

**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'S STATUS REPORT REGARDING WHETHER
THE LITIGATION STAY SHOULD REMAIN IN PLACE FOR
CLAIMS AGAINST ECKERT SEAMANS AND/OR JOHN PAUCIULO**

The Receiver respectfully submits this status report in response to the Court's Paperless Order dated August 26, 2022 [ECF No. 1383], in which the Court denied 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 [ECF No. 1348].

As an initial matter, the Receiver agrees that the litigation stay should now be lifted in any case against Eckert Seamans and/or John W. Pauciulo in which a Receivership Entity is not a party. On this basis, the Receiver agrees that the litigation stay, currently in place in the following cases, should be lifted insofar as the parties have not named or will not seek to join as a party any Receivership Entity:

- *Caputo, et al. v. Vagnozzi et al.*, No. 1:20-cv-01042 (D. Del. 2020);
- *Melchior v. Vagnozzi, et al.*, No. 20-5562 (E.D. Pa. 2020);
- *Montgomery, et al. v. Eckert Seamans Cherin & Mellott, LLC et al.*, No. 1:20-cv-23750 (S.D. Fla. 2020);

- *Parker, et al. v. Pauciulo et al.*, No. 20-00892 (Phila. Ct. Com. Pl. 2020);
- *Dean Vagnozzi v. Pauciulo, et al.*, No. 210402115 (Phila Ct. Com. Pl. 2020);
- *Albert Vagnozzi, et al., v. Pauciulo, et al.*, No. 210502334 (Phila Ct. Com. Pl. 2020); and
- *Legacy Advisory Group, Inc. et al. v. Pauciulo, et al.*, No. 211001003 (Phila Ct. Com. Pl. 2021).

To the extent that discovery is sought of any Receivership Entity in the cases listed above, the Receiver will cooperate in a reasonable manner, while taking into consideration the cost to the Receivership Estate of any such discovery and its proportionality to the needs of the case. The Receiver reserves the right to seek appropriate relief from the forum court or this Court if he reasonably believes that the discovery is unduly burdensome, expensive, or disproportionate to the needs of the case.

With respect to the Receiver's contemplated action against Eckert Seamans and/or Mr. Pauciulo, the Receiver previously has reported that counsel for Eckert Seamans and Mr. Pauciulo have declined to discuss resolution at this time. They have indicated that it would be important for their clients to know the total amount of disgorgement and penalties the Court assesses against the Defendants in this action before their clients would be in a position to discuss a potential resolution of the Receiver's claims against Eckert Seamans and Mr. Pauciulo. On this basis, the Receiver respectfully requests that the litigation stay between any Receivership Entity and Eckert/Pauciulo remain in place for sixty (60) days following entry of the disgorgement/penalties Order. This period will allow the Receiver and Eckert/Pauciulo an opportunity to attempt to resolve the Receiver's claims without the expense of a suit. At the end of this period, the Receiver anticipates that he will either report that he has resolved the Receivership Estate's claims against Eckert/Pauciulo, or move the Court for permission to lift the litigation injunction to pursue claims

against Eckert/Pauciulo at that time, and, if the motion is granted, to file suit contemporaneously with entry of the Order.

Dated: September 2, 2022

Respectfully Submitted,

**STUMPHAUZER FOSLID SLOMAN
ROSS & KOLAYA, PLLC**
Two South Biscayne Blvd., Suite 1600
Miami, FL 33131
Telephone: (305) 614-1400
Facsimile: (305) 614-1425

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

Co-Counsel for Receiver

**PIETRAGALLO GORDON ALFANO
BOSICK & RASPANTI, LLP**
1818 Market Street, Suite 3402
Philadelphia, PA 19103
Telephone: (215) 320-6200
Facsimile: (215) 981-0082

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 September 2, 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