

**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 RESPONSE IN OPPOSITION TO NON-PARTY
ALBERT VAGNOZZI’S MOTION TO INTERVENE TO ASSERT UCC-1
PRIORITY STATUS FOR “EXCHANGE NOTE” INVESTOR GROUP**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver (“Receiver”) of the Receivership Entities,¹ files this response in opposition to non-party Albert Vagnozzi’s Motion to Intervene to

¹ The “Receivership Entities” are Complete Business Solutions Group, Inc. d/b/a 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; ABFP Income Fund 6 Parallel; ABFP Multi-Strategy Investment Fund LP; ABFP Multi-Strategy Investment 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 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, LLC; Recruiting and Marketing Resources, Inc.; Contract Financing Solutions, Inc.; Stone Harbor Processing LLC; LM Property Management LLC; and ALB Management, Inc., and the Receivership also includes the property located at 107 Quayside Drive, Jupiter, Florida 33477.

Assert UCC-1 Priority Status for “Exchange Note” Investor Group [ECF No. 1954] (the “Motion to Intervene”).

Albert Vagnozzi’s Motion to Intervene is similar to the motion to intervene that the Chehebar family investors (the “Chehebar Investors”) filed on April 18, 2024 [ECF No. 1842] (the “Chehebar Motion”), which the Court denied in an order dated May 23, 2024 [ECF No. 1937]. In the Motion to Intervene, Mr. Vagnozzi seeks the Court’s permission to intervene in this action for the purpose of protecting the interests of certain parties, based on a UCC-1 Financing Statement Mr. Vagnozzi filed in Delaware that purports to establish in favor of these parties a priority security interest over the property of CBSG. [Motion to Intervene at 5]. Mr. Vagnozzi claims that intervention is necessary because the Chehebar Investors have been permitted to intervene in this case and are opposing motions filed by the Receiver, including the Receiver’s Motion to Approve Proposed Treatment of Claims and for Determination of Ponzi Scheme [ECF No. 1843] (the “Claims Motion”). Based on his mistaken belief that the Chehebar Investors have been granted leave to intervene, Mr. Vagnozzi suggests that he should be afforded similar rights to intervene and oppose the Receiver’s motions.

Mr. Vagnozzi is incorrect about the Chehebar Investors’ status in this case. Following a hearing on the Chehebar Investors’ motion to intervene, the Court declined to permit the Chehebar Investors to intervene in this case. [ECF No. 1937]. As the Court explained, “the Chehebar Investors may adequately protect their interest by litigating the issue of their purported priority lien interests within the context of the Receiver’s claims adjudication process as overseen and reviewed by the Court.” [*Id.*]. The result should be no different for Mr. Vagnozzi.

Notably, Mr. Vagnozzi, individually, does not have any pending claims against the Receivership Entities.² Rather, as Mr. Vagnozzi explained in the Motion to Intervene, Mr. Vagnozzi

² Mr. Vagnozzi invested some of his own funds through Capricorn, which is not a Receivership Entity.

is the manager for Capricorn Income Fund I, LLC and Capricorn Income Fund I Parallel, LLC (“Capricorn”), which is an agent fund that raised investor funds and delivered those investor funds to CBSG in exchange for promissory notes. [Motion to Intervene ¶ 3]. As a result, the Receiver does not believe that Mr. Vagnozzi, individually, has standing to respond to any of the Receiver’s motions involving the claims adjudication process.

Nevertheless, Capricorn submitted a claim against CBSG, and will have an opportunity to file an opposition to the Receiver’s future motion to establish a distribution plan and to authorize an initial distribution (the “Distribution Motion”). The Receiver anticipates filing the Distribution Motion soon after the Court enters its order on the Claims Motion. In the Distribution Motion, the Receiver will request the Court to determine, among other things, the priority of the various classes of claimants that have submitted claims against the Receivership Entities, including whether any claimants have valid priority status as the result of any UCC-1 financing statements or other liens they filed against the property of the Receivership Entities. The Receiver also anticipates requesting the Court to establish a briefing schedule, whereby any parties with allowed claims will have an opportunity to respond to the Distribution Motion.

Thus, Mr. Vagnozzi, in his capacity as a manager of Capricorn, will have the opportunity to respond to the Distribution Motion and “adequately protect [Capricorn’s] interest by litigating the issue of [its] purported priority lien interests within the context of the Receiver’s claims adjudication process as overseen and reviewed by the Court.” [See ECF No. 1937]. Similarly, because Mr. Vagnozzi believes he was acting in a representative capacity on behalf of other parties in filing the UCC-1 Financing Statement, if these other parties also claim to have a priority interest over the property of CBSG, those other parties—to the extent they have allowed claims against the

Receivership Entities—will also have an opportunity to respond to the Receiver’s Distribution Motion.³

Given that Capricorn and other claimants with allowed claims will have the opportunity to protect the exact interests Mr. Vagnozzi seeks to litigate through his Motion to Intervene, there is no need for the Court to grant Mr. Vagnozzi special status as an intervenor in this action. Accordingly, the Motion to Intervene should be denied.

Dated: June 20, 2024

Respectfully Submitted,

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³ Mr. Vagnozzi indicates that the list of other parties for which he was acting as a representative are detailed on Schedule A to a document titled “Appointment as Security Agent.” [Motion to Intervene ¶ 18]. Mr. Vagnozzi acknowledges that he does not have a copy of the Schedule A, but suggests—upon information and belief—that the Receiver has a copy of this Schedule A. The Receiver has reviewed the records of the Receivership Entities, but has not been able to locate a Schedule A to the Appointment as Security Agent.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on June 20, 2024, 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