

Exhibit A

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**RE: AAA Case No. 01-20-0005-3591
TourMappers North America, LLC d/b/a TourMappers North America,
LLC & Julie Katz, Claimants v. Complete Business Solutions Group, Inc.
d/b/a Par Funding**

Dear Counsel

TourMappers North America, LLC d/b/a TourMappers North America and Julie Katz, (hereinafter are referred to as Claimants). Katz is listed as the managing member and is listed in the caption as the Guarantor. Claimant is a Massachusetts based inbound travel agency that provides hotel reservations, events and domestic travel accommodations for Europeans and other foreigners traveling into and within the United States.

On January 10, 2020, Complete Business Solutions Group, Inc. (hereinafter referred to as Respondents), entered into a factoring agreement; oftentimes referred to as a “purchase

agreement,” with claimants. Respondent purchased from claimants the sum of \$208,500.00 worth of receivables.

On June 17, 2020, claimants filed an application for emergent relief against the respondent, Complete Business Solutions Group, Inc., d/b/a Par Funding (“CBSG”).

At the time of the filing, pursuant to the American Arbitration Association (“AAA”) Rules, Retired Judge Linda R. Feinberg, was appointed to serve as the Emergency Arbitrator. See American Commercial Arbitration Rule 38, entitled “Emergency Measures of Protection.” The Emergent Arbitrator created a briefing schedule that was satisfied by counsel for the parties.

Beginning in January 2020, claimants obtained financing from respondent, pursuant to a Sale of Future Receivables (the “Agreement”). In accordance with the Agreement, more specifically in exchange for \$150,000 (the “Purchase Price”), respondent purportedly purchased all of claimants’ future receivables (the “Future Receivables”) until it was paid \$208,500, (“the Purchased Amount”). The purchased amount was to be paid each week in the equal amount of \$10,425 (a Weekly Payment”) for a period of 20 weeks, which translates into an effective interest rate of more than 257% per annum.

Due to the COVID-19 outbreak, in mid-March 2020, the United States closed its borders to European travelers. As a result, claimants’ business quotations immediately dried up and existing clients started cancelling trips and demanding refunds.

In the Agreement, weekly payments represented 10% of the proceeds from claimants anticipated weekly collections in the equal amount of \$10,425 (a “Weekly Payment) for a period of 20 weeks.

Regarding Future Receivables, the Agreement specifically provides that the Weekly Payments are **conditioned upon the generation and collection of Future Receivables:** (emphasis added).

Payments made to Purchaser towards the total Receivables

The Purchase Amount shall be conditioned upon (1) Merchant Seller's sale of products and/or services and (2) the payment of such goods to Merchant Seller by its customers pursuant to the terms of this Purchase Agreement.

[See Agreement. Paragraph 5, page 6.]

Claimants represent when the business ran out of savings and other sources of funds, they were unable to make payments. Thereafter, respondent declared default and obtained a Confession of Judgment in the Court of Common Pleas in the Commonwealth of Pennsylvania. Shortly thereafter, claimants filed a Motion To Vacate the Confession of Judgment. At this juncture, the Emergency Arbitrator does not know if the Motion To Vacate has been scheduled.

The Agreement entered into between the parties, provides for Weekly Payments conditioned upon the generation and collection of Receivables. Paragraph 5(b) of the Agreement, provides "payments made to Purchaser toward the total Receivables Purchases Amount shall be conditioned upon (1) Merchant Seller's sale of products and/or services and (2) the payment of such goods to Merchant Seller by its customers pursuant to terms of this Purchase Agreement."

In moving papers filed with the American Arbitration Association, claimants assert respondent has attempted to tarnish claimants' good name and reputation. Moreover, claimants represent they will likely prevail on the merits.

Consistent with AAA Rule 38, counsel for claimants now seeks emergency relief to:

- (1) temporarily restrain and enjoin respondent during the pendency of the Arbitration from: (a) Executing upon or otherwise attempting to enforce an improperly obtained Pennsylvania confessed judgment in

the amount of \$127,687.96 (the “Judgment”); and (b) by sending out any lien notices, contacting any individuals or taking any further actions to collect upon the debt underlying the Judgment; and

(2) requires respondent to retract and withdraw lien notices and assignment letters already sent to claimants’ existing customers, former customers, vendors, competitors and others.

[Claimants’ Brief, p. 1.]

Claimants assert, “absent the requested relief, their business reputation will be irreparably damaged and forced to close its doors before the Arbitrator has an opportunity to determine the propriety of the Judgment, the underlying debt and CBSG’s collection tactics, all of which are at issue in this Arbitration.” Claimant’s Brief, p. 1.

Claimants assert they will likely prevail on the merits of the case. First, relying on Sections 5(a) and (b) of the Agreement, entitled the “Purchase and Sale of Receivables”, claimants specifically condition the companies payment obligations upon the generation and collection of receivables. Emphasis added.

Second, claimants argue “while it was an “Event of Default” if claimants itself suspended or terminated its operations, it was not a default if claimants’ business was suspended by reason of an Act of God. See Agreement Section 10 along with Section 10(d), entitled “Events of Default,” on pages 8 and 9.

Claimants assert, absent a default, respondent was not authorized to confess judgment, contact any of claimants’ customers or exercise any rights under the Uniform Commercial Code.

As noted in claimants’ initial brief, on or about March 12, 2020, “the United States Government advised it was closing international borders and halting European and other international travel into the United States due to the impending threat of the COVID-19 pandemic.

Thereafter, claimants contacted respondent and advised the following: (1) TourMappers was an inbound travel company; (2) the travel ban would negatively impact its business if not totally freeze new bookings, require refunds of old bookings and very quickly dry up claimants' Receivables and collections; and (3) the Company did not expect to generate any Receivables while the travel ban remained in effect. See Katz Declaration at paragraph 19.

On April 10, 2020, claimants stopped paying respondent. Based on claimants' brief, when payment stopped, claimants had paid respondents a total of \$108,520.45 leaving an outstanding Purchased Amount balance of \$99,979.55. See Katz Declaration at paragraph 40.

Thereafter, given the circumstances, claimants retained counsel with the firm of White & Williams LLP. According to Julie Katz (hereinafter referred to "Katz"), respondent commenced:

(1) A campaign to extort payment by slandering claimants' good name and reputation and driving claimants' business into the ground. See Katz Decl. at paragraphs 46-47.

(2) On or about May 27, 2020 and continuing at various dates thereafter, respondent emailed so-called "Notices of Assignment and Lien" (collectively, the "Lien Notices") to certain of TourMappers' existing customers, as well as to certain of its former customers, existing vendors/supplies and even to claimants' competitors within the travel industry.

[See Katz Decl. at paragraph 47-48 and 62-67, Exhibits. 15-18.]

The Katz Reply Declaration, dated July 6, 2020, confirms Katz's responsibility for the day-to-day operations of claimants including dealing with claimants' customers and managing the Company's finances. Regarding receivables and the lack of business, Katz represents: (1) claimants have not generated any sales or collected any receivables since March 21, 2020 and while claimants are trying to generate business, there is simply no business to generate; and (2) given the restrictions on travel since the United States banned all travel into the country in mid-

March, customers have stopped booking trips and demand refunds for trips that were previously paid. See Reply Declaration of Katz, p. 2(A)(3) & 2(A)(4).

Claimants have also provided account receivables and aging reports for the months of April, May and June 2020 (the “Aging Report”) generated by claimants’ computerized records system.

Regarding the Economic Injury Disaster Loans (“EIDL”) and Payment Protection Program Loans (“PPP”), Katz represents that the “proceeds of each EIDL and PPP loans are not Receivables under the Agreement and claimants are not obligated to pay them to respondent if it is not generating sales from customers and collecting on receivables relating to those sales. As even CBSG alleged in its complaint for Confession of Judgment, claimants were only obligated to deliver Receivables to respondent. See Katz Declaration, paragraph 15. As noted by Katz, substantial portions of the EIDL proceeds have been used to pay refunds for cancelled trips.

The record establishes the Agreement provides for Weekly Payments conditioned upon the generation and collection of Receivables. The Agreement, more specifically, paragraph 5 provides: payments made to Purchaser toward the total Receivables Purchases Amount shall be conditioned upon (1) Merchant Seller’s sale of products and/or services and (2) the payment of such goods to Merchant seller by its customers pursuant to terms of this Purchase Agreement.

Claimants assert that Absent a Default, respondent was not authorized to confess judgment, contact any of claimants’ customers or exercise any rights under the Uniform Commercial Code.

As noted in claimants’ initial brief, on or about March 12, 2020, “the United States Government advised it was closing international borders and halting European and other

international travel into the United States due to the impending threat of the COVID-19 pandemic.

Thereafter, claimants contacted respondent and advised the following: (1) TourMappers was an inbound travel company; (2) the travel ban would negatively impact its business if not totally freeze new bookings, require refunds of old bookings and very quickly dry up claimants' Receivables and collections; and (3) the Company did not expect to generate any Receivables while the travel ban remained in effect. See Katz Declaration at paragraph 19.

Thereafter, given the circumstances, claimants retained counsel with the firm of White & Williams LLP. According to Julie Katz, respondent commenced:

(1) A campaign to extort payment by slandering TOURMAPPERS' good name and reputation and driving TOURMAPPERS' business into the ground." See Katz Decl. at paragraphs 46-47; and

(2) On or about May 27, 2020 and continuing at various dates thereafter, CBSG emailed so-called Notices of Assignment and Lien" (collectively, the Lien Notices") to certain of TOURMAPPERS' existing customers, as well as to certain of its former customers, existing vendors/supplies and even to TOURMAPPERS' competitors within the travel industry.

[See Katz Decl., paragraph 47-48 and 62-67, Exhibits 15-18.]

Claimants submit there is a strong likelihood that claimants will likely prevail based on the following: (1) there was no default under the Agreement; (2) the lien notices were not issued in good faith and (3) the Agreement is usurious and an unenforceable loan.

Finally, according to claimants, the Lien Notices contained "numerous false and misleading representations."

Respondent opposes claimants' application for emergency injunctive relief. To support the denial of the claimants' application for injunctive relief, the respondent asserts the

following:(1) the injunction is outside the scope of the arbitrator's power under the parties' contractual arbitration clause; (2) claimants' request for an injunction is not based upon claims asserted in the claimants' arbitration demand; (3) claimants have failed to come forward with appropriate security in support of their requested injunction; (4) claimants fail to show that they are likely to succeed on the merits of any of their claims; (5) claimants have not submitted any bank statements beyond March 2020, to support their contention that they have no receivables; (6) claimants make numerous self-serving declarations about alleged repetitive harm, but never come forward with any evidence of such harm from outside sources; (7) respondent did not violate the UCC; (8) claimants fail to demonstrate any impending irreparable harm requiring entry of an injunction before this proceeding is resolved on its merits; (9) claimants defaulted under the contract; and (10) A Confession of Judgment has been entered in the sum of \$127,687.96.

As set forth in number (10) above, when claimants defaulted on April 21, 2020, respondent filed a complaint in Confession of Judgment, with affidavits, notices and other related documents seeking entry of a Confession of Judgment ("COJ") in the sum of \$127,687.96. Thereafter, the COJ was docketed in the Court of Common Pleas of Philadelphia County ("Court of Common Pleas").

On May 21, 2020, claimants filed: (1) a Petition to Strike or, Alternatively, to Open Confessed Judgment ("Petition") in the Court of Common Pleas; and (2) a Demand for Arbitration challenging CBSG's Confessed Judgment. Ten days later, on June 1, 2020, claimants sent a letter to the American Arbitration Association seeking emergent relief pursuant to AAA Commercial Rule 38. Thereafter, the emergent arbitrator established a briefing schedule.

Respondent asserts that the Request for Emergency Relief be denied, and any fees or costs associated with the arbitrator's resolution of said request be assessed on the claimants.

Claimants filed a reply brief on July 6, 2020. In the opening sentence of the reply brief, claimants represent "on June 26, 2020, the day the opposition was filed, CBSG sent out another forty Lien Notices to claimants' customers, vendors and others in the tourism industry. Nor has respondent offered any good faith explanation for why it believes that claimants, an inbound tour operator pendant on European travel, could generate Receivables when, for the past four months, the United States border with substantially all European countries has been closed." See Preliminary Statement, Claimants' Reply Brief, p.1.

Based on the action(s) of the respondents, claimants represent that both clients and vendors have repeatedly been contacted by the respondents. Significantly, if the Lien Notices are not retracted, clients and vendors may very well not do business with claimants when the borders reopen." Reply Brief, p. 2. Clearly, based on the record, claimants have been suffering from a financial crisis since the borders between the United States and Europe were closed in March. Having reviewed the terms of the Agreement, along with the two Declarations of Julie Katz, the Emergent Arbitrator declines to require an injunction bond.

In the Katz Declaration, Katz represents that respondent sent forty Lien Notices to various travel agencies and hotels within the hospitality industry, only some of which we have done business within the past. See June 26, 2020 Lien Notices, attached as Exhibit G. Additionally, eight of the June 26 Lien Notices were sent to hotels, but 32 of Lien Notices were sent to the exact same hotels and travel agencies to which CBSG had previously sent Lien Notices. Claimants' Brief, Katz Certification, paragraph 30, p. 8.

The Declaration consists of seventy-three paragraphs and sets forth the relationship between the parties. Clearly, as noted by the author of the certification, “by sending Lien Notices to hotels, airlines, event venues, and travel companies, CBSG is ensuring that Tour Mappers will not be able to book any travel plans in the future.” Declaration, paragraph 72, p. 17, dated June 17, 2020.

As noted in claimants’ briefs filed on June 17th and July 6th, “on or about March 12, 2020, the United States Government announced that it was closing international borders and halting European and other international travel into the United States due to the impending threat of the COVID-19 pandemic.

Based on the record in this matter and, in conjunction with the provisions set forth in AAA Rule-38, entitled “Emergency Measures of Protection,” the Emergent Arbitrator finds the following:

1. There was no default under the Agreement. As noted heretofore, the Agreement specifically conditions the claimants’ payment obligations upon the generation of and collection of receivables. See Section 5(b) of the Agreement and the Declaration of Julie Katz, dated June 17, 2020.
2. Pursuant to Section 10 of the Agreement, claimants are not in default if the Company’s business is suspended or terminated by an Act of God. As noted by claimants, “that is precisely what happened.” See Reply Brief, p.3; Agreement Section 10d and 10h.
3. Based on the facts presented, Emergent Relief is warranted to temporarily restrain and enjoin the respondent from executing upon or otherwise attempting to enforce an improperly obtained Pennsylvania confessed judgment in the sum of \$127,687.96 (the “Judgement”)

4. Based on the facts presented, Emergent Relief is warranted to direct respondent to retract and withdraw lien notices and assignment letters that have already been sent to claimants' existing customers, former customers, vendors, competitors and others.

5. Based on the record herein, the Lien Notices were not issued in good faith. The record supports the position that respondent sent letters to claimants' former customers, and even its competitors. By sending the Lien Notices to vendors, former clients and potential clients, respondent was not acting in good faith. See Declaration of Julie Katz, p. 14, paragraphs 58 and 59.

6. Claimants represent that, without notice, respondent filed a Complaint in Confession of Judgment. See Declaration of Julie Katz, page 5, paragraph 17; page 11, paragraph 41 to 45. In the record, there is no proof of service or certification of mailing signed, by a representative of respondent.

7. Claimants seek to strike or open the Judgment on numerous grounds including that there has been no breach of the Agreement or, alternatively, that the Agreement was a criminally usurious and unenforceable loan under applicable law.

8. In paragraph 67 of the Katz declaration, on June 16, 2020, respondent sent Lien Notices to 10 hotels and a competing travel agency. See June 16, 2020 Lien Notices, Exhibit 18.

9. Based on this record and, consistent with AAA Commercial Rule 38, the claimants have satisfied the standards set forth herein to grant injunctive relief. Unfortunately, claimants have and will suffer irreparable harm due to respondents' campaign of harassment.

10. Based on this record, absent sales and collection of Receivables, Claimants have no current obligation to Respondents.

11. Based on the record, claimants' non-payment of an injunction bond is entirely consistent with their account of financial emergency.

12. Respondent violated the UCC by sending out Lien Notices to entities it knew were or should have known were not Claimants' account debtors.

13. An Emergent Arbitrator under AAA Commercial Rule 38 (g) provides "any interim award of emergency relief may be conditioned on provision by the party seeking such relief for appropriate security." Based on this record, the Emergent Arbitrator declines to require an injunction bond. As noted by counsel for claimants, a bond would impose hardship on an already financially unstable small business.

14. For all of the reasons set forth herein, the Emergent Arbitrator finds that Emergent Relief, pursuant to AAA Commercial Rule 38, is warranted and no bond shall be required.

EMERGENT ARBITRATOR

/s/ Linda R. Feinberg

LINDA R. FEINBERG

DATED: July 15, 2020

Exhibit B

CBSG LETTERHEAD

To whom it may concern:

I am an authorized representative of Complete Business Solutions Group, Inc. d/b/a Par Funding (“CBSG”). Please be advised that CBSG hereby retracts and withdrawals all previous notices and requests for payments concerning TourMappers North America LLC d/b/a TourMappers North America; d/b/a Julie Paula Katz (“TourMappers”). This includes any prior receivable request letters, lien notices and retraction letters that you may have received. Payments due TourMappers should be made directly to TourMappers.

Respectfully,

CBSG
Collection/Legal Department