

**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.

**JOINT MOTION TO MODIFY ORDER ON RECEIVER'S EXPEDITED MOTION TO
EXPAND RECEIVERSHIP TO INCLUDE 19 COUNTRY DRIVE, MORRISTOWN, NJ
07960 AND FOR EXTENSION OF TIME FOR RESPONSE TO MOTION TO EXPAND**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver (“Receiver”) of the Receivership
Entities,¹ and Non-Parties Daniel Scaramellino (“Mr. Scaramellino”), Michelle Scaramellino

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 located at 568 Ferndale Lane, Haverford PA 19041; 105 Rebecca Court, Paupack, PA 18451; 107

(“Mrs. Scaramellino”), and 19 Country Drive, LLC (“19 Country Drive”) (Mr. Scaramellino, Mrs. Scaramellino, and 19 Country Drive are referred to, collectively, as the “Respondents” and, together with the Receiver, the “Parties”), by and through their respective undersigned counsel, hereby file this Motion to Modify Order [ECF No. 1182] (the “Order”) on Receiver’s Expedited Motion to Expand the Receivership to Include 19 Country Drive, Morristown, NJ 07960 [ECF No. 1180] (the “Motion to Expand”) and for Extension of Time for Response to Motion to Expand (the “Motion to Modify”), and state:

1. On March 9, 2022, the Receiver filed the Motion to Expand, through which the Receiver requested the Court to expand the Receivership Estate over the real property located at 19 Country Drive, Morristown, NJ 07960 (the “Property”).

2. On March 10, 2022, the Court entered the Order directing, among other things, the following:

Given the potential for dissipation, as the Receiver has adequately explained in the Motion, all parties receiving notice of this Order shall temporarily be restrained and enjoined from directly or indirectly selling, assigning, or transferring any interest in the Property, or otherwise assisting with any such sale, assignment, or transfer, pending further order of this Court.

By no later than March 17, 2022, the Receiver shall file a notice with the Court confirming that he has served a copy of the Motion, this Order, and the Receivership Order upon Daniel Scaramellino and the registered agent for One Nine Country Drive, LLC, the entity that is the record owner of the Property, indicating the date of service.

Daniel Scaramellino and One Nine Country Drive, LLC shall file a response to the Motion, if any, by no later than March 24, 2022 (“Response Deadline”). Daniel Scaramellino and One Nine Country Drive, LLC’s failure to file a timely response may result in the Motion being granted by default, which would expand the Receivership to include the Property.

[Order, ¶¶ 2-4.]

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.

3. On March 14, 2022, the Receiver filed the notice of compliance as required by Paragraph 3 of the Order [ECF No. 1184].

4. On December 30, 2021, undersigned counsel for Mr. Scaramellino had previously filed a Notice of Appearance as counsel for Mr. Scaramellino in this action [ECF No. 1119].

5. On March 21, 2022, undersigned counsel for 19 Country Drive and Mrs. Scaramellino filed a Notice of Limited Appearance, solely for the purpose of representing them in connection with the Motion to Expand [ECF No. 1190].

6. On April 1, 2022, the Court entered an order granting the Respondents an extension of time, through and including April 8, 2022 (the “Response Deadline”), to file a response to the Motion to Expand [ECF No. 1205].

7. As described in the Motion to Expand, there is a pending transaction involving the sale of the Property that is scheduled to close in April 2022, which is pursuant to a Statewide New Jersey Realtors Standard Form of Real Estate Sales Contract executed by Mrs. Scaramellino as of January 30, 2022 (the “Sale Transaction”).

8. The Receiver believes it is in the best interests of the Receivership Estate to permit the closing of the Sale Transaction to proceed, so long as the net proceeds of the Sales Transaction are protected from potential dissipation, pending the resolution of the Motion to Expand.

9. To that end, the Parties have been in discussions regarding a potential resolution of the Motion to Expand and, although they have not reached a resolution, they have reached a partial agreement that would allow the closing of the Sale Transaction to proceed, and requiring the net proceeds from the Sale Transaction to be deposited with the Receiver on the following terms and conditions. Specifically, the Parties agree to the following:

- a. Paragraph 2 of the Order (paragraph 2 of the Order shall be referred to herein as the “Temporary Restraining Order”)—through which all parties receiving notice of the Order were temporarily “restrained and enjoined from directly or indirectly selling, assigning, or transferring any interest in the Property, or otherwise assisting with any such sale, assignment, or transfer, pending further order of this Court”—should be modified on a limited basis to permit the sale of the Property through the Sale Transaction. Specifically, 19 Country Drive, as seller, Matthew Marano, as buyer, Coldwell Banker, as broker, and any other party or entity, and their respective counsel, should be permitted to take whatever actions are necessary to effect the closing of the Sale Transaction. This modification of the Temporary Restraining Order should not apply to any other potential sale, other than the Sale Transaction. In the event the Sale Transaction does not close pursuant to the terms thereof, the Temporary Restraining Order should remain in full force and effect, pending further order of the Court.
- b. The net proceeds from the Sale Transaction (*i.e.*, the total purchase price, minus the broker’s commission, the payoff of the recorded mortgage with FCI Lender Services, Inc., and other standard closing costs, consistent with the preliminary closing disclosure the buyer’s attorney previously provided to the Receiver²)

² The parties acknowledge that certain State of New Jersey taxes resulting from a bulk sale notice—which, if any, shall be disclosed to the Receiver in advance of the closing—may be assessed, the amount of the payoff of the recorded mortgage will be adjusted based on the actual closing date, and other amounts that are based on a *per diem* calculation will be adjusted in the final closing disclosure, which will result in updates to the closing disclosure and the final calculation of the Sale Proceeds.

(the “Sale Proceeds”) shall be deposited with the Receiver at closing, who will account for the Sale Proceeds separately and hold those funds in escrow, under the terms of an escrow agreement to be agreed to by the Parties, and not release or otherwise disburse the funds, pending either: (i) a signed written agreement between the Parties directing the release or disbursement of the Sale Proceeds; or (ii) further Order from the Court on the Motion to Expand. By agreeing that the Sale Proceeds may be deposited in escrow with the Receiver under these terms and conditions, the Respondents do not acknowledge or otherwise agree, and specifically disclaim, that the Sale Proceeds constitute property of the Receivership Estate or that the Receiver has a valid claim to the Sale Proceeds.

- c. The Sale Proceeds shall be substituted in place of the Property as the *res* of the Motion to Expand. In other words, if the Parties are unable to resolve their dispute over the Sale Proceeds, the Receiver’s Motion to Expand will be interpreted as seeking expansion of the Receivership Estate over the Sale Proceeds.
- d. By agreeing to allow the Sale Proceeds to be deposited with and held in escrow by the Receiver, and to the foregoing modifications to the Order, the Respondents do not: (i) submit the Property or, in its place, the Sale Proceeds to the jurisdiction of this Court;³ (ii) submit themselves to the jurisdiction of this Court; (iii) waive any rights they may have, if any, to the Sale Proceeds; (iv) waive their opposition to the Motion to Expand and the Order (including

³ Additionally, for jurisdictional purposes only, although the Receiver and his bank accounts are located in Florida, the Parties agree that the Sale Proceeds shall be considered to be located in Morris County, New Jersey, as if it were the Property.

the foregoing modification and any further modifications) or any defenses and arguments they may have, if any, in connection with the Motion to Expand and the Order and any modified Order or modifications to the Order; and (v) waive any rights before this Court or appellate rights, if any, regarding the Order (including the findings made therein, and the Order as may be modified as provided herein or otherwise) or any other order the Court may enter with respect to the Motion to Expand, and all such rights are expressly preserved.

10. In order to facilitate the closing of the Sale Transaction, Respondents have consented to extend the duration of the Temporary Restraining Order through and including May 23, 2022, at which time it expires. The foregoing shall be without prejudice to: (i) the Receiver's right to seek, before its expiration, a further extension of the Temporary Restraining Order, to convert it to a preliminary injunction, or to file a separate motion for preliminary injunction; and (ii) Respondents' right to contest same.

11. The Parties stipulate and agree that the Order, as extended by consent, is a non-appealable temporary restraining order.

12. The Parties further request the Court to allow Respondents a period of 30 days to attempt to resolve the Motion to Expand (together with the underlying claims between Eagle Six Consultants, Inc. and Mr. Scaramellino) with the Receiver and grant the Respondents a corresponding 30-day extension of time of the Response Deadline, through and including May 9, 2022, within which to file their response in opposition to the Motion to Expand. Respondents are not required to file any response/opposition to the Temporary Restraining Order, as it will be expiring on May 23, 2022, unless otherwise modified or extended by the Court. Respondents' right to contest the findings made therein are fully preserved, as is Respondents' right to contest

any motion for preliminary injunction (or to convert the existing Temporary Restraining Order into a preliminary injunction).

13. The Receiver agrees that Respondents, by agreeing to this Motion and the escrowing of the Sale Proceeds from the Sale Transaction, do not consent to the Order or any findings therein, and is advised that Respondents intend to contest the Order and its findings.

14. In an effort to facilitate a potential settlement relating to this matter, the Receiver on the one hand, and the Respondents on the other, shall for a period of 30 days stand down from initiating or furthering litigation against the other, including, without limitation, litigation in this Action, litigation regarding the Property or the Sale Proceeds, or litigation relating to the Receiver's claims against Daniel Scaramellino, including without limitation, the subject matter of the Receiver's claims set forth in the Receiver's action against Daniel Scaramellino pending in the United States District Court for the Middle District of Florida. The Receiver and Daniel Scaramellino are not aware of any deadlines within this 30-day period in the case pending against Daniel Scaramellino in the United States District Court for the Middle District of Florida, or any deadlines in this action or any other actions involving the Respondents or the Property, other than the current Response Deadline. Notwithstanding the foregoing, the 30-day stand down described in this paragraph shall not prohibit any party from complying with any court deadlines or orders in any pending litigation during the applicable 30-day period.

15. A proposed Order granting this Motion to Modify Order is attached as Exhibit 1.

CONCLUSION

WHEREFORE, the Parties respectfully request the Court to grant this Motion to Modify Order, permit the closing of the Sale Transaction involving the Property to proceed as set forth herein, order that the Sale Proceeds be deposited in escrow with the Receiver pursuant to a written

escrow agreement to be agreed to and executed by the parties, as set forth herein, extend the time for Respondents to respond to, and to file any motions directed at the Motion to Expand and the Order, including the findings made therein, through and including May 9, 2022, and grant such other and further relief as the Court deems just and proper.

CERTIFICATION REGARDING PRE-FILING CONFERENCE

Counsel for the Receiver, Mr. Scaramellino, Mrs. Scaramellino and 19 Country Drive have conferred with one another regarding the relief sought through this motion and agree to the relief requested herein.

Dated: April 8, 2022

Respectfully Submitted,

/s/ James D. Silver

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on April 8, 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
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.

**[PROPOSED] ORDER GRANTING JOINT MOTION TO MODIFY ORDER
ON RECEIVER’S EXPEDITED MOTION TO EXPAND RECEIVERSHIP
TO INCLUDE 19 COUNTRY DRIVE, MORRISTOWN, NJ 07960 AND
FOR EXTENSION OF TIME FOR RESPONSE TO MOTION TO EXPAND**

THIS CAUSE comes before the Court upon the Motion to Modify Order on Receiver’s Expedited Motion to Expand the Receivership to Include 19 Country Drive, Morristown, NJ 07960 and for Extension of Time for Response to Motion to Expand [ECF No. ____] (the “Joint Motion to Modify”), filed on April 8, 2022, by the Receiver, Ryan K. Stumphauzer (“Receiver”) and Non-Parties Daniel Scaramellino (“Mr. Scaramellino”), Michelle Scaramellino (“Mrs. Scaramellino”), and 19 Country Drive, LLC (“19 Country Drive”) (Mr. Scaramellino, Mrs. Scaramellino, and 19 Country Drive are referred to, collectively, as the “Respondents” and, together with the Receiver, the “Parties”).

Through the Joint Motion to Modify, the Parties request the Court to Modify the Order dated March 10, 2022 [ECF No. 1182] (the “Order”) on the Receiver’s Expedited Motion to Expand the Receivership to Include 19 Country Drive, Morristown, NJ 07960 [ECF No. 1180]

(the “Motion to Expand”) to allow a sale of the property located at 19 Country Drive, Morristown, NJ 07960 (the “Property”) on certain agreed-upon terms and conditions (the “Sale Transaction”).

The Parties has made a sufficient and proper showing in support of the relief requested.

Accordingly, it is hereby

ORDERED AND ADJUDGED that

1. The Joint Motion to Modify is **GRANTED**.
2. Paragraph 2 of the Order (paragraph 2 of the Order shall be referred to herein as the “Temporary Restraining Order”)—through which all parties receiving notice of the Order were temporarily “restrained and enjoined from directly or indirectly selling, assigning, or transferring any interest in the Property, or otherwise assisting with any such sale, assignment, or transfer, pending further order of this Court”—is hereby modified on a limited basis to permit the sale of the Property through the Sale Transaction. Specifically, 19 Country Drive, as seller, Matthew Marano, as buyer, Coldwell Banker, as broker, and any other party or entity, and their respective counsel, should be permitted to take whatever actions are necessary to effect the closing of the Sale Transaction. This modification of the Temporary Restraining Order does not apply to any other potential sale, other than the Sale Transaction. In the event the Sale Transaction does not close pursuant to the terms thereof, the Temporary Restraining Order shall remain in full force and effect until, the earlier of i) the expiration of the Temporary Restraining Order, as set forth in paragraph 3 below, or ii) further order of the Court modifying the same.
3. Based on Respondents’ consent to extend the Temporary Restraining Order for a period of 45 days from the date of the Joint Motion to Modify, the duration of the Temporary Restraining Order is extended through and including May 23, 2022, at which time the Temporary Restraining Order shall expire.

4. The net proceeds from the Sale Transaction (*i.e.*, the total purchase price, minus the broker's commission, the payoff of the recorded mortgage with FCI Lender Services, Inc., and other standard closing costs as described in the Joint Motion to Modify) (the "Sale Proceeds") shall be deposited with the Receiver at closing, who will account for the Sale Proceeds separately and hold those funds in escrow, under the terms of an escrow agreement to be agreed to by the Parties, and not release or otherwise disburse the funds, pending either: (i) a signed written agreement between the Parties directing the release or disbursement of the Sale Proceeds; or (ii) further Order from the Court on the Motion to Expand. By agreeing that the Sale Proceeds may be deposited in escrow with the Receiver under these terms and conditions, the Respondents shall not be deemed to have acknowledged or otherwise agreed, and have indicated in the Joint Motion to Modify that they specifically disclaim, that the Sale Proceeds constitute property of the Receivership Estate or that the Receiver has a valid claim to the Sale Proceeds.

5. By agreement of the Parties, the Sale Proceeds shall be substituted in place of the Property as the *res* of the Motion to Expand. In other words, if the Parties are unable to resolve their dispute over the Sale Proceeds, the Receiver's Motion to Expand will be interpreted as seeking expansion of the Receivership Estate over the Sale Proceeds.

6. The Court acknowledges that, by agreeing to allow the Sale Proceeds to be deposited with and held in escrow by the Receiver, and to the foregoing modifications to the Order, as well as the extension of the duration of the Order, the Respondents do not: (i) submit the Property or, in its place, the Sale Proceeds to the jurisdiction of this Court;¹ (ii) submit themselves to the jurisdiction of this Court; (iii) waive any rights they may have, if any, to the Sale Proceeds;

¹ Additionally, for jurisdictional purposes only, although the Receiver and his bank accounts are located in Florida, the Sale Proceeds shall be considered to be located in Morris County, New Jersey, as if it were the Property.

(iv) waive their opposition to the Motion to Expand and the Order (including the foregoing modification and any further modifications) or any defenses and arguments they may have, if any, in connection with the Motion to Expand and the Order and any modified Order or modifications to the Order; and (v) waive any rights before this Court or appellate rights, if any, regarding the Order (including the findings made therein, and the Order as may be modified as provided herein or otherwise) or any other order the Court may enter with respect to the Motion to Expand, and all such rights are expressly preserved.

7. Respondents are granted an extension of time, through and including May 9, 2022, to respond to the Motion to Expand, including filing a response in opposition to the Motion to Expand.

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

RODOLFO A. RUIZ II
UNITED STATES DISTRICT JUDGE

Copies to: Counsel of Record