

**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 GRANTING DEFENDANT DEAN VAGNOZZI'S UNOPPOSED
MOTION TO RELEASE CERTAIN VAGNOZZI-CONTROLLED ENTITIES
FROM THE RECEIVERSHIP**

THIS CAUSE comes before the Court on Defendant Dean Vagnozzi's ("Vagnozzi") Unopposed Motion to Release Certain Vagnozzi-Controlled Entities from the Receivership [ECF No. 350] ("Motion"), filed on October 28, 2020.

In the Motion, Vagnozzi requests that the Court carve out from the Receivership—including from any direct or indirect coordination with or reporting obligations to the Receiver—certain non-party entities that Vagnozzi owns and/or controls ("Vagnozzi Entities"), based on Vagnozzi's sworn declaration [ECF No. 350-2] ("Sworn Declaration") that: (1) these entities did not receive any funds related to Defendant Complete Business Solutions Group, Inc. ("CBSG"); (2) these entities have done no business in connection with CBSG; and (3) Vagnozzi will, directly or indirectly and as set forth herein, appoint a manager or administrator to manage the business affairs of the Vagnozzi Entities, and sell or otherwise transfer all general partner interests in said entities held by Receivership Entity/Defendant ABFP Management Company LLC ("ABFP Management"), in one or more transactions to occur within 90 days from the date of this Order

and will pay to the Receiver all amounts received or to be received by ABFP Management in consideration for its general partner interests in the Vagnozzi Entities as agreed to by the Receiver.¹ Having reviewed the Motion and Vagnozzi's Sworn Declaration, and being otherwise fully advised, it is hereby

ORDERED AND ADJUDGED that the Motion [ECF No. 350] is **GRANTED** as follows:

1. Within 10 days from the date of this Order, Vagnozzi shall notify the Securities and Exchange Commission and the Receiver in writing of the new entities or individuals that will become managers or administrators of the Vagnozzi Entities.

2. Within 90 days from the date of this Order, Vagnozzi shall declare to the Receiver the amount or amounts paid or to be received by Vagnozzi for ABFP Management's general partner interests in the following Vagnozzi Entities, provided that the Court shall retain jurisdiction to resolve any disputes between the Receiver and Vagnozzi regarding the amounts to be paid for these general partner interests:

- As to Pillar Life Settlement Fund I LP – a General Partner interest equal to 0.10% of total partner interests;
- As to Pillar II Life Settlement Fund LP – a General Partner interest equal to 0.10% of total partner interests;
- As to Pillar 3 Life Settlement Fund LP – a General Partner interest equal to 0.10% of total partner interests;

¹ Vagnozzi does not dispute that the following entities affiliated with him received payments from CBSG and will remain in the Receivership: ABFP Income Fund LLC, ABFP Income Fund 2 LP, ABFP Income Fund 3 LLC, ABFP Income Fund 4 LLC, ABFP Income Fund 6 LLC, ABFP Income Fund Parallel LLC, ABFP Income Fund 3 Parallel LLC, ABFP Income Fund 4 Parallel LLC, ABFP Income Fund 6 Parallel LLC, ABFP Multi-Strategy Investment Fund LP, ABFP Multi-Strategy Investment Fund 2 LP, and MK Corporate Debt Investment Company LLC.

- As to Pillar 4 Life Settlement Fund LP – a General Partner interest equal to 0.10% of total partner interests;
- As to Pillar 5 Life Settlement Fund LP – a General Partner interest equal to 0.10% of total partner interests;
- As to Pillar 6 Life Settlement Fund LP – a General Partner interest equal to 0.10% of total partner interests;
- As to Pillar 7 Life Settlement Fund LP – a General Partner interest equal to 0.10% of total partner interests;
- As to Pillar 8 Life Settlement Fund LP – a General Partner interest equal to 0.10% of total partner interests; and
- As to Gibraltar Fund LP – a General Partner interest equal to 0.10% of total partner interests.

3. Within 10 days from the date of this Order, Vagnozzi shall pay or cause to be paid from funds unrelated to CBSG \$87,500 to the Receivership, representing the fees, costs, and expenses the Receivership has paid or incurred for the purpose of managing, operating, or otherwise coordinating with Vagnozzi in connection with his operation of the Vagnozzi Entities.

4. Upon compliance with the foregoing provisions of this Order, the Receiver shall file a notice with the Court confirming that the following entities no longer have any association or involvement with, or coordination or reporting obligations to, the Receiver and the Receivership Estate:

- Pillar Life Settlement Fund I LP
- Pillar II Life Settlement Fund LP
- Pillar 3 Life Settlement Fund LP

- Pillar 4 Life Settlement Fund LP
- Pillar 5 Life Settlement Fund LP
- Pillar 6 Life Settlement Fund LP
- Pillar 7 Life Settlement Fund LP
- Pillar 8 Life Settlement Fund LP
- Atrium Legal Capital LLC
- Atrium Legal Capital 2 LLC
- Atrium Legal Capital 3 LLC
- Atrium Legal Capital 4 LLC
- ProMed Investment Co. LP
- ProMed Investment GP LLC
- Woodland Falls Investment Fund LLC
- Gibraltar Fund LP
- Windsor Corporate Park Investment Fund LLC
- ABFP Libra Fund LLC

5. The Receivership Entities, including ABFP and ABFP Management, shall continue to own the following limited partnership interests in the following Vagnozzi Entities and shall continue to be entitled to any distributions on account of them:

- Pillar 6 Life Settlement Fund LP – 3% of limited partner interests
- Pillar 7 Life Settlement Fund LP – 3% of limited partner interests
- Pillar 8 Life Settlement Fund LP – 3% of limited partner interests

6. Upon the failure of the Vagnozzi Entities to pay such distributions to the Receivership Estate, the Receiver shall file a timely motion with this Court and, if in fact the

Vagnozzi Entities did fail to make a distribution, then the Vagnozzi Entities and Vagnozzi shall be responsible to pay the Receivership's costs and fees in connection with litigating and conferring about the issue.

7. The removal of the Vagnozzi Entities from the Receivership shall constitute a vacation of the appointment of the Receiver over the assets and affairs of any General Partner thereof for purposes of Section 17-402 of the Delaware Revised Uniform Limited Partnership Act, as amended, and a finding by the Court that said receivership did not by itself cause the dissolution of any Vagnozzi Entity that is a limited partnership.

8. After the Court enters its Order removing the Vagnozzi Entities from the Receivership, then the following shall occur, as will be memorialized in the Order removing the Vagnozzi Entities from the Receivership:

- ABFP Management shall be replaced as the signatory on the bank accounts for the Vagnozzi Entities within 5 days from the date of the Order removing the Vagnozzi Entities from the Receivership;
- The Receiver shall transfer the books and records and QuickBooks files for the Vagnozzi Entities, and all other data or documentation necessary for the continued operation of the Vagnozzi Entities, to Vagnozzi; and
- The Court's existing litigation hold pursuant to its Amended Order Appointing Receiver [ECF No. 141] will be lifted as to the Vagnozzi Entities.

9. Within four (4) days of the date of this Order, Vagnozzi shall direct Capital One Bank to transfer to the Receiver funds in the amount of \$60,000.00, which represent the amount that Vagnozzi transferred from the account of Receivership Entity ABetterFinancialPlan.Com LLC to a personal account owned jointly by Vagnozzi and his wife on or about July 28, 2020.

Upon the transfer of the funds as required hereunder, the funds will become an asset of the Receivership Estate, for which the Receiver shall have all powers and rights granted to him under the Receivership Order, and Vagnozzi will be deemed to have waived and relinquished the right to assert any personal claim to these funds, provided however that Vagnozzi reserves all arguments and defenses with regard to the treatment of these funds in any eventual disgorgement decision by the Court.

10. The law firm of Eckert Seamans Cherin & Mellott is authorized to pay to the U.S. Securities and Exchange Commission the amounts due under the Commission's Order Instituting Proceedings dated July 14, 2020, in Administrative Proceeding File No. 3-19878, that the law firm is holding in its escrow account for such payment, and based on Vagnozzi's representation that such account does not include investor funds from CBSG investments.

11. Within five (5) days of this Order, Capital One Bank is directed to unfreeze the account ending in 9777 jointly owned by Vagnozzi and his wife, based on Vagnozzi's representation that such account does not include investor funds from CBSG investments, and to transfer \$60,000.00 (referred to above) to the Receiver from such account, which would leave an unfrozen balance of approximately \$236,000, and, if necessary, to facilitate Vagnozzi and his wife opening or utilizing a checking account with Capital One into which the remaining funds from the unfrozen Capital One account may be transferred so that Vagnozzi and his wife may write checks to pay expenses.

DONE AND ORDERED in Fort Lauderdale, Florida, this 30th day of October, 2020.



RODOLFO A. RUIZ II
UNITED STATES DISTRICT JUDGE

Copies to: Counsel of record