

**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.

_____ /

**ORDER GRANTING RECEIVER’S MOTION TO APPROVE
SETTLEMENT AGREEMENT WITH THE CHEHEBAR INVESTORS**

THIS CAUSE comes before the Court upon the Receiver’s Motion to Approve Settlement Agreement with the Chehebar Investors, filed on April 19, 2025 (“Motion”), [ECF No. 2135].¹ In the Motion, the Receiver requests the Court’s approval of a settlement agreement he has entered into with GEMJ Chehebar GRAT, LLC; Isaac Shehebar; Isaac Shehebar 2008 AIJJ Grantor Retained Annuity Trust; Albert Chehebar; Michael Chehebar; Ezra Chehebar; Ezra Shehebar LLC; Cherie Chehebar; Josef Chehebar; Steven Chehebar; and Joyce Chehebar, who are referred to as the “Chehebar Investors.” The Court having carefully reviewed the Motion and the record in this matter, it is hereby

ORDERED AND ADJUDGED that the Motion is **GRANTED** as follows:

The Amended Order Appointing Receiver authorizes, empowers, and directs the Receiver to pursue and defend all claims that may be brought by or asserted against the Receivership Estates

¹ The Court permitted interested parties to file responses to the Motion on or before April 28, 2025, noting that if no responses were filed by that time, the Court would consider granting the Motion as unopposed. See [ECF No. 2137]. No responses were filed within the time allowed.

and to compromise claims and actions involving Receivership Property. [ECF No. 141, ¶¶ 7(J), 37, 42]. Here, the Receiver was able to resolve pending claims and disputes with the Chehebar Investors—including claims and arguments the Receiver has asserted, or could potentially bring or assert, against the Chehebar Investors, and that the Chehebar Investors have asserted, or could potentially bring or assert, against the Receivership Entities and the Receivership Estate. Through the Motion, the Receiver seeks the Court’s approval of his settlement with the Chehebar Investors, a copy of which was attached to the Motion as Exhibit 1 (“Settlement Agreement”), [ECF No. 2135-1].

“A district court has broad powers and wide discretion to determine relief in an equity receivership.” *SEC v. Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992). In such an action, a district court has the power to approve a settlement that is fair, adequate, and reasonable, and is the product of good faith after an adequate investigation by the receiver. *See Sterling v. Steward*, 158 F.3d 1199 (11th Cir. 1998). “Determining the fairness of the settlement is left to the sound discretion of the trial court[.]” *Id.* at 1202 (quoting *Bennett v. Behring Corp.*, 737 F.2d 982, 986 (11th Cir. 1984)) (emphasis supplied).

To approve a settlement in an equity receivership, a district court must find the settlement is fair, adequate, and reasonable, and is not the product of collusion between the parties. *Id.* at 1203. To determine whether the settlement is fair, the court should examine the following factors: “(1) the likelihood of success; (2) the range of possible [recovery]; (3) the point on or below the range of [recovery] at which settlement is fair, adequate and reasonable; (4) the complexity, expense and duration of litigation; (5) the substance and amount of opposition to the settlement; and (6) the stage of proceedings at which the settlement was achieved.” *Id.* at 1203 n.6 (citing *Bennett*, 737 F.2d at 986).

Upon due consideration of these governing factors, the Court agrees that the Receiver's settlement with the Chehebar Investors should be approved. The Settlement Agreement will free up approximately \$68.25 million that will be available for distribution to Claimants with Allowed Claims in this receivership. In exchange, the Receiver agreed to pay a minimum distribution to the Chehebar Investors of approximately \$3.1 million, and further agreed that any further distribution payments to the Chehebar Investors would be subordinated to the claims of the Class 3(A) investors in the Receiver's Distribution Plan. This agreement also avoids the time, expense, and uncertainty of litigating with the Chehebar Investors over whether their purported priority liens are valid and enforceable, and whether the Chehebar Investors should be characterized as "Insiders," which would subordinate their claims to Class 8.

The Settlement Agreement provides a substantial benefit to the Receivership Entities and their investors. But for this settlement, these funds would likely be tied up for a substantial period of time and would potentially never become available for the Receiver to distribute to Class 3(A) Claimants. The Court thus finds that the Settlement Agreement is fair, adequate, and reasonable, and determines that approving the Settlement Agreement is advisable and will benefit the Receivership Estate. Accordingly, the Settlement Agreement is hereby **APPROVED**.

DONE AND ORDERED in Miami, Florida, this 29th day of April, 2025.

A handwritten signature in black ink, appearing to read 'Rodolfo A. Ruiz II', written over a horizontal line.

RODOLFO A. RUIZ II
UNITED STATES DISTRICT JUDGE

Copies to: Counsel of record