

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

FILED
U.S. DISTRICT COURT
DISTRICT OF MARYLAND
2019 APR 16 PM 12:14

VICTOR STANLEY, INC. *

Plaintiff *

vs. *

SCH Enterprises, LLC, et al. *

Defendants *

CLERK'S OFFICE
AT BALTIMORE
BY _____ DEPUTY

CIVIL ACTION NO. RDB-06-2662

* * * * *

MEMORANDUM AND ORDER

Plaintiff, Victor Stanley Inc. (“VSI”), moves this Court to hold Defendants Mark Pappas (“Pappas”) and SCH Enterprises, LLC (“SCH”) in contempt of Court, asserting that Defendants had not fully complied with this Court’s Order (ECF No. 828). (Pl.’s Mot., ECF No. 845.) This Court ordered Defendants to fully comply with this Court’s Order or to appear in this Court to show cause why they should not be held in civil contempt and subject to possible fine and/or incarceration. (ECF No. 850.) A Show Cause hearing was held on Wednesday, April 10, 2019, during which Defendants demonstrated partial compliance with this Court’s Order. The hearing was continued to Wednesday, April 17, 2019.

At issue are the following:

- a. SCH Enterprises, LLC shall make the requested assignments and transfers pursuant to ECF No. 828 ¶ 1.a. in consultation with Plaintiff and in the form of papers acceptable to Plaintiff;
- b. Defendants shall produce the information as clarified by ECF No. 834 ¶ 3 to include sales and net margins of the applicable products for the last three years;

- c. Defendants shall make a cash payment of \$100,000 from SCH Enterprises, LLC or Mark Pappas to Victor Stanley, Inc.

Mem. & Order 5 (ECF No. 850). During the April 10, 2019 hearing, Defendants signed an assignment document that was acceptable to Plaintiff, produced sales and margin information related to applicable products that this Court ruled acceptable for the purpose of Magistrate Judge Sullivan's use in valuation,¹ and averred to having wired \$50,000 of the \$100,000 payment obligation. The hearing was continued to April 17, 2019, with an order to Defendants to appear and provide full documentation of all accounts of any nature to which Pappas has access. (ECF No. 869.)

This Court has received confirmation this morning from Plaintiff that it not only received the \$50,000 wire transfer, but also has now received additional wire transfers of \$35,000, \$10,000, and \$5,000, which completes Defendants' payment obligation that was ordered. Accordingly, this Court shall cancel the continuation of the Show Cause hearing for April 17, 2019. Further, Plaintiff's Motion for Order to Show Cause and Finding in Contempt of Court (ECF No. 845), which was GRANTED IN PART by the Order to Show Cause (ECF No. 850) is now DISMISSED AS MOOT.

This Court remains concerned that there remains a substantial shortfall in Defendants' obligation to pay the full amount of the April 2016 Sanctions Award of \$1,281,315.91 (ECF No. 722). Therefore, Plaintiff and Defendants shall file a monthly joint status report relating

¹ Reminding Defendants that they would be bound by the valuation determined by Magistrate Judge Sullivan using the numbers that they provided.

the progress of payments on this award. The joint status report shall be filed on the 15th of each month, commencing May 15, 2019, until further Order of this Court.

In sum,

1. The continuation of the Show Cause hearing scheduled for April 17, 2019 at 2:00 p.m. ET is hereby cancelled.
2. Plaintiff's Motion for Order to Show Cause and Finding in Contempt of Court (ECF No. 845) is hereby DISMISSED AS MOOT.
3. Parties shall report on Defendants' progress toward full satisfaction of the April 2016 Sanctions Award by filing a Joint Status Report on the 15th of each month, commencing May 15, 2019, until further Order of this Court.

Date: April 16, 2019.



Richard D. Bennett
United States District Judge