

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
(West Palm Beach)

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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**NON-PARTIES', RIVER BEND CORPORATION, PINETREE FINANCIAL CORPORATION AND PINETREE PARTNERS LENDING LLC, RESPONSE TO RECEIVER'S MOTION TO LIFT LITIGATION INJUNCTION TO ALLOW COMMENCEMENT OF VARIOUS PROCEEDINGS INVOLVING THE COLORADO HOMES ENTITIES**

The Non-Parties, RIVER BEND CORPORATION, a Colorado corporation, PINETREE FINANCIAL CORPORATION, a Colorado corporation, and PINETREE PARTNERS LENDING LLC, a Colorado limited liability company (collectively, the "Pinetree Entities"), hereby submit their response to the Receiver's Motion to Lift Litigation Injunction to Allow Commencement of Various Proceedings Involving the Colorado Homes Entities (the "Receiver Motion") [ECF No. 872] and state:

The Pinetree Entities consent to the Receiver's request to lift the litigation injunction to allow them to proceed with the foreclosure actions described in the Pinetree Motion [ECF No. 794]. However, the Pinetree Entities object to the Receiver's request that the lifting of the injunction not become effective until thirty (30) days following the Court's entry of its Order on the Receiver Motion. Rather, the Pinetree Entities would request that the lifting of the injunction

be effective *immediately* upon the Court's entry of its Order on the Receiver Motion for the following reasons.

First, the Receiver confirms he "has evaluated the various actions and has determined that *no agreement is imminent* with the Colorado Homes Entities" and that "the status quo is not likely to lead to a payment to the Receivership Estate, *at least not in the near future.*" (Receiver Motion p. 8). [emphasis added]

Second, the Receiver also confirms he "has been in negotiations with the Colorado Homes Entities for *more than a year.*" (Receiver Motion p. 8). [emphasis added]

Third, the Receiver admits that "the underlying claims [including the Pinetree Entities' claims for foreclosure] appear to have merit." (Receiver Motion p. 9).

Fourth, the Receiver acknowledges that "allowing the Senior Lender Foreclosure Actions to proceed will *not result in the immediate extinguishment* of Par Funding's and the other Receivership Entities' interests in these properties" and that "there will be a *period of time* between when the Senior Lenders commence or continue these actions and when the foreclosure sales might ultimately occur." (Receiver Motion p. 7). [emphasis added]

Finally, the Receiver's request for thirty (30) additional days is completely arbitrary. He cites no rule or reason why precisely thirty (30) days is warranted for the lifting of the litigation injunction to become effective.

Given the foregoing, there is absolutely no reason to grant the Receiver an additional thirty (30) days "to allow the parties an opportunity to finalize certain ongoing settlement discussions." (Receiver Motion p. 6). Based on the Receiver's own positions, the lifting of the litigation injunction is warranted, and warranted *immediately*, especially since it is clear that, after more than a year of purported negotiations, the Receiver will *not* be finalizing any actual settlement within

the next thirty (30) days, and also since the Receiver will have ample time and opportunity to raise any objection he sees fit during the lengthy period of time between the lifting of the litigation injunction and the ultimate sale of the subject properties in foreclosure.

A proposed Order granting in part and denying in part the Receiver Motion for the Court's consideration is attached hereto as **Exhibit "1."** This proposed Order is similar in form and substance to the proposed Order attached to the Receiver Motion [ECF No. 872-2], *except* it provides that the lifting of the litigation injunction is to become effective immediately, rather than thirty (30) days following the Court's entry of the Order.

WHEREFORE, the Pinetree Entities respectfully request that the Court enter an Order granting in part and denying in part the Receiver Motion, as set forth herein.

Dated: October 28, 2021

Respectfully submitted,

LOGS LEGAL GROUP LLP  
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Pinetree Financial Corporation and  
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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served via Notice of Electronic Filing by CM/ECF transmission to all counsel and parties who are registered to receive such service in this case on October 28, 2021.

By: /s/ *Ronald M. Gaché*  
Ronald M. Gaché, Esq.

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**[PROPOSED] ORDER GRANTING IN PART AND DENYING IN PART RECEIVER  
RYAN K. STUMPHAUZER'S MOTION TO LIFT LITIGATION INJUNCTION TO  
ALLOW COMMENCEMENT OF VARIOUS PROCEEDINGS INVOLVING THE  
COLORADO HOMES ENTITIES**

**THIS CAUSE** comes before the Court upon the Receiver's Motion to Lift Litigation Injunction to Allow Commencement of Proceedings Involving the Colorado Homes Entities [ECF No. 872] ("Motion"), filed on October 26, 2021.

In 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 following actions to proceed, but no sooner than 30 days following the entry of the Court's Order granting the Motion:

- (1) The foreclosure action described in Lead Funding II, LLC's Motion to Intervene [ECF No. 616], namely *Lead Funding II, LLC v. Colorado Farms LLC, et al.*, Case No. 2020 CV 30028, in the District Court of Elbert County, Colorado, which is currently stayed based on this Court's Litigation Injunction;
- (2) The foreclosure actions more fully described in the Motion to Intervene filed by River Bend Corporation, Pinetree Financial Corporation, and Pinetree Partners Lending LLC [ECF No. 794], namely the foreclosure of:

- a. River Bend Corporation's mortgage lien on property owned by Colorado Farms LLC at 5370 Hunt Circle, Elizabeth, Colorado;
  - b. Pinetree Financial Corporation's mortgage lien on property owned by Colorado Farms LLC at 5010 Hunt Circle, Elizabeth, Colorado;
  - c. River Bend Corporation's mortgage lien on property owned by Colorado Farms LLC at 43625 County Road 29, 5381 Hunt Circle and 43585 County Road 17-21, Elizabeth, Colorado;
  - d. Pinetree Partners Lending LLC's mortgage lien on property owned by Colorado Farms LLC, described as TBD County Road 174 (Vacant Land), Parker, Colorado; and
  - e. River Bend Corporation's mortgage lien on property owned by Colorado Farms LLC at 43160 County Road 21 and 43993 County Road 29, Elizabeth, Colorado;
- (3) The non-judicial foreclosure action of Indigo Trails' mortgage lien, as more fully described in Non-Party RH Indigo Trails LLLP's Verified Motion to Intervene and Lift Litigation Injunction to Allow It to Complete Non-Judicial Foreclosure in Adams County, Colorado [ECF No. 828], on the following property owned by Colorado Homes, LLC:

**Phase V:**

Lots 18-28, inclusive, Block 9  
Lots 7-12, inclusive, Block 12  
Lots 3-14, inclusive, Block 13  
Lots 1-6, inclusive, Block 14  
Lots 1-4 inclusive, 8-11 inclusive, Block 15  
Lots 1, 8, 9, 10, 11, Block 16; and  
Tract L except that portion of Tract L more particularly described on that Special Warranty Deed dated April 25, 2002, and recorded on April 29, 2002 at Reception No. CO96 I 748.

(collectively, the "Senior Lender Foreclosure Actions").

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

**ORDERED AND ADJUDGED** that the Receiver's Motion is **GRANTED in part and DENIED in part** with respect to the relief requested involving the Senior Lender Foreclosure Actions. Specifically, the Court grants the Receiver's request to lift the litigation injunction, but denies his request that the lifting of the injunction not become effective until thirty (30) days

following the entry of this Order. Thus, the litigation injunction set forth in the Court's Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141] is hereby lifted to allow the Senior Lending Foreclosure Actions to proceed, effective immediately.

The Receiver also seeks to modify the Court's Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141], for the limited purpose of lifting the litigation injunction provided for in that Order to permit Colorado World Resorts, LLC to file an action in Colorado to contest a foreclosure sale that occurred of property previously owned by Colorado World Resorts, LLC in Avon, Colorado, as more fully described in Exhibit 1 to the Motion (the "Action to Contest the Avon Foreclosure").

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 Action to Contest the Avon Foreclosure. 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 Colorado World Resorts, LLC to pursue the Action to Contest the Avon Foreclosures.

**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