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IN THE COURT OF COMMON PLEAS OF PHILADELPHIA COUNTY  
FIRST JUDICIAL DISTRICT OF PENNSYLVANIA  
TRIAL DIVISION – CIVIL

FS RIALTO 2019 – FL1 HOLDER, LLC,  
c/o Rialto Capital Management, LLC,

Plaintiff,

v.

ERIC DARYL BLUMENFELD,

Defendant.

July Term 2021

No. 643

Commerce Program

Control Number 25082584

DOCKETED

DEC - 8 2025

R. POSTELL  
COMMERCE PROGRAM

**ORDER**

**AND NOW**, this 5th day of December 2025, upon consideration of Defendant Eric Darly Blumenfeld's Petition to Mark the Judgment Satisfied, Plaintiff's Response in Opposition and Reply and in accord with the attached Opinion, it is hereby **ORDERED and DECREED** that

1. The Petition is **GRANTED**.
2. The Office of Judicial Records is directed to mark the judgment in the amount of \$28,771, 596.18 satisfied.

**BY THE COURT:**

  
PAULA A. PATRICK, S.J.

ORDRF-Fs Rialto 2019-FL1 Holder, Llc, Vs Blumenfeld [RCP]



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**IN THE COURT OF COMMON PLEAS OF PHILADELPHIA COUNTY  
FIRST JUDICIAL DISTRICT OF PENNSYLVANIA  
TRIAL DIVISION – CIVIL**

|                                     |   |                         |
|-------------------------------------|---|-------------------------|
| FS RIALTO 2019 – FL1 HOLDER, LLC,   | : | July Term 2021          |
| c/o Rialto Capital Management, LLC, | : |                         |
|                                     | : | No. 643                 |
| Plaintiff,                          | : |                         |
|                                     | : |                         |
| v.                                  | : | Commerce Program        |
|                                     | : |                         |
| ERIC DARYL BLUMENFELD,              | : | Control Number 25082584 |
|                                     | : |                         |
| Defendant.                          | : |                         |

**OPINION**

This is one of four cases filed in this Court between the parties that are based on the same loan and the same loan documents. The cases are (1) *SKW-B Acquisitions Seller C, LLC v. Stobba Residential Associates, LP and Stobba Associates LP*, November Term 2021 No. 331 (the Foreclosure Action); (2) *SKW-B Acquisitions Seller C, LLC v. Stobba Residential Associates, LP and Stobba Associates LP*, 2105-1951 (the Lender Action)<sup>1</sup>; (3) *Stobba Residential Associates, L.P. et al. v. FS Rialto 2019-FL1Holder LLC et al.*, 2106-2543 (the Borrower Action)<sup>2</sup>, and this action, (4) *FS Rialto 2019-FL1Holder LLC v. Blumenfeld*, 2107-643 (the Confession of Judgment Action). In this confession of judgment action, the Defendant Eric Daryl Blumenfeld (“Blumenfeld”) filed a petition to mark the judgment satisfied. For the reasons discussed below, the petition is granted.

**Background**

The predecessor to Plaintiff FS Rialto 2019 -FL1 Holder, LLC (“Rialto”) made a \$24,250,000 loan to Stobba Residential Associates, L.P. and Stobba Associates, L.P. (“Borrowers”)

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<sup>1</sup> This action is scheduled for trial on January 5, 2026.

<sup>2</sup> This action was disposed by summary judgment in favor of Lender and against Borrowers.

on August 2, 2019. (Docket (Dkt.) 8-13-25, Petition ¶¶ 1-2, 8-25-25, Answer ¶¶ 1-2).<sup>3</sup> The loan was secured by an Open-Ended Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing. Additionally, Blumenfeld executed a Guaranty of Recourse Obligations. (Dkt. 8-13-25, Petition ¶ 1, 8-25-25, Answer ¶ 1). The Mortgage created a lien on Unit B of the Headhouse Flats Condominium and multiple units in the Abbots Square Condominium in Philadelphia. (Id. ¶ 3).

As of December 10, 2020, Borrowers were in default under the Note and Loan Agreement for failing to make the required debt service payments under the Note and Loan Agreement for December 2020, and January, February, March, April, May and June 2021. (Dkt. 7-12-21, ¶¶ 61-62). As a result of the default, the debt became immediately due and payable. (Id. ¶ 64). The total debt due and owing from Borrowers as of July 2021 was \$26, 155,996.53 with accruing interest. (Id. ¶¶ 65-66).

In addition, Rialto also declared Borrowers in default of their non-monetary obligations including their failure to provide financial reports about the property, misrepresenting the status of a lease with Giant Food Stores and filing an allegedly frivolous action seeking to delay or interfere with Rialto's rights as a lender. (Id. ¶¶ 67-79, 82,83). On May 21, 2021, Rialto filed an action against Borrowers in this Court at May Term 2021, No. 1951 ("Lender Action"), seeking a money judgment for the alleged non-monetary breaches alleged in the confession of judgment complaint. (Id. ¶ 83). The Lender Action is scheduled for trial on January 5, 2026. (Dkt. *SKW-B Acquisitions Seller C, LLC v. Stobba Residential Associates, LP and Stobba Associates LP*, 2105-1951).

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<sup>3</sup> On August 25, 2021, SKW -B Acquisitions Seller C LLC was voluntarily substituted for Rialto, the plaintiff, as its successor. (Dkt. 8-25-21, Praecipe to Substitute). In this Opinion, the Court will refer to Rialto as the Plaintiff.

On July 12, 2021, Rialto filed a complaint in confession of judgment against Blumenfeld in the amount of \$28,771,596.18 plus post judgment interest for the outstanding principal balance, accrued interest, late payment charges, default interest, exit fee, other fees and attorney commission. (Dkt. 7-12-21, Complaint). The confessed judgment was entered against Blumenfeld in accord with a Guaranty which permits Rialto to confess judgment against him for all or any portion of the unpaid guaranteed obligations. (Id.).

The Guaranty states:

4.19 WARRANT OF ATTORNEY – CONFESSION OF JUDGMENT.

(i) GUARANTOR TO THE FULLEST EXTENT PERMITTED BY LAW, AND WITHOUT FURTHER CONSENT OR NOTICE REQUIRED, HEREBY IRREVOCABLY AND UNCONDITIONALLY AUTHORIZES AND EMPOWERS THE PROTHONOTARY, CLERK OF THE COURT OR ANY ATTORNEY OF ANY COURT OF RECORD IN THE COMMONWEALTH PENNSYLVANIA OR ELSEWHERE TO APPEAR FOR GUARANTOR IN SUCH COURT AS ATTORNEY FOR GUARANTOR, AND TO **CONFESS JUDGMENT AGAINST GUARANTOR, AFTER AN EVENT OF DEFAULT HEREUNDER OR UNDER ANY OF THE OTHER LOAN DOCUMENTS, FOR ALL OR ANY PORTION OF THE UNPAID GUARANTEED OBLIGATIONS, TOGETHER WITH UNPAID INTEREST THEREUNDER, PLUS AND ATTORNEY'S COMMISSION EQUAL TO TEN PERCENT (10%) OF THE UNPAID BALANCE OF THE GUARANTEED OBLIGATIONS, BUT IN NO EVENT LESS THAN \$10,000 WITH COST OF SUIT AND RELEASE OF ALL ERRORS AND WITH WAIVER BY THE GUARANTOR OF ANY RIGHT TO A STAY OF EXECUTION...** (emphasis added). (Id. Exhibit E, Guaranty).

On August 20, 2021, Blumenfeld filed a petition to open and or strike the confessed judgment. (Dkt. 8-20-21, Petition). On September 17, 2021, Rialto filed an answer to the petition. (Dkt. 9-17-21, Answer). On December 13, 2021, the Court denied the petition to strike, granted the petition to open and stayed the case pending resolution of the Lender Action and the Borrower Action. (Dkt. 12-13-21, Order).

On July 6, 2023, the Court in the Mortgage Foreclosure Action entered an *in rem* judgment against Unit B of the Headhouse Flats Condominium and multiple units in the Abbots Square

Condominium in Philadelphia. (Dkt. *SKW-B Acquisitions Seller C, LLC v. Stobba Residential Associates, LP and Stobba Associates LP*, November Term 2021 No. 331, 7-6-23, Order). Rialto then issued writs of execution to the sheriff, and the property was sold at sheriff sale on November 7, 2023. (Id.). The sheriff deeds evidencing the sale were prepared on or before July 17, 2024. Rialto has not filed a petition to fix the fair market value of the property. (Dkt. 8-13-25, Petition ¶ 12, 8-25-25, Answer ¶ 12).

On January 1, 2024, the Court issued a docket inactivity notice in this case which was stayed on December 13, 2021. (Dkt. 1-1-24, Notice). On March 10, 2024, the Court removed the case from deferred status and then administratively closed out the case for inactivity. (Dkt. 3-10-24, Notice). On April 14, 2024, Rialto filed a motion to reopen the case and consolidate the action with the Lender Action. (Dkt. 4-14-24, Motion). On June 6, 2025, the Court granted the motion to reopen the case, denied the motion to consolidate and scheduled the case for a pretrial conference. (Dkt. 6-6-25, Order). The case is now scheduled for trial on January 5, 2026, the same day as the Lender Action. (Dkt, generally).

Now pending before the Court is Blumenfeld's motion to mark the judgment satisfied.

## **DISCUSSION**

The Deficiency Judgment Act provides that:

Whenever any real property is sold, directly or indirectly, to the judgment creditor in execution proceedings and the price for which such property has been sold is not sufficient to satisfy the amount of the judgment, interest and costs and the judgment creditor seeks to collect the balance due on said judgment, interest and costs, the judgment creditor shall petition the court having jurisdiction to fix the fair market value of the real property sold. The petition shall be filed as a supplementary proceeding in the matter in which the judgment was entered. 42 Pa. C. S. A. § 8103(a).

Additionally, the Act provides that:

if the judgment creditor shall fail to present a petition to fix the fair market value of the real property sold within the time after the sale of such real property provided by section 5522 (relating to six months limitation), the debtor, obligor, guarantor or any other person liable directly or indirectly to the judgment creditor for the payment of the debt, or any person interested in any real estate which would, except for the provisions of this section, be bound by the judgment, may file a petition, as a supplementary proceeding in the matter in which the judgment was entered, in the court having jurisdiction, setting forth the fact of the sale, and that no petition has been filed within the time limited by section 5522 to fix the fair market value of the property sold, whereupon the court, after notice as prescribed by general rule, and being satisfied of such facts, shall direct the clerk to mark the judgment satisfied, released and discharged. *Id.* § 8103(d).

“[T]he six month period begins from the date the sheriff's deed is executed and delivered to the successful bidder.” *Shrawder v. Quiggle*, 389 A.2d 1135, 1137 (1978), *citing Marx Realty and Improvement Co. v. Boulevard Center, Inc.*, 398 Pa. 1, 156 A.2d 827 (1959). Failure to file a petition to fix the fair market value within the prescribed time creates an irrebuttable presumption that the creditor was paid in full and the debtor is entitled to have the judgment marked satisfied. *Valley Trust Co. of Palmyra, PA v. Lapitsky*, 488 A.2d 608, 611, 339 (Pa. Super. 1985).

Here, Rialto did not file a petition to fix the fair market value of the property within six months after the deeds were delivered to it in the Mortgage Foreclosure Action. Under the Deficiency Judgment Act, Rialto's failure to file a petition to fix fair market value entitles the Borrower and Blumenfeld as the guarantor to have their judgments satisfied of record as if it had been paid off in cash. As a result, there is no valid debt owed to Rialto which can support this confession of judgment action against Blumenfeld.

The Court recognizes that Rialto is attempting to pursue claims against Blumenfeld for “Bad Boy” breaches of the Loan Agreement under the Guaranty in this action. Those claims, however, are not appropriate in this confession of judgment action because they are claims which have yet to be reduced to judgment. Consequently, those claims could not be used as a basis to confess judgment in this action in accordance with the warrant of attorney in Guaranty as they have not

yet become “UNPAID GUARANTEED OBLIGATIONS”. (Dkt. 7-12-21, Complaint, Exhibit E, Guaranty). The judgment which is the subject of Blumenfeld’s petition is only for the amount due on the debt owed for the underlying action and not for the “Bad Boy” breaches. (See, Id. Complaint, Wherefore Clause). Even though the Court granted the petition to open the judgment, the only trial appropriate in this action is a trial on the judgment entered, that is the amount due on the debt. See, Pa. R. Civ. P. 2960. <sup>4</sup>

While precluded from having a trial on the “Bad Boy” breaches in this action, trial is scheduled in the Lender Action on the alleged “Bad Boy” breaches by the Borrower for January 5, 2026. Moreover, Rialto may decide to file an action against Blumenfeld to enforce any “unpaid Guarantee Obligations” if appropriate.

### CONCLUSION

Based on the foregoing, Blumenfeld’s petition to mark the judgment satisfied is granted and the Office of Judicial Records is directed to mark the judgment in this action satisfied.

BY THE COURT:



PAULA A. PATRICK, S. J.

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<sup>4</sup> Further, contrary to Rialto’s contention an amendment to the complaint is prohibited by Pa. R. Civ. P. 2960 which specifically states that “there shall be no further pleadings.”