

**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 (1) RESPONSE IN OPPOSITION
TO NON-PARTY, FIRSTBANK PUERTO RICO d/b/a FIRSTBANK FLORIDA’S
MOTION TO INTERVENE AND RELIEF FROM THE AMENDED ORDER
APPOINTING RECEIVER AND (2) MOTION TO LIFT LITIGATION INJUNCTION
TO ALLOW CONTINUATION OF FORECLOSURE PROCEEDINGS INVOLVING
PROPERTY LOCATED AT 11278 NW 88TH TERRACE, MIAMI, FL 33178**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver (“Receiver”) of the Receivership
Entities,¹ by and through undersigned counsel, hereby files his: (1) response in opposition to Non-

¹ The “Receivership Entities” are Complete Business Solutions Group, Inc. d/b/a Par Funding (“Par Funding”); Full Spectrum Processing, Inc. (“Full Spectrum”); 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; ABFP Income Fund 6 Parallel; ABFP Multi-Strategy Investment Fund LP; ABFP Multi-Strategy Investment 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 Consultants, 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; Liberty Eighth Avenue LLC; The LME 2017 Family Trust; Blue Valley Holdings, LLC; LWP North LLC; 500 Fairmount Avenue,

Party, Firstbank Puerto Rico d/b/a Firstbank Florida's ("Firstbank") Motion to Intervene and Relief from the Amended Order Appointing Receiver [ECF No. 1857] (the "Motion to Intervene"); and (2) Motion to Lift the Litigation Injunction to Allow Continuation of Foreclosure Proceedings Involving of Property Located at 11278 NE 88th Terrace, Miami, Florida 33178 (the "Receiver's Motion to Lift Litigation Injunction"), and states as follows:

1. In the Motion to Intervene, non-party Firstbank asks the Court to permit it to intervene in this action for the purpose of obtaining relief from the stay of litigation in the Amended Order Appointing Receiver [ECF No. 141] (the "Litigation Injunction"), so that Firstbank may proceed with a foreclosure sale of certain property located at 11278 NE 88th Terrace, Miami, Florida 33178 (the "Property").

2. Firstbank holds a lien over the Property through a mortgage that Andres Geraldo Esis Quinones ("Quinones") executed in favor of Firstbank (the "Firstbank Mortgage").

3. On January 3, 2019, Complete Business Solutions Group, Inc. d/b/a Par Funding ("CBSG"), as collateral for a merchant cash advance it provided to Quinones' business, recorded a mortgage against the Property (the "CBSG Mortgage") that is junior to the Firstbank Mortgage.

4. Additionally, on December 31, 2019, a final judgment in favor of CBSG and against Quinones (the "CBSG Judgment") was recorded in the Official Records of Miami-Dade County, which is also junior to the Firstbank Mortgage.

5. On September 7, 2022, Firstbank filed an action in the Eleventh Judicial Circuit, in and for Miami-Dade County, Florida, asserting several claims against Quinones, including a claim

LLC; Recruiting and Marketing Resources, Inc.; Contract Financing Solutions, Inc.; Stone Harbor Processing LLC; and LM Property Management LLC; and the Receivership also includes the properties 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.

for mortgage foreclosure (the “State Court Lawsuit”). Firstbank has named the Receiver as a defendant in the State Court Lawsuit, seeking a determination that the CBSG Mortgage and the CBSG Judgment as liens on the Property are inferior and subordinate to the Firstbank Mortgage.

6. As this Court is aware, CBSG has more than 1,000 merchants with outstanding balances on their merchant cash advance agreements. The Receiver is attempting to resolve issues relating to the amounts owed on these merchant cash advance agreements. For example, as a result of Orders from this Court granting the Receiver’s prior motions to lift the Litigation Injunction, the Receiver has marked confessed judgments as satisfied or dissolved writs of attachment with respect to collections proceedings involving more than 300 merchants.

7. Recognizing the challenges that may accompany allowing numerous non-parties to intervene in this action for the purpose of seeking to lift the litigation injunction, the Receiver requests the Court to deny the Motion to Intervene.² At the same time, however, the Receiver, through the Receiver’s Motion to Lift Litigation Injunction, hereby requests the Court to lift the Litigation Injunction for the limited purpose of allowing Firstbank to foreclose on its Mortgage and proceed with the State Court Lawsuit, in accordance with applicable state law.

WHEREFORE, Ryan K. Stumphauzer, as Court-Appointed Receiver, by and through his undersigned counsel, respectfully requests this Honorable Court to: (1) deny Firstbank’s Motion to Intervene; and (2) grant the Receiver’s Motion to Lift Litigation Injunction, on a limited basis as set forth above. A proposed order for the Court’s consideration is attached as Exhibit 1.

² To that end, the Receiver incorporates the SEC’s prior arguments opposing requests by non-parties to intervene in this SEC enforcement action. *See, e.g.*, SEC’s Response in Opposition to Lead Funding’s first Motion to Intervene [ECF No. 409].

Dated: June 19, 2023

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on June 19, 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

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SECURITIES AND EXCHANGE
COMMISSION,

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

Defendants.

**ORDER (1) DENYING NON-PARTY, FIRSTBANK PUERTO RICO
d/b/a FIRSTBANK FLORIDA'S MOTION TO INTERVENE AND RELIEF
FROM THE AMENDED ORDER APPOINTING RECEIVER AND (2)
GRANTING RECEIVER'S MOTION TO LIFT LITIGATION INJUNCTION TO
ALLOW CONTINUATION OF FORECLOSURE PROCEEDINGS INVOLVING
PROPERTY LOCATED AT 11278 NW 88TH TERRACE, MIAMI, FL 33178**

THIS CAUSE comes before the Court upon Non-Party, Firstbank Puerto Rico d/b/a Firstbank Florida's ("Firstbank") Motion to Intervene and Relief from the Amended Order Appointing Receiver [ECF No. 1857] (the "Motion to Intervene"); and (2) the Receiver's Motion to Lift the Litigation Injunction to Allow Continuation of Foreclosure Proceedings Involving Property Located at 11278 NE 88th Terrace, Miami, Florida 33178 (the "Receiver's Motion to Lift Litigation Injunction") [ECF No. _____] (the "Receiver's Motion").

In the Motion to Intervene, Firstbank requests permission to intervene in this action for the limited purpose of seeking relief from the Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141], so as to lift the litigation injunction provided for in that Order to allow Firstbank to pursue a state court lawsuit (the "State Court Lawsuit") involving a foreclosure of its

mortgage (the “Firstbank Mortgage”) over property located at 11278 NE 88th Terrace, Miami, Florida 33178 (the “Property”).

In the Receiver’s Motion, the Receiver requests the Court to deny the Motion to Intervene, but nevertheless requests the Court to lift the litigation injunction in the Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141], for the limited purpose of allowing Firstbank to foreclose on its Mortgage and proceed with the State Court Lawsuit, including the foreclosure claim in which in which Firstbank seeks a determination that a mortgage and judgment recorded by CBSG as liens on the Property are inferior and subordinate to the Firstbank Mortgage

The Receiver has made a sufficient and proper showing in support of the relief requested. Accordingly, it is hereby

ORDERED AND ADJUDGED that Motion to Intervene is **DENIED** and the 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 to allow Non-Party, Firstbank Puerto Rico d/b/a Firstbank Florida to proceed with its State Court Lawsuit.

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

RODOLFO A. RUIZ II
UNITED STATES DISTRICT JUDGE

Copies to: Counsel of record