

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, RYAN K. STUMPHAUZER'S COMBINED THIRTY-FIRST
MOTION TO LIFT LITIGATION INJUNCTION AS TO CERTAIN
GARNISHMENT PROCEEDINGS AND MOTION TO LIFT LITIGATION
INJUNCTION AS TO CERTAIN FORECLOSURE PROCEEDINGS**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver (“Receiver”) of the Receivership Entities,¹ by and through his undersigned counsel, hereby files this Combined Thirty-First Motion

¹ 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

to Lift Litigation Injunction as to Certain Garnishment Proceedings and Motion to Lift Litigation Injunction as to Certain Foreclosure Proceedings, and states as follows:

I. MOTION TO LIFT LITIGATION INJUNCTION AS TO CERTAIN GARNISHMENT PROCEEDINGS

1. The Receiver hereby moves this Court to lift the Litigation Injunction for the limited purpose of allowing the Receiver, in his discretion, to dissolve current writs of garnishment, to mark judgments satisfied, and/or to open confessed judgments, where the counterparty merchant either has resolved, or has agreed to resolve, prior defaults, or otherwise filed for bankruptcy protection, in the following cases in the Court of Common Pleas of Philadelphia County, Pennsylvania.²

2. The cases are:

- a. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. In and Out All Access System Inc. d/b/a In and Out All Access System d/b/a Florida Sliding and Garage Door d/b/a FL All Access and Valeria Nikitin*, Philadelphia Court of Common Pleas, Docket No. 190903616.
- b. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. Redpill Medical Inc. d/b/a Red Pill Medical and Gregory Smith*, Philadelphia Court of Common Pleas, Docket No. 190900194.
- c. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. HLM Concrete Contractors LLC d/b/a HLM Contractors and Harry L. Mainor, III*, Philadelphia Court of Common Pleas, Docket No. 190703469.
- d. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. Harsted Appliance Repair LLC d/b/a K & L Appliance Repair d/b/a Inland Empire Appliance Repair, Willima Harsted and Joslin Harsted*, Philadelphia Court of Common Pleas, Docket No. 190700655.

LLC; and ALB Management, LLC; and the Receivership also includes the property located at 107 Quayside Dr., Jupiter FL 33477.

² See the Court's Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141] (the "Operative Receivership Order"). The Receiver generally incorporates the background section of his prior Motions to Lift Litigation Injunction as to Certain Garnishment Proceedings. [See, e.g., ECF No. 111.]. To conserve resources and promote efficiency, the Receiver is providing only a summary narrative, as approved by the Court at the October 7, 2020 status conference.

- e. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. Engineered Systems and Equipment Inc. d/b/a Engineered Systems and Equipment d/b/a Engineered Systems & Equipment, and Joseph Barbi*, Philadelphia Court of Common Pleas, Docket No. 200201405.
- f. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. Bissetts Quality Painting LLC d/b/a Bissett Quality Pro Painting, Laura Bissett, and Steven Bissett*, Philadelphia Court of Common Pleas, Docket No. 190302776.
- g. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. Bernard Francis Berard Sole Proprietor d/b/a Bernard F. Berard d/b/a Jericho Builders d/b/a Jericho Builders Construction Company and Bernard Francis Berard*, Philadelphia Court of Common Pleas, Docket No. 191000525.
- h. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. Hearthstone Senior Housing Inc. d/b/a Hearthstone Construction, Robert A. Blauner, and Brian Strum*, Philadelphia Court of Common Pleas, Docket No. 190606817.
- i. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. Ellis Concrete LLC d/b/a Ellis Concrete, and Arthur Ellis*, Philadelphia Court of Common Pleas, Docket No. 200400386.
- j. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. The Chonillo Law Group LLC d/b/a The Chonillo Law Group, and Greg Chonillo*, Philadelphia Court of Common Pleas, Docket No. 191003897.

3. The Receiver has determined, in his professional judgment, that it is in the best interests of the Receivership Estate to dissolve current writs of garnishment, to mark judgments satisfied, and/or to open confessed judgments with respect to these cases.

II. MOTION TO LIFT LITIGATION INJUNCTION AS TO CERTAIN FORECLOSURE PROCEEDINGS

4. On July 6, 2021, U.S. Bank Trust National Association, Not in its Individual Capacity but Solely as Owner Trustee for VRMTG Asset Trust (“U.S. Bank”), filed a foreclosure action in the Superior Court of New Jersey Chancery Division for Middlesex County, under File No. SWC-F-003513-21 (the “First Foreclosure Case”), for the property located at 145 Creemer AveNUE, Iselin, NJ 08830 (the “First Property”).

5. The First Foreclosure Case, captioned *U.S. Bank. v. Pritimayee Nayak*, includes Complete Business Solutions Group Inc. as a named Defendant.

6. CBSG possesses a junior lien in the First Property by virtue of its seven-and-one-half-year-old judgment in the amount of \$116,142.00, which was entered on September 1, 2016, as judgment number DJ-155646-2016.

7. The Superior Court of New Jersey stayed the First Foreclosure Case based upon the litigation injunction contained in this Court's Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141].

8. Since that time, the Receiver has reviewed the value of CBSG's interest in the First Property.

9. Based upon the Receiver's investigation, there is likely insufficient value in the First Property to satisfy CBSG's junior lien.

10. Based upon available records, the value of the First Property is approximately \$698,000.

11. CBSG's lien in the First Property is subordinate to: (a) the priority mortgage of U.S. Bank dated May 6, 2013, in the amount \$336,450, with arrears exceeding \$337,315.88; and (b) a judgment entered by Itria Ventures LLC on August 17, 2016, in the amount of \$406,336.92.

12. A sale of the First Property is unlikely to satisfy the liens superior to CBSG's claim.

13. Given the lack of value of CBSG's lien in the First Property, modifying the Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141] to allow the First Foreclosure Case to proceed is in the best interest of the Receivership Estate.

14. U.S. Bank has agreed to pay the Receiver \$4,500 to offset any fees incurred by the Receiver in addressing the First Foreclosure Case.

15. If the sales price unexpectedly exceeds the value of the priority claims, CBSG will recover available surplus funds, up to the value of its claim.

III. MOTION TO LIFT LITIGATION INJUNCTION AS TO WPL SPO II, LLC FORECLOSURE PROCEEDINGS

16. On January 17, 2024, WBL SPO II, LLC (“WBL”) commenced a foreclosure action in the Superior Court of New Jersey Chancery Division for Burlington County under file number SWC-F-000568-24 (“Second Foreclosure Case”), for property located at 117 Union Terrace, Mount Laurel, NJ 08054 (“Second Property”).

17. The Second Foreclosure Case, captioned *WBL v. MH Marketing Solutions Group, Inc., et al.*, included CBSG as a named Defendant.

18. CBSG possesses a junior lien in the Second Property by virtue of a mortgage granted on October 25, 2018, and recorded on March 14, 2019, in the Burlington County Recorder of Deeds at Book 13378, Page 6406.

19. CBSG filed a motion to stay the Second Foreclosure Case based upon the litigation injunction contained in this Court’s Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141] and to afford the Receiver time to investigate the potential value of CBSG’s lien to the Receivership Estate.

20. Based upon the Receiver’s investigation, the value of the Second Property is approximately \$600,000.

21. CBSG’s lien in the Second Property is subordinate to: (i) a mortgage recorded on August 5, 2014, in favor of Mortgage Electronic Registration Systems, Inc. (MERS), acting solely as a nominee for Bank of America, NA, for \$222,283.00, with outstanding obligations believed to be approximately \$97,294.13; (ii) a mortgage recorded September 13, 2016, in favor of 1st Colonial Community Bank for \$125,000, with outstanding obligations believed to be approximately

\$142,635.17; and (iii) a mortgage dated February 7, 2019, in favor of WBL for \$50,000, with an outstanding obligation believed to be approximately \$246,897.77.

22. As the priority liens total \$486,827.07, a sale of the Second Property may potentially generate surplus sales proceeds sufficient for CBSG to receive a distribution for its junior lien, or a portion thereof.

23. Modifying the Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141] to allow the Second Foreclosure Case to proceed is in the best interest of the Receivership Estate. WBL will bear the costs necessary to bring the Second Property to sheriff's sale. If its efforts lead to a sale price exceeding the priority liens, the Receivership Estate will receive those surplus proceeds.

24. WBL has agreed to pay the Receiver \$3,000 to offset any fees incurred in addressing the Second Foreclosure Case.

WHEREFORE, Ryan K. Stumphauzer, as Court-Appointed Receiver, by and through his undersigned counsel, respectfully requests this Honorable Court to grant this motion and lift the litigation injunction contained in the Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141], 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: June 21, 2024

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on June 21, 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

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, RYAN K. STUMPHAUZER'S
COMBINED THIRTY-FIRST MOTION TO LIFT LITIGATION INJUNCTION
AS TO CERTAIN GARNISHMENT PROCEEDINGS AND MOTION TO LIFT
LITIGATION INJUNCTION AS TO CERTAIN FORECLOSURE PROCEEDINGS**

THIS CAUSE comes before the Court upon the Receiver's Combined Thirty-First Motion to Lift Litigation Injunction as to Certain Garnishment Proceedings and Motion to Lift Litigation Injunction as to Certain Foreclosure Proceedings [ECF No. ____] ("Motion"), filed on June 21, 2024.

In Section I of the Motion, the Receiver seeks to modify the Court's Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141], so as to lift the litigation injunction provided for in that Order for certain garnishment matters, which are currently pending in the Court of Common Pleas of Philadelphia County, Pennsylvania, to be opened for the limited purpose of authorizing the Receiver, in his direction, to dissolve current writs of garnishment, to mark judgments satisfied, and/or to reopen confessed judgments, where the counterparty merchant either has resolved, or has agreed to resolve, prior defaults, or otherwise filed for bankruptcy protection.

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 in Section I of the Motion. Specifically, the litigation injunction 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 Court of Common Pleas of Philadelphia County, Pennsylvania, and solely for the purpose as described in the Motion:

- a. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. In and Out All Access System Inc. d/b/a In and Out All Access System d/b/a Florida Sliding and Garage Door d/b/a FL All Access and Valeria Nikitin*, Philadelphia Court of Common Pleas, Docket No. 190903616.
- b. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. Redpill Medical Inc. d/b/a Red Pill Medical and Gregory Smith*, Philadelphia Court of Common Pleas, Docket No. 190900194.
- c. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. HLM Concrete Contractors LLC d/b/a HLM Contractors and Harry L. Mainor, III*, Philadelphia Court of Common Pleas, Docket No. 190703469.
- d. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. Harsted Appliance Repair LLC d/b/a K & L Appliance Repair d/b/a Inland Empire Appliance Repair, Willima Harsted and Joslin Harsted*, Philadelphia Court of Common Pleas, Docket No. 190700655.
- e. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. Engineered Systems and Equipment Inc. d/b/a Engineered Systems and Equipment d/b/a Engineered Systems & Equipment, and Joseph Barbi*, Philadelphia Court of Common Pleas, Docket No. 200201405.
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- g. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. Bernard Francis Berard Sole Proprietor d/b/a Bernard F. Berard d/b/a Jericho Builders d/b/a Jericho Builders Construction Company and Bernard Francis Berard*, Philadelphia Court of Common Pleas, Docket No. 191000525.

- h. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. Hearthstone Senior Housing Inc. d/b/a Hearthstone Construction, Robert A. Blauner, and Brian Strum*, Philadelphia Court of Common Pleas, Docket No. 190606817.
- i. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. Ellis Concrete LLC d/b/a Ellis Concrete, and Arthur Ellis*, Philadelphia Court of Common Pleas, Docket No. 200400386.
- j. *Complete Business Solutions Group, Inc. d/b/a Par Funding v. The Chonillo Law Group LLC d/b/a The Chonillo Law Group, and Greg Chonillo*, Philadelphia Court of Common Pleas, Docket No. 191003897.

In Section II of the Motion, the Receiver seeks to modify the Court's Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141], for the limited purpose of lifting the litigation injunction provided for in that Order relating to the case captioned *U.S. Bank. v. Pritimayee Nayak, et. al*, in the Middlesex County Superior Court of New Jersey at case SWC-F-003513-21.

The Receiver has made a sufficient and proper showing in support of the relief requested in Section II of the Motion. Accordingly, it is hereby

ORDERED AND ADJUDGED that the Receiver's Motion is **GRANTED** with respect to the relief requested in Section II thereof. Specifically, the litigation injunction set forth in the Court's Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141], is hereby lifted so as to allow proceedings to continue in the case captioned *U.S. Bank. v. Pritimayee Nayak, et al*, in the Middlesex County Superior Court of New Jersey at case SWC-F-003513-21.

In Section III of the Motion, the Receiver seeks to modify the Court's Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141], for the limited purpose of lifting the litigation injunction provided for in that Order relating to the case captioned *WBL SPO II, LLC v. MH Marketing Solutions Group, Inc. et al*, in the Burlington County Superior Court of New Jersey at case SWC-F-000568-24.

The Receiver has made a sufficient and proper showing in support of the relief requested. Accordingly, it is hereby

ORDERED AND ADJUDGED that the Receiver's Motion is **GRANTED** with respect to the relief requested in Section III thereof. Specifically, the litigation injunction set forth in the Court's Amended Order Appointing Receiver dated August 13, 2020 [ECF No. 141], is hereby lifted so as to allow proceedings to continue in the case captioned *WBL SPO II, LLC v. MH Marketing Solutions Group, Inc.*, in the Burlington County Superior Court of New Jersey at case SWC-F-000568-24.

DONE AND ORDERED in Miami, Florida, this _____ day of May, 2024.

RODOLFO A. RUIZ II
UNITED STATES DISTRICT JUDGE

Copies to: Counsel of record