

**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 DENYING WITHOUT PREJUDICE NON-PARTIES' MOTION
TO INTERVENE AND LIFT LITIGATION INJUNCTION**

THIS CAUSE comes before the Court upon Non-Parties', River Bend Corporation, Pinetree Financial Corporation, and Pinetree Partners Lending LLC, Motion to Intervene and Lift Litigation Injunction to Allow Them to Proceed with Foreclosure Claims [ECF No. 794] ("Motion"), filed on September 28, 2021. River Bend Corporation, Pinetree Financial Corporation, and Pinetree Partners Lending LLC (collectively, the "Non-Party Companies") seek an order from the Court that allows the Non-Party Companies to intervene as parties in this action for the limited purpose of modifying the Court's Order Staying Litigation [ECF No. 56] and Amended Order Appointing Receiver [ECF No. 141] to lift the litigation injunction and allow them to proceed with foreclosure actions on five (5) parcels, collectively referred to as the "Properties," [ECF No. 794] at 3, that name Defendant Complete Business Solutions Group, Inc. d/b/a Par Funding as a junior lienholder defendant.

Having carefully reviewed the Motion, the record, and being otherwise fully advised, it is hereby **ORDERED AND ADJUDGED** as follows:

1. The Motion [ECF No. 794] is **DENIED *without prejudice***. Given the Receiver's ongoing investigation of the issues raised in the Motion, the Court finds that lifting the litigation injunction to allow the foreclosure actions to proceed at this time may undermine the objective of preserving assets for the benefit of investors and creditors. *See United States v. Acorn Tech. Fund, L.P.*, 429 F.3d 438, 450 (3d Cir. 2005) (denying repeated request to lift litigation stay and noting that timing is "inherently case-specific"); *see also S.E.C. v. Onix Cap., LLC*, No. 16-24678, 2017 WL 6728814, at *5 (S.D. Fla. July 24, 2017), report and recommendation adopted, No. 16-24678-CIV, 2017 WL 6728773 (S.D. Fla. Oct. 23, 2017).

The Receiver continues to collect relevant information regarding Par Funding's involvement in the Properties. The Receiver is set to issue a status report on these investigations next month. *See* [ECF No. 616]. The litigation injunction protects and preserves possible receivership property so that it is not prematurely lost through foreclosure. Thus, having balanced the interests of the Receiver and the Non-Party Companies, the Court finds that good cause exists to maintain the status quo for a short period of additional time. *See S.E.C. v. Universal Fin.*, 760 F.2d 1034, 1038 (9th Cir. 1985); *S.E.C. v. Wencke*, 742 F.2d 1230, 1231 (9th Cir. 1984); *see also Schwartzman v. Rogue Intern. Talent Group, Inc.*, No. 12-5255, 2013 WL 460218, at *3 (E.D. Pa. Feb. 7, 2013) (denying motion to lift stay more than two years after establishment of receivership, given that "receivership is at an early stage and the Receiver is still collecting relevant information.").

2. Given that the Receiver is investigating these issues and is engaged in active discussions about potential settlement opportunities, *see* Motion at 7, the Receiver shall provide the Court with a status report on the progress of said discussions **no later than October 26, 2021**.

3. The Court, which recognizes the importance of the Non-Party Companies' ability to enforce their contractual rights through foreclosure, will entertain a renewed Motion to

Intervene and Lift Litigation Injunction by the Non-Party Companies if the Receiver is unable to reach a resolution regarding the Properties by **October 26, 2021**.¹

DONE AND ORDERED in Fort Lauderdale, Florida, this 28th day of September, 2021.



RODOLFO A. RUIZ II
UNITED STATES DISTRICT JUDGE

Copies to: Counsel of record

¹ Preliminarily, the Court has concluded that the Non-Party Companies have established their right to intervene under Fed. R. Civ. P. 24(a). Should the Non-Party Companies renew their motion upon the Receiver failing to reach a resolution regarding the Properties, the Court will request the SEC's position regarding Section 21(g) of the Securities Exchange Act of 1934.