

**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.

**EXPEDITED MOTION FOR ORDER TO SHOW CAUSE WHY RECIEVER SHOULD
NOT BE HELD IN CONTEMPT OF COURT OR ALTERNATIVELY TO COMPEL**

COMES NOW Joseph Cole Barleta, (“Cole”), by and through his undersigned counsel and pursuant to this Court’s inherent authority, seeks Court intervention because the Receiver in this case has failed in its most basic role as a Receiver. Cole states the following in support:

1. On July 27, 2020, this Court entered an Order granting the SEC’s Motion for Appointment of a Receiver [D.E. 36].
2. After roughly three years of litigation, the Receiver’s primary duty was the collection and preservation of assets so as to satisfy losses of noteholders/investors.
3. On December 21, 2022, the Receiver filed a 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 “Claims Motion”). The Court entered an Order granting the Claims Motion on December 23, 2022 (the “Claims Order”). By granting the Receiver’s Claims Motion, the Court approved a procedure for each person or entity who believes he, she, or it may have a claim against any Receivership Entity to submit a claim to the Receivership assets.

4. The Receiver has utterly failed in the process as it pertained to Capital Source 2000, Inc., and eager investors who have invested around 30 million dollars.
5. The Receiver reviewed and analyzed claims to determine the validity of each claim and to determine, based on the records of the Receivership Entities, whether the Receiver agreed with the amount each claimant included on the Proof of Claim Form. Beginning on November 21, 2023, the Receiver's Claims Agent began the process of providing each claimant with a Notice of Determination, with the Receiver's determinations on the validity of each claim.
6. On November 27, 2023 the Receiver submitted a Status Report where the Receiver has issued a directive that any objection to the determination shall be made by 11:59 PM Eastern Time on December 21, 2023, which is only two days away from the filing of this instant motion.
7. However, as can be seen by the screenshot below, the Receiver has not made a claim determination pertaining to Capital Source 2000, Inc., Moreover, the Receiver has subsequently **denied** individual claims – leaving noteholders with no outlook on when they would get paid. This problem is compounded when these same noteholders whose claims were denied are looking to Capital Source 2000, Inc. for answer. Capital Source 2000, Inc. cannot provide no noteholder with any answers because the Receiver has failed to issue a determination, leaving the Capital Source 2000, Inc. entity in the dark¹.

¹ Although procedurally this motion should probably have been filed by Capital Source 2000, Inc. as the entity with standing, this Court denied Capital Source's Motion to Intervene, citing, among other things, that its position was "adequately represented by Cole."

SUMMARY OF THE RECEIVER'S DETERMINATION OF YOUR CLAIM(S)

EXHIBIT D - CLAIMS PENDING REVIEW BY RECEIVER				
Information you submitted in your proof(s) of claim:				
NAME	CLAIM NO.	CLAIM DATE	CLAIM AMOUNT	ENTITY AGAINST WHICH YOU ASSERTED A CLAIM
CAPITAL SOURCE 2000 INC	496	3/21/2023		Complete Business Solutions Group d/b/a/ Par Funding (CBSG)

8. Because of the deadlines imposed, it is impossible to have a determination set forth, with adequate time for an objection.
9. Mr. Alfano promised to “look into it and get back to you” on December 15, 2023, but never actually got back to Undersigned.

From: Gaetan J. Alfano <GJA@Pietragallo.com>
Date: Friday, December 15, 2023 at 1:13 PM
To: Andre Raikhelson <arlaw@raikhelsonlaw.com>
Cc: Joe Cole <joecole@knewlogic.com>, Timothy Kolaya <tkolaya@sknlaw.com>
Subject: Re: Receiver Determination Deadline

Check received. Thank you.

I will look into the CS2000 claim and get back to you.
 Sent from my iPhone

Gaetan J. Alfano, Esquire
 Pietragallo Gordon Alfano Bosick & Raspanti, LLP
 1818 Market Street, Suite 3402
 Philadelphia, PA 19103
 Office: (215) 988-1441 | Fax: (215) 754-5181
GJA@Pietragallo.com | [BIO](#) | [vCard](#)

10. Moreover, Undersigned made at least one additional attempt to contact Mr. Alfano and Mr. Kolaya, all to no avail.

11. Most alarmingly, in the Receiver's most recent status report, he claims that the claim determinations fall into three categories:
 - a. Claims Superseded
 - b. Claims Subject to Modification
 - c. Claims Subject to Disallowance
 - d. Claims allowed as filed
 - e. Claims Pending Review by the Receiver
12. At this point, Capital Source 2000, Inc. has been stuck in limbo with the time running out to appeal, object, or otherwise contest the determination.
13. Cole seeks judicial redress to address these concerns.
14. Ultimately, the Receiver, in waiting until the last minute to produce a determination, does not give the company enough time to review the determination and reconcile it against its own records, which would ordinarily require weeks of work from Capital Source to accept or dispute the determination of the Receiver if Capital Source, 2000, Inc. were to object.
15. This is even more important now that the Court has made it impossible to pay outside sources to complete a full audit.

MEMORANDUM OF LAW

A. A Show Cause Order is Proper

This Court has the inherent authority to enforce its own orders by the exercise of contempt powers. *Citronelle-Mobile Gathering, Inc. v. Watkins*, 943 F.2d 1297, 1301 (11th Cir. 1991) (citing *Shillitani v. United States*, 384 U.S. 364, 370, 86 S. Ct. 1531, 16 L. Ed. 2d 622 (1966) ("There can be no question that courts have inherent power to enforce compliance with their legal orders through civil contempt.")).

Here, the Court has given the Receiver the responsibility to manage assets held in the Receivership. Part of managing those assets is to timely make determinations. Here, the Receiver has failed to make any such determination, despite already receiving a 90 day extension from the

Court in the past pertaining to these determination letters. Moreover, even if a determination is made, there is no possible way to object or appeal it because of the deadlines involved.

The Receiver has absolutely no good cause to take such an inordinate amount of time to make a determination, making an objection or appeal impossible.

B. Even if the Receiver Is Not Held In Contempt of Court – Cole is Entitled to An Extension of the Dec. 21, 2023 Deadline

As clearly laid out, it is not Capital Source 2000, Inc. or Cole who has acted untimely, but the Receiver. Capital Source 2000, Inc should not be saddled with the burden of violating a deadline when it never caused any delay. Prior to the Receivership, CBSG would pay Capital Source 2000 a couple million dollars per month from payments CBSG collected on the hundreds of deals it syndicated on with the company. Given the complex nature of Capital Source 2000's claim, the company would require weeks of review to ascertain whether it would accept or object to the Receiver's determination.

As such, Cole asks the Court to extend the deadline for it to file objections to the Receiver's determination.

WHEREFORE, Defendant Cole seeks the following redress from the Court:

1. Compel the Receiver to make a determination as to Capital Source 2000, Inc and grant Capital Source 2000, Inc. at least 15 additional days to object, if necessary.
2. Issue a Show Cause Order as to why Receiver should not be held in contempt of court for failing to act timely.

EXPEDITED MOTION

This motion is labeled expedited because Cole, at the time of filing this motion, has less than 3 days to file objections. The delay is not caused by Cole or Capital Source 2000, Inc.

DATED: December 19, 2023

Respectfully submitted,

By: Law Offices of Andre G. Raikhelson, LLC.

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/s/ Andre G. Raikhelson
Andre G. Raikhelson, Esq.
Bar Number: 123657

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was served to all counsel of record through the CM/ECF system.