursue collateral sources of recovery.<sup>27</sup>

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 clawback 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.* Although some parties

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<sup>27</sup> Notwithstanding this holdback, the Receiver has indicated that he, class counsel, and Eckert Seamans have made substantial progress in finalizing a new settlement that would result in the resolution of the Parker Plaintiffs’ claims against Eckert Seamans. *See* [ECF No. 2056]. To that end, the Receiver has represented that he would support releasing this holdback of the allocated distributions to the Parker Plaintiffs and Pisces at such time when the parties to that settlement execute the appropriate settlement paperwork and the Receiver files his motion for approval of the settlement agreement. The Court will entertain such a motion at the appropriate time.

may be unsatisfied with this balance, “[w]hen funds are limited, hard choices must be made.” *SEC v. Byers*, 637 F. Supp. at 174 (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.*, 2000 WL 1752979, at \*29. 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.

If Pisces or the Parker Plaintiffs ultimately succeed in their litigation efforts against Eckert Seamans, it would be inequitable for them to receive a sizable distribution under this Distribution Plan and an additional recovery from another source, such that they would obtain a larger recovery than other similarly-situated investors. To avoid this potential imbalance, the Receiver shall allocate to Pisces and the Parker Plaintiffs their proportionate share of the First Interim Distribution, but not distribute those funds to Pisces or the Parker Plaintiffs until their separate claims against Eckert Seamans and its insurers are fully resolved, or upon further Order of the Court.

#### **E. Interim Distribution Amounts**

After accounting for the holdbacks and other adjustments discussed above, 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 ~~\$110,868,715.00~~~~10,009,878.15~~. 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. After adding an additional \$858,836.85 in cash for the adjusted claims as proposed in the Receiver’s Second Motion to Supplement and Third Motion to Supplement, the total cash available

to be distributed from CBSG is \$99,056,927.39.<sup>28</sup> 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. A chart reflecting these proposed distribution amounts (including distributions to other Receivership Entities) is attached hereto as **Exhibit 2**.

Fast Advance Funding LLC is a sister company to CBSG that operated a related merchant cash advance company. The only investors with Allowed Claims against Fast Advance Funding LLC are ABFP Multi-Strategy Investment Fund L.P. and ABFP Multi-Strategy Investment Fund 2 L.P. As described above, Fast Advance Funding LLC has \$1,631,319 in cash. After an appropriate allocation of the expenses of the Receivership Estate among the various Receivership Entities, Fast Advance Funding LLC will have \$1,502,665.94 available for distribution. Based on the net investment amounts for ABFP Multi-Strategy Investment Fund L.P. and ABFP Multi-Strategy Investment Fund 2 L.P. in Fast Advance Funding LLC, these entities are entitled to the following *pro rata* distributions:

	<b>Allowed Claim Amount</b>	<b>First Interim Distribution</b>
ABFP Multi-Strategy Investment Fund L.P.	\$4,954,925.02	\$1,402,864.29
ABFP Multi-Strategy Investment Fund 2 L.P.	\$352,500.02	\$99,801.65
	<b>Total:</b>	<b>\$1,502,665.94</b>

Given that these two entities are Receivership Entities, the Receiver shall make an internal transfer of these amounts from Fast Advance Funding LLC to those two entities. Those transferred amounts shall be combined with the other cash those two entities currently maintain in their

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<sup>28</sup> This amount does not include the deduction for the allocation of administrative expenses to the various Receivership Entities receiving a distribution from CBSG, as described below in footnote 29. After allocating these expenses, the net cash to be distributed from CBSG is \$96,666,647.53.



separate bank accounts. The Receiver shall then distribute the total amount on a *pro rata* basis to the investor Claimants with Allowed Claims against ABFP Multi-Strategy Investment Fund L.P. and ABFP Multi-Strategy Investment Fund 2 L.P.

The following Receivership Entity Agent Funds obtained promissory notes from CBSG and are entitled to a distribution from CBSG: (a) ABFP Income Fund, LLC; (b) ABFP Income Fund 2, L.P.; (c) ABFP Income Fund 3, LLC; (d) ABFP Income Fund 4, LLC; (e) ABFP Income Fund 6, LLC; (f) Fidelis Financial Planning LLC; and (g) the Retirement Evolution funds. The Receiver shall make an internal transfer from CBSG to these Receivership Entity Agent Funds, and shall distribute those amounts together with any other funds held by these Receivership Entity Agent Funds to investor Claimants with Allowed Claims against these Receivership Entity Agent Funds.

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,<sup>29</sup> is as follows:

<b><u>Distributions from CBSG</u></b>		
	<b>Allowed Claim Amount</b>	<b>Initial CBSG Distribution</b>
Non-Receivership Entities <sup>30</sup>	<del>\$102,337,538.84</del> \$100,644,648.68	<del>\$51,920,828.48</del> \$1,061,991.63
ABFP Income Fund, LLC	\$11,308,368.64	\$5,378,535.83
ABFP Income Fund 2, L.P.	\$4,305,458.73	\$2,026,467.52
ABFP Income Fund 3, LLC	\$24,416,692.50	\$11,770,202.80
ABFP Income Fund 4, LLC	\$19,210,105.40	\$9,291,574.10

<sup>29</sup> The Court approves allocating a percentage of the costs of administering the Receivership Estate to each of these Receivership Entities, which was calculated based, in part, on the total value of the Allowed Claims of investors within each of these Receivership Entities.

<sup>30</sup> These Non-Receivership Entities include Non-Receivership Entity Agent Funds and individuals who invested directly with CBSG, including through the use of a self-directed individual retirement account.

ABFP Income Fund 6, LLC	\$17,875,791.31	\$8,672,755.35
Fidelis Financial Planning LLC	\$5,673,275.94	\$2,743,524.30
Retirement Evolution Funds	\$10,116,907.10	\$4,862,759.15
<b>Total:</b>	<del>\$195,244,138.46</del> <del>193,551,246.30</del>	<del>\$96,666,647.53</del> <del>95,807,810.68</del>

When combined with the other available cash within these Receivership Entities' respective accounts, the total amounts available for distribution from each such Entity for the First Interim Distribution are:

<u><b>Investor Claims</b></u>		
	<b>Allowed Claim Amount</b>	<b>Available for Distribution</b>
ABFP Income Fund, LLC	\$14,800,088.32	\$5,444,981.80
ABFP Income Fund 2, L.P.	\$6,514,135.79	\$3,961,289.69
ABFP Income Fund 3, LLC	\$25,477,888.66	\$11,884,565.42
ABFP Income Fund 4, LLC	\$18,756,424.60	\$9,375,652.56
ABFP Income Fund 6, LLC	\$16,357,741.13	\$8,746,300.34
ABFP Multi-Strategy Investment Fund L.P.	\$15,727,471.46	\$3,791,180.10
ABFP Multi-Strategy Investment Fund 2 L.P.	\$10,669,356.37	\$6,671,960.16
Fidelis Financial Planning LLC	\$5,561,352.18	\$2,938,946.30
Retirement Evolution Funds	\$11,623,699.23	\$6,133,010.15
<b>Total:</b>	<b>\$125,488,157.74</b>	<b>\$58,947,886.52</b>

In turn, each of these Receivership Entities shall distribute the funds that are available for distribution, on a *pro rata* basis, to the investor Claimants with Allowed Claims against those Receivership Entities. Detailed lists of Allowed Claim Amounts and First Interim Distributions from Fast Advance Funding LLC, ABFP entities, Fidelis Financial Planning LLC, and the Retirement Evolution funds are attached hereto as **Exhibits 3, 4, 5, and 6**, respectively.<sup>31</sup>

<sup>31</sup> For privacy purposes, Claimants are identified by Claim ID number rather than name on Exhibits 3 through 6. The names of the Agent Funds are included in these charts.

These *pro rata* distributions will pay between 24.1% and 62.5% of the Allowed Claim Amounts to each Claimant with an Allowed Claim against these Receivership Entities. These amounts vary due to differences between and among these entities, including the different amounts of cash these entities hold, separate and apart from the amounts they will receive from their merchant cash advance investments. Notwithstanding these differences, the average distribution to investors in these Receivership Entity Agent Funds will be approximately 47% of the Allowed Claim Amounts of Claimants with Allowed Claims against such funds.

**F. Reasonableness of the First Interim Distribution**

This First Interim Distribution of \$~~110,868,715.00~~~~110,009,878.15~~ is reasonable, and will provide a significant amount of money to Claimants, while reserving adequate funds to cover the ongoing expenses of administering the Receivership Estate, for unresolved claims, and for other pending issues. The Receiver shall distribute the reserved funds and any additional funds he recovers in a future distribution, as appropriate, depending on the outcome of these other pending matters.

**CONCLUSION**

For the reasons set forth above, the Court hereby approves the Receiver's proposed Distribution Plan and authorizes the Receiver to make the First Interim Distribution from the Receivership Estate in conformity with this Order.

DONE AND ORDERED in Miami, Florida, this \_\_\_ day of ~~October~~December, 2024.

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**RODOLFO A. RUIZ II**  
**UNITED STATES DISTRICT JUDGE**

Copies to: Counsel of Record

# Exhibit “2”

## First Interim Distribution - All Receivership Entities

	Receivership Entity	Claimant	Claim #	Allowed Claim	First Int. Distr.
1	CBSG	MB	322	\$29,166.52	\$14,797.61
2	CBSG	RR	20427	\$122,916.62	\$62,361.66
3	CBSG	MM	20070	\$128,833.32	\$65,363.50
4	CBSG	KHS	425	\$137,541.68	\$69,781.68
5	CBSG	MCA CAROLINA INCOME FUND LLC	454	\$185,833.35	\$94,282.42
6	CBSG	Jade Fund LLC	20500	\$189,275.00	\$96,028.54
7	CBSG	LToETH	20227	\$276,250.00	\$140,155.25
8	CBSG	MCA Capital Fund I, LLC	20208	\$292,000.00	\$148,146.00
9	CBSG	Jax Fund LLC	20407	\$418,341.70	\$212,245.37
10	CBSG	JN&MA	213	\$424,447.73	\$215,343.26
11	CBSG	Workwell Fund I LLC	20601	\$442,616.70	\$224,561.28
12	CBSG	MERCHANT GROWTH & INCOME FUNDING LLC	278	\$452,500.06	\$229,575.59
13	CBSG	DC	20297	\$467,604.25	\$237,238.69
14	CBSG	VKS Management LLC	20156	\$539,500.00	\$273,714.95
15	CBSG	LWM EQUITY FUND LP	463	\$1,026,670.15	\$520,880.40
16	CBSG	LWM INCOME FUND 2 LLC	462	\$618,033.35	\$313,558.80
17	CBSG	TCET	312	\$661,666.66	\$335,696.12
18	CBSG	MERCHANT FACTORING INCOME FUND	479	\$697,733.43	\$353,944.58
19	CBSG	RAZR MCA Fund LLC	20566	\$857,142.01	\$434,870.40
20	CBSG	GSN	60	\$873,333.34	\$443,085.06
21	CBSG	DJHRL	20537	\$965,000.00	\$489,592.08
22	CBSG	Cape Cod Income Fund	20482	\$1,002,683.49	\$508,710.77
23	CBSG	MK ONE INCOME	37	\$1,129,388.68	\$572,994.56
24	CBSG	GR8 Income Fund LLC	20578	\$1,303,000.04	\$661,076.17
25	CBSG	NASHI INC	311	\$1,427,716.66	\$724,351.06
26	CBSG	BLUE STREAM INCOME FUND	333	\$1,546,436.51	\$784,583.49
27	CBSG	Wellen Fund 1	20581	\$1,796,906.57	\$911,659.30
28	CBSG	MARINER MCA INCOME FUND LLC	470	\$3,417,158.51	\$1,733,693.03
29	CBSG	Titan Holdings LLC	20546	\$3,466,395.87	\$1,758,673.54
30	CBSG	SPARTAN INCOME FUND & SPARTAN INCOME FUND PARALLEL	457	\$3,609,996.07	\$1,831,529.00
31	CBSG	MID-ATLANTIC MCA FUND LLC	485	\$3,632,473.34	\$1,842,932.83
32	CBSG	LWM INCOME FUND PARALLEL LLC	464	\$3,333,584.00	\$1,691,291.56
33	CBSG	STFG Income Fund LLC	20599	\$6,999,894.67	\$3,551,391.70
34	CBSG	MCA National Fund, LLC	20207	\$7,317,333.84	\$3,712,444.24
35	CBSG	SHERPA I INCOME FUND	429	\$8,229,719.88	\$4,175,342.67
36	CBSG	Merchant Services Income Fund Parallel	20678	\$13,822,660.40	\$7,012,917.16
37	CBSG	PISCES INCOME FUND LLC & PISCES INCOME FUND PARALLEL	397	\$13,906,439.30	\$7,055,422.33
38	CBSG	Capricorn Income & Capricorn Parallel	20338	\$14,582,727.80	\$7,398,536.83
39	CBSG	Victory Income Fund LLC	90001	\$630,500.34	\$319,883.01
40	CBSG	Camaplan	Bulk	\$1,376,117.00	\$698,172.00
41	ABFP Income Fund	EVB	125	\$40,916.59	\$15,053.29
42	ABFP Income Fund	MAN	20406	\$58,718.66	\$21,602.71
43	ABFP Income Fund	J&HD	230	\$63,600.00	\$23,398.57
44	ABFP Income Fund	MK	252	\$77,333.34	\$28,451.09
45	ABFP Income Fund	CW	20700	\$82,751.59	\$30,444.47
46	ABFP Income Fund	JLT	20127	\$82,751.59	\$30,444.47
47	ABFP Income Fund	P&KA	20561	\$83,159.96	\$30,594.71
48	ABFP Income Fund	MTS	237	\$87,693.30	\$32,262.54
49	ABFP Income Fund	F&AV	254	\$97,559.96	\$35,892.50
50	ABFP Income Fund	RF	20552	\$122,850.00	\$45,196.76
51	ABFP Income Fund	TJ&PMC	93	\$143,246.00	\$52,700.49
52	ABFP Income Fund	PF	20342	\$155,540.00	\$57,223.47
53	ABFP Income Fund	GRC	81	\$157,500.00	\$57,944.56
54	ABFP Income Fund	REK	349	\$157,550.00	\$57,962.96
55	ABFP Income Fund	SI	20413	\$157,550.00	\$57,962.96
56	ABFP Income Fund	TC&HLA	48	\$158,300.00	\$58,238.88
57	ABFP Income Fund	KAVH	20020	\$162,500.00	\$59,784.07
58	ABFP Income Fund	CP	20344	\$164,391.65	\$60,480.01
59	ABFP Income Fund	DH	7	\$164,500.00	\$60,519.88
60	ABFP Income Fund	AS&RB	20391	\$169,579.96	\$62,388.80
61	ABFP Income Fund	MR&LLS	20271	\$176,833.34	\$65,057.34
62	ABFP Income Fund	KD	43	\$196,966.66	\$72,464.42
63	ABFP Income Fund	A&JB	263	\$200,666.66	\$73,825.66
64	ABFP Income Fund	NB	20349	\$232,100.00	\$85,390.05
65	ABFP Income Fund	KJT	20398	\$234,266.66	\$86,187.17
66	ABFP Income Fund	DM	115	\$235,100.00	\$86,493.76
67	ABFP Income Fund	DLA	378	\$244,773.34	\$90,052.60
68	ABFP Income Fund	DES	20264	\$286,146.74	\$105,273.95
69	ABFP Income Fund	PHM	162	\$290,725.07	\$106,958.33
70	ABFP Income Fund	M&GC	113	\$304,706.06	\$112,101.96
71	ABFP Income Fund	RLA	310	\$380,880.00	\$140,126.51
72	ABFP Income Fund	JR&MBS	289	\$428,050.00	\$157,480.44
73	ABFP Income Fund	SHLF	345	\$439,230.84	\$161,593.90
74	ABFP Income Fund	DJHRL	20535	\$447,751.93	\$164,728.82
75	ABFP Income Fund	DK&BB	20245	\$482,771.69	\$177,612.66
76	ABFP Income Fund	DCVL	20455	\$560,543.38	\$206,225.02
77	ABFP Income Fund	R&SG	63	\$594,666.66	\$218,779.04



	Receivership Entity	Claimant	Claim #	Allowed Claim	First Int. Distr.
78	ABFP Income Fund	DK&BB	20246	\$482,771.69	\$177,612.66
79	ABFP Income Fund	Camaplan	Bulk	\$6,193,145.00	\$2,278,470.31
80	ABFP Income Fund 2	RF	65	\$38,864.89	\$23,634.00
81	ABFP Income Fund 2	DWS	348	\$42,501.65	\$25,845.54
82	ABFP Income Fund 2	VNV	327	\$43,645.47	\$26,541.10
83	ABFP Income Fund 2	SNG	20339	\$50,981.96	\$31,002.47
84	ABFP Income Fund 2	SCC	20519	\$54,291.02	\$33,014.73
85	ABFP Income Fund 2	WFS	156	\$57,584.67	\$35,017.62
86	ABFP Income Fund 2	BS&DMN	513	\$61,220.82	\$37,228.79
87	ABFP Income Fund 2	KMB	521	\$62,072.95	\$37,746.98
88	ABFP Income Fund 2	NP&HNS	184	\$63,977.51	\$38,905.15
89	ABFP Income Fund 2	AAP	20560	\$64,613.11	\$39,291.67
90	ABFP Income Fund 2	BK	20126	\$73,868.91	\$44,920.18
91	ABFP Income Fund 2	MG	20077	\$77,076.15	\$46,870.52
92	ABFP Income Fund 2	GJM	20594	\$80,000.00	\$48,648.54
93	ABFP Income Fund 2	BK&LR	373	\$81,494.33	\$49,557.25
94	ABFP Income Fund 2	PM	199	\$81,594.33	\$49,618.06
95	ABFP Income Fund 2	JL	461	\$81,594.33	\$49,618.06
96	ABFP Income Fund 2	S&CG	20499	\$81,594.33	\$49,618.06
97	ABFP Income Fund 2	M&CC	68	\$82,363.83	\$50,086.00
98	ABFP Income Fund 2	DB&JK	192	\$83,133.33	\$50,553.94
99	ABFP Income Fund 2	MG	317	\$83,133.33	\$50,553.94
100	ABFP Income Fund 2	BC	490	\$83,133.33	\$50,553.94
101	ABFP Income Fund 2	RRD	519	\$83,133.33	\$50,553.94
102	ABFP Income Fund 2	JLR	20065	\$83,133.33	\$50,553.94
103	ABFP Income Fund 2	PY	20480	\$83,902.83	\$51,021.87
104	ABFP Income Fund 2	J&KR	383	\$84,902.96	\$51,630.06
105	ABFP Income Fund 2	DW&JAS	20373	\$84,903.26	\$51,630.24
106	ABFP Income Fund 2	MS	20557	\$84,903.26	\$51,630.24
107	ABFP Income Fund 2	SS	20576	\$86,017.41	\$52,307.76
108	ABFP Income Fund 2	WF&RG	332	\$86,117.40	\$52,368.57
109	ABFP Income Fund 2	BC	20019	\$86,117.41	\$52,368.57
110	ABFP Income Fund 2	DR	234	\$97,355.52	\$59,202.55
111	ABFP Income Fund 2	MS	527	\$117,262.38	\$71,308.04
112	ABFP Income Fund 2	RF	20283	\$122,031.83	\$74,208.37
113	ABFP Income Fund 2	ECD	324	\$124,550.00	\$75,739.69
114	ABFP Income Fund 2	GW&CJ	47	\$164,527.67	\$100,050.38
115	ABFP Income Fund 2	AB	20422	\$165,259.67	\$100,495.51
116	ABFP Income Fund 2	JRJ	299	\$170,488.30	\$103,675.08
117	ABFP Income Fund 2	RAMI	20015	\$172,774.58	\$105,065.38
118	ABFP Income Fund 2	JL	20294	\$202,358.64	\$123,055.65
119	ABFP Income Fund 2	B&JC	416	\$203,735.82	\$123,893.12
120	ABFP Income Fund 2	JJ&JEC	316	\$301,060.94	\$183,077.18
121	ABFP Income Fund 2	Camaplan	Bulk	\$2,480,859.00	\$1,508,627.01
122	ABFP Income Fund 3	RJ	117	\$23,876.63	\$11,137.63
123	ABFP Income Fund 3	JKK	219	\$46,433.36	\$21,659.58
124	ABFP Income Fund 3	RS&KM	20181	\$46,433.36	\$21,659.58
125	ABFP Income Fund 3	JS	135	\$46,766.69	\$21,815.06
126	ABFP Income Fund 3	STSL	20396	\$46,766.69	\$21,815.06
127	ABFP Income Fund 3	M&MH	20095	\$47,333.35	\$22,079.39
128	ABFP Income Fund 3	WK&GMH	190	\$56,800.00	\$26,495.26
129	ABFP Income Fund 3	CV	20204	\$67,625.00	\$31,544.75
130	ABFP Income Fund 3	JET	46	\$70,125.00	\$32,710.92
131	ABFP Income Fund 3	WCW	133	\$89,433.38	\$41,717.62
132	ABFP Income Fund 3	JB	20057	\$90,166.71	\$42,059.69
133	ABFP Income Fund 3	JDN	253	\$91,068.29	\$42,480.25
134	ABFP Income Fund 3	WR	363	\$91,099.29	\$42,494.71
135	ABFP Income Fund 3	JC	102	\$91,168.29	\$42,526.90
136	ABFP Income Fund 3	JG	336	\$91,168.29	\$42,526.90
137	ABFP Income Fund 3	MG	20078	\$91,168.29	\$42,526.90
138	ABFP Income Fund 3	R&KF	20282	\$91,168.29	\$42,526.90
139	ABFP Income Fund 3	SM	20265	\$91,909.96	\$42,872.86
140	ABFP Income Fund 3	AD	77	\$91,909.96	\$42,872.86
141	ABFP Income Fund 3	WFS	155	\$91,909.96	\$42,872.86
142	ABFP Income Fund 3	GS	20190	\$91,909.96	\$42,872.86
143	ABFP Income Fund 3	W&MC	20447	\$91,909.96	\$42,872.86
144	ABFP Income Fund 3	DHJJ	84	\$92,009.96	\$42,919.51
145	ABFP Income Fund 3	JIL	20290	\$92,009.96	\$42,919.51
146	ABFP Income Fund 3	PVP&HNS	185	\$92,009.96	\$42,919.51
147	ABFP Income Fund 3	G&MM	26	\$92,751.63	\$43,265.47
148	ABFP Income Fund 3	MH	20518	\$92,751.63	\$43,265.47
149	ABFP Income Fund 3	NJF	61	\$92,751.63	\$43,265.47
150	ABFP Income Fund 3	K&MW	20062	\$92,751.63	\$43,265.47
151	ABFP Income Fund 3	BM&FJOJ	55	\$92,851.63	\$43,312.12
152	ABFP Income Fund 3	DLC	303	\$93,693.30	\$43,704.73
153	ABFP Income Fund 3	KMB	522	\$93,693.30	\$43,704.73
154	ABFP Income Fund 3	A&MEP	20641	\$93,693.30	\$43,704.73
155	ABFP Income Fund 3	W&CS	260	\$93,693.30	\$43,704.73
156	ABFP Income Fund 3	JD	547	\$93,693.30	\$43,704.73

	Receivership Entity	Claimant	Claim #	Allowed Claim	First Int. Distr.
157	ABFP Income Fund 3	JA&DRW	20172	\$93,693.30	\$43,704.73
158	ABFP Income Fund 3	KE	20216	\$93,693.30	\$43,704.73
159	ABFP Income Fund 3	WP	19	\$94,200.04	\$43,941.10
160	ABFP Income Fund 3	JJM	335	\$94,434.97	\$44,050.69
161	ABFP Income Fund 3	DB	193	\$94,775.00	\$44,209.30
162	ABFP Income Fund 3	NP&HNS	183	\$94,775.00	\$44,209.30
163	ABFP Income Fund 3	FA&CCW	20212	\$96,118.31	\$44,835.91
164	ABFP Income Fund 3	CMS	242	\$96,218.31	\$44,882.56
165	ABFP Income Fund 3	LD	20621	\$97,059.98	\$45,275.17
166	ABFP Income Fund 3	JAS	241	\$97,801.65	\$45,621.13
167	ABFP Income Fund 3	RN&JLB	182	\$100,326.66	\$46,798.96
168	ABFP Income Fund 3	RPI	70	\$102,949.97	\$48,022.65
169	ABFP Income Fund 3	RL	20215	\$108,300.00	\$50,518.25
170	ABFP Income Fund 3	JCH	20739	\$108,300.00	\$50,518.25
171	ABFP Income Fund 3	DTM	20219	\$111,200.00	\$51,871.00
172	ABFP Income Fund 3	MS	20110	\$112,300.00	\$52,384.12
173	ABFP Income Fund 3	LL	20362	\$112,808.29	\$52,621.22
174	ABFP Income Fund 3	RW	20268	\$113,300.00	\$52,850.58
175	ABFP Income Fund 3	Estate of JKS	20675	\$114,791.63	\$53,546.38
176	ABFP Income Fund 3	CS	20137	\$119,483.37	\$55,734.91
177	ABFP Income Fund 3	J&SSG	64	\$136,088.31	\$63,480.55
178	ABFP Income Fund 3	WPBJ	20025	\$137,750.00	\$64,255.67
179	ABFP Income Fund 3	ASR	38	\$138,534.93	\$64,621.82
180	ABFP Income Fund 3	WMK	153	\$139,100.00	\$64,885.40
181	ABFP Income Fund 3	G&MZ	217	\$142,136.63	\$66,301.89
182	ABFP Income Fund 3	SJ&KAB	114	\$150,150.00	\$70,039.85
183	ABFP Income Fund 3	JAM	215	\$154,733.35	\$72,177.83
184	ABFP Income Fund 3	RN&JLB	181	\$175,266.60	\$81,755.89
185	ABFP Income Fund 3	MTS	257	\$180,333.29	\$84,119.32
186	ABFP Income Fund 3	DW&JAS	20374	\$180,433.29	\$84,165.97
187	ABFP Income Fund 3	JLS	20477	\$180,433.29	\$84,165.97
188	ABFP Income Fund 3	RF	20105	\$181,999.96	\$84,896.77
189	ABFP Income Fund 3	HL	20241	\$182,099.96	\$84,943.42
190	ABFP Income Fund 3	T&JD	116	\$182,099.96	\$84,943.42
191	ABFP Income Fund 3	JRKJ	20672	\$183,666.63	\$85,674.21
192	ABFP Income Fund 3	EAR	20476	\$183,666.63	\$85,674.21
193	ABFP Income Fund 3	TGD&GJM	20474	\$183,766.63	\$85,720.86
194	ABFP Income Fund 3	JM	20367	\$186,344.93	\$86,923.55
195	ABFP Income Fund 3	W&MM	10	\$187,099.97	\$87,275.75
196	ABFP Income Fund 3	RWM	20093	\$214,500.00	\$100,056.93
197	ABFP Income Fund 3	DER	20478	\$225,516.71	\$105,195.85
198	ABFP Income Fund 3	PMCS	20295	\$231,666.70	\$108,064.61
199	ABFP Income Fund 3	G&OE	120	\$233,750.03	\$109,036.41
200	ABFP Income Fund 3	MDW	20732	\$236,780.00	\$110,449.79
201	ABFP Income Fund 3	SRT	20252	\$270,600.00	\$126,225.66
202	ABFP Income Fund 3	GJN	277	\$278,833.33	\$130,066.23
203	ABFP Income Fund 3	LG&JPS	20390	\$280,500.00	\$130,843.68
204	ABFP Income Fund 3	RF	20203	\$315,066.70	\$146,967.86
205	ABFP Income Fund 3	PHM	161	\$315,583.29	\$147,208.83
206	ABFP Income Fund 3	RSD&DLG	20254	\$369,199.93	\$172,219.17
207	ABFP Income Fund 3	PROVIDENT TRUST GROUP LLC, F/B/O LEL IRA	151	\$369,324.97	\$172,277.49
208	ABFP Income Fund 3	JESJ&BSD Trust	290	\$385,700.00	\$179,915.88
209	ABFP Income Fund 3	IAPL	20048	\$454,999.96	\$212,241.95
210	ABFP Income Fund 3	JC	20136	\$556,100.00	\$259,401.67
211	ABFP Income Fund 3	RM	402	\$593,999.96	\$277,080.71
212	ABFP Income Fund 3	EWC	20042	\$676,350.00	\$315,494.19
213	ABFP Income Fund 3	AL	20068	\$901,666.71	\$420,596.74
214	ABFP Income Fund 3	RJD	20333	\$1,377,599.99	\$642,603.37
215	ABFP Income Fund 3	Camaplan	Bulk	\$9,101,411.00	\$4,245,497.57
216	ABFP Income Fund 4	CMZ	398	\$38,066.69	\$19,028.15
217	ABFP Income Fund 4	AKR	20623	\$39,148.34	\$19,568.83
218	ABFP Income Fund 4	KLM	20177	\$94,433.36	\$47,203.79
219	ABFP Income Fund 4	M&JM	216	\$46,766.66	\$23,376.95
220	ABFP Income Fund 4	JL	202	\$47,683.31	\$23,835.15
221	ABFP Income Fund 4	JR	224	\$47,683.31	\$23,835.15
222	ABFP Income Fund 4	SGR	20651	\$47,683.31	\$23,835.15
223	ABFP Income Fund 4	WP	21	\$48,416.65	\$24,201.72
224	ABFP Income Fund 4	BS	20202	\$48,833.32	\$24,410.00
225	ABFP Income Fund 4	MS	20111	\$57,200.00	\$28,592.19
226	ABFP Income Fund 4	MH	164	\$71,375.00	\$35,677.76
227	ABFP Income Fund 4	RHB	80	\$94,333.36	\$47,153.81
228	ABFP Income Fund 4	J&TK	220	\$94,433.36	\$47,203.79
229	ABFP Income Fund 4	VJO	275	\$94,433.36	\$47,203.79
230	ABFP Income Fund 4	KFT	408	\$94,433.36	\$47,203.79
231	ABFP Income Fund 4	MMN	381	\$94,433.36	\$47,203.79
232	ABFP Income Fund 4	B&JR	20284	\$94,433.36	\$47,203.79
233	ABFP Income Fund 4	RHP	239	\$95,166.69	\$47,570.36
234	ABFP Income Fund 4	NWH	306	\$95,166.69	\$47,570.36
235	ABFP Income Fund 4	GD	20745	\$95,266.69	\$47,620.34



	Receivership Entity	Claimant	Claim #	Allowed Claim	First Int. Distr.
236	ABFP Income Fund 4	JP&MGB	340	\$95,276.64	\$47,625.32
237	ABFP Income Fund 4	KG	20380	\$100,800.00	\$50,386.24
238	ABFP Income Fund 4	DF&KY	31	\$108,583.36	\$54,276.86
239	ABFP Income Fund 4	W&LS	39	\$113,300.00	\$56,634.54
240	ABFP Income Fund 4	FD	140	\$114,200.00	\$57,084.41
241	ABFP Income Fund 4	V&JC	20378	\$114,200.00	\$57,084.41
242	ABFP Income Fund 4	NS&TJJS	119	\$114,300.00	\$57,134.40
243	ABFP Income Fund 4	RW	20258	\$114,300.00	\$57,134.40
244	ABFP Income Fund 4	CS	471	\$116,103.31	\$58,035.81
245	ABFP Income Fund 4	JRW	225	\$118,016.64	\$58,992.21
246	ABFP Income Fund 4	TMF	391	\$118,016.64	\$58,992.21
247	ABFP Income Fund 4	RPI	72	\$123,716.69	\$61,841.46
248	ABFP Income Fund 4	JB	136	\$132,350.00	\$66,156.94
249	ABFP Income Fund 4	MGDMGIL	379	\$141,600.00	\$70,780.68
250	ABFP Income Fund 4	G&PG	20440	\$141,600.00	\$70,780.68
251	ABFP Income Fund 4	PR&LJH	41	\$169,900.00	\$84,926.81
252	ABFP Income Fund 4	JLR	20067	\$188,666.64	\$94,307.57
253	ABFP Income Fund 4	TYJ	20415	\$188,766.64	\$94,357.56
254	ABFP Income Fund 4	R&CW	187	\$190,333.31	\$95,140.68
255	ABFP Income Fund 4	EOJT	545	\$200,000.00	\$99,972.71
256	ABFP Income Fund 4	MYS	201	\$208,948.93	\$104,445.95
257	ABFP Income Fund 4	RDS	20175	\$234,266.66	\$117,101.36
258	ABFP Income Fund 4	SGG	20534	\$234,436.66	\$117,186.34
259	ABFP Income Fund 4	ATB	296	\$236,776.66	\$118,356.02
260	ABFP Income Fund 4	NJF	62	\$236,776.66	\$118,356.02
261	ABFP Income Fund 4	DR	20449	\$242,666.66	\$121,300.21
262	ABFP Income Fund 4	HWF	29	\$245,266.66	\$122,599.86
263	ABFP Income Fund 4	G&AB	20278	\$256,666.66	\$128,298.30
264	ABFP Income Fund 4	RH	2	\$280,000.00	\$139,961.79
265	ABFP Income Fund 4	RDS&KLMC	20180	\$280,100.00	\$140,011.77
266	ABFP Income Fund 4	Estate of PS	20441	\$326,766.66	\$163,338.74
267	ABFP Income Fund 4	DTM	20220	\$336,000.00	\$167,954.15
268	ABFP Income Fund 4	MFPL	20221	\$377,333.34	\$188,615.17
269	ABFP Income Fund 4	G&JF	330	\$378,675.00	\$189,285.82
270	ABFP Income Fund 4	TM	221	\$462,590.00	\$231,231.87
271	ABFP Income Fund 4	DJ&MJK	137	\$468,435.00	\$234,153.57
272	ABFP Income Fund 4	CS	20270	\$473,770.00	\$236,820.34
273	ABFP Income Fund 4	JS	16	\$474,280.00	\$237,075.27
274	ABFP Income Fund 4	G&MC	212	\$561,000.00	\$280,423.44
275	ABFP Income Fund 4	EJB	3	\$789,550.00	\$394,667.25
276	ABFP Income Fund 4	DWM	152	\$1,420,000.00	\$709,806.21
277	ABFP Income Fund 4	Camaplan	Bulk	\$6,088,699.00	\$3,043,518.56
278	ABFP Income Fund 6	G&BD	20490	\$24,416.68	\$13,055.32
279	ABFP Income Fund 6	CP	441	\$48,833.32	\$26,110.63
280	ABFP Income Fund 6	JWH	20371	\$49,349.99	\$26,386.89
281	ABFP Income Fund 6	MDH	20214	\$49,416.66	\$26,422.53
282	ABFP Income Fund 6	MDGJ	20372	\$58,700.00	\$31,386.23
283	ABFP Income Fund 6	JCZ	344	\$59,600.00	\$31,867.45
284	ABFP Income Fund 6	DP	177	\$97,666.68	\$52,221.28
285	ABFP Income Fund 6	D&LR	283	\$97,666.68	\$52,221.28
286	ABFP Income Fund 6	LCBJ	20041	\$97,666.68	\$52,221.28
287	ABFP Income Fund 6	DW	20044	\$97,666.68	\$52,221.28
288	ABFP Income Fund 6	DR	20448	\$97,666.68	\$52,221.28
289	ABFP Income Fund 6	P&JT	14	\$97,766.68	\$52,274.74
290	ABFP Income Fund 6	MG	20079	\$97,766.68	\$52,274.74
291	ABFP Income Fund 6	BWR	20045	\$97,766.68	\$52,274.74
292	ABFP Income Fund 6	WJP	20663	\$98,500.01	\$52,666.85
293	ABFP Income Fund 6	MC	245	\$98,500.01	\$52,666.85
294	ABFP Income Fund 6	FP	250	\$98,500.01	\$52,666.85
295	ABFP Income Fund 6	BAS	20108	\$98,500.01	\$52,666.85
296	ABFP Income Fund 6	JES	395	\$98,500.01	\$52,666.85
297	ABFP Income Fund 6	RL	20166	\$98,500.01	\$52,666.85
298	ABFP Income Fund 6	LD&MCB	90	\$98,600.01	\$52,720.32
299	ABFP Income Fund 6	RGF, Individually & Executrix for EF, Sr.	318	\$99,333.34	\$53,112.42
300	ABFP Income Fund 6	DRD	466	\$99,333.34	\$53,112.42
301	ABFP Income Fund 6	KEM&LY	165	\$99,333.34	\$53,112.42
302	ABFP Income Fund 6	KA	20314	\$99,333.34	\$53,112.42
303	ABFP Income Fund 6	R&NC	20660	\$99,333.34	\$53,112.42
304	ABFP Income Fund 6	RSSJ	6	\$99,433.34	\$53,165.89
305	ABFP Income Fund 6	EA&LMC	20464	\$99,433.34	\$53,165.89
306	ABFP Income Fund 6	K&MW	20062	\$99,433.34	\$53,165.89
307	ABFP Income Fund 6	J&FC	20401	\$113,375.01	\$60,620.34
308	ABFP Income Fund 6	RW	20259	\$118,200.00	\$63,200.21
309	ABFP Income Fund 6	ECD	20299	\$120,618.32	\$64,493.26
310	ABFP Income Fund 6	PD	124	\$146,500.00	\$78,331.90
311	ABFP Income Fund 6	DW&JAS	20375	\$146,600.00	\$78,385.37
312	ABFP Income Fund 6	SAS	338	\$147,750.00	\$79,000.26
313	ABFP Income Fund 6	Estate of JRKS	20674	\$173,833.34	\$92,946.73
314	ABFP Income Fund 6	J&SS	82	\$195,433.32	\$104,496.00



	Receivership Entity	Claimant	Claim #	Allowed Claim	First Int. Distr.
315	ABFP Income Fund 6	PHM	163	\$196,999.99	\$105,333.68
316	ABFP Income Fund 6	RJD	20334	\$196,999.99	\$105,333.68
317	ABFP Income Fund 6	JVMI	20409	\$198,666.66	\$106,224.83
318	ABFP Income Fund 6	RPI	75	\$227,746.67	\$121,773.58
319	ABFP Income Fund 6	WaCS	20613	\$244,306.66	\$130,628.03
320	ABFP Income Fund 6	CPM	179	\$244,306.66	\$130,628.03
321	ABFP Income Fund 6	N&ES	13	\$244,406.66	\$130,681.49
322	ABFP Income Fund 6	MM	375	\$246,816.66	\$131,970.09
323	ABFP Income Fund 6	RVG	20617	\$247,800.00	\$132,495.87
324	ABFP Income Fund 6	HG	129	\$249,326.66	\$133,312.16
325	ABFP Income Fund 6	DD	232	\$249,326.66	\$133,312.16
326	ABFP Income Fund 6	N&RR	388	\$249,326.66	\$133,312.16
327	ABFP Income Fund 6	JRKJ	20671	\$249,426.66	\$133,365.63
328	ABFP Income Fund 6	HWF	28	\$253,066.66	\$135,311.90
329	ABFP Income Fund 6	AY	208	\$268,300.00	\$143,456.99
330	ABFP Income Fund 6	ZM&KD	20347	\$292,100.00	\$156,182.59
331	ABFP Income Fund 6	JB	105	\$295,000.00	\$157,733.18
332	ABFP Income Fund 6	KM	20525	\$298,000.00	\$159,337.25
333	ABFP Income Fund 6	JESJ&BSDT	291	\$350,400.00	\$187,354.94
334	ABFP Income Fund 6	JM	20191	\$393,333.34	\$210,310.92
335	ABFP Income Fund 6	CJ&LAP	20001	\$485,970.00	\$259,842.70
336	ABFP Income Fund 6	DPR	83	\$486,070.00	\$259,896.17
337	ABFP Income Fund 6	JHC	447	\$491,915.00	\$263,021.42
338	ABFP Income Fund 6	AO	20186	\$687,166.67	\$367,420.30
339	ABFP Income Fund 6	Camaplan	Bulk	\$5,292,136.00	\$2,829,645.64
340	ABFP MSIF	JDB	353	\$92,292.44	\$22,247.52
341	ABFP MSIF	Estate of FPJB	427	\$92,292.44	\$22,247.52
342	ABFP MSIF	CP	443	\$92,292.44	\$22,247.52
343	ABFP MSIF	JC	20028	\$92,292.44	\$22,247.52
344	ABFP MSIF	SS	20577	\$92,292.44	\$22,247.52
345	ABFP MSIF	DR	20307	\$110,750.94	\$26,697.03
346	ABFP MSIF	P&KA	20562	\$115,365.56	\$27,809.40
347	ABFP MSIF	HT	20471	\$138,138.00	\$33,298.81
348	ABFP MSIF	TJ&PMC	107	\$138,438.67	\$33,371.28
349	ABFP MSIF	CPL	141	\$138,438.67	\$33,371.28
350	ABFP MSIF	KEM	166	\$138,438.67	\$33,371.28
351	ABFP MSIF	DM	236	\$138,438.67	\$33,371.28
352	ABFP MSIF	KMB	520	\$138,438.67	\$33,371.28
353	ABFP MSIF	DK	20247	\$138,438.67	\$33,371.28
354	ABFP MSIF	RaCP	20494	\$138,438.67	\$33,371.28
355	ABFP MSIF	AP	20634	\$138,438.67	\$33,371.28
356	ABFP MSIF	WR	362	\$138,530.97	\$33,393.53
357	ABFP MSIF	E&LC	434	\$147,667.92	\$35,596.04
358	ABFP MSIF	ED	20444	\$166,126.41	\$40,045.54
359	ABFP MSIF	RHP	240	\$184,584.90	\$44,495.05
360	ABFP MSIF	NB	20351	\$184,584.90	\$44,495.05
361	ABFP MSIF	DG	20377	\$184,584.90	\$44,495.05
362	ABFP MSIF	DB	20604	\$184,584.90	\$44,495.05
363	ABFP MSIF	MDW	20734	\$184,584.90	\$44,495.05
364	ABFP MSIF	LHBL	20513	\$185,507.82	\$44,717.52
365	ABFP MSIF	DF&KY	30	\$203,043.39	\$48,944.55
366	ABFP MSIF	VML, Individually and Personal Rep. of Estate of DBL	449	\$207,658.01	\$50,056.93
367	ABFP MSIF	B&JC	415	\$276,877.34	\$66,742.57
368	ABFP MSIF	JCW	537	\$369,169.80	\$88,990.10
369	ABFP MSIF	ESL&ED	111	\$461,462.24	\$111,237.62
370	ABFP MSIF	Camaplan	Bulk	\$10,715,277.00	\$2,582,967.33
371	ANFP MSIF II	L&LR	20315	\$48,587.00	\$30,383.33
372	ANFP MSIF II	CMS	244	\$50,000.00	\$31,266.93
373	ANFP MSIF II	FP	251	\$51,851.37	\$32,424.66
374	ANFP MSIF II	JES	394	\$72,880.00	\$45,574.68
375	ANFP MSIF II	SS	20359	\$72,880.00	\$45,574.68
376	ANFP MSIF II	EW	20508	\$72,880.00	\$45,574.68
377	ANFP MSIF II	UML	96	\$97,173.00	\$60,766.03
378	ANFP MSIF II	CBR	168	\$97,173.00	\$60,766.03
379	ANFP MSIF II	CPM	180	\$97,173.00	\$60,766.03
380	ANFP MSIF II	CMS	243	\$97,173.00	\$60,766.03
381	ANFP MSIF II	DPAJMM	276	\$97,173.00	\$60,766.03
382	ANFP MSIF II	MMN	380	\$97,173.00	\$60,766.03
383	ANFP MSIF II	DJO	505	\$97,173.00	\$60,766.03
384	ANFP MSIF II	JaIK	20253	\$97,173.00	\$60,766.03
385	ANFP MSIF II	BA	20397	\$97,173.00	\$60,766.03
386	ANFP MSIF II	MN	518	\$97,173.00	\$60,766.03
387	ANFP MSIF II	CN	92	\$145,760.00	\$91,149.35
388	ANFP MSIF II	HP&EAGI	347	\$145,760.00	\$91,149.35
389	ANFP MSIF II	B&BC	20082	\$145,760.00	\$91,149.35
390	ANFP MSIF II	KLM	20178	\$145,760.00	\$91,149.35
391	ANFP MSIF II	MDW	20735	\$145,760.00	\$91,149.35
392	ANFP MSIF II	KJT	20398	\$145,760.00	\$91,149.35
393	ANFP MSIF II	MS	20112	\$155,477.00	\$97,225.77

	Receivership Entity	Claimant	Claim #	Allowed Claim	First Int. Distr.
394	ANFP MSIF II	RDS&KLMC	20179	\$170,053.00	\$106,340.70
395	ANFP MSIF II	MDM	20149	\$194,347.00	\$121,532.68
396	ANFP MSIF II	RTOMKH	97	\$250,000.00	\$156,334.64
397	ANFP MSIF II	JS	259	\$252,651.00	\$157,992.42
398	ANFP MSIF II	JWB	20272	\$400,000.00	\$250,135.43
399	ANFP MSIF II	WCS	20615	\$485,867.00	\$303,831.38
400	ANFP MSIF II	Camaplan	Bulk	\$6,545,593.00	\$4,093,211.83
401	Fidelis Financial Plannin	GD	531	\$44,375.00	\$23,450.37
402	Fidelis Financial Plannin	R&EM	331	\$46,250.00	\$24,441.23
403	Fidelis Financial Plannin	MK	89	\$46,666.66	\$24,661.41
404	Fidelis Financial Plannin	PS	20595	\$47,000.00	\$24,837.57
405	Fidelis Financial Plannin	A&PP	411	\$47,416.66	\$25,057.76
406	Fidelis Financial Plannin	W&CM	548	\$63,733.33	\$33,680.45
407	Fidelis Financial Plannin	PBTGI	20084	\$83,333.40	\$44,038.28
408	Fidelis Financial Plannin	LG	167	\$89,000.00	\$47,032.85
409	Fidelis Financial Plannin	RM	20060	\$91,666.70	\$48,442.09
410	Fidelis Financial Plannin	AM	150	\$93,833.34	\$49,587.07
411	Fidelis Financial Plannin	E&KJ	88	\$99,333.34	\$52,493.59
412	Fidelis Financial Plannin	RR	339	\$147,750.00	\$78,079.81
413	Fidelis Financial Plannin	D&SMRT	154	\$158,666.66	\$83,848.82
414	Fidelis Financial Plannin	S&LBT	433	\$159,820.00	\$84,458.31
415	Fidelis Financial Plannin	SK&EMSRLT	172	\$167,000.00	\$88,252.64
416	Fidelis Financial Plannin	K&LS	223	\$186,000.00	\$98,293.36
417	Fidelis Financial Plannin	SD	266	\$192,000.00	\$101,464.12
418	Fidelis Financial Plannin	FGS	431	\$200,000.00	\$105,691.79
419	Fidelis Financial Plannin	STG	20426	\$239,250.00	\$126,433.80
420	Fidelis Financial Plannin	FLN	157	\$258,000.00	\$136,342.41
421	Fidelis Financial Plannin	J&SW	455	\$268,500.00	\$141,891.23
422	Fidelis Financial Plannin	ML	20120	\$269,000.00	\$142,155.46
423	Fidelis Financial Plannin	WLA	130	\$297,333.35	\$157,128.47
424	Fidelis Financial Plannin	WK	20384	\$575,691.74	\$304,229.45
425	Fidelis Financial Plannin	Camaplan	Bulk	\$1,689,732.00	\$892,953.99
426	Retirement Evolution	SEJ	468	\$9,266.63	\$4,889.35
427	Retirement Evolution	JB	534	\$26,100.00	\$13,771.14
428	Retirement Evolution	HB	533	\$33,041.67	\$17,433.77
429	Retirement Evolution	WBE	467	\$79,050.00	\$41,709.14
430	Retirement Evolution	CG&SS	308	\$126,900.00	\$66,956.22
431	Retirement Evolution	GAS	287	\$13,334.41	\$7,035.63
432	Retirement Evolution	SEL	498	\$14,784.03	\$7,800.49
433	Retirement Evolution	CI	20090	\$18,515.03	\$9,769.08
434	Retirement Evolution	MW	20197	\$19,333.35	\$10,200.85
435	Retirement Evolution	RI	20052	\$35,225.36	\$18,585.95
436	Retirement Evolution	M&SD	392	\$38,266.65	\$20,190.63
437	Retirement Evolution	GAFFRDF	436	\$50,000.00	\$26,381.49
438	Retirement Evolution	PB	20392	\$65,999.98	\$34,823.56
439	Retirement Evolution	LLE	49	\$98,700.00	\$52,077.06
440	Retirement Evolution	R&MD	20676	\$237,500.02	\$125,312.09
441	Retirement Evolution	RM&LL	20410	\$309,589.00	\$163,348.38
442	Retirement Evolution	LC	20131	\$38,640.35	\$20,387.80
443	Retirement Evolution	RSI	20646	\$32,507.68	\$17,152.02
444	Retirement Evolution	FF	186	\$23,499.97	\$12,399.28
445	Retirement Evolution	JA	132	\$24,373.34	\$12,860.10
446	Retirement Evolution	LS	203	\$30,772.50	\$16,236.49
447	Retirement Evolution	CLR	204	\$46,625.00	\$24,600.74
448	Retirement Evolution	MBL	267	\$60,000.00	\$31,657.79
449	Retirement Evolution	LW	188	\$77,363.36	\$40,819.21
450	Retirement Evolution	THLT	292	\$21,600.00	\$11,396.80
451	Retirement Evolution	WDL	506	\$99,050.00	\$52,261.73
452	Retirement Evolution	BC	20432	\$100,000.00	\$52,762.98
453	Retirement Evolution	Blue Diamond (FBO CN IRA)	20684	\$269,534.28	\$142,214.32
454	Retirement Evolution	RWL	307	\$9,399.97	\$4,959.70
455	Retirement Evolution	PRG2FAT	20611	\$18,000.03	\$9,497.35
456	Retirement Evolution	MP	407	\$25,440.04	\$13,422.92
457	Retirement Evolution	BKRT dtd 11/22/89	20007	\$46,500.00	\$24,534.79
458	Retirement Evolution	BS	20462	\$46,666.70	\$24,622.74
459	Retirement Evolution	JES	487	\$56,800.00	\$29,969.37
460	Retirement Evolution	JMM	108	\$65,000.00	\$34,295.94
461	Retirement Evolution	HMK	109	\$65,000.00	\$34,295.94
462	Retirement Evolution	DEZ	265	\$65,000.00	\$34,295.94
463	Retirement Evolution	PK	508	\$75,000.00	\$39,572.24
464	Retirement Evolution	CCR	20472	\$93,063.24	\$49,102.94
465	Retirement Evolution	SPL	246	\$130,000.00	\$68,591.87
466	Retirement Evolution	CAK	20305	\$158,522.01	\$83,640.94
467	Retirement Evolution	RH	20304	\$180,417.05	\$95,193.41
468	Retirement Evolution	SB	535	\$189,120.86	\$99,785.80
469	Retirement Evolution	KBI	20006	\$278,100.00	\$146,733.85
470	Retirement Evolution	PKS	20405	\$304,366.63	\$160,592.91
471	Retirement Evolution	PKS	20631	\$402,336.67	\$212,284.82
472	Retirement Evolution	LN	286	\$7,771.42	\$4,100.43



	Receivership Entity	Claimant	Claim #	Allowed Claim	First Int. Distr.
473	Retirement Evolution	GLS	256	\$9,199.96	\$4,854.17
474	Retirement Evolution	EBH	517	\$9,399.98	\$4,959.71
475	Retirement Evolution	AMS	450	\$10,969.18	\$5,787.67
476	Retirement Evolution	LN	285	\$16,924.00	\$8,929.61
477	Retirement Evolution	RJL	50	\$18,390.64	\$9,703.45
478	Retirement Evolution	DH	301	\$18,466.59	\$9,743.52
479	Retirement Evolution	ALG	211	\$18,800.03	\$9,919.46
480	Retirement Evolution	SWHJ	536	\$19,200.02	\$10,130.50
481	Retirement Evolution	PSST	12	\$22,287.50	\$11,759.55
482	Retirement Evolution	SKM	515	\$23,166.63	\$12,223.40
483	Retirement Evolution	MC	274	\$23,833.31	\$12,575.16
484	Retirement Evolution	EJNRI	20636	\$23,875.00	\$12,597.16
485	Retirement Evolution	DVMIT	91	\$23,999.99	\$12,663.11
486	Retirement Evolution	RBNT	148	\$27,400.00	\$14,457.06
487	Retirement Evolution	P&PL	85	\$28,000.00	\$14,773.63
488	Retirement Evolution	LV	20123	\$28,000.00	\$14,773.63
489	Retirement Evolution	EJNI	20639	\$37,240.29	\$19,649.09
490	Retirement Evolution	CFT	78	\$37,866.66	\$19,979.58
491	Retirement Evolution	NPW (Roth IRA)	207	\$38,898.86	\$20,524.20
492	Retirement Evolution	BJC	67	\$41,566.65	\$21,931.80
493	Retirement Evolution	LJDS	227	\$44,666.24	\$23,567.24
494	Retirement Evolution	RRC	262	\$44,999.57	\$23,743.11
495	Retirement Evolution	GLJ	194	\$46,678.21	\$24,628.81
496	Retirement Evolution	MEB	174	\$46,833.33	\$24,710.66
497	Retirement Evolution	RN	198	\$47,000.00	\$24,798.60
498	Retirement Evolution	MJ&KAD	86	\$47,999.98	\$25,326.22
499	Retirement Evolution	GAF	437	\$49,333.34	\$26,029.74
500	Retirement Evolution	GAF	438	\$49,333.34	\$26,029.74
501	Retirement Evolution	AMP	510	\$50,000.00	\$26,381.49
502	Retirement Evolution	WaJC	20332	\$50,000.00	\$26,381.49
503	Retirement Evolution	OPF	329	\$56,717.42	\$29,925.80
504	Retirement Evolution	PAM	20308	\$66,974.32	\$35,337.65
505	Retirement Evolution	EAT	20652	\$71,000.00	\$37,461.72
506	Retirement Evolution	TP	509	\$75,000.00	\$39,572.24
507	Retirement Evolution	NKB	173	\$91,624.99	\$48,344.08
508	Retirement Evolution	SB	384	\$94,666.65	\$49,948.95
509	Retirement Evolution	SAS	191	\$94,750.00	\$49,992.92
510	Retirement Evolution	GJC	486	\$96,943.62	\$51,150.34
511	Retirement Evolution	MG	361	\$97,250.00	\$51,312.00
512	Retirement Evolution	WM	20650	\$100,000.00	\$52,762.98
513	Retirement Evolution	Nuview Trust Company, Inc. FBO RS	189	\$112,320.00	\$59,263.38
514	Retirement Evolution	VJ&JAP	493	\$115,855.92	\$61,129.04
515	Retirement Evolution	RS	20643	\$136,916.70	\$72,241.33
516	Retirement Evolution	WP	298	\$143,000.01	\$75,451.07
517	Retirement Evolution	EJN	20637	\$164,518.04	\$86,804.62
518	Retirement Evolution	AP	99	\$175,333.33	\$92,511.09
519	Retirement Evolution	WP	424	\$185,000.00	\$97,611.51
520	Retirement Evolution	CJF	491	\$187,215.00	\$98,780.21
521	Retirement Evolution	MA	100	\$232,501.00	\$122,674.46
522	Retirement Evolution	CA	98	\$197,025.00	\$103,956.26
523	Retirement Evolution	EAT	20653	\$198,500.00	\$104,734.52
524	Retirement Evolution	B&DO	305	\$220,000.00	\$116,078.56
525	Retirement Evolution	NPW (IRA)	206	\$240,956.00	\$127,135.57
526	Retirement Evolution	GAS	288	\$249,537.50	\$131,663.42
527	Retirement Evolution	MDW	205	\$250,000.00	\$131,907.45
528	Retirement Evolution	WHS	20358	\$279,499.99	\$147,472.53
529	Retirement Evolution	RG	358	\$352,706.20	\$186,098.30
530	Retirement Evolution	GC	209	\$373,234.51	\$196,929.65
531	Retirement Evolution	JZ	20350	\$819,112.13	\$432,187.97
532	Retirement Evolution	RS	20000	\$46,666.70	\$24,622.74
533	Retirement Evolution	WKS	233	\$224,200.00	\$118,294.60
534	Retirement Evolution	DL	549	\$45,336.34	\$23,920.80
535	Retirement Evolution	RT	550	\$18,866.66	\$9,954.61
536	Retirement Evolution	LS	551	\$169,158.17	\$89,252.89
537	Retirement Evolution	JL	552	\$24,733.32	\$13,050.04
538	Retirement Evolution	AL	553	\$50,000.00	\$26,381.49
539	Retirement Evolution	JFLT	554	\$91,000.00	\$48,014.31
540	Retirement Evolution	GR	555	\$39,893.18	\$21,048.83
541	Retirement Evolution	CAMAPLAN	Bulk	\$265,280.00	\$139,969.63
				<b>\$227,825,696.58</b>	<b>\$110,868,715.00</b>

# Exhibit “3”

**CBSG et al Receivership**  
**Initial Distribution - CBSG**

Creditor	Claim #	Description	Allowed	First Distr.
<b>CBSG</b>				
<b>INVESTORS</b>			<b>Amount to distribute: \$96,666,647.53</b>	
<b>Exchange Note Investors</b>				
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 INCOME FUND 2 LLC	462	EXCH. NOTE INVEST.	\$618,033.35	\$313,558.80
TEMBER C EATON TRUST	312	EXCH. NOTE INVEST.	\$661,666.66	\$335,696.12
MERCHANT FACTORING INCOME FUND	479	EXCH. NOTE INVEST.	\$697,733.43	\$353,944.58
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
LWM EQUITY FUND LP	463	EXCH. NOTE INVEST.	\$1,026,670.15	\$520,880.40
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
LWM INCOME FUND PARALLEL LLC	464	EXCH. NOTE INVEST.	\$3,333,584.00	\$1,691,291.56
MARINER MCA INCOME FUND LLC	470	EXCH. NOTE INVEST.	\$3,417,158.51	\$1,733,693.03
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
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
VICTORY INCOME FUND LLC	90001	EXCH. NOTE INVEST.	\$630,500.34	\$319,883.01
CAMAPLAN	Bulk	EXCH. NOTE INVEST.	\$1,376,117.00	\$698,172.00
<b>Receivership entities - Exchange Note Investors</b>				
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
<b>TOTAL CBSG EXCHANGE NOTE INVESTOR CLAIMS</b>			<b>\$195,244,138.46</b>	<b>\$96,666,647.53</b>
<b>Non-Exchange Note Investors</b>			<b>Amount to distribute: \$0.00</b>	
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

Creditor	Claim #	Description	Allowed	First Distr.
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
<b>TOTAL CBSG NON-EXCHANGE NOTE INVESTOR CLAIMS</b>			<b>\$6,906,683.92</b>	<b>\$0.00</b>

<u>Chehebar Group / Insiders</u>	<b>Amount to distribute:</b>		<b>\$0.00</b>
IBSAI	409	CHEHEBAR GROUP	\$0.00
IS2AGRAT	410	CHEHEBAR GROUP	\$0.00
MCL	476	CHEHEBAR GROUP	\$0.00
ESL	477	CHEHEBAR GROUP	\$0.00
GCGI	478	CHEHEBAR GROUP	\$0.00
IS	483	CHEHEBAR GROUP	\$0.00
JC	484	CHEHEBAR GROUP	\$0.00
JS	499	CHEHEBAR GROUP	\$0.00
CC	500	CHEHEBAR GROUP	\$0.00
SC	501	CHEHEBAR GROUP	\$0.00
EC	502	CHEHEBAR GROUP	\$0.00
AC	544	CHEHEBAR GROUP	\$0.00
<b>TOTAL CHEHEBAR GROUP / INSIDERS CLAIMS</b>			<b>\$0.00</b>

<b>TOTAL CBSG INVESTOR CLAIMS</b>	<b>\$202,150,822.38</b>	<b>\$96,666,647.53</b>	<b>47.8%</b>
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<u>EMPLOYEES</u>	<b>Amount to distribute:</b>		<b>\$0.00</b>	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
<b>TOTAL EMPLOYEE CLAIMS</b>				<b>\$17,892.15</b>	<b>\$0.00</b>
<b>Distribution %</b>					<b>0.0%</b>

<u>TRADE VENDORS</u>	<b>Amount to distribute:</b>		<b>\$0.00</b>
AMEX TRS CO INC	20323	TRADE VENDOR	\$7.20
AMEX TRS CO INC	20324	TRADE VENDOR	\$419.14
AMEX TRS CO INC	20331	TRADE VENDOR	\$4,060.21
AMEX TRS CO INC	20329	TRADE VENDOR	\$5,430.29
AMEX TRS CO INC	20328	TRADE VENDOR	\$10,865.75
WELTMAN WEINBERG & REIS CO LPA	20132	TRADE VENDOR	\$11,660.10
SMALL HERRIN LLP	20628	TRADE VENDOR	\$15,430.78
AMEX TRS CO INC	20327	TRADE VENDOR	\$19,687.14
WELTMAN WEINBERG & REIS CO LPA	20133	TRADE VENDOR	\$24,467.76
HAYNES AND BOONE LLP	20479	TRADE VENDOR	\$28,665.04
AMEX TRS CO INC	20325	TRADE VENDOR	\$30,824.59
AMEX TRS CO INC	20326	TRADE VENDOR	\$35,004.67
HUTCHENS LAW FIRM LLP	20600	TRADE VENDOR	\$41,946.26
STATE OF FLORIDA - DEPARTMENT OF REVENUE	20708	TRADE VENDOR	\$234,702.96
20 N. 3RD ST. LTD	Bulk	TRADE VENDOR	\$1.00
FULL SPECTRUM PROCESSING	Bulk	TRADE VENDOR	\$0.00
<b>TOTAL TRADE VENDOR CREDITORS</b>			<b>\$463,172.89</b>

<u>MERCHANTS</u>	<b>Amount to distribute:</b>		<b>\$0.00</b>
AMERICORE HEALTH LLC	20712	MERCHANT	\$14,000.00
ST. ALEXIUS HOSPITAL CORPORATION #1	20717	MERCHANT	\$17,380.53
DJL BUILDERS INC; C/O STROBL PLLC	20475	MERCHANT	\$26,404.00
PINEVILLE MEDICAL CENTER LLC	20716	MERCHANT	\$27,968.88
AMERICORE HOLDINGS LLC	20713	MERCHANT	\$30,669.30
HANNAH SOLAR LLC	20647	MERCHANT	\$100,601.50
JACQUELINE CALDERIN CHAPTER 7 TRUSTEE	20630	MERCHANT	\$106,462.35
ELLWOOD MEDICAL CENTER OPERATIONS LLC	20715	MERCHANT	\$359,594.93
PLAYHUT, INC. N/KA PH DIP INC.	354	MERCHANT	\$1,973,420.95
SETH E. DIZARD, RECEIVER OF RIDGEWAY TRAILER CO.	459	MERCHANT	\$6,910,198.00
FAST ADVANCE FUNDING	Bulk	MERCHANT	\$0.00
FULL SPECTRUM PROCESSING	Bulk	MERCHANT	\$0.00

Creditor	Claim #	Description	Allowed	First Distr.
RECRUITING AND MARKETING SERVICES	Bulk	MERCHANT	\$0.00	\$0.00
<b>TOTAL MERCHANT CLAIMS</b>			<b>\$9,566,700.44</b>	<b>\$0.00</b>

**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
<b>TOTAL INSIDER CLAIMS</b>			<b>\$8,130,039.00</b>	<b>\$0.00</b>

**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
<b>TOTAL 20 N 3RD ST. LTD TRADE CLAIMS</b>			<b>\$541,486.08</b>	<b>\$0.00</b>

**CONTRACT FINANCING SOLUTIONS****INSIDERS****Amount to distribute: \$0.00**

LISA MCELHONE	20690	INSIDER	\$0.00	\$0.00
<b>TOTAL CONTRACT FINANCING SOLUTIONS INSIDER CLAIM</b>			<b>\$0.00</b>	<b>\$0.00</b>

**EAGLE SIX CONSULTING****Amount to distribute: \$0.00**

LISA MCELHONE, TRUSTEE OF THE LME TRUST	20705	INSIDER	\$0.00	\$0.00
<b>TOTAL EAGLE SIX CONSULTING INSIDER CLAIM</b>			<b>\$0.00</b>	<b>\$0.00</b>

**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
<b>TOTAL FULL SPECTRUM PROCESSING EMPLOYEE CLAIMS</b>			<b>\$54,634.77</b>	<b>\$0.00</b>

**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
<b>TOTAL FULL SPECTRUM PROCESSING INSIDER CLAIMS</b>			<b>\$0.00</b>	<b>\$0.00</b>

**MERCHANTS****Amount to distribute: \$0.00**

NATIONAL LABOR RELATIONS BOARD	20667	MERCHANT	\$59,614.00	\$0.00
<b>TOTAL FULL SPECTRUM PROCESSING MERCHANT CLAIMS</b>			<b>\$59,614.00</b>	<b>\$0.00</b>

Creditor	Claim #	Description	Allowed	First Distr.
<b>TRADE VENDORS</b>				
<b>Amount to distribute:</b>			<b>\$0.00</b>	
AMEX TRS CO INC	20330	TRADE VENDOR	\$28,485.13	\$0.00
<b>TOTAL FULL SPECTRUM PROCESSING TRADE CLAIMS</b>			<b>\$28,485.13</b>	<b>\$0.00</b>

**HERITAGE BUSINESS CONSULTANTS**

<b>INSIDERS</b>				
<b>Amount to distribute:</b>			<b>\$0.00</b>	
LISA MCELHONE, TRUSTEE OF THE LME TRUST	20703	INSIDER	\$0.00	\$0.00
<b>TOTAL HERITAGE BUSINESS CONS. INSIDER CLAIMS</b>			<b>\$0.00</b>	<b>\$0.00</b>

**LME 2017 FAMILY TRUST**

<b>INSIDERS</b>				
<b>Amount to distribute:</b>			<b>\$0.00</b>	
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
<b>TOTAL LME 2017 FAMILY TRUST INSIDER CLAIMS</b>			<b>\$0.00</b>	<b>\$0.00</b>

**RECRUITING AND MARKETING SERVICES**

<b>INSIDERS</b>				
<b>Amount to distribute:</b>			<b>\$0.00</b>	
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
<b>TOTAL RECRUITING AND MARKETING RES. INSIDER CLAIMS</b>			<b>\$0.00</b>	<b>\$0.00</b>

**MERCHANT**

<b>Amount to distribute:</b>			<b>\$0.00</b>	
FW	20512	MERCHANT	\$43,000.00	\$0.00
<b>TOTAL RECRUITING AND MARKETING RES. MERCHANT CLAIMS</b>			<b>\$43,000.00</b>	<b>\$0.00</b>



# Exhibit “4”

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**CASE NO.: 20-CV-81205-RAR**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

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**[PROPOSED] ORDER ESTABLISHING BRIEFING SCHEDULE ON  
RECEIVER’S MOTION TO SUPPLEMENT MOTION TO (1) APPROVE  
PROPOSED PLAN OF DISTRIBUTION AND (2) AUTHORIZE FIRST  
INTERIM DISTRIBUTION TO ADJUST ALLOWED CLAIM AMOUNTS AND  
PROPOSED FIRST INTERIM DISTRIBUTIONS FOR CERTAIN AGENT FUNDS**

**THIS CAUSE** comes before the Court upon the Receiver’s Motion to Supplement Motion to (1) Approve Proposed Plan of Distribution and (2) Authorize First Interim Distribution to Adjust Allowed Claim Amounts and Proposed First Interim Distributions for Certain Agent Funds, filed on December 4, 2024 [ECF No. \_\_\_\_] (the “Motion to Supplement”). In the Motion to Supplement, the Receiver details certain adjustments to allowed claim amounts and proposed first interim distributions for five agent fund claimants that the Receiver wishes to incorporate into his Motion to (1) Approve Proposed Plan of Distribution and (2) Authorize First Interim Distribution [ECF No. 2014] (the “Distribution Motion”). The Court having carefully reviewed the Motion to Supplement and the record in this matter, it is hereby

**ORDERED AND ADJUDGED** as follows:

1. Any claimants whose claims are impacted by the Motion to Supplement are permitted to file a response to the Motion to Supplement of no more than **ten (10) pages on or**

**before October 11, 2024.**

2. The Receiver shall file a reply to each response, or each category of response if applicable, **on or before October 13, 2024.**

3. The Court will consider the proposed amendments detailed in the Motion to Supplement in conjunction with, and incorporate its rulings as part of, the Court's forthcoming Order on the Distribution Motion.

**DONE AND ORDERED** in Miami, Florida, this \_\_\_\_ day of December, 2024.

\_\_\_\_\_  
**RODOLFO A. RUIZ II**  
**UNITED STATES DISTRICT JUDGE**

Copies to: Counsel of record