

**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 STIPULATION REGARDING REDUCTION TO
REMAINING ACCOUNT BALANCES FOR CERTAIN MERCHANTS**

THIS CAUSE comes before the Court upon the Receiver’s Motion to Approve Stipulation Regarding Reduction to Remaining Account Balances for Certain Merchants (“Motion”), [ECF No. 2206], filed on April 3, 2026. In the Motion, the Receiver requests the Court’s approval of a stipulation regarding reductions to be applied to the account balances for certain merchants and guarantors with pending merchant cash advance account balances with the Receivership Entities. The Court having carefully reviewed the Motion and the record in this matter, it is hereby

ORDERED AND ADJUDGED that the Motion, [ECF No. 2206], 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. *See* Amended Order Appointing Receiver, [ECF No. 141] at ¶ 7(J). Through this Motion, the Receiver seeks the Court’s approval of his stipulation with several merchants that obtained merchant cash advances (“MCAs”) from Complete Business Solutions Group, Inc. and the other

Receivership Entities, as well as the guarantors for these merchants, which filed lawsuits against the Receivership Entities, or otherwise filed claims in the claims process in this receivership (the “Merchant Parties”).¹ In the stipulation, the Receiver has agreed to apply certain reductions to the account balances (“Merchant Relief”) for merchants and guarantors with pending MCA account balances with Receivership Entities (“Merchant Relief Party”). In exchange, the Receiver was able to resolve certain pending litigation, potential objections or opt-outs from the settlement agreement with Eckert Seamans Cherin & Mellott, LLC (the “Eckert Settlement”), and an appeal of the order permitting the Receiver to distribute funds to Claimants in this receivership. A copy of the settlement agreement with the Merchant Parties, which contains the stipulation, is attached to the Motion as Exhibit 1, [ECF No. 2206-1].

“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. *Sterling v. Steward*, 158 F.3d 1199, 1203 (11th Cir. 1998). “Determining the fairness of the settlement is left to the sound discretion of the trial court and we will not overturn the court’s decision absent a clear showing of abuse of that discretion.” *Id.* at 1202 (quoting *Bennett v. Behring Corp.*, 737 F.2d 982, 986 (11th Cir. 1984)).

¹ The “Merchant Parties” are Radiant Images, Inc. and Gianna Wolfe, Tourmappers North America, LLC and Julie Katz, HMC Inc. and Kara DiPietro, Gex Management, Inc. and Carl Dorvil, Knava’s Bounce House Rentals, LLC and Joshua Speakman, Legend Adventures, LLC and Shaun Alldredge, MH Marketing Solutions Group, Inc. and Michael Heller, Sunrooms America, Inc. and Michael Foti, Petropangea, Inc. and JR Harrison, Sean Whalen and Yngris Iris Chen, Gelato on Hudson LLC d/b/a Haagen Dazs, RKDK Inc. d/b/a Haagen Dazs, Asia Star Broadcasting Inc., and Daniel Shah, Fleetwood Services LLC, Pamela Fleetwood, and Robert Fleetwood, and Perfect Impression Inc. and Susan Abrahams. Gelato on Hudson LLC d/b/a Haagen Dazs, RKDK Inc. d/b/a Haagen Dazs, Asia Star Broadcasting Inc., and Daniel Shah are referred to in this Order as the “Shah Parties,” and Perfect Impression Inc. and Susan Abrahams are referred to as the “Perfect Impression Parties.”

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. *Sterling*, 158 F.3d 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 Merchant Parties and the stipulation regarding the Merchant Relief to be provided to the Merchant Relief Parties should be approved. By entering into this settlement agreement with the Merchant Parties and agreeing to the Merchant Relief, the Receiver has avoided any potential delay or uncertainty regarding the approval of the Eckert Settlement. Now that the Eckert Settlement has been approved, the Receiver has recovered a net amount of more than \$31 million in additional funds, which will be available for distribution as part of the Receiver’s distribution process. Additionally, by avoiding an appeal from the Merchant Parties of the Order on Receiver’s Motion to Approve Proposed Distribution Plan and to Authorize First Interim Distribution (the “Distribution Order”), [ECF No. 2078], the Receiver has already been able to distribute more than \$110 million to Claimants with Allowed Claims. If the Merchant Parties had filed an appeal, it is possible that this distribution would have been delayed, and investors would still be waiting to receive their initial distribution payments.

In exchange, the Receiver agreed to the stipulation whereby certain Merchant Relief is being afforded to Merchant Relief Parties. The Merchant Relief only impacts the remaining

balances for Merchant Relief Parties above the “Cash Exposure Amount.” In other words, the Receiver will continue to pursue collection of the full amount of cash that the Receivership Entities advanced to the Merchant Relief Parties, plus an additional 10 percent (10%) for Merchant Relief Parties that submitted a claim through the claims administration process in this receivership, the Shah Parties, and the Perfect Impression Parties. And, with respect to Merchant Relief Parties that did not submit a claim through the Receivership Claims Administration Process, the Receiver will continue to pursue collection of an additional 25 percent (25%) beyond the cash the Receivership Entities advanced to those Merchant Relief Parties.

The MCA balances for these Merchant Relief Parties are based on amounts that the Receivership Entities advanced to these merchants nearly five years ago or earlier, and the repayment terms anticipated payment in most instances over a period of no longer than a few months. As the Receiver has explained in prior reports, many of the remaining MCA balances for merchants are not likely to be collected and, in fact, many balances have already been written off. As a result, based on the Receiver’s comprehensive review of the records of the Receivership Entities, including a merchant-by-merchant review of the account balances, the terms of this Merchant Class Relief are fair, adequate, and reasonable, in light of the anticipated additional collections he expects to achieve.

But for this settlement, the \$110 million already distributed to investors may have been tied up for a substantial period of time, and the more than \$31 million in net proceeds the Receiver has recovered through the Eckert Settlement may have potentially never become available for the Receiver to distribute to Claimants. The Receiver’s settlement with the Merchant Parties, including the stipulation regarding Merchant Relief to be provided to Merchant Relief Parties, therefore, provides a substantial benefit to the Receivership Entities and their investors.

Accordingly, the settlement with the Merchant Parties and the stipulation regarding the Merchant Relief is fair, adequate, and reasonable. The Amended Order Appointing Receiver authorizes, empowers, and directs the Receiver to compromise claims and actions involving Receivership Property. [ECF No. 141] ¶¶ 37, 42. The Court determines that approving the settlement with the Merchant Parties, including the stipulation regarding the Merchant Relief to be afforded to Merchant Relief Parties, is advisable and will benefit the Receivership Estate. Therefore, the Receiver's settlement with the Merchant Parties, including the stipulation regarding the Merchant Relief to be afforded to the Merchant Relief Parties, is hereby **APPROVED**.

DONE AND ORDERED in Miami, Florida, this 22nd of April, 2026.



RODOLFO A. RUIZ II
UNITED STATES DISTRICT JUDGE