

**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’S REPLY TO RAYMOND DOREIAN’S OBJECTIONS  
TO RECEIVER’S MOTION TO (1) APPROVE PROPOSED PLAN OF  
DISTRIBUTION AND (2) AUTHORIZE FIRST INTERIM DISTRIBUTION**

Ryan K. Stumphauzer, Esq., Court-Appointed Receiver (“Receiver”) of the Receivership Entities, files this Reply to Raymond Doreian’s Objections [ECF No. 2033] (the “Objection”) to the Receiver’s Motion to (1) Approve Proposed Plan of Distribution and (2) Authorize First Interim Distribution [ECF No. 2014] (the “Distribution Motion”).

**MEMORANDUM OF LAW**

Raymond W. Doreian, an investor in ABFP Income Fund 2, raises several objections to the Distribution Motion. Mr. Doreian recites a litany of securities law violations that Dean Vagnozzi committed in connection with the sale of this investment to him. The Receiver is sympathetic to these concerns. Some of these very same concerns are what compelled the Securities and Exchange Commission to file its enforcement actions against Mr. Vagnozzi, ABFP, and the other Defendants in this action.

As an investor who accepted the exchange offer from ABFP Income Fund 2, Mr. Doreian has been categorized as a Class 3 investor in the Receiver's Distribution Plan. His claim will be paid, on a pro rata basis, alongside the other investors in ABFP Income Fund 2. Between the cash on hand, the funds it will receive from CBSG, and the value of the Franklin Square stock the fund holds, ABFP Income Fund 2 is scheduled to return to its investors 60.8% of their net investment through the first interim distribution. (Distribution Motion at 69).

Although additional recoveries are not yet determined, the Receiver expects to recover additional funds and make a supplemental distribution to investors in ABFP Income Fund 2 (as well as the other agent funds). In his objection, Mr. Doreian seeks the return of 100% of his principal investment in ABFP Income Fund 2. Although it is unclear whether total distributions to investors in ABFP Income Fund 2 will reach 100% of those investors' net investment amount, the Receiver is nevertheless encouraged that the total distribution to these investors will be substantial.

Ultimately, Mr. Doreian is similarly situated to the many other investors in ABFP Income Fund 2 (and the other agent funds) who were victimized by Dean Vagnozzi's and the other Defendants' violations of the securities laws. While the Receiver would want nothing more than to return 100% of Mr. Doreian's principal to him, the Distribution Plan strives to treat all investors in a fair and equitable manner. *See SEC v. Wealth Mgmt. LLC*, 628 F.3d 323, 332 (7th Cir. 2010). Thus, a distribution plan that provided for the return of 100% of Mr. Doreian's principal, while other investors received only a pro rata percentage of their net investment, would be inconsistent with the guiding principle "that any distribution should be done equitably and fairly, with similarly situated investors or customers treated alike." *SEC. v. Homeland Commc'ns Corp.*, 2010 WL 2035326, at \*2 (S.D. Fla. May 24, 2010) (quoting *SEC v. Credit Bancorp. Ltd.*, 2000 WL 1752979,

at \*13 (S.D.N.Y. Nov. 29, 2000)). Accordingly, the Receiver respectfully submits that the Court should overrule Mr. Doreian's objections and approve the Receiver's proposed Distribution Plan.

**CONCLUSION**

For the reasons stated herein and in the Distribution Motion, the Court should overrule Mr. Doreian's objections and approve the Receiver's proposed Distribution Plan.

Dated: September 23, 2024

Respectfully Submitted,

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on September 23, 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