

**UNITED STATES DISTRICT COURT
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 MOTION FOR ORDER OF REFERRAL TO UNITED STATES
MAGISTRATE JUDGE BRUCE E. REINHART FOR SETTLEMENT CONFERENCE**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver (“Receiver”) of the Receivership Entities, by and through his undersigned counsel, files this Motion for Order of Referral to United States Magistrate Judge Bruce E. Reinhart for Settlement Conference. In support thereof, the Receiver states:

1. As the Receiver has previously advised the Court, the Receiver and class counsel for various investors (“Class Counsel”) reached an agreement in principle with Eckert Seamans Cherin & Mellott, LLC (“Eckert Seamans”), John W. Pauciulo, and Eckert Seamans’ insurance carriers to resolve certain claims against Eckert Seamans and Mr. Pauciulo (the “Eckert Settlement”). Further, the Receiver has advised the Court that he would be filing a motion to seek the Court’s approval of the Eckert Settlement (the “Motion to Approve”).

2. Certain groups have indicated that they would potentially file objections to the Receiver’s Motion to Approve the Eckert Settlement.

3. Rather than responding to these objections after filing the Motion to Approve, the Receiver has been attempting to resolve these potential objections in advance of filing the Motion to Approve the Eckert Settlement.

4. One of the groups of potential objectors to the Motion to Approve includes: (a) Defendant Dean Vagnozzi, (b) non-party Alec Vagnozzi (Dean Vagnozzi's son), who was the manager of Pisces Income Fund LLC and Pisces Income Fund Parallel LLC; and (c) non-parties Albert Vagnozzi (Dean Vagnozzi's brother) and Terry Kohler, who were the managers of Capricorn Income Fund I LLC and Capricorn Income Fund Parallel LLC (collectively, the "Vagnozzi Group").

5. Counsel for the Receiver and Class Counsel have been engaged in a productive dialogue with counsel for the Vagnozzi Group in an effort to resolve their potential objections to the Motion to Approve the Eckert Settlement (the "Potential Objections"), and have made progress in that regard.

6. The Vagnozzi Group has suggested that the parties request the Court to enter an order of referral to United States Magistrate Judge Bruce E. Reinhart for a settlement conference in an effort to reach a final agreement to resolve the potential objection from the Vagnozzi Group to the Motion to Approve the Eckert Settlement.

7. Given Judge Reinhart's familiarity with the case, as well as his effectiveness in resolving other disputes in this matter, the Receiver agrees that an order of referral to Judge Reinhart for this purpose would be appropriate, and that the Receiver, Class Counsel, the Vagnozzi Group, and Eckert Seamans should participate in this settlement conference.

8. A proposed Order granting this Motion is attached as **Exhibit 1**.

WHEREFORE, the Receiver respectfully requests that the Court enter an order of referral to United States Magistrate Judge Bruce E. Reinhart for a settlement conference between and among the Receiver, Class Counsel, and the Vagnozzi Group regarding the Vagnozzi Group's potential objections to the Motion to Approve the Eckert Settlement.

Local Rule 7.1 Certification

Pursuant to Local Rule 7.1, the undersigned counsel for the Receiver certifies that he has conferred with Class Counsel, and counsel for the Vagnozzi Group, and they agree to the relief requested herein.

Dated: October 12, 2023

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that on October 12, 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
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 RECEIVER’S MOTION
FOR ORDER OF REFERRAL TO UNITED STATES MAGISTRATE
JUDGE BRUCE E. REINHART FOR SETTLEMENT CONFERENCE**

THIS CAUSE comes before the Court upon Ryan K. Stumphauzer, Esq., Court-Appointed Receiver’s (“Receiver”) Motion for Order of Referral to United States Magistrate Judge Bruce E. Reinhart for Settlement Conference [ECF No. _____] (the “Motion”), filed on October 12, 2023. The Court having reviewed the Motion and the record in this matter, and being otherwise fully advised, it is hereby

ORDERED AND ADJUDGED that

1. The Motion is **GRANTED**.
2. In the Receiver’s Motion, the Receiver has notified the Court about a dispute between and among: (a) the Receiver and class counsel for various investors (“Class Counsel”), on the one hand, and (b) Defendant Dean Vagnozzi and non-parties Alec Vagnozzi, Albert Vagnozzi, and Terry Kohler (collectively, the “Vagnozzi Group”), on the other hand, regarding the Vagnozzi Group’s potential objections (the “Potential Objections”) to the Receiver’s

anticipated motion to seek the Court's approval of a settlement in principle the Receiver and Class Counsel have reached with Eckert Seamans Cherin & Mellott, LLC ("Eckert Seamans"), John W. Pauciulo, and Eckert Seamans' insurance carriers to resolve certain claims against Eckert Seamans and Mr. Pauciulo.

3. The dispute between and among the Receiver, Class Counsel, and the Vagnozzi Group over the Potential Objections is hereby **REFERRED** for purposes of a settlement conference before United States Magistrate Judge Bruce E. Reinhart.

4. The Receiver, a representative from Class Counsel, and the Vagnozzi Group shall participate in the settlement conference. Except as provided under Local Rule 16.2.E, the appearance of counsel and each party, or representatives of each party with full authority to enter into a full and complete settlement, is mandatory.

5. All discussions, representations, and statements made at the settlement conference shall be confidential and privileged. If the dispute over the Potential Objections is settled at the settlement conference, counsel shall promptly notify the Court by filing a notice of settlement signed by counsel of record within **three (3) days** of the conference.

6. Failure to comply with **ANY** of these procedures may result in the imposition of appropriate sanctions.

DONE AND ORDERED in Miami, Florida, this ___ day of October, 2023.

RODOLFO A. RUIZ II
UNITED STATES DISTRICT JUDGE

Copies to: Counsel of Record