

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO.: 9:20-cv-81205-RAR

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

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

Defendants

EXPEDITED TREATMENT REQUESTED

**DEFENDANT DEAN VAGNOZZI'S
EXPEDITED MOTION TO APPROVE PAYMENT OF INSURANCE PREMIUMS**

(PAYMENT DEADLINES BEGINNING SEPTEMBER 2, 2020)

Defendant DEAN VAGNOZZI (hereinafter "Defendant" or "Vagnozzi"), by and through his undersigned counsel, hereby moves the Court for entry of an order approving payment of life insurance premiums by non-Receivership entities that are legally managed by Receivership entity ABFP Management Co. LLP ("ABFP Management"), and respectfully states in support as follows:

1. As Vagnozzi has previously advised the Court, certain non-Receivership entities ultimately managed by him own life insurance policies as to which premiums must be paid or else the policies may lapse and cause losses to the beneficial owners of those policies. Vagnozzi alerted the Receiver and his counsel to these issues at the outset of the case, and has engaged in multiple conversations with the Receiver regarding this issue.

2. These life insurance policies are owned by entities named Pillar Life Settlement Fund I LP, Pillar II Life Settlement Fund LP, Pillar 3 Life Settlement Fund LP, Pillar 4 Life

Settlement Fund LP, Pillar 5 Life Settlement Fund LP, Pillar 6 Life Settlement Fund LP, Pillar 7 Life Settlement Fund LP, and Pillar 8 Life Settlement Fund LP (collectively, the "Pillar Entities"), and ABFP Multi-Strategy Investment Fund LP and ABFP Multi-Strategy Investment Fund 2 LP (the "Multi-Strategy Entities"). All of this is explained in the accompanying sworn Declaration of Dean Vagnozzi attached as Exhibit A ("Vagnozzi Declaration"), ¶ 3.

3. The general partner of each of the Pillar and Multi-Strategy Entities is ABFP Management. Vagnozzi is the sole member of ABFP Management. Vagnozzi Decl. ¶¶ 2-3.

4. Prior to this Court's Receivership orders, Vagnozzi managed the Pillar and Multi-Strategy Entities in that capacity.

5. However, as a result of this Court's various Receivership orders, ABFP Management is currently a Receivership entity under the control of the Receiver, Ryan Stumphauzer. [Dkt. No. 141]

6. The Pillar and Multi-Strategy Entities own life insurance policies, either through fractional or whole ownership. In either case, the life insurance policies require that premiums be paid in order to keep the life insurance in force. If the life insurance policies lapse, the owner of the policy would not be paid the death benefit when the named insured eventually passes away. Therefore, it is critical that the premiums be timely paid in order to keep the policies in force. If the policies lapse, then the Pillar and Multi-Strategy Entities could suffer catastrophic (and unnecessary) losses. Vagnozzi Decl. ¶ 4.

7. As the Vagnozzi Declaration also explains, there are currently due life insurance premiums on some of these policies. The first firm upcoming deadline is September 2, 2020, with respect to some of the policies at issue. All of these premiums are due to unaffiliated life insurance companies who issued the policies in question. These life insurance companies are not owned by

or affiliated with Vagnozzi, PAR Funding, or any of the other Defendants in this case. Vagnozzi Decl. ¶ 5.

8. Each of the Pillar and Multi-Strategy Entities have sufficient funds in their bank accounts at this time, held at Citizens Bank, to pay the premiums. Vagnozzi Decl. ¶ 6. Those accounts belong to non-Receivership entities, and are not frozen. Each of these entities has a separate bank account with segregated funds, and their funds have not been commingled with any other ABFP entity or any PAR Funding related entity. Vagnozzi Decl. ¶ 6.

9. The Pillar Entities have never invested in PAR Funding promissory notes that are at issue in this lawsuit, and own no PAR assets. Vagnozzi Decl. ¶ 7. As such, there is nothing remotely controversial about paying the life insurance premiums on policies owned by the Pillar Entities.

10. The Multi-Strategy Entities fall into a slightly different category. They primarily own life insurance policies, but they also invested in PAR promissory notes, and as such are creditors of PAR Funding. Vagnozzi Decl. ¶ 8. Notwithstanding this fact, there is no question that if the Multi-Strategy Entities do not pay the insurance premiums due, then those entities would suffer unnecessary and catastrophic losses, which would only serve to cause further losses to investors. As such, Vagnozzi believes that it is in best interests of the limited partners in the Multi-Strategy Entities that the life insurance premiums be paid. This is necessary to preserve assets that can provide a source of recovery for these limited partners.

11. At this time, Vagnozzi is only proposing that the Court authorize payment of the minimum amount of life insurance premiums due to the life insurance companies in order to keep the policies owned by the Pillar and Multi-Strategy Entities in force. No other payments or transfers of monies, including but not limited to, payments to Vagnozzi or any his affiliates, would

be made from these accounts absent further approval by the Receiver and/or this Court as appropriate.

12. On a related note, both the Pillar and the Multi-Strategy Entities also are in receipt of, and will continue to receive, payments on life insurance policies owned. These payments need to be deposited into the corresponding bank account for the Pillar and Multi-Strategy Entities, and Vagnozzi requests the Court's approval to do so. Vagnozzi Decl. ¶ 9. Normally, Vagnozzi might made distributions to the limited partners in the Pillar and Multi-Strategy Entities to reflect these earnings, but he does not propose to do so at this time.

13. Finally, Vagnozzi undertakes to keep the Receiver informed of all payments and deposits effectuated pursuant to the Court's order on this Motion, within three business days after such transaction.

WHEREFORE, Vagnozzi respectfully requests that this Court enter an order authorizing: (1) the payment of life insurance premiums due on policies owned by the Pillar and Multi-Strategy Entities from each such entity's respective bank account at Citizens Bank; and (2) the deposit of checks and other payments to the Pillar and Multi-Strategy Entities into each such entity's respective bank account at Citizens Bank.

REQUEST FOR EXPEDITED RULING

Pursuant to Local Rule 7.1(d)(2), Defendant seeks an expedited ruling by 5:00 p.m August 31, 2020, given the impending due dates for certain life insurance premiums.

Local Rule 7.1 Statement

Pursuant to Southern District of Florida Local Rule 7.1, undersigned counsel has conferred with counsel for the Receiver in a good-faith effort to resolve the issues raised in this motion, and the Receiver has no objection to the relief sought.

Dated: August 27, 2020

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Attorneys for Dean Vagnozzi

CERTIFICATE OF SERVICE

I hereby certify that on the 27th day of August, 2020, a true and correct copy of the foregoing brief was served via the Court's CM/ECF System upon all counsel of record.

/s/ Alejandro J. Paz

Alejandro J. Paz, Esq.

EXHIBIT A

**UNITED STATES DISTRICT COURT
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**DECLARATION OF DEAN VAGNOZZI IN SUPPORT OF
EXPEDITED MOTION TO APPROVE PAYMENT OF INSURANCE PREMIUMS**

DEAN VAGNOZZI, hereby submit the following Declaration, and do hereby declare under the penalty of perjury as follows:

1. I am over the age of 18 and am competent to testify. I have personal knowledge of the facts and circumstances set forth in herein.
2. I am the sole member of ABFP Management Company LLC ("ABFP Management").
3. ABFP Management is the General Partner of Pillar Life Settlement Fund I LP, Pillar II Life Settlement Fund LP, Pillar 3 Life Settlement Fund LP, Pillar 4 Life Settlement Fund LP, Pillar 5 Life Settlement Fund LP, Pillar 6 Life Settlement Fund LP, Pillar 7 Life Settlement Fund LP, and Pillar 8 Life Settlement Fund LP (collectively, the "Pillar Entities"), and ABFP Multi-Strategy Investment Fund LP and ABFP Multi-Strategy Investment Fund 2 LP (the "Multi-Strategy Entities").
4. The Pillar and Multi-Strategy Entities own life insurance policies, either through fractional or whole ownership. In either case, the life insurance policies require that premiums be

paid in order to keep the life insurance in force. If the life insurance policies lapse, the owner of the policy would not be paid the death benefit when the named insured eventually passes away. Therefore, it is critical that the premiums be timely paid in order to keep the policies in force. If the policies lapse, then the Pillar and Multi-Strategy Entities could suffer catastrophic (and unnecessary) losses.

5. There are currently due life insurance premiums on some of these policies. The first firm upcoming deadline is September 2, 2020, with respect to some of the policies at issue. All of these premiums are due to unaffiliated life insurance companies who issued the policies in question. These life insurance companies are not owned by or affiliated with me, PAR Funding, or any of the other Defendants in this case.

6. Each of the Pillar and Multi-Strategy Entities have sufficient funds in their bank accounts at this time, held at Citizens Bank, to pay the premiums. Each of these entities has a separate bank account with segregated funds, and their funds have not been commingled with any other ABFP entity or any PAR Funding related entity.

7. The Pillar Entities have never invested in PAR Funding promissory notes that are at issue in this lawsuit, and own no PAR assets.

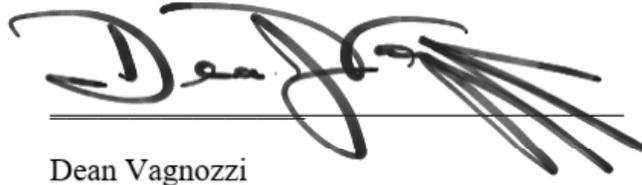
8. The Multi-Strategy Entities fall into a slightly different category. They primarily own life insurance policies, but they also invested in PAR promissory notes, and as such are creditors of PAR Funding. There is no question that if the Multi-Strategy Entities do not pay the insurance premiums due, then those entities would suffer unnecessary and catastrophic losses.

9. On a related note, both the Pillar and the Multi-Strategy Entities also are in receipt of, and will continue to receive, payments on life insurance policies owned. These payments need to be deposited into the corresponding bank account for the Pillar and Multi-Strategy Entities.

10. Finally, I undertake to keep the Receiver informed of all payments and deposits effectuated pursuant to the Court's order on the Motion to which this Declaration relates, within three business days after such transaction.

I declare under penalty of perjury pursuant to 28 USC 1746 that the foregoing is true and correct.

Executed on this 27th day of August 2020.



Dean Vagnozzi