

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF FLORIDA

---

SECURITIES & EXCHANGE COMMISSION,  
*Plaintiff*

CIVIL ACTION NO. 20-cv-81025

vs.

COMPLETE BUSINESS SOLUTIONS  
GROUP, INC. d/b/a Par Funding, et al.,  
*Defendants*

---

**MOTION OF ALAN J. CANDELL, *Pro Se*,**  
**TO INTERVENE WITH MEMORANDUM of LAW**

Movant, **Alan J. Candell**, *pro se*, files this **Motion to Intervene** and states:

1. Alan J. Candell (“Candell”) is the holder of a promissory note that Defendant, Complete Business Solutions Group, Inc. (“Defendant”), executed in his favor (the “Promissory Note”).
2. Defendant is in the merchant cash advance business.
3. To fund its operations, Defendant entered into the Promissory Note and other promissory notes with investors.
4. Prior to July 24, 2020, Defendant timely delivered all payments ripe, due and owing under the Promissory Note with the exception of March and April 2020 due to conditions arising out of the COVID-19 emergency.
5. After July 24, 2020, Defendant ceased delivering any payments ripe, due and owing under the Promissory Note.
6. Candell is a senior citizen and financially dependent upon the distributions made by Defendant.

7. Candell believes, and therefore avers, that there are a significant number of other senior citizen investors who rely upon the regular, periodic distributions from Defendant for sustenance and maintenance of their daily life's needs.

8. On or about July 31, 2020, Candell first learned that the Securities & Exchange Commission (the "Plaintiff") filed a civil action against Defendant and related parties.

9. Candell, and other holders of promissory notes that Defendant issued, possess a substantial interest in these proceedings

10. Respectfully, Candell does not believe Plaintiff is adequately representing the substantial interests of Candell and other holders of promissory notes.

11. Candell represents to the Court and the parties herein that he possesses knowledge about the workings and/or operations of merchant cash advance companies.

12. Candell believes, and therefore avers, that the success of any merchant cash advance company is dependent upon effective cash collections via ACH.

13. Candell believes, and therefore avers, that effective cash collections via ACH are highly dependent upon the use of sophisticated algorithms, a dedicated and highly trained staff knowledgeable in the use of ACH collections and the merchant cash advance business, and cash management processes and procedures.

14. Candella accepts as true that prior to the commencement of this action the cash collections via ACH of Defendant were approximately \$1.5 million per business day.

15. Candell reviewed pleadings, motions and exhibits filed in this action.

16. By Order dated July 27, 2020, this Honorable Court granted Plaintiff's Motion and appointed Ryan K. Stumphauzer as receiver (the "Receiver").

17. By Order dated July 28, 2020, this Honorable Court granted Plaintiff's Motion and entered a Temporary Restraining Order (the "TRO").

18. The practical effect of the appointment of the Receiver and TRO was the cessation of all business activities of Defendant including, but not limited to, the cash collection via ACH.

19. Candell reviewed articles published in the Philadelphia Inquirer, Bloomberg (publications), and deBanked, all of which are available for viewing to the general public; the article in deBanked, a specialty lending publication, asserted that the cessation of business activities caused Defendant to breach its contractual obligations to fund its borrowers under its "reverse consolidation obligations."

20. Candell believes, and therefore avers, that, a direct and proximate result of the appointment of the Receiver and the TRO, Defendant has been unable to collect approximately \$1.5 million per day in collections, amounting to over \$13 million as of the date of this filing.

21. The failure of Defendants to operate and make cash collection resulted in the failure of Defendant to make distribution to the holders of promissory notes including, but not limited to, Candell.

22. The Receiver conceded that he does not possess expertise in the merchant cash advance business.

23. The Receiver requested that the Court appoint DSI, a financial services firm, to administer and operate Defendant.

24. The Receiver conceded that when DSI was appointed in a similarly situated action, DSI was only able to collect twenty percent (20%) of the debtor company's receivables.

25. If the past "success" of DSI is prologue, Candell and other holders of promissory will lose most if not all of their investments.

26. Defendant challenged the appointment of DSI and requested the Court permit the experienced employees of Defendant to return to work and restore operations (the "Defendant Cross Motion").

27. Plaintiff challenged the Defendant Cross-Motion.

28. By Order dated August 9, 2020, this Honorable Court granted the motion to appoint DSI and denied the Defendant Cross-Motion.

29. At present, there is no person or entity protecting the substantial financial interests of Candell and other holders of promissory notes.

30. Candell believes, and therefore avers, that the interests of Plaintiff and Defendant are not synonymous with those of Candell and other holders of promissory notes and, accordingly, the substantial interests of Candell and other holders of promissory note are not being adequately protected.

31. Candell has no position regarding the merits of this action.

32. However, the actions of Plaintiff have an immediate negative and perhaps irreparable impact on the financial interests of Candell, a senior citizen who relies upon the distributions from Defendant.

33. Rule 24 of the Federal Rules of Civil Procedure govern intervention.

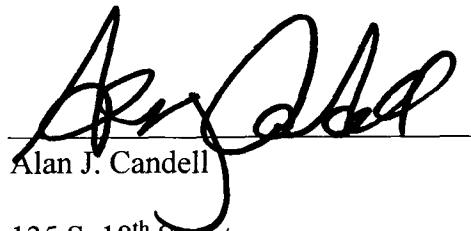
34. Candell believes, and therefore avers, that he possesses an intervention of right because he claims an interest relating to the property of Defendants that is the subject of the SEC action and is so situated that disposing of the action may as a practical matter impair or impede his ability to protect his interests. Rule 24(a)(2), F.R.C.P.

35. Candell seeks to participate in these proceedings as a real party in interest arising out of his substantial financial stake in the continuing operations of Defendant.

36. As stated above, Candell does not believe that actions and intent of Plaintiff demonstrate an adequate representation his interests.

WHEREFORE Movant, **Alan J. Candell**, respectfully requests this Honorable Court to grant the Motion, grant leave for Alan J. Candell to intervene and grant such other relief as this Honorable Court deems just and appropriate.

Respectfully submitted,



Alan J. Candell

135 S. 18<sup>th</sup> Street  
Philadelphia, PA 19103  
610-745-4512  
alanesq47@aol.com

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF FLORIDA

---

SECURITIES & EXCHANGE COMMISSION,  
*Plaintiff*

CIVIL ACTION NO. 20-cv-81025

vs.

COMPLETE BUSINESS SOLUTIONS  
GROUP, INC. d/b/a Par Funding, et al.,  
*Defendants*

---

I. STATEMENT OF FACTS AND CASE

This is a civil action arising under the Securities Act for, *inter alia*, the sale of unregistered securities. Movant, Alan J. Candell, is a senior citizen who, as part of his retirement portfolio purchased notes from Defendant, Complete Business Solutions Group Inc., that Defendant issued. Since 2016 and through July 24, 2020, Defendant **never** missed a payment ripe, due and owing to Candell.<sup>1</sup>

Defendant operates a merchant cash advance company. The success of any merchant cash advance company is dependent upon effective cash collections. Effective cash collections are highly dependent upon the use of sophisticated algorithms, a dedicated and highly trained staff knowledgeable in the use of ACH collections and the merchant cash advance business, and cash management processes and procedures. Prior to the commencement of this action the collections of Defendant were approximately \$1.5 million per business day.

---

<sup>1</sup>The only exception to this unblemished payment history occurred in March and April 2020 due to conditions arising out of the COVID-19 emergency.

Plaintiff commenced this action on July 24, 2020. It was made known to the public on July 31, 2020. By Order dated July 27, 2020, this Honorable Court granted Plaintiff's Motion and appointed Ryan K. Stumphauzer as receiver (the "Receiver"). By Order dated July 28, 2020, this Honorable Court granted Plaintiffs Motion and entered a Temporary Restraining Order (the "TRO").

The practical effect of the appointment of the Receiver TRO was the cessation of all business activities of Defendant including, but not limited to, the cash collection of Defendant. As direct and proximate result of the appointment of the Receiver and the TRO, Defendant has been able to collect approximately \$1.5 million per day in collections, amounting to over \$13 million as of the date of this filing.

The filing of this action generated numerous articles published in the Philadelphia Inquirer, Bloomberg (publications), and deBanked, all of which are available for viewing to the general public. The article in deBanked, a specialty lending publication, asserted that the shutdown has caused Defendant to breach its contractual obligations to fund its borrowers under its "reverse consolidation' obligations." That is, the failure of Defendants to operate and make cash collection resulted in the failure of Defendant to make distribution to the holders of promissory notes including, but not limited to, Candell but also to its merchant clients.

The Receiver conceded that he does not possess expertise in the merchant cash advance business. The Receiver requested that the Court appoint DSI, a financial services firm, to administer and operate Defendant. The Receiver conceded that when DSI was appointed in a similarly situated action, DSI was only able to collect twenty percent (20%) of the debtor

company's receivables.

Defendant challenged the appointment of DSI and requested the Court permit the experienced employees of Defendant to return to work and restore operations (the "Defendant Cross Motion"). Plaintiff challenged the Defendant Cross-Motion. By Order dated August 9, 2020, this Honorable Court granted the motion to appoint DSI and denied the Defendant Cross-Motion.

At present, there is no person or entity protecting the substantial financial interests of Candell and other holders of promissory notes.

## II. QUESTION PRESENTED

A. Should the Court grant leave for Alan J. Candell to intervene?

**Suggested Answer:** YES.

## III. ARGUMENT

A. **The Court should grant leave for Alan J. Candell to intervene.**

Rule 24 of the Federal Rules of Civil Procedure govern intervention. Rule 24(a) states in pertinent part, as follows:

**Intervention of Right.** On timely motion, the court must permit anyone to intervene who:

- (1) is given an unconditional right to intervene by a federal statute; or
- (2) claims an interest relating to the property or transaction that is the subject of the action, and is so situated that disposing of the action may as a practical matter impair or impede the movant's ability to protect its interest, unless existing parties adequately represent that interest.

In order for a party to intervene as a matter of right under Rule 24(a)(2), it must establish (1) the application to intervene is timely; (2) the party has an interest relating to the property or transaction

which is the subject of the action; (3) the party is situated so that disposition of the action, as a practical matter, may impede or impair its ability to protect that interest; and (4) the party's interest is represented inadequately by the existing parties to the suit. Davis v. Butts, 290 F.3d 1297, 1299 (11<sup>th</sup> Cir. 2002). Candell satisfied each of those requirements.

The Motion is timely. Plaintiff commenced this action under seal on July 24, 2020. By Order dated July 31, 2020, the Court unsealed the case. Accordingly, the earliest date on which Candell was made aware of the case was July 31, 2020. Candell filed this Motion less than two (2) weeks from the date on which this case first became public. Since the filing of the Motion occurred so close to the commencement of the action, timeliness is not an issue.

Candell possesses an interest related to the property of Defendant that is the subject of the SEC litigation. Plaintiff has frozen and taken effective control of all of Defendant's assets and business operations including, but not limited to, the daily ACH collections. The business operations, and the daily ACH collections that such operations generate, fund the regular, periodic distributions to Candell and other holders of promissory notes.

Prior to the commencement of this action the collections of Defendant were approximately \$1.5 million per business day. Since 2016 and through July 24, 2020, Defendant **never** missed a payment ripe, due and owing to Candell. The failure of Defendants to operate and make cash collection resulted in the failure of Defendant to make distribution to the holders of promissory notes including, but not limited to, Candell as well as to its merchant clients

Candell is situated so that disposition of the action, as a practical matter, will impede or impair his ability to protect that interest. The success of any merchant cash advance company such

as Defendant is dependent upon effective cash collections. Effective cash collections are highly dependent upon the use of sophisticated algorithms, a dedicated and highly trained staff knowledgeable in the use of ACH collections and the merchant cash advance business, and cash management processes and procedures.

By Order dated July 27, 2020, this Honorable Court granted Plaintiff's Motion and appointed Ryan K. Stumphauzer as receiver (the "Receiver"). By Order dated July 28, 2020, this Honorable Court granted Plaintiffs Motion and entered a Temporary Restraining Order (the "TRO"). The practical effect of the appointment of the Receiver TRO was the cessation of all business activities of Defendant including, but not limited to, the cash collections of Defendant. As direct and proximate result of the appointment of the Receiver and the TRO, Defendant has been able to collect approximately \$1.5 million per day in collections, amounting to over \$13 million as of the date of this filing.

The Receiver requested that the Court appoint DSI, a financial services firm, to administer and operate Defendant. The Receiver conceded that when DSI was appointed in a similarly situated action, DSI was only able to collect twenty percent (20%) of the debtor company's receivables. If the past "success" of DSI is prologue, Candell and other holders of promissory will lose most if not all of their investments. Defendant challenged the appointment of DSI and requested the Court permit the experienced employees of Defendant to return to work and restore operations (the "Defendant Cross Motion"). Plaintiff challenged the Defendant Cross-Motion. By Order dated August 9, 2020, this Honorable Court granted the motion to appoint DSI and denied the Defendant Cross-Motion.

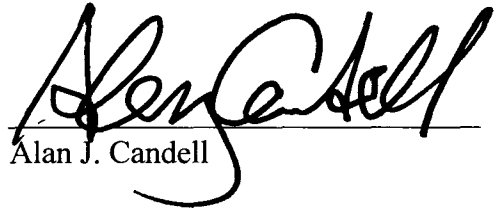
The existing parties to the action are not adequately representing the interests of Candell. To the contrary, the actions of Plaintiff have had an immediate negative and perhaps irreparable impact on the financial interest of Candell, a senior citizen who relies upon the distributions from Defendant. Candell believes, and therefore avers, that the interests of Plaintiff are not synonymous with those of Candell and other holders of promissory notes and, accordingly, the substantial interests of Candell and other holders of promissory note are not being adequately protected.

At present, there is no person or entity protecting the substantial financial interests of Candell and other holders of promissory notes. Candell seeks to participate in these proceedings as a real party in interest arising out of his substantial financial stake in the continuing operations of Defendant. Candell does not believe that actions and intent of Plaintiff demonstrate an adequate representation his interests.

#### **IV. CONCLUSION**

The Court should grant Candell leave to intervene. First, the Motion is timely. Second, Candell possesses an interest related to the property of Defendant that is the subject of the SEC litigation. Third, Candell is situated so that disposition of the action, as a practical matter, will impede or impair his ability to protect that interest. Finally, the existing parties to the action are not adequately representing the interests of Candell.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Alan J. Candell", written over a horizontal line.

Alan J. Candell

135 S. 18<sup>th</sup> Street  
Philadelphia, PA 19103  
610-745-4512  
alanesq47@aol.com

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF FLORIDA

---

SECURITIES & EXCHANGE COMMISSION,  
*Plaintiff*

CIVIL ACTION NO. 20-cv-81025

vs.

COMPLETE BUSINESS SOLUTIONS  
GROUP, INC. d/b/a Par Funding, et al.,  
*Defendants*

---

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I served a true and correct copy of the **Motion to Intervene of Alan J. Candell** this 12<sup>th</sup> day of **August 2020** via CM/ECF System upon the following:

Amie Riggle Berlin  
U.S. Securities & Exchange Commission  
901 Brickell Avenue, Suite 1800  
Miami, FL 33131  
**(Attorney for Plaintiff)**

Brett Berman  
Alex Louis Braunstein  
Fox Rothschild LLP  
2000 Market Street, 20<sup>th</sup> Floor  
Philadelphia, PA 19103  
**(Attorneys for Defendants)**

Allison Beth Kernisky  
Daniel I. Small  
Holland & Knight LLP  
701 Brickell Avenue, Suite 3000  
Miami, FL 33131  
**(Attorneys for Defendants)**

Daniel Lawrence Rashbaum  
Jason Mays  
Marcus Neiman & Rashbaum LLP  
2 S. Biscayne Boulevard, Suite 1750  
Miami, FL 33131  
**(Attorneys for Defendants)**

Jeffrey L. Cox  
Sallah Astarita & Cox LLC  
3010 N. Military Trail, Suite 210  
Boca Raton, FL 33431  
**(Attorneys for Defendants)**

A handwritten signature in black ink, appearing to read "Alan J. Candell", written over a horizontal line.

Alan J. Candell

135 S. 18<sup>th</sup> Street  
Philadelphia, PA 19103  
610-745-4512  
alanesq47@aol.com

