

**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
LITIGATION STAY SHOULD REMAIN IN PLACE FOR RECEIVER'S
CLAIMS AGAINST ECKERT SEAMANS AND/OR JOHN PAUCIULO**

1. On September 8, 2022, the Court entered an Order (ECF No. 1398) lifting the Litigation Stay in any case against Eckert Seamans and/or John W. Pauciulo in which a Receivership Entity is not a party, including but not limited to, the following lawsuits:

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

2. The Court maintained the Litigation Stay in one additional pending action, *Caputo, et al. v. Vagnozzi, et al.*, No. 1:20-cv-01042 (D. Del. 2020) (“Caputo Case”), which includes claims against Dean Vagnozzi, Eckert Seamans and John W. Pauciulo, as well as claims against several

Receivership Entities, including ABetterFinancialPlan.com, LLC, ABFP Management Company, LLC, ABFP Income Fund LLC, ABFP Income Fund 2, L.P., 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, L.P., ABFP Income Fund 3 Parallel, LLC, ABFP Income Fund 4 Parallel, LLC, and ABFP Income Fund 6 Parallel, LLC.

3. The Court further ordered that the Litigation Stay remain in place for any action or claims between any Receivership Entity and Eckert Seamans and/or John W. Pauciulo, through and including at least **sixty (60) days** following entry of the Court's Order(s) on the disgorgement and penalties to be assessed against the Defendants in this case. The Court further ordered that upon the conclusion of this 60-day period, the Receiver shall either (a) file a Status Report indicating that he has resolved the Receivership Estate's claims against Eckert Seamans and/or John W. Pauciulo, or (b) file a motion to lift the Litigation Stay to pursue claims against Eckert Seamans and/or John W. Pauciulo.

4. The sixty (60) day period referenced in Paragraph 3 above expired on January 20, 2023, based upon the Court's entry of Amended Judgments against certain Defendants on November 22, 2022.

5. On January 20, 2023, the Receiver requested an additional sixty (60) day period to maintain the litigation stay (ECF No. 1496). On January 23, 2023, the Court ordered the litigation stay to remain in place through March 24, 2023 (ECF No. 1498).

6. The Receiver has been engaged in settlement negotiations with Eckert Seamans. At this time, the Receiver believes it is in the best interest of the Receivership Estate to permit the Receiver to continue these negotiations without the necessity of filing and pursuing expensive and time-consuming litigation.

WHEREFORE, the Receiver respectfully requests that this Court enter an Order allowing the Receiver within 90 days to either: (a) file a Status Report indicating that he has resolved the Receivership Entities' claims against Eckert Seamans and/or John Pauciulo, or advising the Court on the status of these negotiations; or (b) file a Motion to Lift the Litigation Stay to pursue claims against Eckert Seamans Cherin & Mellott, LLC and/or John W. Pauciulo. A Proposed Order granting this relief is attached as Exhibit 1.

Dated: March 24, 2023

Respectfully Submitted,

**STUMPHAUZER KOLAYA
NADLER & SLOMAN, 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@sknlaw.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 24, 2023, 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 ON RECEIVER'S STATUS REPORT REGARDING
WHETHER LITIGATION STAY SHOULD REMAIN IN PLACE FOR
RECEIVER'S CLAIMS AGAINST ECKERT SEAMANS AND/OR JOHN PAUCIULO**

THIS CAUSE comes before the Court upon the Receiver's Status Report Regarding Whether Litigation Stay Should Remain in Place for Receiver's Claims Against Eckert Seamans and/or John Pauciulo [ECF No. _____] (the "Status Report"), filed on March 24, 2023.

The Court having reviewed the Status Report, the record, and being otherwise fully advised, it is hereby **ORDERED AND ADJUDGED** that the Litigation Stay shall remain in place for any action or claims between any Receivership Entity and Eckert Seamans and/or John W. Pauciulo so that the Receiver may continue settlement negotiations with these parties without the necessity of pursuing expensive and time-consuming litigation. Moreover, by June 22, 2023, the Receiver shall either: (a) file a Status Report indicating that he has resolved the Receivership Entities' claims against Eckert Seamans and/or John Pauciulo, or advising the Court on the Status of these negotiations; or (b) file a Motion to Lift the Litigation Stay to pursue claims against Eckert Seamans Cherin & Mellott, LLC and/or John W. Pauciulo.

DONE AND ORDERED in Miami, Florida, this _____ day of March, 2023.

RODOLFO A. RUIZ II
UNITED STATES DISTRICT JUDGE

Copies to: Counsel of record