

**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 RESPONSE IN OPPOSITION
TO DEFENDANT DEAN VAGNOZZI'S MOTION TO REFER DISPUTE TO
SETTLEMENT CONFERENCE BEFORE MAGISTRATE JUDGE BRUCE E.
REINHART CONCERNING PROSECUTION OF LEGAL MALPRACTICE
CLAIMS AGAINST ECKERT SEAMANS AND JOHN PAUCIULO**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver ("Receiver") of the Receivership Entities, by and through his undersigned counsel, files this response in opposition to Defendant, Dean Vagnozzi's ("Vagnozzi") Motion to Refer Dispute to Settlement Conference Before Magistrate Judge Bruce E. Reinhart Concerning Prosecution of Legal Malpractice Claims against Eckert Seamans and John Pauciulo [ECF No. 1348] (the "Motion"), and states:

1. In the Motion, Vagnozzi requests the Court to order the parties to participate in a settlement conference before Magistrate Judge Bruce E. Reinhart regarding two issues: (a) Vagnozzi's request to lift the litigation stay so that Vagnozzi can pursue claims against Eckert Seamans and John Pauciulo ("Lifting the Stay"); and (b) a proposed global settlement between and among the Receiver, Vagnozzi, Eckert Seamans, and John Pauciulo (the "Global Settlement Discussions").

2. The Receiver does not believe that the proposed settlement conference would be helpful or appropriate at this time.

3. As for Lifting the Stay, the Receiver does not agree with Vagnozzi that it would be in the best interest of the Receivership Estate to lift the Litigation Stay to permit Vagnozzi to pursue his proposed claims against Eckert Seamans and Mr. Pauciulo. The Receiver has already engaged in extensive discussions with counsel for Vagnozzi regarding this request. Further discussions, including a settlement conference, will not change the Receiver's position.

4. As for the proposed Global Settlement Discussions, the Receiver has discussed this proposal with counsel for Eckert Seamans and Mr. Pauciulo. Neither Eckert Seamans nor Mr. Pauciulo are parties to this litigation and, therefore, their participation in the proposed Global Settlement Discussions would need to be on a voluntary basis. Counsel for Eckert Seamans and Mr. Pauciulo have indicated that it would be premature to engage in Global Settlement Discussions. As one example, they have indicated that it would be important to know the total amount of disgorgement and penalties the Court assesses against the Defendants in this action before their clients would potentially be in a position to discuss a potential resolution of the various claims against Eckert Seamans and Mr. Pauciulo. Although the Receiver believes that a settlement conference could be productive if the appropriate parties were in attendance, because neither Eckert Seamans nor Mr. Pauciulo will voluntarily take part in the proposed Global Settlement Discussions at the current time, the Receiver does not believe it would be worthwhile for the Receiver and Vagnozzi to participate in a settlement conference before Judge Reinhart on this issue.

WHEREFORE, the Receiver respectfully requests that the Court deny the Motion, without prejudice.

Dated: August 19, 2022

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on August 19, 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