

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No: 9:20-CV-81205

SECURITIES AND EXCHANGE
COMMISSION

Plaintiff,

vs.

COMPLETE BUSINESS SOLUTIONS
GROUP, INC. d/b/a/ PAR FUNDING, et.
al.

Defendants

**MOTION FOR RATIFICATION OF STIPULATION BETWEEN THE
SECURITIES AND EXCHANGE COMMISSION, JOSEPH COLE BARLETA,
AND CAPITAL SOURCE 2000, INC.**

COMES NOW, JOSEPH COLE BARLETA (“Barleta”), by and through his undersigned counsel, requests this Court for an Order Ratifying the agreement between Barleta, non-party Capital Source 2000, Inc., and the Securities and Exchange Commission.

1. on August 27, 2020, the Court entered an Order Granting Preliminary Injunction by Consent as to Defendant Joseph Cole Barleta (the “Asset Freeze Order”) against Joseph Cole Barleta (“Cole”). (Dkt. No 202).
2. In November 2021, Cole consented to the entry of judgment against him, including a permanent injunction and other relief (the “Permanent Injunction”).

D. Ct. Dkt. 1018

3. On February 28, 2023, the Court granted Cole's unopposed motion to release Capital Source 2000, Inc. ("CS 2000") from the receivership. D. Ct. Dkt. 1514;
4. Shortly thereafter, the Receiver wired over \$2 million to a CS 2000 bank account at United Savings Bank as part of the transfer of CS 2000 from the receivership. D. Ct. Dkt. 1577 at 2
5. On or around May of 2023, the funds belonging to Capital Source 2000, Inc. were frozen. Cole file a motion to modify the the asset freeze order on May 26, 2023, which this Court denied. The Court's denial prompted an appeal. *SEC v. Barleta*, Case No. 23-11914 (11th Cir.).
6. On October 24, 2023, CS 2000 filed a motion seeking to intervene and asking the District Court to unfreeze its bank accounts. D. Ct. Dkt. 1734. The Commission opposed the motion, and the District Court denied it. D. Ct. Dkt. 1769. CS 2000 filed an appeal on January 3, 2024. D. Ct. Dkt. 1783; *See SEC v. Capital Source 2000, Inc.*, Case No. 24-10054 (11th Cir.).
7. On June 26, 2024, the parties entered into a stipulated agreement that would allow Capital Source 2000, Inc. to use the frozen funds and other wise operate Capital Source 2000, Inc. as a legitimate business. **See Exhibit "A"- Stipulated Agreement**
8. As such, Cole requests that this Court Enter an Order Ratifying the Stipulation.

WHEREFORE, Cole asks this Court to be relieved of any asset freeze.

Date: June 26, 2024

Respectfully submitted,

Law Offices of Andre G. Raikhelson, LLC.
Counsel for Defendant, Joseph Cole Barleta

7000 W Palmetto Park Road, Suite 210
Boca Raton, FL 33431
Telephone: (954) 895-5566
Primary: arlaw@raikhelsonlaw.com

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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on June 26, 2024, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system which will send a notice of electronic filing to all counsel of record.

/s/ Andre G. Raikhelson
Andre G. Raikhelson Esq.

LOCAL RULE 7.3(a)

Undersigned counsel has met and conferred with counsel for the SEC, who do not the relief sought.

/s/ Andre G. Raikhelson
Andre G. Raikhelson Esq.

**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,

**STIPULATION FOR
ENTRY OF AN ORDER**

WHEREAS, on August 27, 2020, the Court entered an Order Granting Preliminary Injunction by Consent as to Defendant Joseph Cole Barleta (the “Asset Freeze Order”) against Joseph Cole Barleta (“Cole”). (Dkt. No 202);

WHEREAS, the Asset Freeze Order restrained Cole from disposing of any assets he owned or controlled and required any financial institution holding such assets to hold and retain them, up to the amount of \$5.5 million. The Asset Freeze Order restrained:

Any financial or brokerage institution or other person or entity holding any such funds or other assets, in the name, for the benefit or under the control of Barleta, directly or indirectly, held jointly or singly, and wherever located, and which receives actual notice of this Order by

personal service, mail, email, facsimile, or otherwise, shall hold and retain within its control and prohibit the withdrawal, removal, transfer, disposition, pledge, encumbrance, assignment, set off, sale, liquidation, dissipation, concealment, or other disposal of any such funds or other assets.

Dkt. 202 at 5;

WHEREAS, in November 2021, Cole consented to the entry of judgment against him, including a permanent injunction and other relief (the “Permanent Injunction”). D. Ct. Dkt. 1018. After the Commission moved for final judgment and the Court held an evidentiary hearing, the Court issued a decision (the “Final Judgment”) ordering Cole to pay \$10,055,625 in disgorgement of ill-gotten gains, \$754,525.32 in prejudgment interest, and \$1,330,000 in civil penalties. D. Ct. Dkts. 1434; 1450 at 49. The Court of Appeals affirmed the Final Judgment. *SEC v. Complete Business Solutions Group, Inc.*, No. 22-13811, 2023 WL 4196949, at *1 (11th Cir. June 27, 2023);

WHEREAS, on February 28, 2023, the Court granted Cole’s unopposed motion to release Capital Source 2000, Inc. (“CS 2000”) from the receivership. D. Ct. Dkt. 1514;

WHEREAS, shortly thereafter, the Receiver wired over \$2 million to a CS 2000 bank account at United Savings Bank as part of the transfer of CS 2000 from

the receivership. D. Ct. Dkt. 1577 at 2.¹ Cole became a signatory on that account. D. Ct. Dkt. 1577 at 3. The bank account currently holds: \$2,084,848.15 (the “Frozen Funds”);

WHEREAS on May 24, 2023, counsel for the Receiver sent an email to an employee at United Savings Bank, stating that he “understand[s] generally that [Cole] may be conducting business with your bank and that this Order may be relevant to [Cole’s] business with your Bank” and attached the Asset Freeze Order. App. Dkt. 5 at 51-52. After receiving this email, United Savings Bank froze the CS 2000 bank accounts. D. Ct. Dkt. 1572 at 3;

WHEREAS, on May 26, 2023, Cole filed an Expedited Motion for Modification and Judicial Relief (the “Asset Freeze Modification Motion”), seeking to unfreeze certain funds associated with CS 2000, including the funds in the relevant bank accounts. D. Ct. Dkt. 1572. Cole stated that he intended to pay back CS 2000’s investors, and that he needed the frozen funds to do so. He also requested \$10,000 per month for personal expenses. The Commission and the Receiver opposed Cole’s motion, and the district court denied it. D. Ct. Dkt. 1580. Cole moved for reconsideration, and the district court denied that motion, as well. D. Ct. Dkt. 1582.

¹ The factual statements about the circumstances surrounding the freeze of the CS 2000 bank accounts are largely based on district court filings by Cole, the Commission, and the Receiver. *See, e.g.*, D. Ct. Dkts. 1572, 1577, 1578.

WHEREAS, on June 5, 2023, Cole filed a notice of interlocutory appeal of the district court's order denying the Asset Freeze Modification Motion. D. Ct. Dkt. 1585; *See SEC v. Barleta*, Case No. 23-11914 (11th Cir.). The Commission moved to dismiss the appeal for lack of jurisdiction (App. Dkt. 20), and the court denied the motion. App. Dkt. 29. The appeal is pending;

WHEREAS, on October 24, 2023, CS 2000 filed a motion seeking to intervene and asking the district court to unfreeze its bank accounts. D. Ct. Dkt. 1734. The Commission opposed the motion, and the district court denied it. D. Ct. Dkt. 1769. CS 2000 filed an appeal on January 3, 2024. D. Ct. Dkt. 1783; *See SEC v. Capital Source 2000, Inc.*, Case No. 24-10054 (11th Cir.). The appeal is pending; and

WHEREAS, on April 22, 2024, Cole advised Judge Mark A. Kearney in *United States v. LaForte, et al.*, 24-CR-65 (E.D. Pa.), that he was “earnestly trying to get more cash” to retain a lawyer and that he owned a “company that has over \$2 million,” which is frozen and currently on appeal.

Plaintiff, the United States Securities and Exchange Commission (“SEC” or “Commission”), by its undersigned counsel, Michael J. Roessner, and defendant Cole, by Andre Raikhelson, and non-party CS 2000, by Bruce Prober, submit the following Stipulation for Entry of an Order:

IT IS HEREBY STIPULATED AND AGREED that:

1. Cole and CS 2000 may use the Frozen Funds to pay CS 2000's noteholders and otherwise operate CS 2000 as a legitimate business enterprise that complies with the securities laws and is operated in accordance with the Permanent Injunction and the Asset Freeze Order;

2. With the exception of any money that he notifies the Commission, as set forth below, that he receives as a salary or income distribution from CS 2000, Cole will not use the Frozen Funds for his personal expenses, personal benefit, or personal attorneys' fees in this matter or in any civil or criminal matter and he will not financially gain from them;

3. Cole will not use the CS 2000 account for any personal transactions;

4. Cole will provide undersigned SEC Counsel all documents regarding any assets or income Cole receives or beneficially uses, which are derived in whole or in part from CS 2000, Inc. For each, Cole will set forth: (A) the asset/income; (B) the date received; (C) the disposition of the asset/income; and (D) the value of the asset/income;

5. Cole and CS 2000 will move to dismiss the pending appeals in *SEC v. Barleta*, Case No. 23-11914 (11th Cir.) and *SEC v. Capital Source 2000, Inc.*, Case No. 24-10054 (11th Cir.);

6. Cole agrees that he will file this Stipulation and the Order in *United States v. LaForte, et al.*, Docket Number 23-CR-198-1,4,5 (E.D. Pa.); and *United States v. LaForte, et al.*, Docket Number 24-CR-65 (E.D. Pa.);

7. If Cole and CS 2000 do not comply with the terms of this stipulation, the Commission may seek to enforce the Court Order detailing the terms of this stipulation against Cole by seeking to hold him and CS 2000, including its officers, in contempt;

8. Nothing in this stipulation affects the scope or validity of the Permanent Injunction or the Asset Freeze Order. To the extent that Cole receives any compensation or benefit from CS 2000 as a result of this stipulation, such compensation or benefit is subject to the Permanent Injunction and the Asset Freeze Order, and subject to collection by the Commission to satisfy the Final Judgment entered against Cole; and

9. CS 2000's accounts held at United Savings Bank are not affected by the Asset Freeze Order, but are affected by this Stipulation and Order.

Dated: [], 2024
Washington, D.C.

Respectfully submitted,

s/MICHAEL J. ROESSNER
MICHAEL J. ROESSNER
Assistant Chief Litigation Counsel
Division of Enforcement
United States Securities and Exchange
Commission
100 F Street, NE
Mail Stop 5631
Washington, DC 20549-0022
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Attorney for Plaintiff/Judgment Creditor
United States Securities and Exchange Commission

Dated: [], 2024
6/26/2024

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Andre Raikhelson
Attorney for Defendant/Judgment Debtor
Joseph Cole Barleta

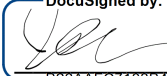
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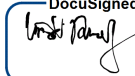
Bruce Prober
Attorney for Capital Source 2000, Inc.

Dated: [], 2024
6/26/2024

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Joseph Cole Barleta
President, CS 2000, Inc.

Dated: [], 2024

6/26/2024

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William Bromley
Officer, Capital Source 2000, Inc

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
Case No.: 9:20-CV-81205

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

COMPLETE BUSINESS SOLUTIONS GROUP,
INC. d/b/a/ PAR FUNDING, et al.,

Defendants

**ORDER RATIFYING STIPULATION BETWEEN DEFENDANT, JOSEPH COLE
BARLETA, NON-PARTY, CAPITAL SOURCE 2000, INC., AND THE SECURITIES AND
EXCHANGE COMMISSION**

THIS CAUSE having come before the Court on Defendant Joseph Cole Barleta's Motion to Ratify the "Stipulation for Entry of An Order"(the "Motion"). The Court, having reviewed the stipulation, the docket, and being otherwise informed by the moving papers, hereby RATIFIES the Stipulation. It is **ORDERED AND ADJUDGED** as follows:

1. In an effort to resolve two appeals, *SEC v. Barleta*, Case No. 23-11914 (11th Cir.) and *SEC v. Capital Source 2000, Inc.*, Case No. 24-10054 (11th Cir.), Joseph Cole Barleta, Capital Source 2000, Inc. and the Securities and Exchange Commission entered into a stipulation regarding funds held by Capital Source 2000, Inc. in the sum of \$2,084,848.15
2. The Court, having read the stipulation, **RATIFIES** the stipulation in its entirety. The terms of the stipulation shall become effective and binding on the parties immediately.

DONE AND ORDERED in Chambers in the United States District Court, Southern District of Florida – WEST PALM BEACH Division, this ____ day of _____, 2024

HONORABLE RODOLFO A. RUIZ II
UNITED STATES DISTRICT JUDGE

Copies furnished to: All Counsel of Record