

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 20-CIV-81205-RAR

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**COMPLETE BUSINESS SOLUTIONS
GROUP, INC. d/b/a PAR FUNDING, et al.,**

Defendants.

ORDER TO SHOW CAUSE REGARDING STANDING

THIS CAUSE comes before the Court on Non-Party Broadway Advance, LLC’s Motion for a Clarification of Order and Request for a Hearing [ECF No. 251] (“Broadway Advance Non-Party Motion”) and Investor Plaintiffs’ Motion for Limited Relief from the Amended Order Staying Litigation Against the Receivership Entities [ECF No. 252] (“Investor Non-Party Motion”) (collectively, “Non-Party Motions”). On September 16, 2020, Receiver filed a Response to the Broadway Advance Non-Party Motion [ECF No. 263]. Plaintiff Securities and Exchange Commission (“SEC”) also filed Responses to the Non-Party Motions [ECF Nos. 265-266].

The SEC argues that the entities and individuals who filed the Non-Party Motions (“Movants”) are not parties to this case, have no standing to file in this case, and have not moved to intervene in this case. *See* SEC’s Responses [ECF No. 265] at 2 and [ECF No. 266] at 1. The SEC is correct that non-parties typically lack standing to make motions in a case. *See E.E.O.C. v. E. Airlines, Inc.*, 736 F.2d 635, 637 (11th Cir. 1984). However, there may be circumstances in which non-parties can seek clarification of the scope of an injunction. *See NML Capital, Ltd. v. Republic of Argentina*, 727 F.3d 230, 243 (2d Cir. 2013) (noting that under Fed. R. Civ. P. 65(d),

every injunction issued by a district court forbids those in “active concert or participation” with an enjoined party from assisting in a violation of the injunction and that “the Supreme Court has expressed its expectation that, when questions arise as to who is bound by an injunction ... district courts will not ‘withhold a clarification in the light of a concrete situation.’”) (quoting *Regal Knitwear Co. v. N.L.R.B.*, 324 U.S. 9, 14 (1945)).

Because standing is jurisdictional—and given the Court’s strong interest in avoiding unnecessary expenditure of Receivership resources resolving non-party disputes—the Court must be satisfied that the Movants have standing to file the Non-Party Motions before the Court considers those Motions. Accordingly, on or before **September 25, 2020**, Movants are required to show cause why the Court should not strike the Broadway Advance Non-Party Motion and Investor Non-Party Motion due to lack of standing. Movants’ failure to comply with this Order by September 25, 2020 will result in the striking of the Non-Party Motions without further notice. To the extent Plaintiff Securities and Exchange Commission wishes to file an additional response addressing Movants’ standing, it must do so by **September 25, 2020**.

DONE AND ORDERED in Fort Lauderdale, Florida, this 18th day of September, 2020.



RODOLFO A. RUIZ II
UNITED STATES DISTRICT JUDGE

Copies to: Counsel of record