

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF NEW YORK

CONSUMER FINANCIAL PROTECTION BUREAU,
et al.,

Plaintiffs,

v.

Case No. 24-cv-00040-EAW-MJR

STRATFS, LLC (f/k/a STRATEGIC FINANCIAL
SOLUTIONS, LLC), et al.,

Defendants,

and

DANIEL BLUMKIN, et al.,

Relief Defendants.

**ORDER AUTHORIZING THE RECEIVER TO
PAY PRE-RECEIVERSHIP PAYROLL EXPENSES**

WHEREAS, this Court granted an *Ex Parte* Temporary Restraining Order with an Asset Freeze, Appointment of a Receiver, and Other Equitable Relief in the above captioned action on January 11, 2024 (the “Receivership Order”);

WHEREAS, pursuant to the Receivership Order, Thomas W. McNamara, Esq. (“Receiver”), was appointed as Receiver for the business activities of the Receivership Defendants (as defined in the Receivership Order);

WHEREAS, pursuant to the terms of the Receivership Order, the Receiver, with the assistance of his counsel, took custody and control of the two locations that the Receivership Defendants operated their debt relief businesses upon;

WHEREAS, the employees of the Receivership Defendants, have not been paid for certain pre- Receivership wages for the period from January 9 through January 12, 2024 (the “Unpaid Period”);

WHEREAS, the Receiver has no obligation to fund any payroll for the Interested Law Firms as that term is defined in the Third Party Law Firms’ Motion to Intervene dated January 16, 2024 [Dkt. No. 34];

WHEREAS, the Receiver and his staff used their best efforts, utilizing the ADP employment records of the Receivership Defendants, to obtain accurate payroll information for the employees for the Unpaid Period;

WHEREAS, the Receivership Order requires that the Receiver apply to the Court for prior approval of any payment of any Debt (as defined in the Receivership Order) or obligation incurred by the Receivership Defendants prior to the entry of the Receivership Order (January 11, 2024);

WHEREAS, the Temporary Restraining Order that was granted in the Receivership Order was set to expire as of January 24, 2024 at 3:00 p.m.;

WHEREAS, the Plaintiff’s filed a motion to extent the TRO to February 8, 2024 [Dkt. No. 57] (the “Motion to Extend”). The Motion to Extend was granted by Text Order dated January 25, 2024 [Dkt. No.80].

NOW, THEREFORE, upon the Emergency Motion of the Receiver, it is hereby

ORDERED, that the Receiver be, and hereby is, authorized, but not directed, to pay, utilizing the services of ADP, the Receivership Defendants’ pre- Receivership payroll processor, pre- Receivership base wages for the period of January 9 through January 12, 2024 (to the extent paid in the ordinary course by the applicable Receivership Defendant prior to the Receivership)

to the employees of each Receivership Defendant to the extent that the Receiver has or does receive sufficient funds from any of the Receivership Defendants to cover the expenses authorized to be paid in this paragraph for such Receivership Defendants' respective employees; and it is further

ORDERED, that the Receiver and his staff, having used their best efforts to compile accurate payroll information, and having had to rely upon information provided to them by employees of the Receivership Defendants, shall not be held liable for any inaccuracies in the payroll reporting to ADP for the Unpaid Period.

IT IS SO ORDERED, this 26th day of January 2024

/s/ Michael J. Roemer
MICHAEL J. ROEMER
UNITED STATES MAGISTRATE JUDGE