

**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.

**RECEIVER, RYAN K. STUMPHAUZER’S MOTION TO LIFT LITIGATION
INJUNCTION AS TO CERTAIN COUNTERPARTIES IN DEFAULT UNDER
AGREEMENTS WITH COMPLETE BUSINESS SOLUTIONS GROUP, INC.**

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

¹ The “Receivership Entities” are Complete Business Solutions Group, Inc. d/b/a Par Funding (“Par Funding”); Full Spectrum Processing, Inc.; 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; and ABFP Income Fund 6 Parallel; ABFP Multi-Strategy Investment Fund LP; ABFP Multi-Strategy 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 Consulting, 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; 500 Fairmount Avenue, LLC; Liberty Eighth Avenue LLC; Blue Valley Holdings, LLC; LWP North LLC; The LME 2017 Family Trust; Recruiting and Marketing Resources, Inc.; Contract Financing Solutions, Inc.; Stone Harbor Processing LLC; LM Property Management LLC; and ALB Management, LLC; and the receivership also includes the properties

as to Certain Counterparties in Default Under Agreements with Complete Business Solutions Group, Inc. (“CBSG”), and states as follows:

FACTUAL BACKGROUND AND SUMMARY OF PROPOSED CLAIMS

On or about July 27, 2020, the Court appointed the Receiver as receiver for CBSG and other associated entities. *See* Order Appointing Receiver [ECF No. 36]. As stated in the Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141], the Court appointed the Receiver because:

the appointment of a receiver in this action is necessary and appropriate for the purposes of marshaling and preserving all assets of the Defendants (“Receivership Assets”) and those assets of the Relief Defendant that: (a) are attributable to funds derived from investors or clients of the Defendants; (b) are held in constructive trust for the Defendants; and/or (c) may otherwise be includable as assets of the estates of the Defendants (collectively, “Recoverable Assets”).

Amended Order Appointing Receiver, p. 1.

The Amended Order Appointing Receiver further provides for a stay of all litigation involving the Receiver and the Receivership Entities:

All civil legal proceedings of any nature, including, but not limited to, bankruptcy proceedings, arbitration proceedings, foreclosure actions, default proceedings, or other actions of any nature involving: (a) the Receiver, in his capacity as Receiver; (b) any Receivership Property, wherever located; (c) any of the Receivership Entities, including subsidiaries and partnerships; or, (d) any of the Receivership Entities’ past or present officers, directors, managers, agents, or general or limited partners sued for, or in connection with, any action taken by them while acting in such capacity of any nature, whether as plaintiff, defendant, third-party plaintiff, third-party defendant, or otherwise (such proceedings are hereinafter referred to as “Ancillary Proceedings”)

(the “Litigation Injunction”). [ECF No. 141, ¶ 32.]

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; 159 26th Street, Avalon, NJ 08202; and 164 84th Street, Stone Harbor, NJ 08247.

The Receiver requests this Court to lift the Litigation Injunction for the limited purpose of allowing the Receiver to execute on judgments and/or pursue claims against certain counterparties in default under agreements with CBSG. Specifically, the Receiver intends to execute on judgments and/or pursue claims against the following entities (the “Counterparties”) that entered into merchant cash advance agreements with CBSG (the “Agreements”), including confessing judgment, where appropriate:

1. Judgments for Execution:

- a. Rice Hope Liquors LLC d/b/a Rice Hope Liquors
- b. MJ Fashion Inc. d/b/a MJ Fashion
- c. Aloisio Group d/b/a QSPS Housing Solutions
- d. Michael E. Auffenorde PC, Inc. d/b/a Michael E. Auffenorde PC
- e. Kevin Bradley Funderburk Sole Proprietor d/b/a Funderburk Farms
- f. ABLs TX Inc. d/b/a ABLs TX d/b/a Alcoholic Beverage License Service
- g. Patchett’s Prevention Services
- h. Southern Cabinet Works Inc.
- i. Sonn Trucking LLC d/b/a Sonn Trucking
- j. Taytan Delivery LLC d/b/a Taytan Delivery
- k. Okura Health
- l. Maya Fruit Corporation Inc. d/b/a B C Dir.
- m. APC Maintenance LLC d/b/a APC Maintenance
- n. Armenta Enterprises LLC d/b/a Aztech Drywall
- o. Loza Site Works LLC d/b/a Land Innovations
- p. IWR and Maintenance LLC d/b/a IWR and Maintenance d/b/a Industrial Welding & Repair Maintenance d/b/a Industrial Welding Repair

- q. Alicats Dance LLC d/b/a Alicats Dance
 - r. Valor of the Lake Alarms LLC d/b/a Valor of the Lake Alarms
 - s. Bwitz Construction Design & Management, Inc. d/b/a Bwitz Construction
 - t. Bernard Francis Berard Sole Proprietor d/b/a Bernard F. Berard d/b/a Jericho Builders d/b/a Jericho Builders Construction Company
 - u. MSD Group Inc. d/b/a MSD Group
 - v. Strasburg Motor Sports LLC d/b/a Strasburg Motor Sports
 - w. Forkel Corp. d/b/a Aji Peruvian Grill
 - x. F and R Builders LLC d/b/a F and R Builders
 - y. Sky Capital Finance LLC d/b/a Sky Capital Finance
2. Pursuit of claims, including confessing judgment, where appropriate:
- a. Axiom Contracting Group LLC d/b/a Axiom Contracting Group
 - b. Cowlitz Fence Co. d/b/a Cowlitz Fence
 - c. Arapaho Rei LLC d/b/a Arapaho Rei
 - d. Stromer LLC d/b/a Stromer d/b/a Alley Exchange
 - e. Testarossa Motors Inc. d/b/a Testarossa Motors
 - f. Jacoby Motors d/b/a Jacoby Motors LLC

The Receiver has determined, in his professional judgment, that it is in the best interests of the Receivership Estate to execute on judgments and/or pursue claims against these Counterparties, as well as certain of the guarantors under these various Agreements and the collateral and security that any Counterparty may have provided to CBSG under these Agreements.

ARGUMENT

Receivership courts generally rely on a three-factor test to adjudicate requests to lift the litigation stay injunction. These factors include:

(1) whether refusing to lift the stay genuinely preserves the status quo or whether the moving party will suffer substantial injury if not permitted to proceed; (2) the time in the course of the receivership at which the motion for relief from the stay is made; and (3) the merit of the moving party's underlying claim.

S.E.C. v. Byers, 592 F. Supp. 2d 532, 536 (S.D.N.Y. 2008), *aff'd*, 609 F.3d 87 (2d Cir. 2010)

The three factors weigh in favor of lifting the Litigation Injunction to allow the Receiver to execute on judgments and/or pursue claims against the Counterparties. Regarding the first element, the Receiver will suffer injury if prohibited from pursuing these judgments and proposed claims. The Counterparties owe substantial sums under the relevant Agreements with CBSG. The Receiver seeks to collect these amounts for the benefit of the Receivership Estate.

Second, the timing is appropriate in this instance to lift the Litigation Injunction. While the initial phase of a receivership often involves fact investigation and determining which claims, if any, the Receiver might pursue, the Receiver has now determined that this litigation is necessary to promote the orderly administration of the estate, particularly as it applies to these Counterparties. Finally, the claims against these Counterparties are meritorious. These Counterparties executed Agreements obligating them to pay CBSG and are in breach of their obligations thereunder. A proposed Order granting this relief is attached as Exhibit 1.

CONCLUSION

WHEREFORE, the Receiver respectfully requests that the Court enter an Order lifting the Litigation Injunction to allow the Receiver to execute on judgments and/or pursue claims, as he deems appropriate, against the Counterparties under the Agreements, as well as certain of the guarantors under these various Agreements and any collateral and security the Counterparties provided to CBSG under these Agreements.

CERTIFICATION REGARDING PRE-FILING CONFERENCE

The undersigned counsel has conferred with all counsel of record regarding the relief sought through this motion and certifies that all counsel of record have confirmed that they and/or their clients either do not oppose or take no position, or have not responded with their position, with respect to the relief sought. The SEC has confirmed that it has no objection to the Receiver's requests to lift the litigation injunction.

Dated: March 23, 2022

Respectfully Submitted,

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

By: /s/ Timothy A. Kolaya
TIMOTHY A. KOLAYA
Florida Bar No. 056140
tkolaya@sfsllaw.com

Co-Counsel for Receiver

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

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

Co-Counsel for Receiver

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that on March 23, 2022, 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
FOR THE SOUTHERN DISTRICT OF FLORIDA
ASE NO.: 20-CV-81205-RAR**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

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

Defendants.

**[PROPOSED] ORDER GRANTING RECEIVER, RYAN K. STUMPHAUZER'S
MOTION TO LIFT LITIGATION INJUNCTION AS TO CERTAIN
COUNTERPARTIES IN DEFAULT UNDER AGREEMENTS WITH
COMPLETE BUSINESS SOLUTIONS GROUP, INC.**

THIS CAUSE comes before the Court upon the Receiver, Ryan K. Stumphauzer's Motion to Lift Litigation Injunction as to Certain Counterparties in Default Under Agreements with Complete Business Solutions Group, Inc. ("CBSG") [ECF No. ____] (the "Motion"), filed on March 23, 2022.

Through this Motion, the Court-Appointed Receiver, Ryan K. Stumphauzer (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 allowing the Receiver to execute upon existing judgments and/or pursue claims against certain counterparties in default under merchant cash advance agreements (the "Agreements") with CBSG.

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**.

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 execute on judgments and/or pursue claims, as he deems appropriate, against the following counterparties, as well as certain of the guarantors under the various Agreements and any collateral and security these counterparties provided to CBSG:

1. Judgments for Execution:
 - a. Rice Hope Liquors LLC d/b/a Rice Hope Liquors
 - b. MJ Fashion Inc. d/b/a MJ Fashion
 - c. Aloisio Group d/b/a QSPS Housing Solutions
 - d. Michael E. Auffenorde PC, Inc. d/b/a Michael E. Auffenorde PC
 - e. Kevin Bradley Funderburk Sole Proprietor d/b/a Funderburk Farms
 - f. ABLs TX Inc. d/b/a ABLs TX d/b/a Alcoholic Beverage License Service
 - g. Patchett's Prevention Services
 - h. Southern Cabinet Works Inc.
 - i. Sonn Trucking LLC d/b/a Sonn Trucking
 - j. Taytan Delivery LLC d/b/a Taytan Delivery
 - k. Okura Health
 - l. Maya Fruit Corporation Inc. d/b/a B C Dir.
 - m. APC Maintenance LLC d/b/a APC Maintenance
 - n. Armenta Enterprises LLC d/b/a Aztech Drywall
 - o. Loza Site Works LLC d/b/a Land Innovations

- p. IWR and Maintenance LLC d/b/a IWR and Maintenance d/b/a Industrial Welding & Repair Maintenance d/b/a Industrial Welding Repair
 - q. Alicats Dance LLC d/b/a Alicats Dance
 - r. Valor of the Lake Alarms LLC d/b/a Valor of the Lake Alarms
 - s. Bwitz Construction Design & Management, Inc. d/b/a Bwitz Construction
 - t. Bernard Francis Berard Sole Proprietor d/b/a Bernard F. Berard d/b/a Jericho Builders d/b/a Jericho Builders Construction Company
 - u. MSD Group Inc. d/b/a MSD Group
 - v. Strasburg Motor Sports LLC d/b/a Strasburg Motor Sports
 - w. Forkel Corp. d/b/a Aji Peruvian Grill
 - x. F and R Builders LLC d/b/a F and R Builders
 - y. Sky Capital Finance LLC d/b/a Sky Capital Finance
2. Pursuit of claims, including confessing judgment, where appropriate:
- a. Axiom Contracting Group LLC d/b/a Axiom Contracting Group
 - b. Cowlitz Fence Co. d/b/a Cowlitz Fence
 - c. Arapaho Rei LLC d/b/a Arapaho Rei
 - d. Stromer LLC d/b/a Stromer d/b/a Alley Exchange
 - e. Testarossa Motors Inc. d/b/a Testarossa Motors
 - f. Jacoby Motors d/b/a Jacoby Motors LLC

DONE AND ORDERED in Fort Lauderdale, Florida, this ___ day of _____, 2022.

RODOLFO A. RUIZ II
UNITED STATES DISTRICT JUDGE

Copies to: Counsel of Record