

**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.

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**RECEIVER’S SECOND 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 Second 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 the Plaintiffs in the case of *Parker, et al. v. Pauciulo, et al.*, No. 20-00892 (Phila. Ct. Com. Pl. 2020) (the “Parker Plaintiffs”).

5. Counsel for the Receiver and Class Counsel have been engaged in a productive dialogue with counsel for the Parker Plaintiffs 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 Receiver, Class Counsel and the Parker Plaintiffs have agreed to 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 Parker Plaintiffs 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, and the Parker Plaintiffs 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 Parker Plaintiffs regarding the Parker Plaintiffs’ 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 Parker Plaintiffs, and they agree to the relief requested herein.

Dated: October 12, 2023

Respectfully Submitted,

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

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  
(215) 320-6200 (Telephone)

By: /s/ Gaetan J. Alfano  
GAETAN J. ALFANO  
Pennsylvania Bar No. 32971  
(Admitted Pro Hac Vice)  
GJA@Pietragallo.com

*Co-Counsel for Receiver*

**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”

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Defendants.

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**[PROPOSED] ORDER GRANTING RECEIVER'S SECOND 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") Second Motion for Order of Referral to United States Magistrate Judge Bruce E. Reinhart for Settlement Conference [ECF No. 1723] (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) Plaintiffs in the case of *Parker, et al. v. Pauciulo, et al.*, No. 20-00892 (Phila. Ct. Com. Pl. 2020) (the "Parker Plaintiffs"), on the other hand, regarding the Parker Plaintiffs' 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 Parker Plaintiffs 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 Parker Plaintiffs 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.

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**RODOLFO A. RUIZ II**  
**UNITED STATES DISTRICT JUDGE**

Copies to: Counsel of Record