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 CHEHEBARS AND MERCHANTS

THIS CAUSE comes before the Court upon the Receiver's Motion to Approve Settlement Agreement with the Chehebars and Merchants ("Motion"), [ECF No. 2207], filed on April 3, 2026. In the Motion, the Receiver requests the Court's approval of a settlement agreement entered into between and among Ryan K. Stumphauzer, Esq., Court-Appointed Receiver ("Receiver") of Complete Business Solutions Group, Inc. ("CBSG"), the Chehebars,[1] and the Merchant Parties.[2] The Court having carefully reviewed the Motion and the record in this matter, it is hereby

[1] "The Chehebars" are GEMJ Chehebar Grat, LLC, Josef Chehebar, and Isaac Shehebar.

[2] B&T Supplies, Inc., Tzvi Odzer, RKDK Inc., Gelato on Hudson LLC, Asia Star Broadcasting Inc., Daniel Shah, MH Marketing Solutions Group, Inc., Michael Heller, TourMappers North America, LLC, Julie Katz, Perfect Impression Inc., Susan Abrahams, Sean Whalen, Yingyin Iris Chen, Flexogenix Group, Inc. d/b/a Flexogenix North Carolina, PC d/b/a Flexogenix Georgia, PC d/b/a Flexogenix, Inc. d/b/a Flexogenix PC, HMC Incorporated, Kara DiPietro, Fleetwood Services, LLC, Robert L. Fleetwood, and Pamela A. Fleetwood are referred to as "The Merchants". The Merchants and Radiant Images, Inc. and Gianna Wolfe, Gex Management, Inc., Carl Dorvil, Knava's Bounce House Rentals, LLC, Joshua Speakman, Legend Adventures, LLC, Shaun Alldredge, Sunrooms America, Inc., Michael Foti, Petropangea, Inc., and JR Harrison, who are also merchants, entered into the settlement agreement. Collectively, The Merchants and these additional merchants are referred to as the "Merchant Parties."

ORDERED AND ADJUDGED that the Motion, [ECF No. 2207], is **GRANTED** as follows.

BACKGROUND

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 a Supplemental Merchant Settlement Agreement that the Receiver has entered into with the Chehebars and the Merchant Parties (the "Supplemental Agreement"). A copy of the Supplemental Agreement is attached to the Motion as Exhibit 3, [ECF No. 2207-3].

"The 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. Stewart*, 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)).

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 Supplemental Agreement should be approved. The Merchants' claims against the Chehebars directly implicate the Court's prior determination that the Receivership Entities' merchant cash advance ("MCA") agreements are enforceable and not usurious. Relitigating that issue before this Court and several other courts will require participation from the Receiver and further litigation before this Court.

The settlement will also prevent undue burden and cost on the receivership in litigating the appropriate scope of discovery, if any, and likely responding to broad discovery requests from both the Chehebars and the Merchants in connection with four separate class action lawsuits. But for this settlement, the Receiver will be forced to spend significant time and resources addressing the parties' discovery demands.

ANALYSIS

A. The Merchants' claims related to the legality of the MCA Agreements are subject to collateral estoppel.

1. The Claims Process

On December 23, 2022, the Court entered an Order approving the proof of claim form, establishing a claim bar date and notice procedures, and approving a procedure to administer and determine claims. *See* Claim Administration Order, [ECF No. 1471]. Relevant here, the Court ordered "[a]ll Claimants . . . asserting or who believe they are entitled to assert a Claim or assert a right to distribution from the Receivership Estate, regardless of whether the Claim is held with or through any individual or entity or based on a primary, secondary, direct, indirect, secured, unsecured, unliquidated or contingent liability ***MUST*** timely and properly submit a Proof of Claim." *Id.* at ¶ 4.

The Claim Administration Order instructed that capitalized terms shall have the meaning ascribed to them in the Receiver's Motion to Establish and Approve Claims Process. *Id*. at 1 n.1. "Claimants" was defined in the Receiver's Motion to Establish and Approve Claims Process as "all claimants holding a claim against any of the Receivership Entities arising out of the activities of the Receivership Entities." Receiver's Motion to Establish and Approve Claims Process, [ECF No. 1467] at 6. The Claims Administration Order determined that:

> Submission of a Proof of Claim in this case constituted consent to the jurisdiction of the Court for all purposes and constitutes agreement to be bound by its decisions, including, without limitation, a determination as to the extent, validity and amount of any Claim asserted against the Receivership Estate. The submission of a Proof of Claim also constituted consent to be bound by the decisions of the Court as to the treatment of the Claim in a Court-approved distribution plan.

Claim Administration Order, [ECF No. 1471] ¶ 18.

2. Merchant Participation in Claim Process and Resolution by This Court

On March 10, 2023, certain Merchants that had entered into MCA Agreements with CBSG or other related entities filed a motion seeking relief from the litigation stay that had previously been entered by the Court and for leave to participate in the claim process without prejudice to their rights to pursue claims and proceedings. *See* Merchant Expedited Motion, [ECF No. 1527].[3] These Merchants argued that they should be permitted to pursue civil RICO claims on behalf of themselves and others in the form of class actions, based upon the predatory, extortionate, and usurious lending practices of CBSG and its affiliates. *Id*. The Merchants sought leave to pursue claims against CBSG, other receivership entities, and investors in CBSG. *Id*. Specifically, these Merchants identified 11 cases that had already been filed, which they sought to pursue outside of the claims administration process. Three (3) of those cases were:

[3] Radiant Images, Inc., Giane Wolfe, Tourmappers North America, LLC, Julie Paula Katz, Fleetwood Services, LLC, Robert Fleetwood, Pamela Fleetwood, Gex Management, Inc., Carl Dorvil, Kara DiPietro, MH Marketing Solutions Group, Inc., Michael Heller, Sunrooms America, Inc., Michael Foti, Petropangea, Inc., Johnny Harrison, Sean Whalen and Yngyin Iris Chen.

- *Fleetwood Services, LLC, Robert Fleetwood and Pamela Fleetwood Complete Business Solutions Group, Inc., d/b/a Par Funding; Prime Time Funding LLC and John and Jane Doe Investors,* United States District Court for the Eastern District of Pennsylvania, Case No. 18-cv-00268 (JS).

- *HMC Incorporated and Kara DiPietro v. Complete Business Group, Inc. d/b/a Par Funding and Fast Advance Funding, Inc.,* United States District Court, Eastern District of Pennsylvania, Case No. 19-cv-3285.

- *Complete Business Solutions Group, Inc. v. Sean Whalen and Yingyin Iris Chen,* United States District Court, Eastern District of Pennsylvania, Case No. 19-cv-06181.

Id. at 22.[4]

The Receiver opposed the Merchant Expedited Motion and argued that the MCA Agreements are governed by Pennsylvania choice of law provisions and the assertion that the MCA Agreements are usurious was meritless. *See* [ECF No. 1529] at 15–16. On March 16, 2023, the Court denied the Merchant Expedited Motion and directed that the Merchants submit claims in accordance with the Claims Administration Order. *See* [ECF No. 1530].

The Receiver received, reviewed, and recommended rejection of claims from the following merchants and individuals, who had filed pre-receivership litigation: Radiant Images, Inc., Gianna Wolfe, Tourmappers North America, LLC, Julie Paula Katz, Fleetwood Services, LLC, Gex Management, Inc., Carl Dorvil, Kara DiPietro, MH Marketing Solutions Group, Inc., Sunrooms America, Inc., Michael Foti, Petropangea, Inc., Sean Whalen and Yngyin Iris Chen. *See* [ECF Nos. 1843, 1843-5]. In doing so, the Receiver explained that he disputed that the MCA agreements constituted usurious loans. [ECF No. 1843] at 39 ("These merchants argued that the merchant cash advances were usurious loans and that CBSG operated as a RICO enterprise in the business of collecting upon unlawful debts. The Receiver denied these claims, noting that the Receiver disputes the basis for the claim, and has determined no money is owed to these merchants per the

[4] *Fleetwood*, *HMC*, *B&T*, and *Whalen* have all been transferred to this Court and have been consolidated by this Court under Southern District of Florida Case No. 24-81424.

books and records for the Receivership Entities."). Because the Receiver was engaged in ongoing settlement discussions with these Merchants, he requested the Court defer ruling on his recommended treatment of the Merchants' claims. *Id*. at 39.

On April 23, 2024, the Court set a briefing schedule for objections to the Receiver's proposed claim treatment. *See* [ECF No. 1845]. On May 7, 2025, Radiant Images, Inc., Gianna Wolfe, Tourmappers North America, LLC, Julie Paula Katz, Kara DiPietro, HMC Inc., Fleetwood Services, LLC, Robert Fleetwood, Pamela Fleetwood, Gex Management, Inc., Carl Dorvil, MH Marketing Solutions Group, Inc., Michael Heller, Sunrooms Group, Inc., Michael Foti, Petropangea, Inc., Johnny Harrison, Volunteer Pharmacy, LLC, Chad Frost, Sean Whalen and Yngyin Iris Chen, filed a memorandum of law in opposition to the Receiver's recommended claim determination. *See* Merchant Opposition, [ECF No. 1887].

The Merchant Opposition asserted that CBSG's practices "gave rise to a variety of claims [by merchants] for breach of contract, fraud, usury and civil RICO stemming from wire fraud, mail fraud and collection of an unlawful debt and extortion, and that the claims were legitimate and should be allowed." *See, e.g.*, [ECF No. 1887] at 10. The Merchants argued extensively why they believed the MCA Agreements were usurious and unlawful. *Id.* at 11–14. The Merchants also challenged this Court's jurisdiction to adjudicate their claims. *Id*. at 14–17.

The Receiver filed his response on May 21, 2024, and argued that the Merchants' position was meritless. *See* [ECF No. 1929]. First, the Receiver argued that the MCA Agreements were not loans, but instead were bona fide sales of accounts receivable. Second, the Receiver argued that even if they were loans, the MCA Agreements were governed by a Pennsylvania choice of law provision, and therefore the Merchants "still cannot satisfy the elements for usury or RICO under controlling Pennsylvania law" because "Pennsylvania statutorily exempts 'business loans of any principal amount' from maximum interest rate requirements." *Id*. at 3–6. Finally, the Receiver

argued that this Court, "rather than multiple federal, state, or arbitration tribunals—is the proper body to adjudicate Merchants' claims" and that they have been provided with adequate and appropriate due process in having their claims litigated before this Court. *Id*. at 8–12.

On June 26, 2024, this Court entered its Order Granting the Receiver's Proposed Treatment of Claims. *See* Claims Order, [ECF No. 1976]. The Court noted that in its Claims Motion, the Receiver recommended the Court defer ruling upon its recommendations, but that the Merchants "filed a twenty-page response to the Claims Motion, arguing why their claims have merit and that they should be permitted to pursue their claims in other jurisdictions, outside of the instant claims process." *Id*. at 37. The Court noted the Receiver's response to the merchant response and explained that "[b]ecause these merchants urge the Court to rule on their objections to the Receiver's Claims Motion, and the Receiver and merchants have adequately presented facts and evidence in support of their respective positions, the Court will accept the merchants' invitation and rule on these claims and objections." *Id*. at 37. The Court's ruling was as follows:

> The Court has carefully reviewed the Receiver's proposed claim determinations for these merchants, the arguments and factual information contained within the merchants' Responses to the Claims Motion, and the detailed claims files, notices of determination, and objections to the Receiver's determinations for those disputed claims that are the subject of the merchants' Responses. Based on this review, the Court determines that the merchants' objections to the Claims Motion are **OVERRULED**. Additionally, the Court finds that the Receiver's claims determinations for these merchants are well supported and reasonable. Accordingly, the Court finds by a preponderance of the evidence, based on a careful review of the record, that the Receiver's ultimate rejection of the merchants' claims is reasonable. Therefore, the Receiver's claims determinations as to the merchants' claims are **APPROVED**.

Id. at 37.[5]

[5] Consistent with the Court's findings in the Claims Order, since the appointment of the Receiver in this matter, this Court has granted thirty-five Receiver motions to lift litigation injunctions to permit the Receiver to pursue collection efforts and to enforce MCA Agreements. *See, e.g.*, [ECF No. 2165].

On July 19, 2024, the Merchants appealed this Court's Claims Order.[6] *See* [ECF No. 1996]. The Eleventh Circuit Court of Appeals issued two jurisdictional questions. First, the Eleventh Circuit inquired whether the Claims Order was a final appealable Order. Second, the Eleventh Circuit inquired whether the Merchants had standing to appeal. Regarding standing, the Merchants responded that "it cannot be disputed that Appellants participated in the district court action. For instance, on May 3, 2024, Appellants filed a motion for leave to file excess pages for their brief in opposition to the Receiver's motion that lead to the [Claims] Order . . . ." *See* Merchant Response to Jurisdictional Question, Doc. 17 at 2, *Radiant Images, Inc., et al. v. Ryan K. Stumphauzer*, No. 24-12350 (11th Cir. Aug. 23, 2024). The Eleventh Circuit dismissed the appeal because the Claims Order was a non-appealable interlocutory order. *Sec. & Exch. Comm'n v. Complete Bus. Sols. Group, Inc.*, No. 24-12350, 2024 WL 4785772 (11th Cir. Nov. 14, 2024).

3. The Pending Merchant Lawsuits Against the Chehebars

The Merchants presently have four lawsuits pending against the Chehebars:

1. *Fleetwood Services LLC v. Complete Bus. Sols. Grp., Inc.*, Case No. 24-cv-80716-RAR ("*Fleetwood*");
2. *HMC Inc., et al. v. Complete Bus. Sols. Grp., Inc.*, Case No. 24-cv-81424-RAR ("*HMC*");
3. *B & T Supplies, Inc., et al. v. GemJ Chehebar Grat, LLC*, Case No. 25-cv-23855-RAR ("*B&T*"); and
4. *Complete Bus. Sols. Grp., LLC v. Whalen*, Case No. 25-cv-23851-RAR ("*Whalen*").

Fleetwood, *HMC*, *B&T*, and *Whalen* (collectively the "Merchant Class Actions") were consolidated by this Court, and the parties in those proceedings were instructed to file all future

[6] The appeal was taken by Radiant Images, Inc., Giane Wolfe, Tourmappers North America, LLC, Julie Paula Katz, Kara DiPietro, HMC Inc., Fleetwood Services, LLC, Robert Fleetwood, Pamela Fleetwood, Gex Management, Inc., Carl Dorvil, MH Marketing Solutions Group, Inc., Michael Heller, Sunrooms Group, Inc., Michael Foti, Petropangea, Inc., Johnny Harrison, Volunteer Pharmacy, LLC, Chad Frost, Sean Whalen and Yngyin Iris Chen. [ECF No. 1996].

pleadings under the *HMC* case.[7] *HMC*, ECF No. 129. In each of the Merchant Class Actions, the Merchants bring a civil RICO claim for damages arising from their purportedly usurious MCA agreements with CBSG. The Chehebars are alleged to be liable based on their investment in CBSG and corresponding role in funding MCA agreements. The Chehebars contest liability in each case.

Absent resolution, extensive discovery will be conducted in the Merchant Class Actions. The Receiver has been operating CBSG for over five years and is in possession of CBSG's corporate records dating back to 2012. Given the Merchants' allegations concerning CBSG and the MCA Agreements, much of the anticipated discovery will be directed towards the receivership.

A dispute exists between the parties to the Merchant Class Actions and the Receiver as to the scope of the discovery that will be taken from the Receiver and the viability of the claims that have been pled in those matters. The Receiver's position is that no discovery should be taken because the Court has previously determined that the MCA Agreements are bona fide purchases of receivables and otherwise legal. The Receiver is likely to incur significant legal expenses litigating these issues and responding to any discovery that is required after motion practice before this Court.

4. Application of Collateral Estoppel to The Merchants' Claims

In this Circuit, "collateral estoppel applies if (1) an identical issue, (2) has been fully litigated, (3) by the same parties or their privies, and (4) a final decision has been rendered by a court of competent jurisdiction." *Winn-Dixie Stores, Inc. v. Dolgencorp, LLC*, 746 F.3d 1008, 1036 (11th Cir. 2014) (citing *Quinn v. Monroe Cnty.*, 330 F.3d 1320, 1329 (11th Cir. 2003)). As explained above, the court finds that (1) it has already adjudicated the legality of the MCA agreements, (2) the issue was fully and actually litigated before this Court, (3) the issue of the legality of the MCA agreements was a critical and necessary part of the Court's determination that

[7] These cases will be referred to collectively as the "Merchant Class Actions" or "*HMC*."

the Merchants' claims were invalid, and (4) the issue adjudicated in this case is identical to the claim by the Merchants that the MCA agreements were usurious and illegal, as alleged in the Merchant Class Actions.

More specifically, the Court finds that the Merchants had a full and fair opportunity to litigate the legality of the MCA agreements in this action. The Merchants in the Merchant Class Actions actually litigated the issue before this Court, or, as putative class members, any absent merchants were in privity with the parties that litigated the issue in this case because their interests were aligned and the Merchants who litigated the issue of the legality of the MCA agreements in this case adequately represented any absent merchant's interests concerning this issue. Accordingly, the claims by the Merchants in the four actions are subject to collateral estoppel as a result of this Court's prior ruling that the MCA agreements are not illegal or usurious. *See In re Bilzerian*, 100 F.3d 886, 892 (11th Cir. 1996) (finding that collateral estoppel prevented re-litigation of fraud-related issues that were fully and adequately litigated in prior proceeding).

B. This Order is Considered a Final Judgment Pursuant to Rule 54(b)

Rule 54(b) provides that a district court may enter final judgment on a single claim in an action with multiple claims "if the court expressly determines that there is no just reason for delay." FED. R. CIV. P. 54(b). The Eleventh Circuit's two-part test for certification under Rule 54(b) is set forth in *Lloyd Noland Foundation, Inc. v. Tenet Health Care Corp.*, 483 F.3d 773 (11th Cir. 2007). First, the Court must determine that its decision is both final and a judgment, such that it disposes of a separable claim or dismisses a party in its entirety. *Id.* at 778–79. Second, the Court must determine "there is no just reason for delay" in certifying its decision as final. *Id*. at 778.

Here, the settlement agreement satisfies the two-part test set forth in *Lloyd Noland* because it is a partial judgment within the meaning of Rule 54(b). Approval of the settlement agreement by this Court constitutes "a 'judgment' in the sense that it is a decision upon a cognizable claim

for relief," and it is "'final' in the sense that it is 'an ultimate disposition of an individual claim entered in the course of a multiple claims action.'" *Curtiss–Wright Corp. v. Gen. Elec. Co.*, 446 U.S. 1, 7 (1980) (citation omitted).

First, this is a "decision upon a cognizable claim for relief." *Id*. "Claim" in this context does not necessarily mean a "cause of action." *See SEC v. Cap. Consultants, LLC*, 453 F.3d 1166, 1174 (9th Cir. 2006) (explaining that orders governing distribution plans in receivership might have been appealable upon district court's Rule 54(b) certification if the parties had followed the required procedure and "ask[ed] the district court expressly to determine that no just reason for delay exists and to order the entry of judgment"); *Liberte Cap. Grp., LLC v. Capwill*, 148 F. App'x 426, 432 (6th Cir. 2005) (noting Rule 54(b) certification proper for order in receivership providing for manner of distribution of receivership assets). It is enough that this Court's order approving the settlement agreement fully and finally resolves the Merchants' claims that the MCA agreements were illegal and usurious, as well as their request for additional relief beyond what has already been determined in this action. *See* Order Approving Settlement, ECF No. 554, *SEC v. Quiros*, Case No. 16-cv-21301 (S.D. Fla. Apr. 4, 2019); *Sec. & Exch. Comm'n v. DeYoung*, 850 F.3d 1172 (10th Cir. 2017).

Second, this judgment is "'final' in the sense that it is 'an ultimate disposition of an individual claim entered in the course of a multiple claims action.'" *See Curtiss–Wright*, 446 U.S. at 7 (citation omitted). The Merchants' claims, which have previously been adjudicated in this matter and resolved through a non-final order, are now being fully resolved. In addition, this Order effectively resolves future litigation involving the receivership between Merchants and the Chehebars that rests upon the claim that the MCA agreements were illegal and usurious.

Third, this approval of the settlement agreement is entirely separable from the other claims and aspects of the Receivership that will remain pending.

Approval of the settlement agreement satisfies the second part of the two-part test set forth in *Lloyd Noland* because there is no just reason for delay in entering this judgment as a final judgment. District courts have previously found equity was furthered by preventing delay in similar circumstances. *See S.E.C. v. American Pension Serv., Inc.*, No. 2:14-CV-00309-RJS-DBP, 2015 WL 12860498, *13 (D. Utah, Dec. 23, 2015) (making Rule 54(b) certification and finding "not only is there no just reason for delay, but the expediency and efficiency of the administration of this Receivership Estate will be furthered" by certification under Rule 54(b)); *S.E.C. v. Alleca*, No. 1:12-cv-3261-WSD, 2016 WL 2858847, *2 (N.D. Ga. May 16, 2016) (certifying approval of settlement under Rule 54(b) to prevent delays in a receiver collecting and distributing settlement proceeds); Order Approving Settlement, ECF No. 554, *SEC v. Quiros*, Case No. 16-cv-21301 (S.D. Fla. Apr. 4, 2019).

Without Rule 54(b) findings that will allow the settlement agreement to become "final," the settlement agreement will not take effect, if at all, until some unknown future date, and litigation surrounding discovery sought in the Merchant Class Actions will be inevitable—at great cost to the Receivership Estate. Thus, a lack of Rule 54(b) findings will delay and diminish further distributions in this action beyond only the sums and considerations at issue in the settlement agreement. That fact counsels strongly in favor of certifying this Order as a partial final judgment under Rule 54(b).

The Amended Order Appointing Receiver authorizes, empowers, and directs the Receiver to compromise claims and actions involving Receivership Property. *See* [ECF No. 141] ¶¶ 37, 42. Accordingly, the Court determines that approving the settlement agreement—which will resolve the last significant litigation related to the Receivership Estate that currently remains pending—is advisable and will benefit the Receivership Estate. Therefore, the Receiver's Settlement

Agreement with the Chehebars and the Merchant Parties, [ECF No. 2207-3], is hereby **APPROVED**.

It is further **ORDERED AND ADJUDGED** that this Order is considered a Final Judgment pursuant to Federal Rule of Civil Procedure 54(b).

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

RODOLFO A. RUIZ II
UNITED STATES DISTRICT JUDGE