

**UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF FLORIDA  
CASE NO.: 20-CV-81205-RAR**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

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

Defendants.

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**RECEIVER, RYAN K. STUMPHAUZER’S COMBINED THIRTEENTH MOTION  
TO LIFT LITIGATION INJUNCTION AS TO CERTAIN GARNISHMENT  
PROCEEDINGS; TO ALLOW RECEIVER TO RELEASE OR REMOVE  
SECURITY AGREEMENTS; AND TO AUTHORIZE RECEIVER TO ENTER  
INTO A SETTLEMENT IN THE SCBH BANKRUPTCY PROCEEDING**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver (“Receiver”) of the Receivership Entities<sup>1</sup>, by and through undersigned counsel, hereby files this Thirteenth Motion to Lift

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<sup>1</sup> The “Receivership Entities” are Complete Business Solutions Group, Inc. d/b/a Par Funding (“Par Funding”); Full Spectrum Processing, Inc. (“Full Spectrum”); ABetterFinancialPlan.com LLC d/b/a A Better Financial Plan; ABFP Management Company, LLC f/k/a Pillar Life Settlement Management Company, LLC; ABFP Income Fund, LLC; ABFP Income Fund 2, L.P.; United Fidelis Group Corp.; Fidelis Financial Planning LLC; Retirement Evolution Group, LLC; RE Income Fund LLC; RE Income Fund 2 LLC; ABFP Income Fund 3, LLC; ABFP Income Fund 4, LLC; ABFP Income Fund 6, LLC; ABFP Income Fund Parallel LLC; ABFP Income Fund 2 Parallel; ABFP Income Fund 3 Parallel; ABFP Income Fund 4 Parallel; ABFP Income Fund 6 Parallel; ABFP Multi-Strategy Investment Fund LP; ABFP Multi-Strategy Investment Fund 2 LP; MK Corporate Debt Investment Company LLC; Capital Source 2000, Inc.; Fast Advance Funding LLC; Beta Abigail, LLC; New Field Ventures, LLC; Heritage Business Consulting, Inc.; Eagle Six Consultants, Inc.; 20 N. 3rd St. Ltd.; 118 Olive PA LLC; 135-137 N. 3rd St. LLC; 205 B Arch St Management LLC; 242 S. 21st St. LLC; 300 Market St. LLC; 627-629 E. Girard LLC; 715 Sansom St. LLC; 803 S. 4th St. LLC; 861 N. 3rd St. LLC; 915-917 S. 11th LLC; 1250 N. 25th St. LLC; 1427 Melon St. LLC; 1530 Christian St. LLC; 1635 East Passyunk LLC; 1932 Spruce St. LLC; 4633 Walnut St. LLC; 1223 N. 25th St. LLC; Liberty Eighth Avenue LLC; The LME 2017 Family Trust; Blue Valley Holdings, LLC; LWP North LLC; 500 Fairmount Avenue, LLC; Recruiting and Marketing Resources, Inc.; Contract Financing Solutions, Inc.; Stone Harbor

Litigation Injunction as to Certain Garnishment Proceedings; to Allow Receiver to Release or Remove Security Agreements; and to Allow the Receiver to Enter into a Settlement in the SCBH Bankruptcy Proceeding, and states as follows:

**I. MOTION TO LIFT LITIGATION INJUNCTION AS TO CERTAIN GARNISHMENT PROCEEDINGS.**

1. The Receiver hereby moves this Court to lift the litigation injunction (the “Litigation Injunction”) entered through the Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141] (the “Operative Receivership Order”) for the limited purpose of allowing the Receiver, in his discretion, to dissolve current writs of garnishment, to mark judgments satisfied, and/or to reopen confessed judgments, where the counterparty merchant either has resolved or has agreed to resolve prior defaults, or otherwise filed for bankruptcy protection, in the following cases in the Court of Common Pleas of Philadelphia County, Pennsylvania.<sup>2</sup>

2. The cases are:

- a. *Contract Financing Solutions, Inc. v. Deiss Law PC and Andrew Deiss*, Philadelphia Court of Common Pleas Docket No. 200600789.
- b. *Complete Business Solutions Group, Inc. v. Plumbing Solutions, LLC and Marcus Nira Jr.*, Philadelphia Court of Common Pleas Docket No. 190501242.
- c. *Contract Financing Solutions, Inc. v. T Taylor Transport LLC and Theron Taylor*, Philadelphia Court of Common Pleas Docket No. 91202930.
- d. *Contract Financing Solutions, Inc. v. Kosmon Realty LLC and Nasier Sherekhan*, Philadelphia Court of Common Pleas Docket No. 191202478.

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Processing LLC; and LM Property Management LLC; and the Receivership also includes the properties located at 568 Ferndale Lane, Haverford PA 19041; 105 Rebecca Court, Paupack, PA 18451; 107 Quayside Dr., Jupiter FL 33477; 2413 Roma Drive, Philadelphia, PA 19145.

<sup>2</sup> The Receiver generally incorporates the background section of his prior Motions to Lift Litigation Injunction as to Certain Garnishment Proceedings. [See, e.g. ECF Nos. 111, 145, 198, 232, and 264.]. To conserve resources and promote efficiency, the Receiver is providing only a summary narrative, as approved by the Court at the October 7, 2020 status conference.

- e. *Complete Business Solutions Group, Inc. v. Techarty, LLC and RLC Group, LLC and Robert T. Muir*, Philadelphia Court of Common Pleas Docket No. 180105455.
- f. *Complete Business Solutions Group, Inc. v. Delmarva Fibercom, LLC and David Smalls*, Philadelphia Court of Common Pleas Docket No. 171100657.
- g. *Complete Business Solutions Group, Inc. v Allied Doors North Florida, Inc. and Nicholas Romanelli*, Philadelphia Court of Common Pleas Docket No. 180600197.
- h. *Complete Business Solutions Group, Inc. v Teilhaber Manufacturing Corporation and Hunter Burroughs*, Philadelphia Court of Common Pleas Docket No. 200301458.
- i. *Complete Business Solutions Group, Inc. v Vaughn Edwards Sole Proprietor dba Edwards Automotive and Trucking and Vaughn Edwards*, Philadelphia Court of Common Pleas Docket No. 191101308.
- j. *Complete Business Solutions Group, Inc. v Hott Chixx Wings LLC and Fostoria Dumas*, Philadelphia Court of Common Pleas Docket No. 191202079.
- k. *Complete Business Solutions Group, Inc. v Scapes of North Florida, LLC and Jason Dugger*, Philadelphia Court of Common Pleas Docket No. 191202396.
- l. *Complete Business Solutions Group, Inc. v Strawn's Concrete and David Strawn*, Philadelphia Court of Common Pleas Docket No. 190701810.

3. The Receiver has determined, in his professional judgment, that it is in the best interests of the Receivership Estate to dissolve current writs of garnishment, to mark judgments satisfied, and/or to reopen confessed judgments with respect to these cases.

**II. MOTION TO LIFT LITIGATION INJUNCTION TO ALLOW RECEIVER TO RELEASE OR REMOVE SECURITY AGREEMENTS.**

4. On January 9, 2019, Strawn's Concrete, Inc. ("Strawn's Concrete") entered into a Factoring Agreement with Par Funding, guaranteed by David Strawn ("Strawn"). On January 11, 2019, David Strawn and Carolyn Strawn, as Mortgagor, entered into a Security Agreement with Par Funding, which was filed as an encumbrance on real property. The obligation has been

satisfied via a settlement agreement, which has resulted in the amount outstanding being \$0.00. The Receiver seeks the Court's permission to lift the litigation injunction to release and/or remove the Security Agreement.

5. On January 31, 2019, Rendezvous, Inc. ("Rendezvous") entered into a Factoring Agreement with Par Funding, guaranteed by Ana Law ("Law"). On February 7, 2019, Rendezvous, as Mortgagor, entered into a Security Agreement with Par Funding, which was filed as an encumbrance on real property. The obligation has been fully satisfied, which has resulted in the amount outstanding being \$0.00. The Receiver seeks the Court's permission to lift the Litigation Injunction to release and/or remove the Security Agreement.

### **III. MOTION TO LIFT LITIGATION INJUNCTION TO ALLOW RECEIVER TO ENTER INTO A SETTLEMENT IN SCBH BANKRUPTCY PROCEEDING.**

6. South Coast Behavioral Health ("SCBH") is in a liquidating Chapter 11 bankruptcy where Par Funding holds an unsecured claim in the face amount of \$499,798.06, which the Trustee has projected to have a cash value by a final distribution of no more than \$70,000 to \$125,000. Par Funding is also subject to three sanction Orders entered on August 9, 2019 (DE #177), August 27, 2019 (DE #263), and February 25, 2020 (DE #410) ("Sanction Orders")<sup>3</sup> issued by the Bankruptcy Court, which imposed sanctions against Par Funding for willful violations of the Bankruptcy Code in the total sum of \$406,000.00, all Sanction Orders being entered prior to the establishment of this receivership. The Sanction Orders are currently on appeal to the District Court and are currently stayed pending resolution of the appeal, and are secured by a supersedeas cash bond posted by Par Funding in the amount of \$508,433.75, currently held by Court Surety Bond Agency.

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<sup>3</sup> The Orders entered are against CBSG/Par Funding, but the August 9, 2019 Order (DE #177) required that within five (5) days of the entry of the Order that Lisa McElhone, the president of CBSG, under penalty of perjury, confirm compliance with the foregoing orders.

7. The Trustee has offered to withdraw all court-ordered sanctions and release all claims against Par Funding, including any claim against the \$508,433.75 bond, in exchange for Par Funding's withdrawal of its proof of claim in the bankruptcy proceedings.

8. The Receiver has determined, in his professional judgment, that it is in the best interests of the Receivership Estate to immediately enter into the proposed settlement and recover the \$508,433.75 cash bond, without the substantial cost of litigating the appeal in exchange for an uncertain bankruptcy claim worth no more than \$125,000.00.

9. Accordingly, the Receiver respectfully requests the Court to lift the Litigation Injunction for the limited purpose of entering into the settlement on the terms set forth above in order to resolve and finalize the District Court appeal and the open SCBH bankruptcy proceedings to the extent they effect Par Funding, which will result in the recovery of the \$508,433.75 cash bond for the Receivership Estate.

WHEREFORE, Ryan K. Stumphauzer, as Court-Appointed Receiver, by and through his undersigned counsel, respectfully requests this Honorable Court to grant the motion and lift the Litigation Injunction on a limited basis as set forth above. A proposed order for the Court's consideration is attached as Exhibit 1.

**CERTIFICATION REGARDING PRE-FILING CONFERENCE**

The undersigned counsel has conferred with all counsel of record in this matter regarding the relief sought through this motion and certifies that counsel for Lisa McElhone has indicated that Ms. McElhone cannot provide her position on the request to lift the litigation injunction without first being provided with specific details concerning the various merchant relationships that are the subject of this motion. Counsel of record for all other parties and the unrepresented pro se parties have not responded to the Receiver's meet and confer requests. The SEC takes no

position on the motion to lift the litigation injunction. Its position on the underlying transaction was not solicited and therefore none was provided.

Dated: June 15, 2021

Respectfully Submitted,

**STUMPHAUZER FOSLID SLOMAN  
ROSS & KOLAYA, PLLC**  
Two South Biscayne Blvd., Suite 1600  
Miami, FL 33131  
Telephone: (305) 614-1400  
Facsimile: (305) 614-1425

By: /s/ Timothy A. Kolaya  
TIMOTHY A. KOLAYA  
Florida Bar No. 056140  
[tkolaya@sfslaw.com](mailto:tkolaya@sfslaw.com)

*Co-Counsel for Receiver*

**PIETRAGALLO GORDON ALFANO  
BOSICK & RASPANTI, LLP**  
1818 Market Street, Suite 3402  
Philadelphia, PA 19103  
Telephone: (215) 320-6200  
Facsimile: (215) 981-0082

By: /s/ Gaetan J. Alfano  
GAETAN J. ALFANO  
Pennsylvania Bar No. 32971  
(Admitted Pro Hac Vice)  
[GJA@Pietragallo.com](mailto:GJA@Pietragallo.com)  
DOUGLAS K. ROSENBLUM  
Pennsylvania Bar No. 90989  
(Admitted Pro Hac Vice)  
[DKR@Pietragallo.com](mailto:DKR@Pietragallo.com)

*Co-Counsel for Receiver*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on June 15, 2021, I electronically filed the foregoing document with the clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on counsel of record via transmission of Notices of Electronic Filing generated by CM/ECF.

/s/ Timothy A. Kolaya  
TIMOTHY A. KOLAYA

**EXHIBIT 1**

**UNITED STATES DISTRICT COURT  
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SECURITIES AND EXCHANGE  
COMMISSION,

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v.

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

Defendants.

\_\_\_\_\_ /

**[PROPOSED] ORDER GRANTING RECEIVER, RYAN K. STUMPHAUZER'S  
COMBINED THIRTEENTH MOTION TO LIFT LITIGATION INJUNCTION AS TO  
CERTAIN GARNISHMENT PROCEEDINGS; TO ALLOW RECEIVER TO RELEASE  
OR REMOVE SECURITY AGREEMENTS; AND TO AUTHORIZE RECEIVER TO  
ENTER INTO A SETTLEMENT IN THE SCBH BANKRUPTCY PROCEEDING**

**THIS CAUSE** comes before the Court upon the Receiver's Combined Thirteenth Motion to Lift Litigation Injunction as to Certain Garnishment Proceedings; to Allow Receiver to Release or Remove Security Agreements and to allow the Receiver to Enter into a Settlement in the SCBH Bankruptcy Proceeding, [ECF No. \_\_\_\_] ("Motion"), filed on June 15, 2021.

In Section I of the Motion, the Receiver seeks to modify the Court's Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141], so as to lift the litigation injunction provided for in that Order for certain garnishment matters currently pending in the Court of Common Pleas of Philadelphia County, Pennsylvania to be opened for the limited purpose to allow the Receiver, in his discretion, to dissolve current writs of garnishment, to mark judgments satisfied, and/or to reopen confessed judgments, where the counterparty merchant either has



resolved or has agreed to resolve prior defaults, or otherwise filed for bankruptcy protection, in certain cases in the Court of Common Pleas of Philadelphia County, Pennsylvania.

The Receiver has made a sufficient and proper showing in support of the relief requested. Accordingly, it is hereby

**ORDERED AND ADJUDGED** that Receiver's Motion is **GRANTED** with respect to the relief requested in Section I thereof. Specifically, the litigation injunction set forth in the Court's Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141] is hereby lifted in the following matters in the Court of Common Pleas of Philadelphia County, Pennsylvania, and solely for the purpose as described in the Motion:

- a. *Contract Financing Solutions, Inc. v. Deiss Law PC and Andrew Deiss*, Philadelphia Court of Common Pleas Docket No. 200600789.
- b. *Complete Business Solutions Group, Inc. v. Plumbing Solutions, LLC and Marcus Nira Jr.*, Philadelphia Court of Common Pleas Docket No. 190501242.
- c. *Contract Financing Solutions, Inc. v. T Taylor Transport LLC and Theron Taylor*, Philadelphia Court of Common Pleas Docket No. 91202930.
- d. *Contract Financing Solutions, Inc. v. Kosmon Realty LLC and Nasier Sherekhan*, Philadelphia Court of Common Pleas Docket No. 191202478.
- e. *Complete Business Solutions Group, Inc. v. Techarty, LLC and RLC Group, LLC and Robert T. Muir*, Philadelphia Court of Common Pleas Docket No. 180105455.
- f. *Complete Business Solutions Group, Inc. v. Delmarva Fibercom, LLC and David Smalls*, Philadelphia Court of Common Pleas Docket No. 171100657.
- g. *Complete Business Solutions Group, Inc. v Allied Doors North Florida, Inc. and Nicholas Romanelli*, Philadelphia Court of Common Pleas Docket No. 180600197.
- h. *Complete Business Solutions Group, Inc. v Teilhaber Manufacturing Corporation and Hunter Burroughs*, Philadelphia Court of Common Pleas Docket No. 200301458.

- i. *Complete Business Solutions Group, Inc. v Vaughn Edwards Sole Proprietor dba Edwards Automotive and Trucking and Vaughn Edwards*, Philadelphia Court of Common Pleas Docket No. 191101308.
- j. *Complete Business Solutions Group, Inc. v Hott Chixx Wings LLC and Fostoria Dumas*, Philadelphia Court of Common Pleas Docket No. 191202079.
- k. *Complete Business Solutions Group, Inc. v. Scapes of North Florida, LLC and Jason Dugger*, Philadelphia Court of Common Pleas Docket No. 191202396.
- l. *Complete Business Solutions Group, Inc. v. Strawn's Concrete and David Strawn*, Philadelphia Court of Common Pleas Docket No. 190701810.

In Section II of the Motion, the Receiver seeks to modify the Court's Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141], so as to lift the litigation injunction provided for in that Order to allow the Receiver to release or remove security agreements for merchants that have paid off or otherwise resolved their account balances under merchant cash management agreements with Par Funding.

The Receiver has made a sufficient and proper showing in support of the relief requested. Accordingly, it is hereby

ORDERED AND ADJUDGED that the Receiver's Motion is GRANTED with respect to the relief requested in Section II thereof. Specifically, the litigation injunction set forth in the Court's Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141] is hereby lifted so as to allow the Receiver to release the following Security Agreements:

- a. The January 11, 2019, Security Agreement between David Strawn and Carolyn Strawn and Par Funding; and
- b. The February 7, 2019, Security Agreement between Rendezvous and Par Funding.

In Section III of the Motion, the Receiver seeks to modify the Court's Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141], so as to lift the litigation injunction

for the limited purpose of entering into a settlement to resolve and finalize a District Court appeal on a sanctions order against Par Funding in the SCBH Bankruptcy Proceeding, withdraw Par Funding's bankruptcy claim, and to recover the \$508,433.75 cash appeal bond for the benefit the Receivership Estate.

The Receiver has made a sufficient and proper showing in support of the relief requested. Accordingly, it is hereby

ORDERED AND ADJUDGED that the Receiver's Motion is GRANTED with respect to the relief requested in Section III thereof. Specifically, the litigation injunction set forth in the Court's Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141] is hereby lifted so as to allow the Receiver to enter into a settlement in the SCBH Bankruptcy Proceeding.

**DONE AND ORDERED** in Fort Lauderdale, Florida, this \_\_\_\_ day of \_\_\_\_\_, 2021.

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**RODOLFO A. RUIZ II**  
**UNITED STATES DISTRICT JUDGE**

Copies to: Counsel of record