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15 UNITED STATES DISTRICT COURT
16 FOR THE CENTRAL DISTRICT OF CALIFORNIA
17

18 UNITED STATES, *ex rel.* BRYAN
QUESENBERRY,

19 Plaintiff,

20 v.

21 JMG INVESTMENTS, INC., and
22 JEFFREY SCHWARTZ,

23 Defendants.
24
25
26
27
28

No. 2:20-cv-08497-MWF-AS

**SEPARATE STATEMENT OF
UNCONTROVERTED FACTS IN
SUPPORT OF MOTION FOR
SUMMARY JUDGMENT**

[Notice of Motion and Motion for Summary
Judgment, Memorandum of Points and
Authorities in Support Thereof,
Declarations, and (Proposed) Judgment
filed concurrently herewith]

Hearing Date: December 15, 2025
Hearing Time: 10:00 AM
Courtroom: 5A

Pursuant to Federal Rule of Civil Procedure 56 and Local Rule 56-1, plaintiff United States of America (“United States”) submits this Separate Statement of Uncontroverted Facts In Support of Its Motion for Summary Judgment.

SEPARATE STATEMENT OF UNCONTROVERTED FACTS (“SUF”)

NO.	UNDISPUTED FACT	EVIDENCE
1	The PPP was launched by the United States Small Business Administration (“SBA”) on April 3, 2020.	Paycheck Protection Program, 85 Fed. Reg. 20811, 20812 (Apr. 15, 2020); SBA Press Release No. 20-30, SMALL BUS. ADMIN. (Apr. 3, 2020), https://www.sba.gov/article/2020/apr/03/sbas-paycheck-protection-program-small-businesses-affected-coronavirus-pandemic-launches (last visited August 7, 2025).
2	In order to obtain a PPP loan, a qualifying business, through its authorized representative, signed and submitted a PPP loan application to the lender with delegated authority from SBA, using SBA Form 2483 (hereafter “Application Form 2483”) or a lender’s equivalent.	Declaration of Martin Andrews (“Andrews Decl.”) ¶¶ 9-10.
3	Application Form 2483 or the lender’s equivalent required the applicant to acknowledge the PPP program rules and make certain affirmative certifications regarding program eligibility.	Andrews Decl. ¶¶ 10-13.
4	Application Form 2483 or the lender’s equivalent required applicants to certify that “[d]uring the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection	Andrews Decl. ¶¶ 11-12.

NO.	UNDISPUTED FACT	EVIDENCE
	Program.”	
5	If a borrower did not agree to the certification regarding not receiving multiple PPP loans in 2020 on the application, the borrower would not receive a PPP loan.	Andrews Decl. ¶¶ 11-13; Declaration of Paden Gallagher (“Gallagher Decl.”) ¶ 2, Ex. A (“May 7, 2020, JMG Fountainhead Loan Application”) at 2 (noting that the applicant “must certify in good faith” to the multiple loan certification).
6	Defendant Jeffrey Schwartz is the sole owner of Defendant JMG Investments, Inc. (hereinafter “JMG”)	Gallagher Decl. ¶ 3, Ex. B (“Schwartz Dep.”) 16:12-14.
7	Defendant JMG received two PPP loans during the period beginning on February 15, 2020, and ending on December 31, 2020.	Gallagher Decl. ¶ 4, Ex. C (“JMG RFA”) Response to Admission No. 12.
8	On or about April 8, 2020, Defendant JMG submitted a PPP Application to lender Bank of America seeking a PPP loan.	Gallagher Decl. ¶ 4, Ex. C (JMG RFA) Response to Admission Nos. 1 and 4.
9	The PPP loan from Bank of America was assigned loan number 4670757309 (hereinafter “Bank of America Loan”).	Andrews Decl. ¶ 18; Gallagher Decl. ¶ 4, Ex. C (JMG RFA) Response to Admission No. 4.
10	Defendant Schwartz digitally signed the PPP Application that was submitted to Bank of America on behalf of Defendant JMG.	Gallagher Decl. ¶ 5, Ex. D (“JMG Bank of America Paycheck Protection Program (PPP) Loan Application”) at 4.
11	In submitting its PPP application to Bank of America on behalf of Defendant JMG, Defendant Schwartz certified the following: “During the period beginning on February 15, 2020 and ending on	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 34:17-36:6; Gallagher Decl. ¶ 4, Ex. C (JMG RFA) Response to Admission No. 2; Gallagher Decl. ¶ 5, Ex. D (JMG Bank of America Paycheck Protection Program (PPP) Loan Application) at 3.

NO.	UNDISPUTED FACT	EVIDENCE
	December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program.”	
12	Defendant Schwartz read the certification before making it.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 36:3-38:4.
13	On May 7, 2020, Defendant JMG submitted Application Form 2483 to lender Fountainhead SBF LLC (“Fountainhead”) seeking a PPP loan of \$501,588.	Gallagher Decl. ¶ 4, Ex. C (JMG RFA) Response to Admission No. 5; Gallagher Decl., ¶ 2, Ex. A (May 7, 2020, JMG Fountainhead Loan Application).
14	The PPP loan from Fountainhead was assigned loan number 3948257400 (hereinafter “Fountainhead Loan”).	Andrews Decl. ¶ 8; Gallagher Decl. ¶ 4, Ex. C (JMG RFA) Response to Admission No. 10.
15	Defendant Schwartz signed the Application Form 2483 that was submitted to Fountainhead on behalf of Defendant JMG.	Gallagher Decl., ¶ 2, Ex. A (May 7, 2020, JMG Fountainhead Loan Application) at 2; Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 34:17-35:21.
16	In submitting Application Form 2483 to Fountainhead on behalf of Defendant JMG, Defendant Schwartz placed his initials next to the following certification: “During the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program.”	Gallagher Decl., ¶ 2, Ex. A (May 7, 2020, JMG Fountainhead Loan Application) at 2; Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 34:17-35:21; Gallagher Decl. ¶ 4, Ex. C (JMG RFA) Response to Admission No. 6.
17	Defendant Schwartz read the certification before placing his initials next to it and signing the form.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 36:22-38:4.

NO.	UNDISPUTED FACT	EVIDENCE
18	The Application Form 2483 which Defendant Schwartz signed and submitted to Fountainhead on behalf of Defendant JMG contained the following statement: “I certify that: I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.”	Gallagher Decl., ¶ 2, Ex. A (May 7, 2020, JMG Fountainhead Loan Application) at 2.
19	The Application Form 2483 which Defendant Schwartz submitted to Fountainhead on May 7, 2020, listed borrower JMG’s Business Tax Identification Number inaccurately, with one number changed.	Andrews Decl. ¶ 21; Gallagher Decl. ¶ 6, Ex. E (“Grieder Dep.”) 68:18-69:13, 79:17-81:14.
20	The application for Defendant JMG’s Bank of America Loan listed borrower JMG’s Business Tax Identification Number accurately.	Andrews Decl. ¶ 19.
21	Defendant Schwartz knows JMG’s Employer Identification Number “off the top of [his] head.”	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 16:4-11.
22	Defendant Schwartz also prepared and signed an additional Application Form 2483 on May 6, 2020, containing the same certifications as the other PPP loan applications.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 36:7-38:4.
23	In calculating the requested loan amounts for both the Bank of America Loan and	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 23:16-24:10; 28:22-29:1; 32:18-34:9.

NO.	UNDISPUTED FACT	EVIDENCE
	Fountainhead Loan, Defendants utilized the same payroll for the same employees for both loans.	
24	On May 8, 2020, an agent at Commercial Finance Partners, who acted as the broker for Fountainhead, emailed Defendant Schwartz: “You have a loan number with us and Fountainhead- congrats! You will receive a request for follow up documents within a few days, but you have reserved your ‘slice of the pie.’”	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 47:3-48:6; Gallagher Decl. ¶ 6, Ex. E (Grieder Dep.) 65:4-11 (noting that Darren Palestine at Commercial Finance Partners “acted as the broker” for Fountainhead); Gallagher Decl. ¶ 7, Ex. F (“May 8, 2020 Email Thread”) at 1.
25	Defendant Schwartz explained that he understood the May 8, 2020, email to mean that “[his] loan had gone through.”	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 47:16-25.
26	Defendant Schwartz did not withdraw Defendant JMG’s application for the Bank of America Loan despite believing that the Fountainhead Loan “had gone through” after seeing the May 8, 2020, email.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 47:16-48:10.
27	On May 12, 2020, Defendant Schwartz received an email from a representative of Fountainhead informing him: “Congratulations! Your PPP loan has been approved with the SBA.” The email further requested information to “prepare everything for closing” on the loan.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 48:11-49:21; Gallagher Decl. ¶ 8, Ex. G (“May 14, 2020 Email Thread”) at 2.
28	Defendants did not withdraw their application for the Bank of America Loan despite	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 49:3-6.

NO.	UNDISPUTED FACT	EVIDENCE
	receiving an email stating that the Fountainhead Loan “ha[d] been approved with the SBA” on May 12, 2020.	
29	Defendant Schwartz provided the requested information for closing on the Fountainhead Loan on May 14, 2020.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 49:7-51:11; Gallagher Decl. ¶ 8, Ex. G (May 14, 2020 Email Thread) at 1.
30	If Defendant Schwartz “never would have sent those wiring instructions, [Fountainhead] wouldn’t have been able to fund” the Fountainhead Loan.	Gallagher Decl. ¶ 6, Ex. E (Grieder Dep.) 42:13-43:3.
31	Defendants did not withdraw their application for the Bank of America Loan despite sending the closing information for the Fountainhead Loan.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 51:7-11.
32	On May 15, 2020, Defendant Schwartz signed a promissory note to receive the Bank of America Loan, without which Defendant Schwartz admitted he did not believe Bank of America would have “given [him] a PPP loan.”	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 45:9-47:2; Gallagher Decl. ¶ 9, Ex. H (“Bank of America PPP Loan Promissory Note”) at 6.
33	On May 15, 2020, Defendant JMG received the proceeds of the \$505,987 PPP loan from Bank of America.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 45:6-8; Gallagher Decl. ¶ 4, Ex. C (JMG RFA) Response to Admission No. 4.
34	Despite receiving the proceeds from the Bank of America Loan on May 15, 2020, Defendants did not withdraw their application for the Fountainhead Loan.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 51:12-18.
35	Despite receiving the proceeds	Gallagher Decl. ¶ 4, Ex. C (JMG RFA)

NO.	UNDISPUTED FACT	EVIDENCE
	from the Bank of America Loan on May 15, 2020, Defendant JMG did not inform SBA that they received a second PPP loan prior to December 31, 2020.	Response to Admission No. 13.
36	On May 19, 2020, Defendant Schwartz moved the Bank of America Loan funds from one account to another with the help of an agent of Bank of America.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 53:9-54:10.
37	On May 21, 2020, Defendants used funds from the Bank of America Loan to pay payroll for Defendant JMG's employees.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 54:15-55:2.
38	Defendants did not withdraw their application for the Fountainhead Loan despite moving the Bank of America Loan funds from one account to another and then spending them.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 54:11-55:6.
39	On May 22, 2020, Defendant Schwartz signed and submitted several documents to Fountainhead SBF to secure the Fountainhead Loan despite having already received the proceeds of the Bank of America Loan.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 58:1-63:22; Gallagher Decl. ¶ 9, Ex. I ("JMG Fountainhead Loan Closing Documents").
40	Defendant Schwartz admitted that among the documents Defendant Schwartz signed and submitted on May 22, 2020, was a "Borrower Certification and Agreement," which he	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 61:13-62:8; Gallagher Decl. ¶ 9, Ex. I (JMG Fountainhead Loan Closing Documents) at 13.

NO.	UNDISPUTED FACT	EVIDENCE
	signed “to induce Fountainhead to provide [him] with a PPP loan.”	
41	Defendant Schwartz certified in the “Borrower Certification and Agreement” the following: “Borrower acknowledges that if the Borrower defaults on the loan, SBA may be required to pay Lender under the SBA guarantee, and SBA may then seek recovery on the loan (to the extent any balance remains after loan forgiveness).”	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 77:9-20; Gallagher Decl. ¶ 9, Ex. I (JMG Fountainhead Loan Closing Documents) at 13.
42	Defendant Schwartz admitted that among the documents Defendant Schwartz signed and submitted on May 22, 2020, was a promissory note.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 62:9-63:1; Gallagher Decl. ¶ 9, Ex. I (JMG Fountainhead Loan Closing Documents) at 14-19.
43	Defendant Schwartz admitted that among the documents Defendant Schwartz signed and submitted on May 22, 2020, was a “U.S. Small Business Settlement Sheet.”	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 63:16-22; Gallagher Decl. ¶ 9, Ex. I (JMG Fountainhead Loan Closing Documents) at 22-23.
44	As explained in the instructions of the “U.S. Small Business Settlement Sheet,” a lender, like Fountainhead, “must submit the completed form and all supporting documentation to SBA upon request, or, in the event of a loan default, with the Lender’s request for guaranty purchase.”	Gallagher Decl. ¶ 9, Ex. I (JMG Fountainhead Loan Closing Documents) at 22.
45	In the “U.S. Small Business Settlement Sheet,” Defendant Schwartz certified at the “time	Gallagher Decl. ¶ 9, Ex. I (JMG Fountainhead Loan Closing Documents) at 23.

NO.	UNDISPUTED FACT	EVIDENCE
	of completion of this form”: “There has been no unremedied adverse change in the Borrower’s or Operating Company’s financial condition, organization, management, operations or assets since the date of the application that would warrant withholding or not making this disbursement or any further disbursement.”	
46	On May 22, 2020, Defendant JMG received the proceeds of the \$501,588 PPP loan from Fountainhead SBF.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 56:5-57:25; Gallagher Decl. ¶ 4, Ex. C (JMG RFA) Response to Admission No. 10.
47	After the JMG Fountainhead PPP Loan was disbursed, SBA paid lender Fountainhead a processing fee of 3% of the loan amount, or \$15,047.46	Andrews Declaration ¶ 22.
48	If SBA had known that Defendant JMG had already received the Bank of America Loan, Defendant JMG would not have been approved for a second PPP loan in 2020.	Andrews Decl. ¶ 16.
49	Defendants did not pay back the Fountainhead Loan after receiving it on May 22, 2020, despite having already received and begun spending the Bank of America Loan.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 45:2-5; Gallagher Decl. ¶ 4, Ex. C (JMG RFA) Response to Admission No. 14.
50	Lori Grieder was someone hired by Defendants to “introduce[e] Mr. Schwartz to . . . Commercial Finance who acted as the broker . . . for the Fountainhead PPP borrower	Gallagher Decl. ¶ 6, Ex. E (Grieder Dep.) 64:23-66:22.

NO.	UNDISPUTED FACT	EVIDENCE
	application and facilitate[e] communications regarding the status of Mr. Schwartz's Fountainhead loan.”	
51	On June 8, 2020, Defendant Schwartz sent an email to Ms. Grieder stating: “I am not worried about any confusion with where and how I got this PPP loan. But what I am worried about is the fact that two weeks after I applied for this loan, I did, in fact, remind you via email, that I received my loan through Bank of America. I was extremely surprised when the money was deposited into my Chase account. I have absolutely no problem paying you the \$10,032, but before I pay you I would like an email or letter from you stating that if, in fact, I am forced to pay that loan back to the SBA (Chase), you will reimburse me for the \$10,032 that I am paying you in advance.”	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 39:3-40:13; Gallagher Decl. ¶ 11, Ex. J (“June 9, 2020 Email Thread”) at 1.
52	When asked what he “meant” when he wrote on June 8, 2020 that he “was extremely surprised when the money was deposited into my Chase account, Defendant Schwartz testified under oath: “Well I knew – I knew that I was – I was only supposed to get one PPP loan, and then all of a sudden the loan from	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) at 41:9-43:13.

NO.	UNDISPUTED FACT	EVIDENCE
	Fountainhead came through. I wasn't expecting it because I had already received the loan from Bank of America.”	
53	Defendant Schwartz spoke on the phone with Lori Grieder after sending the June 8, 2020, email. In that conversation, he stated: “If I happen to have to pay them back, I'm going to put the money aside.”	Gallagher Decl. ¶ 6, Ex. E (Grieder Dep.) 33:16-37:23, 43:8-18.
54	Defendants did not pay back either PPP loan that Defendant JMG received after that June 8, 2020, correspondence.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 45:2-5; Gallagher Decl. ¶ 4, Ex. C (JMG RFA) Response to Admission No. 14.
55	Defendant Schwartz understood that if a PPP loan was forgiven, it would mean that Defendants would not need to repay the PPP loan.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 65:22-66:5.
56	Defendants applied for forgiveness on both the Bank of America Loan and the Fountainhead Loan.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 66:6-8; Gallagher Decl. ¶ 4, Ex. C (JMG RFA) Response to Admission Nos. 16 & 19.
57	Defendant JMG applied for forgiveness on the Bank of America Loan on November 30, 2020.	Gallagher Decl. ¶ K, (“JMG Bank of America Loan Forgiveness Application) at 12; Gallagher Decl. ¶ 4, Ex. C (JMG RFA) Response to Admission No. 16.
58	The Bank of America Loan was forgiven in February 2021.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 68:10-13.
59	Defendant Schwartz was aware that the Bank of America Loan was forgiven in February 2021.	Andrews Decl. ¶ 24; Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 68:14-16.
60	Defendant JMG applied for forgiveness on the Fountainhead Loan on July 19, 2021.	Gallagher Decl. ¶ 13, Ex. L (“JMG Fountainhead PPP Loan Forgiveness Application”); Gallagher Decl. ¶ 4, Ex. C (JMG RFA) Response to Admission No. 19.

NO.	UNDISPUTED FACT	EVIDENCE
61	Defendant JMG also applied for forgiveness on the Fountainhead Loan at some point before July 19, 2021, which was denied.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 86:7-87:15, 89:2-90:7.
62	Defendant Schwartz wrote in an email on April 20, 2022, that “Fountainhead told [him] that they can only accept one PPP per year from any account so they are rejecting the forgiveness on that loan but will give [him] 5 years to pay it back.”	Gallagher Decl. ¶ 14, Ex. M (“April 21, 2022 Email Thread”) at 1.
63	Despite being told by Fountainhead by April 20, 2022, that the Fountainhead Loan would not be forgiven and Defendants would need to pay it back, Defendants did not pay back the loan to Fountainhead.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 74:21-75:6; Gallagher Decl. ¶ 4, Ex. C (JMG RFA) Response to Admission No. 20.
64	After Fountainhead informed Defendant Schwartz that they were rejecting forgiveness on the Fountainhead Loan, Schwartz emailed Lori Grieder: “Why not try to get them to forgive it this year 2022. We do not have one this year.”	Gallagher Decl. ¶ 14, Ex. M (April 21, 2022 Email Thread) at 1.
65	On July 12, 2022, Defendant Schwartz received an email sent by Fountainhead and forwarded to him by Lori Grieder explaining that his forgiveness application was “pending.” The email further explained: “This would be the 3rd loan. SBA allows for 1-1st	Gallagher Decl. ¶ 6, Ex. E (Grieder Dep.) 53:14-54:23; Gallagher Decl. ¶ 15, Ex. N (“July 12, 2022 Email Thread”) at 1.

NO.	UNDISPUTED FACT	EVIDENCE
	draw and 1-2nd draw. Your account shows 2-1st draw and 1-2nd draw. You have a 1st draw and a 2nd draw that both show 'Paid in Full.'"	
66	Instead of forgiving the loan, Fountainhead SBF charged off the Fountainhead Loan to the SBA.	Andrews Decl. ¶ 25 ("SBA purchased the JMG Fountainhead PPP Loan from the lender for \$501,588, plus interest, pursuant to SBA's guaranty on or around July 2022."); Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 75:7-10.
67	In November 2022, Fountainhead submitted Defendants' July 19, 2021 forgiveness application to SBA despite SBA having purchased the guaranty.	Andrews Decl. ¶ 26.
68	Because SBA utilizes a "two-step process involving automated screening of all loans at the outset, followed by manual forgiveness review of a limited number of loans selected for further review" to determine if a loan is eligible for forgiveness, and because the Fountainhead Loan "underwent the automated review stage and was not chosen for manual forgiveness review," SBA ultimately reclassified the Fountainhead Loan from guaranteed purchased to forgiven.	Andrews Decl. ¶ 28.
69	If SBA had known that Defendant JMG had already received the Bank of America Loan, it would not have forgiven the Fountainhead Loan.	Andrews Decl. ¶ 30.

NO.	UNDISPUTED FACT	EVIDENCE
70	When questioned about the certification in the “Borrower Certification and Agreement” that Defendant Schwartz made on May 22, 2020, Defendant Schwartz acknowledged that he “knew that if Fountainhead charged off that loan, [he] would then have an obligation to repay those loan funds to the government.”	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 77:5-23.
71	Defendants have not paid back the Fountainhead Loan.	Gallagher Decl. ¶ 3, Ex. B (Schwartz Dep.) 73:22-75:6.
72	Defendants have admitted that they “do not assert any right to retain the proceeds of the [Fountainhead Loan].”	Dkt. 57 at 6.

Dated: November 17, 2025

Respectfully submitted,

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