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THE LAW FIRM OF PUCKETT AND FARAJ, PC

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April 20, 2011

**Via Electronic Mail**

Paul Taravella  
COC Specialist  
US Small Business Administration  
26 Federal Plaza, Suite 3108  
New York, NY 10278

Re: Torsion Trading Ltd. providing support to 3D Global Solutions, Inc as a "Financing Institution" Under Federal Acquisition Regulation ("FAR") § 32.802 for DLA Energy solicitation SP0600-10-R-0061-0001

Dear Mr. Taravella:


This letter is to support 3D Global Solutions, Inc view as to whether Torsion Trading Ltd. is a "financing institution" to which assignments of payments may be made by government contractors pursuant to the FAR and the Anti-Assignment Acts (31 USC § 3727 and 41 USC § 15). We understand that a government agency (Defense Logistics Agency - Energy) has expressed a concern in this regard. For the reasons set out below, we do not believe there is any question that Torsion Trading Ltd. is a "financing institution" within the meaning of the above referenced regulations and that there should be no objection by the agency on this basis.

FAR Subpar 32.8 and the underlying statutes expressly provide that "a contractor may assign moneys due or to become due under a contract[to] . . . A bank, trust company, *or other financing institution*, including any Federal lending agency." (FAR 32.802) (emphasis added). Neither the FAR nor the statutes define the term "financing institution. "

The Comptroller General and courts, however, have interpreted the term relatively broadly to include any institution such as Torsion Trading Ltd. that is primarily engaged in the business of funding business operations and providing working capital. See, e.g., B-27080 1 (March 19, 1996) (Accepting without comment that Boston Financial Corp., an accounts receivable/factoring company qualified as a financial institution); B-143922, September 16, 1960, 40 Compo Gen 174 (Holding that "a financing institution is one which deals in money as distinguish[ed] from other commodities as the primary function of its business activity" in the course of finding that the individual trustees of pension trust qualified as a financing institution).

See also *Fireman's Fund Insurance Company v. England*, 313 F.3d 1344 (Fed. Cir., 2002) at paragraphs 24-27 (Holding that the insurance company seeking to enforce an assignment of payments in that case did not qualify as a "financing institution" because its primary business activity consisted of writing insurance policies and not providing capital or financing).

Accordingly, it is our view that Torsion Trading Ltd. plainly qualifies as a "financing institution" under FAR 32.802. Please let me know if you have any questions based on the above or if we may assist further.



Laytham Faraj, Esq.