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PA DEPARTMENT OF BANKING AND SECURITIES

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES**

COMMONWEALTH OF PENNSYLVANIA :
DEPARTMENT OF BANKING AND :
SECURITIES, BUREAU OF SECURITIES :
COMPLIANCE AND EXAMINATIONS :
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COMPLETE BUSINESS SOLUTIONS GROUP, INC. :
d/b/a PAR FUNDING :

DOCKET No. 18 0098 CAO
(SEC-C&D)

v.

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department"), Bureau of Securities Compliance and Examinations ("Bureau"), has conducted an investigation of certain securities-related activities of Complete Business Solutions Group, Inc. d/b/a PAR Funding ("CBSG"). Based on the results of its investigation, the Bureau has concluded that CBSG has engaged in certain securities-related activities in violation of the Pennsylvania Securities Act of 1972, 70 P.S. §1-301. ("1972 Act"). CBSG, in lieu of litigation, and without admitting or denying the allegations herein, and intending to be legally bound, hereby agrees to the terms of this Consent Agreement and Order ("Order").

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the 1972 Act.
2. The Bureau is primarily responsible for administering and enforcing the 1972 Act for the Department.
3. CBSG was, at all times material herein, a Pennsylvania corporation with an address at 141 N. Second Street, Philadelphia, Pennsylvania 19106.

4. CBSG is engaged in the business of providing working capital to merchants through the purchase of an interest in a designated portion of the merchant's future accounts and receivables.

5. From in or about May 2016 through December 2017, CBSG entered into agreements ("Agreements") with persons to represent CBSG in connection with the offer and sale of promissory notes issued by CBSG ("Notes") who were not registered under Section 301 of the 1972 Act, 70 P.S. §1-301 nor exempt from registration as agents of CBSG. CBSG terminated the Agreements on February 8, 2018.

6. CBSG offered and sold, and continues to offer and sell, Notes only to persons that CBSG had a reasonable basis to believe were accredited investors as that term is defined in Rule 501(a) of Regulation D adopted by the U.S. Securities & Exchange Commission ("SEC") under the Securities Act of 1933, as amended, in good faith reliance on the exemptions from securities registration provided by Rule 506(b) of SEC Regulation D and Section 211(b) of the 1972 Act. As of February 8, 2018, CBSG does not pay any compensation to any person in connection the sale of the Notes.

VIOLATION

7. Paragraphs 1 through 6 are incorporated by reference as if set forth in their entirety.

8. By engaging in acts and conduct set forth in paragraphs 1 through 5 above, CBSG employed at least one unregistered agent in violation of Section 301(b) of the 1972 Act, 70 P.S. §1-301(b).

RELIEF

9. Within 30 days of the Effective Date of this Order, as defined in paragraph 19, CBSG shall pay the Department an administrative assessment in the amount of \$499,000.00. Payment shall be made by certified check, money order or wire transfer in immediately available funds made payable to the "Department of Banking and Securities" and shall be mailed or delivered in person to the Bureau of Licensing, Compliance and Examinations located at 17 N. Second Street, Suite 1300, Harrisburg, PA 17101 or wired to a depository designated by the Department.

10. This Order is not intended to indicate that CBSG or any affiliate or current or former employee should be subject to any disqualification contained in the federal securities laws, the rules and regulations thereunder; the rules and regulations of self-regulatory organizations or the provisions of various states' securities laws or regulations adopted thereunder, including the provisions of the 1972 Act and regulations promulgated thereunder and including, without limitation, any disqualification from relying on the registration exemptions or safe harbor provisions, and this Order is not intended to form the basis of any such disqualification.

11. This Order concludes the investigation by the Department and any other action that the Department could commence against CBSG under applicable Pennsylvania law as it relates to the offer and sale of Notes and the payment of compensation by CBSG to persons engaged by CBSG to represent it in connection with the sale of the Notes who were not registered under the 1972 Act.

12. CBSG is ORDERED to comply with the 1972 Act and Regulations adopted by the Department, and in particular Section 301 of the 1972 Act, 70 P.S. §1-301.

13. Should CBSG fail to pay the costs and the assessment as set forth in paragraph 9 above, the sanctions set forth elsewhere in the Order shall continue in full force and effect until full payment is made. However, this provision shall not be construed as affording CBSG the option of either paying the costs and the assessment or being indefinitely subject to the sanctions.

14. Should CBSG fail to comply with any and all provisions of this Order, the Department may impose additional sanctions and costs and seek other appropriate relief subject to CBSG's right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

15. Consent. CBSG hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's authority under the 1972 Act and agrees that it understands all of the terms and conditions contained herein. CBSG, by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

16. Entire Agreement. This Order contains the entire agreement between the Department and CBSG. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Department and CBSG.

17. Binding Nature. The Department, CBSG, and all officers, owners, directors, employees, heirs and assigns of CBSG intend to be and are legally bound by the terms of this Order.

18. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

19. Effectiveness. CBSG hereby stipulates and agrees that the Order shall become effective on the date the Bureau executes the Order (“Effective Date”).

20. Other Enforcement Action.

a. The Department reserves all of its rights, duties, and authority to enforce all statutes, rules, and regulations under its jurisdiction against CBSG in the future regarding all matters not resolved by this Order.

b. CBSG acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department, or office regarding matters within this Order.

21. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

22. Counterparts. This Order may be executed in separate counterparts, by facsimile and/or by PDF.

23. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

24. Finding. The Department finds that it is necessary and appropriate in the public interest and for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the 1972 Act to issue this Order.

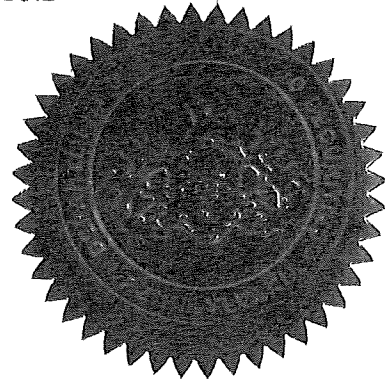
WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities Compliance and Examinations, and Complete Business Solutions Group, Inc, d/b/a PAR Funding, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES
BUREAU OF SECURITIES COMPLIANCE AND EXAMINATIONS**

Redacted

Joseph J. Minisi, Deputy Secretary for Securities

Date: 11/28/18



**FOR COMPLETE BUSINESS SOLUTIONS, INC.
d/b/a PAR FUNDING**

Redacted

(Officer ~~S~~ignature)

JOE COLE
(Print Officer Name)

CFO
(Title)

Date: 11/27/18