

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

**EMPIRE HOLDINGS GROUP LLC d/b/a
ECOMMERCE EMPIRE BUILDERS d/b/a
STOREFUNNELS.NET and PETER
PRUSINOWSKI,**

Defendants.

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: **Civil Action**
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: **No. 2:24-cv-04949-WB**
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**RECEIVER, KEVIN DOOLEY KENT'S MOTION FOR APPROVAL OF STIPULATED
ORDER REGARDING THE RECEIVER'S SALE OF REAL PROPERTY**

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Attorneys for Receiver, Kevin Dooley Kent

Dated: July 25, 2025

I. BACKGROUND

On March 13, 2024, Peter Prusinowski (together with his wife) transferred ownership of 6 Constitution Avenue, Doylestown, PA 18901 (the “Constitution Ave Property”) to Empire Realty Holdings LLC (“Empire Realty”). Pursuant to Empire Realty’s Operating Agreement, Atlas Fund Limited Partnership (“Atlas Fund”) was Empire Realty’s sole member, with Peter Prusinowski serving as Atlas Fund’s General Partner.

On September 20, 2024, this Court entered a Temporary Restraining Order with Asset Freeze, Appointment of a Temporary Receiver, and Other Equitable Relief (ECF No. 19) (the “TRO Order”), and appointed Kevin Dooley Kent as Receiver over Empire Holdings Group LLC d/b/a Ecommerce Empire Builders d/b/a Storefunnels.net (“EEB”) (the “Receiver”). Pursuant to his authority under the TRO Order, the Receiver identified Atlas Fund as a Receivership Entity on October 14, 2024. Thus, while the Receiver did not directly control Empire Realty as a Receivership Entity at that time, he did control its sole member, Atlas Fund.

Following the Court’s November 8, 2024 entry of a Stipulated Preliminary Injunction (ECF No. 49) and pursuant to a settlement reached between Plaintiff Federal Trade Commission (the “FTC”) and Defendants Empire Holdings Group LLC d/b/a Ecommerce Empire Builders and Storefunnels.net and Peter Prusinowski a/k/a Peter Pru (collectively, “Defendants”), on May 8, 2025, the Court entered a Stipulated Order for Permanent Injunction, Monetary Judgment, and Other Relief (ECF No. 78) (the “Permanent Injunction”). The Permanent Injunction specifically identifies Empire Realty as a Receivership Entity. *See* Permanent Injunction, Definitions ¶ J.

The Permanent Injunction directs Peter Prusinowski to turn over his interest in the Constitution Ave Property to the Receiver. *See id.* § IV ¶ C. The Permanent Injunction further directs the Receiver to, *inter alia*, “[s]ell the nonliquidated assets of the Receivership Estate using commercially reasonable procedure without further order of the Court” and “[m]ake payments and

disbursements from the Receivership Estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, [the Permanent Injunction].” *Id.* § VII ¶¶ F, H.

The Constitution Ave Property is a 3 bedroom, 2.5 bath townhouse in Doylestown, Pennsylvania that has been used as a rental property for the last few years. The most recent tenant moved out in or around March 2025. The Receiver had the locks changed and has taken possession of the keys for the Constitution Ave Property, is paying bills for the Property (including the monthly mortgage, HOA dues, and water and sewer bills), and has arranged for landscaping services to maintain the Property. The Receiver has also obtained a new insurance policy for the Property. The Receiver, through his agents, has inspected the Constitution Ave Property and anticipates that the expenditure of some limited funds may be warranted and necessary to get the Property in listing condition, subject to his real estate agent’s recommendations.

The Receiver plans to engage Julie Short of Berkshire Hathaway HomeServices Fox & Roach¹ as his Agent (hereinafter “Ms. Short” or the “Seller’s Agent”) to list and sell the Constitution Ave Property for private sale via the Multiple Listing Service (“MLS”). Ms. Short is a full-service real estate agent who obtained her real estate license in 2008. She was born and raised in Bucks County, Pennsylvania and is intimately familiar with the Bucks County real estate market. She is a top producing agent in her agency and well respected within the region.

While it is no longer required that a seller offer to pay the buyer agent’s commission due to a settlement reached in a class action lawsuit relating to broker commission fees,² Ms. Short has advised that doing so remains the norm in the Bucks County area and is what her brokerage

¹ See <https://julieshortrealtor.com/>.

² See <https://www.realestatecommissionlitigation.com/?NAR24>.

recommends. Offering the buyer's agent a commission significantly expands the pool of potential home buyers, because many buyers do not have the financial capacity to cover their agents' commission in addition to the down payments and other closing costs necessary to purchase a home. Additionally, it helps to attract more serious and motivated buyers who are represented by agents, leading to a smoother negotiation and sale process. Overall, a listing offering the buyer's agent a commission provides a competitive advantage over those that do not. Ms. Short has recommended offering to split the commission equally between the buyer's and seller's agent. Ms. Short is willing to list the Constitution Ave Property at a five percent (5%) commission, to be split equally with the buyer's agent. This represents a discount off of the typical six percent (6%) commission, while still being sufficient to cover most brokerages' mandatory minimum commission percentages.³

In light of the foregoing, the Receiver believes that engaging Ms. Short as the Seller's Agent at a commission of five percent (5%), to be split equally between the Seller's Agent and Buyer's Agent, is in the best interests of the Receivership Estate. The Receiver also seeks to set a listing price, expend reasonable funds for any necessary or recommended repairs, and accept an offer which he, in consultation with the Seller's Agent, believes is in the best interests of the Receivership Estate.

Accordingly, in the interest of maximizing value and minimizing costs for the Receivership Estate, and for the reasons set forth below, the Receiver seeks to follow the aforementioned procedures without the need to obtain further authority from the Court, and without adherence to the sale procedures set forth in 28 U.S.C. § 2001. Counsel for the FTC and Defendants have agreed

³ When a brokerage's mandatory minimum commission percentage is not satisfied by the seller, the buyer must typically make up the difference.

and stipulated to the proposed procedures and the waiver of the § 2001 sale procedures, as set forth in the accompanying Stipulated Order Regarding the Receiver's Sale of Real Property.

II. ARGUMENT

Generally, the sale of real property under court control is governed by 28 U.S.C. § 2001, under which real property may be sold via public auction or, with court approval, via private sale.

In this regard, § 2001 provides as follows:

(a) Any realty or interest therein sold under any order or decree of any court of the United States shall be sold as a whole or in separate parcels at public sale at the courthouse of the county, parish, or city in which the greater part of the property is located, or upon the premises or some parcel thereof located therein, as the court directs. Such sale shall be upon such terms and conditions as the court directs.

Property in the possession of a receiver or receivers appointed by one or more district courts shall be sold at public sale in the district wherein any such receiver was first appointed, at the courthouse of the county, parish, or city situated therein in which the greater part of the property in such district is located, or on the premises or some parcel thereof located in such county, parish, or city, as such court directs, unless the court orders the sale of the property or one or more parcels thereof in one or more ancillary districts.

(b) After a hearing, of which notice to all interested parties shall be given by publication or otherwise as the court directs, the court may order the sale of such realty or interest or any part thereof at private sale for cash or other consideration and upon such terms and conditions as the court approves, if it finds that the best interests of the estate will be conserved thereby. Before confirmation of any private sale, the court shall appoint three disinterested persons to appraise such property or different groups of three appraisers each to appraise properties of different classes or situated in different localities. No private sale shall be confirmed at a price less than two-thirds of the appraised value. Before confirmation of any private sale, the terms thereof shall be published in such newspaper or newspapers of general circulation as the court directs at least ten days before confirmation. The private sale shall not be confirmed if a bona fide offer is made, under conditions prescribed by the court, which guarantees at least a 10 per centum increase over the price offered in the private sale.

28 U.S.C. § 2001.

The Third Circuit has explained that courts have “sound discretion in setting the terms and conditions for judicial sales” of real property under § 2001. *United States v. Branch Coal Corp.*,

390 F.2d 7, 10 (3d Cir. 1968). Moreover, courts across the country have granted receivers' proposed procedures to sell real property—where the proposed procedure deviates from that set forth in § 2001—where the courts found that the proposed procedure would be more prudent than following statutory procedure and/or where the parties to the underlying action stipulated to waiving the requirements of § 2001. *See, e.g., Sec. & Exch. Comm'n v. Kapoor*, 2024 WL 3026490, at *5 (S.D. Fla. June 17, 2024) (noting that the parties “filed a Stipulation waiving the requirements of Section 2001(b) in connection with the sale of any real property sought by the Receiver” and that it approved of the stipulation “and explicitly stated that “[t]he Receiver is excused from compliance with 28 U.S.C. section 2001 in connection with the sale of real property in this case.”); *Bank of New York Mellon Tr. Co., N.A. v. Canton II, Inc.*, 2022 WL 17077010, at *4 (W.D. Tex. Nov. 18, 2022), *report and recommendation adopted*, 2022 WL 18585991 (W.D. Tex. Dec. 7, 2022) (explaining that “parties to a receivership may waive the requirements under 28 U.S.C. § 2001 by agreement.”); *Sec. & Exch. Comm'n v. Gity*, 2022 WL 832388, at *2 (S.D. Fla. Jan. 4, 2022) (acknowledging that the parties can waive the requirements of § 2001 and ordering the parties to file a stipulation to such); *In re Smerling Litig.*, 2021 WL 4803989, at *2 (S.D.N.Y. Oct. 14, 2021) (holding that “in furtherance of the Receiver’s efforts to maximize the value of the Receivership Property . . . the sale procedures set forth in 28 U.S.C. § 2001 shall not apply [] to the sales of the Real Property”); *Sec. & Exch. Comm'n v. BIC Real Est. Dev. Corp.*, 2017 WL 6447767, at *1 (E.D. Cal. Dec. 18, 2017) (granting the Receiver’s sale of real property “[i]n accordance with [the court’s] September 19, 2016 Order Granting Stipulation to Waive Requirements of 28 U.S.C. § 2001(a) and (b) in Connection with, and to Establish Sales Procedures for, Receiver’s Sales of Residential Real Property”); *Sec. & Exch. Comm'n v. EB5 Asset Manager, LLC*, 2016 WL 7508252, at *2 (S.D. Fla. Mar. 25, 2016) (“Within a stipulated receivership order,

the parties may confer broad powers upon the receiver up to and including the private sale of real property without § 2001(b)'s formalities.”); *Pennant Mgmt., Inc. v. First Farmers Fin., LLC*, 2015 WL 5180678, at *7 (N.D. Ill. Sept. 4, 2015) (granting the receiver’s request to “approve the procedures used in the sale of the [real property] and waiv[ing] strict compliance with the requirements of 28 U.S.C. §§ 2001 and 2002” where “[n]o party objects to these procedures” and where “the sophisticated public auction process . . . obtained a better result than if the Receivers would have only followed the requirements contained in sections 2001 and 2002.”); *Sec. & Exch. Comm’n v. Wang*, 2015 WL 13950300, at *3-4 (C.D. Cal. Apr. 28, 2015) (noting that the statutory sale procedures set forth in § 2001 “can be waived by the parties” and thus directing the receiver to submit “a stipulation of all parties permitting the Receiver to conduct a private sale without complying with the provisions of 28 U.S.C. § 2001(b), i.e., a waiver by the parties.”); *S.E.C. v. Billion Coupons, Inc.*, 2009 WL 2143531, at *3-4 (D. Haw. July 13, 2009), *report and recommendation adopted*, 2009 WL 2365696 (D. Haw. July 29, 2009) (finding “good cause for the district court to exercise its discretion and permit Receiver to sell personal and real property that he has recovered in the instant action in a manner other than as provided by federal statute, including 28 U.S.C. §[] 2001” where the “Receiver’s proposed plans for the sale of personal and real property have sufficient safeguards in order to solicit the highest price that a willing buyer in an arms-length negotiation will offer while conducting the sales in a timely and cost-efficient manner that will maximize the net sales proceeds.”).⁴

⁴ While some courts have opined that courts cannot waive the requirements of § 2001, they have nevertheless found that the *parties* can so waive. *See, e.g., EB5 Asset Manager*, 2016 WL 7508252, at *2 (“While the Court may not waive the mandatory requirements of § 2001(b), the parties may.”); *Gity*, 2022 WL 832388, at *2 (quoting *EB5 Asset Manager* and stating same); *Wang*, 2015 WL 13950300, at *2-3 (same); *Huntington Nat. Bank v. Najero, Inc.*, 2014 WL 5473054, at *2 (E.D. Mich. Oct. 27, 2014) (“Although the court cannot waive the requirements of § 2001(b), the requirements can be waived by the parties.”).

Here, the Receiver intends to sell the Constitution Ave Property, via private sale, in a manner that deviates from the statutory requirements set forth in § 2001. Specifically, the Receiver intends to (1) engage Ms. Short as the Seller's Agent at a commission of five percent (5%), to be split equally between the Ms. Short and the Buyer's Agent; (2) have Ms. Short list the Constitution Ave Property for private sale via MLS; and (3) set a listing price, expend reasonable funds for any necessary or recommended repairs, and accept an offer which he, in consultation with Ms. Short, believes is in the best interests of the Receivership Estate, without the need for appraisals, publication, and a confirmation hearing.

The Receiver recommends that the Court approve this proposed sale procedure that deviates from § 2001(b) because, in the Receiver's experience, the requirements set forth in § 2001(b) can impose a significant financial burden on the Receivership Estate due to the costs involved in retaining three disinterested appraisers, the costs for publication, and the time needed to prepare motions and appear before the court for a confirmation hearing. Additionally, the uncertainties and time lag created by the statutory process can often deter otherwise interested and qualified buyers. Given the current state of the real estate market and high demand for homes in the Bucks County area and beyond, the Receiver is of the firm belief that listing the Constitution Ave Property for sale via MLS through the traditional processes for private home sales will maximize value and minimize costs for the Receivership Estate. Most importantly, this proposed sale procedure accords with the Permanent Injunction,⁵ and the FTC and Defendants both stipulate to the proposed sale procedure and agree to waive the sale procedure set forth in § 2001.

⁵ See ECF No. 78 § IV ¶ D (directing the Receiver to sell the Constitution Ave Property "using a commercially reasonable procedure.").

III. CONCLUSION

For all of the foregoing reasons, the Receiver respectfully requests that the Court grant the instant Motion, approve the Receiver's proposed procedure for the sale of the Constitution Ave Property to which the FTC and Defendants both stipulate, and enter the Stipulated Order Regarding the Receiver's Sale of Real Property that is enclosed herewith.

Respectfully submitted,

Dated: July 25, 2025

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located at 6 Constitution Avenue, Doylestown, Pennsylvania 18901 (“Constitution Ave Property”) shall be made in accordance with the following procedure:

1. The Constitution Ave Property is owned by Receivership Entity Empire Realty Holdings, LLC, whose sole member is Receivership Entity Atlas Fund Trust. Thus, the Constitution Ave Property is an asset of the Receivership Estate.
2. The May 8, 2025 Stipulated Order for Permanent Injunction, Monetary Judgment and Other Relief (ECF No. 78) (the “Permanent Injunction”) authorizes and directs the Receiver to sell the “nonliquidated assets of the Receivership Estate[, including the Constitution Ave Property,] using commercially reasonable procedure without further order of the Court.” Permanent Injunction § VII ¶ F; *see also id.* § IV ¶¶ C-D.
3. To ensure that the Receiver can comply with the directive to sell the Constitution Ave Property using commercially reasonable procedure, and to maximize value and minimize expense for the Receivership Estate, the Parties hereby agree to waive the requirements of 28 U.S.C. § 2001 with respect to the Constitution Ave Property.
4. The Receiver may engage Julie Short of Berkshire Hathaway HomeServices Fox & Roach (“Seller’s Agent”) to list and sell the Constitution Ave Property for private sale via the Multiple Listing Service (“MLS”), with an agreement to pay five percent (5%) commission, to be split equally between the Seller’s Agent and the Buyer’s Agent.
5. The Receiver may list the Constitution Ave Property for whatever amount he, in consultation with the Seller’s Agent, determines is mostly likely to attract interested buyers and maximize value for the Receivership Estate.

6. The Receiver may make payments and/or disbursements from the Receivership Estate that he, in consultation with the Seller's Agent, deems necessary and/or advisable to maximize the sale value of the Constitution Ave Property or consummate the sale of the Constitution Ave Property.

7. The Receiver may accept whatever offer for private sale of the Constitution Ave Property that he, in consultation with the Seller's Agent, determines is the best offer that will maximize value for the Receivership Estate and/or which is otherwise in the best interests of the Receivership Estate.

8. The Receiver may complete the sale of the Constitution Ave Property without filing any additional motions, appearing before this Court, or obtaining any further Order from this Court.

9. In accordance with Section IV, Paragraph C of the Permanent Injunction, Defendant Peter Prusinowski shall remain ready, willing, and available to assist with the closing process for the Constitution Ave Property and to sign any documents and take any other actions necessary to assist with the smooth transition, transfer of title, mortgage pay-off, and sale of the Constitution Ave Property, as the Receiver may direct and/or request.

It is **SO ORDERED** this _____ day of _____, 2025.

BY THE COURT:

WENDY BEETLESTONE, J.
UNITED STATES DISTRICT JUDGE

SO STIPULATED AND AGREED:

FOR PLAINTIFF:



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FOR DEFENDANTS:

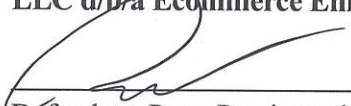
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**DEFENDANT PETER PRUSINOWSKI,
a/k/a Peter Pru, Individually and as Former Owner and CEO of Empire Holdings Group
LLC d/b/a Ecommerce Empire Builders and Storefunnels.net:**



Defendant, Peter Prusinowski, a/k/a Peter Pru, Individually and as Former Owner and CEO of
Empire Holdings Group LLC d/b/a Ecommerce Empire Builders and Storefunnels.net

Date: July 7, 2025

FOR THE RECEIVER:

/s/ Robin S. Weiss

Date: July 8, 2025

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Civil Action

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CERTIFICATE OF SERVICE

I hereby certify that on the date set forth below, a true and correct copy of the foregoing Motion for Approval of Stipulated Order Regarding the Receiver's Sale of Real Property was filed and served on all counsel of record via the Court's Electronic Filing System pursuant to Fed. R. Civ. P. 5(b).

Dated: July 25, 2025

s/ Robin S. Weiss
Robin S. Weiss, Esq.
Attorney for Receiver, Kevin Dooley Kent