

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEBRASKA

PROSPECT FUNDING HOLDINGS (NY),
LLC,

Plaintiff,

v.

RONALD J. PALAGI, P.C., L.L.C. AND
CHE STUBBLEFIELD
Defendants.

Case No. 8:18-cv-15

APPLICATION TO CONFIRM
ARBITRATION AWARDS

Plaintiff Prospect Funding Holdings (NY) LLC (“Prospect Funding”), by and through its attorneys, hereby applies, pursuant to 9 U.S.C. § 9 of the Federal Arbitration Act, for an Order confirming arbitration awards and entering judgment thereon against Defendants Che Stubblefield and Law Offices of Ronald J. Palagi, P.C. In support of its application, Prospect Funding states as follows:

PARTIES, JURISDICTION, AND VENUE

1. Prospect Funding is a New York limited liability corporation. None of its members are residents of the State of Nebraska.
2. Che Stubblefield is an individual and a citizen of the State of Nebraska.
3. The Law Offices of Ronald J. Palagi, P.C. is a professional corporation, organized under the laws of the State of Nebraska and having its principal place of business in Omaha, Nebraska.

4. This Court has subject-matter jurisdiction over this matter pursuant to 28 U.S.C. § 1332 as the parties are citizens of different states and the amount-in-controversy exceeds \$75,000.00.

5. This Court has personal jurisdiction over Defendants and venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(1) and (2) and 9 U.S.C. § 9.

THE SALE AND REPURCHASE AGREEMENT

6. On or about January 27, 2016, Stubblefield and his attorney Ronald J. Palagi of the Law Offices of Ronald J. Palagi, P.C. (hereinafter referred to collectively as “Palagi”) entered into a Sale and Repurchase Agreement with Prospect Funding (the “Sale and Repurchase Agreement”).

7. In the Sale and Repurchase Agreement, Stubblefield agreed to sell and Prospect Funding agreed to purchase an interest in a legal claim in which Stubblefield would be represented by Palagi (“the Underlying Claim”). Under the Sale and Repurchase Agreement, Stubblefield immediately received a lump sum of money minus certain fees in exchange for conveying to Prospect Funding the right to any recovery obtained on the Underlying Claim up to \$95,336.00.

8. In the Sale and Repurchase Agreement, the parties agreed that “ANY DISPUTE OR DISAGREEMENT BETWEEN THESE PARTIES ARISING UNDER THIS AGREEMENT OR OTHERWISE OF ANY NATURE WHATSOEVER INCLUDING, BUT NOT LIMITED TO, THOSE SATISFACTION OF ANY RIGHTS, AND/OR THE ENFORCEABILITY HEREOF” would be resolved by arbitration.

9. In the Sale and Repurchase Agreement the parties further agreed that “ANY PERSON MAY HAVE A COURT OF COMPETENT JURISDICTION CONFIRM THE ARBITRATION AWARD AS A JUDGMENT OF SUCH COURT AND ENTER INTO ITS RECORD THE FINDINGS OF SUCH ARBITRATORS FOR ALL PURPOSES, INCLUDING FOR THE ENFORCEMENT OF THE AWARD.”

THE ARBITRATIONS

10. On or about March 20, 2017, Prospect Funding commenced an arbitration proceeding against Stubblefield with Arbitration Resolution Services, Inc. Prospect Funding alleged that Stubblefield failed to advise it of the status of the Underlying Claim and failed to pay it funds it received in settlement of the Underlying Claim as required by the Sale and Repurchase Agreement.

11. On or about March 20, 2017, Prospect Funding commenced an arbitration proceeding against Palagi with Arbitration Resolution Services, Inc. Prospect Funding alleged that Palagi breached the Sale and Repurchase Agreement by failing to inform Prospect Funding of the status of the Underlying Claim as required by the Sale and Repurchase Agreement.

12. On or about April 25, 2017, the arbitrator entered an Arbitration Decision and Award in favor of Prospect Funding and against Palagi. The arbitrator found that Prospect Funding purchased an interest in the Underlying Claim in the amount of \$95,336.00 and that Palagi had breached the Sale and Repurchase Agreement by failing to inform Prospect Funding of the status of the Underlying Claim and failing to pay the proceeds of settlement

as required by the Sale and Repurchase Agreement. The arbitrator awarded Prospect Funding the full contract amount plus liquidated damages totaling \$190,672.00.

13. On or about August 8, 2017, the arbitrator, entered an Arbitration Decision and Award in favor of Prospect Funding and against Stubblefield. The arbitrator found that Prospect Funding purchased an interest in the Underlying Claim in the amount of \$95,336.00 and that Stubblefield had breached the Sale and Repurchase Agreement by failing to advise Prospect Funding of the status of the case and failing to pay Prospect Funding funds Stubblefield received to settle the Underlying Legal Claim. On this basis, the arbitrator awarded Prospect Funding the full contract amount plus liquidated damages totaling \$190,672.00.

14. To date, neither Palagi nor Stubblefield has satisfied any part of the Arbitration Decision and Award entered against him.

PROSPECT FUNDING'S ENTITLEMENT TO CONFIRMATION OF
ARBITRATION AWARDS

15. Under 9 U.S.C. § 9, Prospect Funding may seek confirmation and enforcement of the Arbitration Decision and Awards in this Court.

16. Because neither Stubblefield nor Palagi sought to vacate or modify the arbitration awards as prescribed by 9 U.S.C. § 10 or § 11, Prospect Funding is entitled to an order confirming the Arbitration Decision and Awards and entering judgment against Stubblefield and Palagi and in favor of Prospect Funding in the amounts set forth in the respective Arbitration Decisions and Awards.

WHEREFORE, Prospect Funding respectfully requests, pursuant to 9 U.S.C. § 9, that the Court enter an order:

A. Confirming the Arbitration Decisions and Awards and entering judgment against Stubblefield and in favor of Prospect Funding in the amount of \$190,672.00 and against Palagi and in favor of Prospect Funding in the amount of \$190,672.00.

B. Awarding costs to Prospect Funding, including, but not limited to the cost of filing and serving this Application;

C. For all other relief deemed proper.

PROSPECT FUNDING HOLDINGS (NY) LLC,
Plaintiff.

By: s/Jonathan J. Papik
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