

**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, RYAN K. STUMPHAUZER’S MOTION TO LIFT LITIGATION  
INJUNCTION AS TO CERTAIN PROCEEDINGS PENDING IN THE EASTERN  
DISTRICT OF PENNSYLVANIA, THE COURT OF COMMON PLEAS OF  
PHILADELPHIA, AND BEFORE THE AMERICAN ARBITRATION ASSOCIATION**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver (“Receiver”) of the Receivership Entities,<sup>1</sup> by and through undersigned counsel, hereby files this Motion to Lift Litigation

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<sup>1</sup> The “Receivership Entities” are Complete Business Solutions Group, Inc. d/b/a Par Funding (“Par Funding”); Full Spectrum Processing, Inc.; 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; and ABFP Income Fund 6 Parallel; ABFP Multi-Strategy Investment Fund LP; ABFP Multi-Strategy Fund 2 LP; MK Corporate Debt Investment Company LLC; Fast Advance Funding LLC; Beta Abigail, LLC; New Field Ventures, LLC; Heritage Business Consulting, Inc.; Eagle Six Consulting, 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; 500 Fairmount Avenue, LLC; Liberty Eighth Avenue LLC; Blue Valley Holdings, LLC; LWP North LLC; The LME 2017 Family Trust; Recruiting and Marketing Resources, Inc.; Contract Financing Solutions, Inc.; Stone Harbor Processing LLC; LM Property Management LLC; and ALB Management, LLC; and the Receivership also includes the property located at 107 Quayside Dr., Jupiter, FL 33477.

Injunction as to Certain Proceedings Pending in the Eastern District of Pennsylvania and the Court of Common Pleas of Philadelphia, and before the American Arbitration Association, and states as follows:

### **INTRODUCTION**

The Receivership Entities, particularly, Complete Business Solutions Group, Inc. (“CBSG”), are parties to a number of pre-receivership actions currently pending in the United States District Court for Eastern District of Pennsylvania (“Eastern District”) and the Court of Common Pleas for Philadelphia County (“Common Pleas”). Additionally, CBSG is a party to one known case pending before the American Arbitration Association (“AAA”). These actions are of two types: (1) direct claims against the Receivership Entities; or (2) cases in which the Receivership Entities initiated an action and defendants asserted counter-liability. The Receiver seeks to lift the Litigation Injunction for the sole purpose of terminating each proceeding. The Receiver intends to administer all claims against the Receivership Entities in accordance with the Court’s Claims Administration Order. Permitting the Receiver to end these actions conforms with previous direction of the Court. Specifically, several of the claimants previously sought to lift the Litigation Injunction to continue pursuit of their claims in foreign jurisdictions. The Court rejected the request and directed the claimants to file proofs of claim within the receivership. Given that the claims administration process is underway, it would now be appropriate to terminate the duplicative liability claims and administer the proofs of claim under the Court’s supervision.

#### **I. Relevant Procedural History**

1. On or about December 23, 2022, the Court entered the Order (1) Approving Proof of Claim Form; (2) Establishing Claims Bar Date and Notice Procedures; and (3) Approving Procedure to Administer and Determine Claims (the “Claims Administration Order”) [ECF No.

1471]. The Claims Administration Order establishes the detailed process for claims submission, adjudication, and reconciliation. [ECF No. 1471 ¶¶ 3-20].

2. The Claims Administration Order establishes the process for resolution of pre- Receivership litigation claims. [ECF No. 1471 ¶ 4]. As provided by the Claims Administration Order, those eligible and required to submit a claim are.

All Claimants and Administrative Claimants asserting or who believe they are entitled to assert a Claim or assert a right to distribution from the Receivership Estate regardless of whether the Claim is held with or through any individual or entity or based on a primary, secondary, direct, indirect, secured, unsecured, unliquidated or contingent liability **MUST** timely and properly submit a Proof of Claim.

*Id.* (emphasis in original).

3. “Claimants” include Pre- Receivership Litigants. *Id.* at p. 1 n.1; Receiver’s Motion To Establish And Approve: (1) Proof Of Claim Form; (2) Claims Bar Date And Notice Procedures; And (3) Procedure To Administer And Determine Claims (the “Claim Administration Motion”) [ECF No. 1467] at ¶ B(ii). The Claims Administration Order defines Claimants as “all claimants holding a claim against any of the Receivership Entities arising out of the activities of the Receivership Entities.” *Id.* Pre- Receivership Litigants are defined as “any individual or entity that instituted a legal action against any of the Receivership Entities,” and are categorized and defined as a specific sub-set of “Direct Claimants.” Claim Administration Motion ¶ B(iv)(a).

4. The approved Proof of Claim Form, furthermore, expressly anticipates that Pre- Receivership Litigants will utilize this form for the submission and resolution of their claims against the Receivership Entities. Specifically, section 2(f) of the Proof of Claim Form requests information for any Claim stemming from litigation against a Receivership Entity.

**2. CLAIM**

**2a. Basis of Pre-Receivership Claim:**

- Good sold or services performed
- Money loaned or invested or owner, partner, member, equity or other investment interest
- Taxes
- Wages, salaries, benefits or compensation (fill out below and attach a detailed explanation) or unpaid compensation and benefits for services performed from \_\_\_\_\_ to \_\_\_\_\_ (dates).  
Title: \_\_\_\_\_
- Uncashed check issued prior to July 18, 2020
- Other (attach a detailed explanation)

**2b. Pre-Receivership Claim Amount: \$** \_\_\_\_\_

**2c. Administrative (Post-Receivership) Claim:**

- Check this box if your claim is an Administrative Claim. Briefly state the post Receivership basis of your Administrative Claim: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**2d: Administrative Claim Amount: \$** \_\_\_\_\_

**2e. Identify any other party who you claim may be liable to you for repayment of your claim:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**2f. Legal action or claim against Receivership Entity (provide caption, date commenced, Court, Case No.):**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Amount recovered from other parties: \$ \_\_\_\_\_  
If court judgment, date obtained: \_\_\_\_\_

**2g:**  Check this box if the claim includes interest or other Charges, such as attorney’s fees, lost profits or late fees in Addition to the principal amount of the claim. Attach an Itemized statement of all interest and other charges.

Proof of Claim ¶ 2(f).

5. Moreover, the approved instructions demand that Claimants submit claims based upon a “[p]ending legal action”:

**2f. Pending legal action.** If you have commenced a legal action against any party you believe may be liable to you on the claim, please provide the details of said legal action here, including the Court and Case number. Please attach supporting documentation. Also, please provide any information regarding court judgments and money recovered.

Information on Completing Proof of Claim [ECF No. 1467] ¶ 2(f).

6. Finally, the approved Proof of Claim Form provides that the Claimant, by submitting the Claim to the Receiver, expressly consents to the jurisdiction of this Court for all purposes:

**8. Consent to Jurisdiction:** Submission of this Proof of Claim Form in this case constitutes consent to the jurisdiction of the United States District Court for the Southern District of Florida and, specifically, the court in Case No. 20-CV-81205-RAR (the “Court”) for all purposes and constitutes agreement to be bound by its decisions, including, without limitation, a determination as to the extent, validity and amount of any Claim asserted against the Receivership Estate. The submission of a Proof of Claim shall constitute consent to be bound by the decisions of the Court as to the treatment of the Claim in a Court-approved distribution plan.

Proof of Claim Form ¶ 8.

7. Accordingly, all claimants that are parties to Pre-Receivership Litigation must submit their claims in accordance with the Claims Administration Order for reconciliation, adjudication, and potential distribution. The Court has not authorized the resolution of Pre-Receivership Litigation claims through different means.

8. On March 10, 2023, nineteen (19) Parties (the “Movants”) filed an *Expedited Motion to Lift the Litigation Stay* [ECF No. 1527] (the “Expedited Motion”). The Movants included:

- a. Movants Radiant Images, Inc.,
- b. Gianna Wolfe,
- c. Tourmappers North America, LLC,
- d. Julie Paula Katz,
- e. Fleetwood Services, LLC,
- f. Robert Fleetwood,
- g. Pamela Fleetwood,
- h. GEX Management, Inc.,
- i. Carl Dorvil,
- j. HMC Incorporated,
- k. Kara DiPietro,
- l. MH Marketing Solutions Group, Inc.,
- m. Michael Heller,
- n. Sunrooms America, Inc.,
- o. Michael Foti,
- p. Petropangea, Inc.,
- q. Johnny Harrison,
- r. Sean Whalen, and
- s. Yingyin Iris Chen.

[ECF No. 1527]. Movants sought to lift the Litigation Injunction to resume, or commence, liability claims against Receivership Entities. Each of the Movants sought to prosecute its claims outside of the Claims Administration Order and beyond this Court’s jurisdiction.

9. On March 16, 2023, the Court denied the Expedited Motion. [ECF No. 1530]. In denying the Expedited Motion, the Court ordered that Movants file proofs of claim against the Receivership Entities in accordance with the Claims Administration Order. [ECF No. 1530].

10. The Movants ultimately filed proofs of claim with the Receiver. As such, the Receiver intends to administer the claims in due course.

11. Because the Movants submitted proofs of claim, the Receiver seeks to lift the Litigation Injunction to terminate the Movants' duplicative liability claims in the Eastern District of Pennsylvania and the Court of Common Pleas of Philadelphia, and before the AAA.

**II. Proceedings in the United States District Court for the Eastern District of Pennsylvania and the Court of Common Pleas of Philadelphia County, and before the American Arbitration Association.**

**A. Proceedings Filed Against a Receivership Entity**

Consistent with the Claims Administration Order, the Receiver is seeking dismissal of cases brought against a Receivership Entity and to terminate the litigation pending outside of this Court, so that those claims can only be administered pursuant to the claims procedure established by this Court. The following cases are currently pending in the United States District Court for Eastern District of Pennsylvania against one of the Receivership Entities.

**1. Litigation in the U.S. District Court for Eastern District of Pennsylvania**

- a. *Fleetwood Services LLC, Robert Fleetwood and Pamela Fleetwood v. Complete Business Solutions Group Inc. d/b/a Par Funding, Prime Time Funding LLC, and John and Jane Doe Investors, Civil Action No. 18-cv-00268-JS (E.D. Pa.)***

This is pre-Receivership litigation asserting a purported class action on behalf of Texas merchants against CBSG and other defendants. CBSG sought to dismiss the claim, relying upon Pennsylvania law. The Court, using the standards necessary for adjudication of a motion to dismiss under Rule 12(b)(6) of the Federal Rules of Civil Procedure, applied Texas law in denying the motion to dismiss. Following the order on the motion to dismiss, CBSG, represented by outside counsel appointed by prior management, filed a motion for judgment on the pleadings based upon application of Texas Finance Code § 306.103, which bars these plaintiffs' claims in their entirety.

The Court did not rule on this motion prior to the Receiver's appointment. The claims have now been filed in the Receivership Case at Claim No. 20670, dated March 22, 2023. Plaintiffs' claim is for \$3,169,944.71, individually, and for \$150 million on behalf of the putative class these plaintiffs seek to represent.

**b. *HMC Incorporated and Kara DiPietro v. Complete Business Solutions Group Inc. d/b/a Par Funding, and Fast Advance Funding, LLC, Civil Action No. 19-cv-3285-JS (E.D. Pa.).***

This matter involves a pre-Receivership Litigation asserting liability against Receivership Entities arising from pre-Receivership collection conduct. On July 23, 2020, CBSG and Fast Advance Funding, LLC filed a motion for summary judgment on all claims. The court did not rule on the motion for summary judgment prior to the Receiver's appointment. On March 22, 2023, the plaintiffs filed a claim in the Receivership Case at Claim No. 20725 in the amount \$22,250,000.

**c. *Jack Terzi, Individually, and as Nominee of Entity of their heirs, successors or assigns, and Jack Terzi FBO Jewish Communal Fund and as Nominee of Entity of their heirs, successors or assigns v. Complete Business Solutions Group, Inc., Civil Action No. 20-cv-02413-WB (E.D. Pa.).***

This matter involves a pre-Receivership Litigation against CBSG for failure to repay \$3,000,000 that CBSG borrowed from the plaintiffs pursuant to the terms of three (3) separate promissory notes. As pre-Receivership Litigation, the claims are subject to the terms of the Claims Administration Order. On March 22, 2023, the plaintiffs filed Claim No. 20710 in the amount \$5,399,999.76.

**2. Litigation in the Court of Common Pleas of Philadelphia County**

The following cases are currently pending in the Court of Common Pleas of Philadelphia County against Receivership Entities:

**a. *Petropangea, Inc.; Johnny Harrison; Volunteer Pharmacy, Inc., and Toby C. Frost; Individually and on Behalf of all those similarly situated v. Complete Business Solutions Group, LLC; Fast Advance Funding, LLC;***

***MCA Capital Fund I, LLC; MCA National Fund, LLC; Recruiting And Marketing Resources, Inc.; Full Spectrum Processing, Inc., Case No. 200702013***

This is a purported class action filed contemporaneously with the appointment of the Receiver. Plaintiffs assert nine claims based upon pre-Receivership conduct. These claims include, among others, (i) RICO, (ii) conspiracy, (iii) usury, and (iv) fraud. As claims arising from pre-Receivership conduct, the claims are subject to Claims Administration Order. On March 22, 2023, plaintiffs filed Claim No. 20679 in the Receivership Case. The proof of claims asserts damages of \$525,870.50, individually, and \$20 million on behalf of the putative class these plaintiffs seek to represent.

**3. Proceedings before the American Arbitration Association**

The following case is currently pending in the American Arbitration Association against a Receivership Entity.

- a. Tourmappers North America LLC, d/b/a Tourmappers North America LLC and Julie Katz v. Complete Business Solutions Group Inc. d/b/a Par Funding, American Arbitration Association No. 01-20-005-3591 (May 21, 2020)***

Plaintiffs assert a violation of the Massachusetts unfair business practices statute. The alleged violations stem from CBSG's pre-receivership conduct in obtaining a confession of judgment in Court of Common Pleas of Philadelphia County in the case *Complete Business Solutions Group, Inc. d/b/a Par Funding v. Tourmappers North America LLC. d/b/a Tourmappers North America and Julie Paula Katz* Case No. 200401028 (see below for additional information). All of the underlying conduct in this case occurred prior to the Receiver's appointment. Plaintiffs filed Claim No. 20669 on March 21, 2023, in the Receivership case for \$1,000,743.



**4. These Pre-Receivership Litigants' Separate Actions Should be Dismissed.**

Each of the plaintiffs described above in Sections II(A)(1) through (3) filed proofs of claims with the Receiver. This Court, rather than multiple federal, state, or arbitration tribunals, is the proper body to adjudicate the claims for distributions from the Receivership Estate.

A “district court has broad powers and wide discretion to determine relief in an equity receivership.” *SEC v. Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992). This discretion derives from the inherent powers granted to an equity court to fashion relief. *Id.* (citing *SEC v. Safety Finance Service, Inc.*, 674 F.2d 368, 372 (5th Cir. 1982)). To be sure, among these broad powers is the power to establish proof of claim procedures and set an effective claims bar date. *See SEC v. Tipco, Inc.*, 554 F.2d 710, 711 (5th Cir. 1977). When administering the distribution of receivership assets, federal district courts may “make rules which are practicable as well as equitable,” including approving the use of summary procedures. *SEC v. Hardy*, 803 F.2d 1034, 1038, 1040 (9th Cir. 1986); *see also Elliott*, 953 F.2d at 1566 (citing *SEC v. Wencke*, 783 F.2d 829, 837 (9th Cir. 1986)); *United States v. Ariz. Fuels Corp.*, 739 F.2d 455, 460 (9th Cir. 1984)) (“A summary proceeding reduces the time necessary to settle disputes, decreases litigation costs, and prevents further dissipation of receivership assets.”). Specifically, “[r]eceivership courts have the general power to use summary procedure in allowing, disallowing, and subordinating the claims of creditors.” *Ariz. Fuels*, 739 F.2d at 458; *see also Wencke*, 783 F.2d at 836–38 (approving summary proceedings to adjudicate claims on receivership assets). Summary proceedings are appropriate in equity receiverships, and are within the jurisdictional authority of a district court. *See Wencke*, 783 F.2d at 836–38; *Ariz. Fuels*, 739 F.2d at 458. Such procedures “avoid formalities that would slow down the resolution of disputes. This promotes judicial efficiency and reduces litigation costs to the receivership.” *Wencke*, 783 F.2d at 837 n. 9.

District judges possess discretion to classify claims sensibly in receivership proceedings. See *SEC v. Wang*, 944 F.2d 80, 84–85 (2d Cir. 1991); *Elliott*, 953 F.2d at 1566 (11th Cir. 1992); *Forex Asset Management*, 242 F.3d at 331; *SEC v. Basic Energy & Affiliated Res., Inc.*, 273 F.3d 657, 670-71 (6th Cir. 2001). In supervising an equitable receivership, the primary job of the district court is to ensure that the proposed plan of distribution is fair and reasonable. See *Official Comm. of Unsecured Creditors of WorldCom, Inc. v. SEC*, 467 F.3d 73, 84 (2d Cir. 2006). It is reasonable to treat investor and non-investor claimants alike. *SEC v. Francisco*, 2019 WL 13026869, at \*4 (C.D. Cal. Sept. 20, 2019).

Based upon claimants’ submission to this Court’s jurisdiction by the filing of a claim and the authority cited above, the Receiver seeks a limited lifting of the Litigation Injunction so that the Receiver can seek relief from the United States District Court for the Eastern District of Pennsylvania, the Court of Common Pleas of Philadelphia County, and the American Arbitration Association to have those claims dismissed or transferred to this Court to be resolved pursuant to the approved Procedure To Administer And Determine Claims.

**B. Proceeding Filed by a Receivership Entity**

To preserve both judicial and Receivership resources, the Receiver seeks to end certain pre-Receivership claims asserted by Receivership Entities. While the Receiver will terminate his claims in certain pre-Receivership Litigation, defendants filed counterclaims against the Receivership Entity. Those counterclaims are subject to adjudication under the Claims Administration Order. These cases, which are pending in the United States District Court for the Eastern District of Pennsylvania and the Court of Common Pleas of Philadelphia County, are described more fully below.

**1. Litigation in the U.S. District Court for Eastern District of Pennsylvania**

The following cases are matters in which one of the Receivership Entities filed an action that remains pending in the United States District Court for the Eastern District of Pennsylvania:

**a. *Complete Business Solutions Group, Inc. v. Lindsay Blake Inc. and Robert D. Frei, Civil Action No. 2:19-cv-04236 -HB (E.D. Pa.)***

This matter involves pre- Receivership Litigation. On or about September 13, 2019, CBSG filed a three (3) count complaint against Lindsey Blake Inc. and Robert D. Frei, asserting claims of declaratory judgment, breach of contract and unjust enrichment, relating to an Independent Consultant Services Agreement dated February 17, 2017. More specifically, CBSG alleged that Defendant Frei's unlawful actions, indictment, and plea/cooperation agreement for certain financial crimes constituted just cause for termination of the Independent Consultant Services Agreement and constituted a breach of that agreement. CBSG sought recovery of all consulting fees it paid to the Defendants. Defendants Lindsey Blake Inc. and Robert D. Frei have also asserted counterclaims in this litigation for breach of contract and unjust enrichment. The Receiver seeks to terminate his claims. This decision is based upon the Receiver's informed business judgment and the goal of preserving resources of the Receivership Estate. Defendants filed Claim Nos. 385 and 387, on March 14, 2023, in the amounts of \$2,671,620 and \$325,000. The Receiver will seek to close the docket and administer these Defendants' claims under the process established by the Court. [ECF No. 1471].

**b. *Complete Business Solutions Group, Inc. v. Radiant Images, Inc. d/b/a HD Camera Rentals and Gianna Wolfe, Civil Action No. 2:18-cv-04013-KSM (E.D. Pa.)***

This matter involves pre- Receivership litigation on an outstanding merchant cash advance. A district court judge in the Eastern District of Pennsylvania opened a pre- Receivership confessed judgment entered in the Court of Common Pleas of Philadelphia County, based upon a dispute of

material fact regarding a signed settlement agreement. The Court opened the confessed judgment on August 10, 2019, prior to the appointment of the Receiver. Defendants took no action for a year to amend their pleadings to assert affirmative claims against CBSG. Subsequent case law calls into question the viability of Defendants' claims in the Eastern District of Pennsylvania. *Complete Bus. Sols. Grp., Inc. v. Knava's Bounce House Rentals LLC*, 2021 WL 5494184 (E.D. Pa. Feb. 26, 2021) (remanding a similar confessed judgment to state court based on the Rooker-Feldman doctrine). The Receiver seeks to terminate any Receivership Entities' claims based upon his informed business judgment. Defendants filed Claim No. 20683 on March 2023, in the amount of \$3,941,694 in the Receivership Case. The Receiver will seek to close the docket and administer the Defendants' claims under the process established by the Court. [ECF No. 1471].

**c. *Complete Business Solutions Group, Inc. v. Sean Whalen and Yingyin Iris Chen, Civil Action No. 19-cv-06181-JS (E.D. Pa.)***

This matter involves a pre-Receivership Litigation asserting liability arising from pre-Receivership collection of a personal guaranty relating to \$3,976,988.05 in receivables that CBSG purchased from Flexogenix Group Inc., a company in bankruptcy. The Receiver seeks to terminate his claims. Defendants Whalen and Chen have also asserted counterclaims against CBSG in this litigation. The Defendants filed Claim No. 20701 on March 22, 2023, in the Receivership Case. Defendants assert liability in the amount of \$374,191.50, individually, and more than \$20 million on behalf of the putative class they seek to represent. The Receiver will seek to close the docket and administer the Defendants' claims under the process established by the Court. [ECF No. 1471].

**d. *Complete Business Solutions Group, Inc. v. HMC Incorporated. Civil Action No. 19-cv-04747-JS (E.D. Pa.)***

This matter involves a pre-Receivership Litigation for collection of an outstanding merchant cash advance. On or around October 3, 2019, CBSG filed a Confession of Judgment against Defendant in the Court of Common Pleas of Philadelphia County, which was removed on

October 11, 2019 to the Eastern District of Pennsylvania. Courts have previously affirmed CBSG's use of confession of judgment provisions in its MCA Agreements and denied similar arguments. *See Complete Business Solutions Group, Inc. v. La Rosa Greenhouse, LLP et al.*, 2016 WL 3857179 (Pa. Com. Pl. 2016) (denying petition to strike/open judgment against entity and individuals on the basis of usurious loans); *Complete Business Solutions Group, Inc. v. Boreal Water Collection Inc.*, 2017 WL 5652572, at \*2 (Pa. Com. Pl. 2017) (same); *Complete Business Solutions Group, Inc. v. Thomas Alan Seuss*, 2019 WL 2637731 (E.D. Pa. 2019) (same); *Ryan K. Stumphauzer as Court-Appointed Receiver for Complete Business Solutions Group, Inc. v. D19 Liquor Inc.*, Case 210902829 (Pa. Com. Pl. Feb. 10 2022) (denying equitable arguments to strike and/or open Receiver's confessed judgment with respect to merchant); *Complete Business Solutions Group, Inc. by and through its Court-Appointed Receiver Ryan K. Stumphauzer v. The Ansell Group LLC and Charles Ansell*, Case 220301247 (Pa. Com. Pl. July 6, 2022) (same). On February 24, 2023, HMC filed a petition for bankruptcy protection in the United States Bankruptcy Court for the District of Maryland. The Receiver timely submitted a proof of claim. The Bankruptcy Code prevents the Receiver from continuing the case. The Receiver, therefore, seeks to dismiss the matter. HMC submitted Claim No. 20725 on March 22, 2023, in the amount \$22,250,000 in the Receivership Case. The Receiver will seek to close the docket and administer the Defendants' claims under the process established by the Court. [ECF No. 1471].

## **2. Litigation in the Court of Common Pleas of Philadelphia County**

The following cases are currently pending in the Court of Common Pleas of Philadelphia County against Receivership Entities:

**a. Complete Business Solutions Group, Inc. d/b/a Par Funding v. Petropangea and Johnny Harrison, Court of Common Pleas for Philadelphia County Case No. 190606067.**

This matter involves a pre-Receivership confession of judgment. Defendants filed a petition to open the confessed judgment. Defendants' counterclaims are substantially similar to those asserted in the class-action proceeding pending at case 200702013 in the Court of Common Pleas of Philadelphia County, and Claim No. 20679 that the Defendants filed in the Claims Administration process in this case. The Receiver seeks to terminate the docket and administer the claims under the Claims Administration Order.

**b. Complete Business Solutions Group, Inc. v. MH Marketing Solutions Group, Inc. and Michael Heller, Court of Common Pleas for Philadelphia County, Case No. 190606813**

CBSG confessed judgment against the defendants prior to the Receiver's appointment. Defendants removed the matter to the United States District Court for the Eastern District of Pennsylvania. The Eastern District remanded the matter to the Court of Common Pleas on September 23, 2020. On March 22, 2023, defendants submitted Claim No. 20677, dated March 22, 2023, asserting liability of \$1,307,873.69. The Receiver seeks to terminate the docket and administer the claim under the process established by the Court. [ECF No. 1471].

**c. Complete Business Solutions Group, Inc. v. Sunrooms America, Inc. and Michael Foti, Court of Common Pleas for Philadelphia County, Case No. 200101883**

Similar to the matter involving *MH Marketing*, CBSG confessed judgment against the defendants prior to the Receiver's appointment. Defendants removed the matter to the United States District Court for the Eastern District of Pennsylvania. The Eastern District remanded the matter to the Court of Common Pleas on September 23, 2020. On March 22, 2023, defendants submitted Claim No. 20687, asserting liability of \$4,786,140.98, individually, and more than \$100

million on behalf of the putative class they seek to represent. The Receiver seeks to terminate the docket and administer the claim under the process established by the Court. [ECF No. 1471].

**d. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. Tourmappers North America LLC. d/b/a Tourmappers North America and Julie Paula Katz, Court of Common Pleas for Philadelphia County, Case No. 200401028***

This matter involves a pre-Receivership confession of judgment. Defendants obtained emergency injunctive relief from the American Arbitration Association (“AAA”) regarding CBSG’s execution proceedings. Defendants filed a petition to open the confessed judgment and a demand for arbitration with AAA. On March 21, 2023, defendants filed Claim No. 20669, dated March 21, 2023, asserting liability of \$1,000,743. The Receiver intends to terminate all dockets and administer the claim under the process established by the Court. [ECF No. 1471].

**5. These Actions Initiated by Receivership Entities Should be Dismissed.**

Based upon claimants’ submission to this Court’s jurisdiction by the filing of a claim and the authority cited above, the Receiver seeks a limited lifting of the Stay of Litigation so that the Receiver can seek relief from the Eastern District of Pennsylvania and the Philadelphia Court of Common Pleas to have those claims dismissed or transferred to this Court to be resolved pursuant to the approved Procedure to Administer and Determine Claims.

WHEREFORE, Ryan K. Stumphauzer, as Court-Appointed Receiver, by and through his undersigned counsel, respectfully requests this Honorable Court to grant the motion and lift the Stay of Litigation on a limited basis, as set forth above. A proposed order for the Court’s consideration is attached as Exhibit 1.

**CERTIFICATION REGARDING PRE-FILING CONFERENCE**

The undersigned counsel has conferred with all counsel of record and unrepresented parties in this matter regarding the relief sought through this motion and certifies that all counsel of record

and unrepresented parties have either (1) not responded to the Receiver's meet and confer requests or (2) confirmed that their clients either do not oppose or take no position with respect to the relief sought. The SEC also takes no position on the motion to lift the litigation injunction. Its position on the underlying transaction was not solicited and therefore none was provided.

Dated: November 14, 2023

Respectfully Submitted,

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*Co-Counsel for Receiver*



**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on November 14, 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.

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**[PROPOSED] ORDER GRANTING RECEIVER’S MOTION TO LIFT  
LITIGATION INJUNCTION AS TO CERTAIN PROCEEDINGS PENDING IN  
THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF  
PENNSYLVANIA AND THE COURT OF COMMON PLEAS OF PHILADELPHIA  
COUNTY, AND BEFORE THE AMERICAN ARBITRATION ASSOCIATION**

**THIS CAUSE** comes before the Court upon the Receiver’s Motion to Lift Litigation Injunction as to Certain Proceedings Pending in the United States District Court for the Eastern District of Pennsylvania and the Court of Common Pleas of Philadelphia County, and before the American Arbitration Association [ECF No. \_\_\_\_] (“Motion”), filed on November 14, 2023.

The Receiver seeks to modify the Court’s Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141], so as to lift the stay of litigation provided for in that Order for certain matters currently pending in the United States District Court for the Eastern District of Pennsylvania and the Court of Common Pleas of Philadelphia County, and before the American Arbitration Association. The Receiver seeks to modify the Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141] for the sole purpose of dismissing, transferring, or otherwise terminating the proceedings before those tribunals.

**EXHIBIT 1**

The Receiver has made a sufficient and proper showing in support of the relief requested.

Accordingly, it is hereby

**ORDERED AND ADJUDGED** that Receiver's Motion is **GRANTED** with respect to the relief requested. Specifically, the stay of litigation set forth in the Court's Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141] is hereby lifted in the following matters in the United States District Court for the Eastern District of Pennsylvania and the Court of Common Pleas for Philadelphia County, and before the American Arbitration Association:

- a. *Fleetwood Services LLC., Robert Fleetwood and Pamela Fleetwood v. Complete Business Solutions Group Inc. d/b/a Par Funding, Prime Time Funding LLC., and John and Jane Doe Investors*, Civil Action No. 18-cv-00268-JS.
- b. *HMC Incorporated and Kara DiPietro v. Complete Business Solutions Group Inc. d/b/a Par Funding, and Fast Advance Funding, LLC*, Civil Action No. 19-cv-3285-JS.
- c. *Jack Terzi, Individually, and as Nominee of Entity of their heirs, successors or assigns, and Jack Terzi FBO Jewish Communal Fund and as Nominee of Entity of their heirs, successors or assigns v. Complete Business Solutions Group, Inc.*, Civil Action No. 20-cv-02413-WB.
- d. *Complete Business Solutions Group, Inc. v. Lindsay Blake Inc. and Robert D. Frei*, Civil Action No. 2:19-cv-04236 -HB.
- e. *Complete Business Solutions Group, Inc. v. Radiant Images, Inc. d/b/a HD Camera Rentals and Gianna Wolfe*, Civil Action No. 2:18-cv-04013-KSM.
- f. *Complete Business Solutions Group, Inc. v. Sean Whalen and Yingyin Iris Chen*, Civil Action No. 19-cv-06181-JS.
- g. *Complete Business Solutions Group, Inc. v. HMC Incorporated* - Civil Action No. 19-cv-04747-JS.
- h. *Petropangea, Inc.; Johnny Harrison; Volunteer Pharmacy, Inc., and Toby C. Frost; Individually and on Behalf of all those similarly situated v. Complete Business Solutions Group, LLC; Fast Advance Funding, LLC; MCA Capital Fund I, LLC; MCA National Fund, LLC; Recruiting and Marketing Resources, Inc.; Full Spectrum Processing, Inc.* Case No. Case ID: 200702013
- i. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. Petropangea and Johnny Harrison* Case No. 190606067

**EXHIBIT 1**

- j. *Complete Business Solutions Group, Inc. v. MH Marketing Solutions Group, Inc. and Michael Heller*, Case No. 190606813
- k. *Complete Business Solutions Group, Inc. v. Sunrooms America, Inc. and Michael Foti*, Case No. 200101883
- l. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. Tourmappers North America LLC. d/b/a Tourmappers North America and Julie Paula Katz*, Case No. 200401028
- m. *Tourmappers North America LLC, d/b/a Tourmappers North America LLC and Julie Katz v. Complete Business Solutions Group Inc. d/b/a Par Funding* American Arbitration Association No. 01-20-005-3591 (May 21, 2020)

No party is permitted to litigate claims or liability in each of the aforementioned matters.

The Court lifts the stay of litigation for the sole purpose of allowing the Receiver to take steps necessary to dismiss, terminate or transfer the proceedings to this Court. Any claims of liability asserted against a Receivership Entity shall be administered based upon proof of claim filed in accordance with the Order (1) Approving Proof of Claim Form; (2) Establishing Claims Bar Date and Notice Procedures; and (3) Approving Procedure to Administer and Determine Claims dated December 22, 2022 [ECF No. 1471].

**DONE AND ORDERED** in Miami, Florida, this \_\_\_\_\_ day of November, 2023.

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

Copies to: Counsel of record