"All in the Family": How an Undisclosed Judge's Chambers Network and the SEC Handpicked Par Funding's Demise

By The Freedom Fighters of America

In the federal courtroom of the Southern District of Florida, justice is supposed to be blind. Litigants are guaranteed an impartial arbiter, strict adherence to due process, and a distinct separation between the court, the prosecution, and court-appointed administrators.

For years, observers and litigants watching the civil dismantling of Par Funding have witnessed an unmistakable procedural double standard:

-Why did the bench consistently grant extraordinary latitude to court-appointed Receiver Ryan K. Stumphauzer while curtailing basic adversarial procedures for the defense?

-Why did dozens of interim fee applications glide through without line-item scrutiny?

-Why did the court demand that parties adhere to strict accounting standards, only to look the other way when the Receiver's own team ignored them?

-And how did this specific Receiver end up running the estate in the first place?

The answers were never disclosed on the public docket. They were never mentioned when the court weighed key motions or oversaw tens of millions of dollars in estate billing.

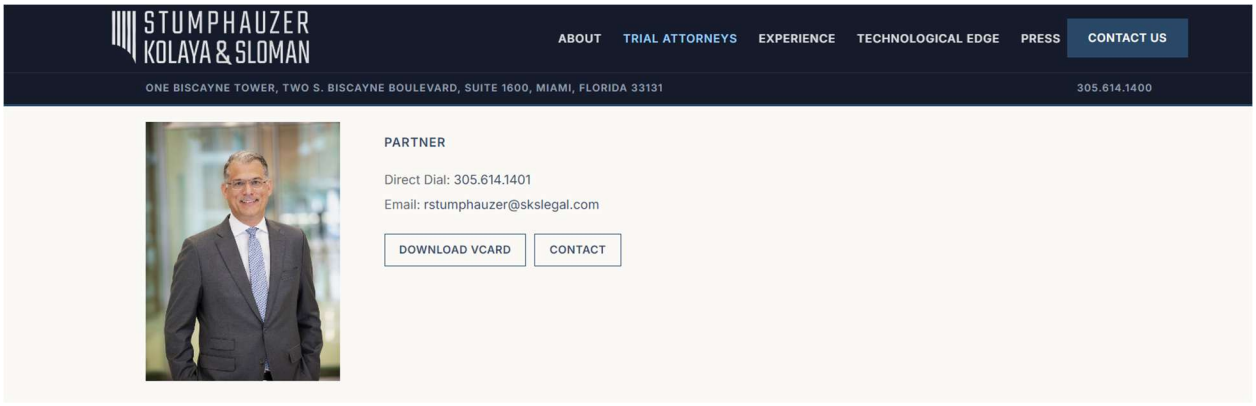
Following a direct investigation by the Freedom Fighters of America research team, a critical piece of the puzzle has finally surfaced: Judge Rodolfo Ruiz II and Receiver Ryan K. Stumphauzer share an unstated institutional origin as judicial law clerks for the exact same federal judge in the exact same courthouse.

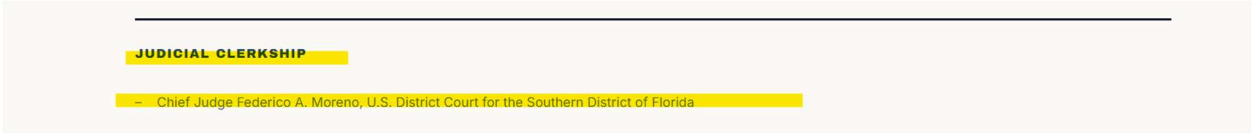
The Hidden Connection: The Moreno Chambers Network

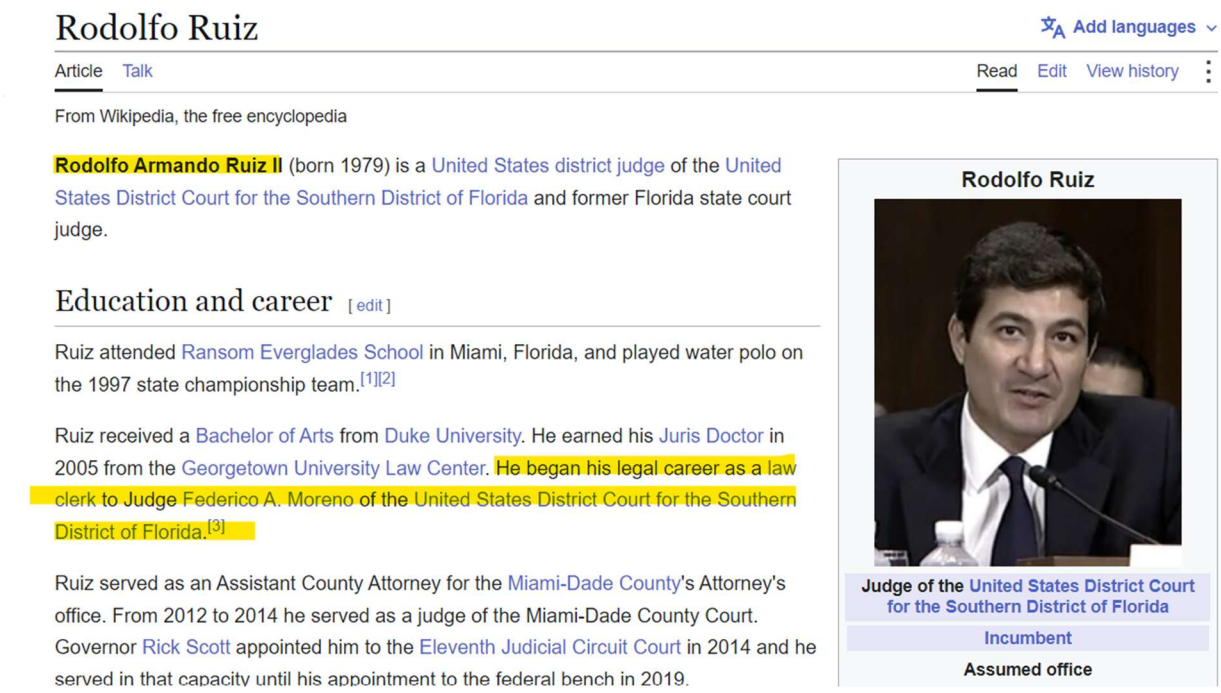
Federal judicial clerkships are among the most intimate, formative apprenticeships in the American legal profession. Clerks operate directly inside chambers, drafting orders, reviewing sealed records, and absorbing the judicial philosophy of their mentor judge. And like any other job you become friends and relationships are built.

-Ryan K. Stumphauzer: Law Clerk to U.S. District Judge Federico A. Moreno (S.D. Fla.), 2003–2004.
-Judge Rodolfo A. Ruiz II: Law Clerk to U.S. District Judge Federico A. Moreno (S.D. Fla.), 2005–2006.

EXHIBIT: Official Federal Judicial Center / S.D. Fla. Directory Records showing Stumphauzer & Ruiz Clerkship under Judge Moreno







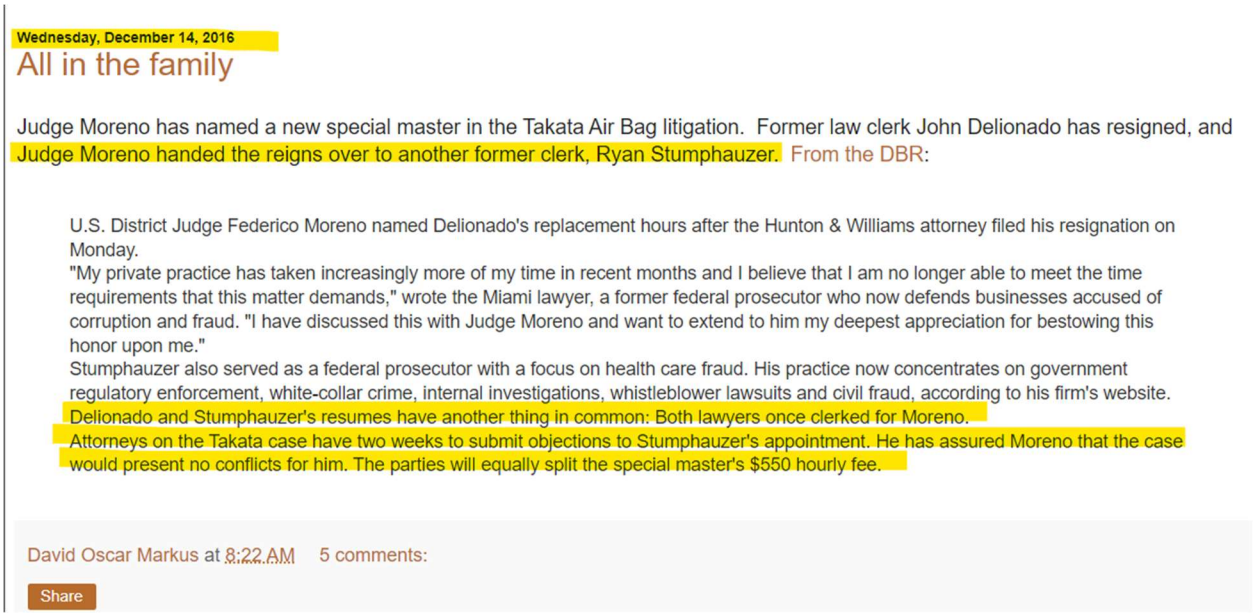
Both men launched their federal careers walking the identical halls under Judge Moreno just one term apart. While shared alumni pedigree is well known in specialized legal circles, the issue is not merely that this connection exists is that it was never disclosed to the parties whose assets, rights, and operations were being systematically dismantled on the docket.

The Precedent: "All in the Family" in the Southern District of Florida
This is not the first time Ryan Stumphauzer has been handed a lucrative, court-appointed position through the Moreno network. In fact, South Florida legal observers identified this pattern a decade ago.

In December 2016, during the massive multidistrict litigation in re: Takata Airbag Products Liability Litigation (MDL No. 2599), Judge Federico A. Moreno needed to appoint a new Special Master. *(A Special Master is akin to a Receivership)* The Special Master he appointed was John Delionado, a former Moreno law clerk. When Delionado resigned what did Moreno do? Rather than conducting an open, outside search, Judge Moreno handed the lucrative post (billed at $550 an hour) directly to another one of his former clerks: Ryan K. Stumphauzer.

The move was so blatant that the prominent Southern District of Florida Blog ran a headline on December 2, 2016, reporting the appointment under four telling words: *"All in the family"*.

EXHIBIT: Southern District of Florida Blog Article (Dec. 2, 2016) Titled "All in the family" & Judge Moreno's Order Appointing Stumphauzer as Special Master in Takata Airbag MDL
Southern District of Florida Blog: December 2016



Wednesday, December 14, 2016

All in the family

Judge Moreno has named a new special master in the Takata Air Bag litigation. Former law clerk John Delionado has resigned, and Judge Moreno handed the reigns over to another former clerk, Ryan Stumphauzer. From the DBR:

> U.S. District Judge Federico Moreno named Delionado's replacement hours after the Hunton & Williams attorney filed his resignation on Monday.
> "My private practice has taken increasingly more of my time in recent months and I believe that I am no longer able to meet the time requirements that this matter demands," wrote the Miami lawyer, a former federal prosecutor who now defends businesses accused of corruption and fraud. "I have discussed this with Judge Moreno and want to extend to him my deepest appreciation for bestowing this honor upon me."
> Stumphauzer also served as a federal prosecutor with a focus on health care fraud. His practice now concentrates on government regulatory enforcement, white-collar crime, internal investigations, whistleblower lawsuits and civil fraud, according to his firm's website.
> Delionado and Stumphauzer's resumes have another thing in common: Both lawyers once clerked for Moreno.
> Attorneys on the Takata case have two weeks to submit objections to Stumphauzer's appointment. He has assured Moreno that the case would present no conflicts for him. The parties will equally split the special master's $550 hourly fee.

David Oscar Markus at 8:22 AM 5 comments:

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The Takata precedent demonstrates a documented institutional culture: within the Moreno chambers lineage, major judicial appointments, high-dollar monitorships, and fiduciary roles are routinely passed down through the same alumni circle. When Judge Ruiz took the federal bench, he brought that exact Judge's chambers culture with him.

The Ex Parte Strategic Play: Did the SEC Handpick Ruiz's Former Colleague?

To understand how deep this runs, look at how Stumphauzer entered the Par Funding case in July 2020.

In federal equity cases, district judges hold the sole discretionary power under Federal Rule of Civil Procedure 66 to appoint whoever they choose. But in civil SEC enforcement, the government initiates the process behind closed doors. On July 24, 2020, SEC lead trial counsel Amie Riggle Berlin filed an ex parte emergency motion under seal (DE-4), asking the court to freeze assets and hand the entire enterprise over to an outside receiver. Attached to Berlin's emergency motion was her handpicked recommendation: Ryan K. Stumphauzer.

Observers of this litigation know that the dynamic between Judge Ruiz and SEC trial attorney Amie Riggle Berlin was often visibly strained during proceedings. So how does an enforcement team ensure that an unprecedented, sweeping receivership over a hundreds-of-millions-of-dollars lending portfolio sails through without resistance?

You recommend someone the judge instinctively trusts.

In the Southern District of Florida legal community, the Moreno network is common knowledge. Berlin knew the local courthouse culture. By recommending Stumphauzer, the SEC bypassed judicial friction by proposing someone who walked the same halls, learned from the same judicial mentor, and came from the exact same institutional family.

(*To our readers, as a reminder, Amie "Rigged It" Riggle Berlin is a lifetime SEC flunky and completely corrupt liar that filed a fake and phony TRO filled with false declarations that were perjurious, no independent financial analysis, incorrect financial analysis, and relied on an ambulance chaser lawyer named Shane Heskin who acted as defacto prosecutor as previously posted on this site. Berlin is also a lifetime liberal whose husband worked for the DNC. Amie Riggle Berlin would know about the Moreno vein and jumped on the bandwagon to take advantage of an opportunity because she is corrupt!)*

The strategy paid off immediately:
The SEC recommended Stumphauzer under seal on July 24, 2020 (DE-4).
Just three days later, on July 27, 2020, Judge Ruiz signed the order officially appointing his fellow Moreno clerk as Receiver (DE-36).

The receivership transformed from an administrative caretaker into an aggressive de facto prosecutor, securing every major motion and creating a direct bridge between the SEC's claims and the court's signature.

EXHIBIT: SEC Ex Parte Motion for Appointment of Receiver (DE-4) signed by Amie Riggle Berlin Recommending Ryan Stumphauzer & Judge Ruiz's July 27, 2020, Appointment Order (DE-36)

CONCLUSION

For the foregoing reasons, the Commission requests that the Court grant its request for the appointment of Mr. Stumphauzer, Esq. as Receiver over the Companies. A proposed order is submitted herewith.

July 24, 2020 Respectfully submitted,

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Certification of Counsel

Counsel for the Commission did not confer with Argyle Coin regarding the requested relief, since in order to prevent further dissipation of assets, we are seeking this relief in connection with an *ex parte* Temporary Restraining Order that we are filing under seal.

s/Amie Riggle Berlin
Amie Riggle Berlin

****This was done so sloppy that Berlin does not even have the right company name in her Motion. She copied and pasted this from another case. It is not "Argyle Coin," it is Complete Business Solutions Group/DBA Par Funding. Berlin is so careless filing ex-parte motions like hotcakes that she does not even check her work on the complaints she files with the court.**

The Broken Mandate: The GAAP Double Standard

The procedural deference shown to the Receiver was not subtle; it actively bypassed the court's own explicit legal mandates.

Early in the proceedings, Judge Ruiz himself mandated that all financial reports submitted to the court must strictly adhere to **Generally Accepted Accounting Principles (GAAP).** This was the court's own direct standard.

Yet when Receiver Stumphauzer introduced the crucial Sharp forensic report to establish the narrative of an insolvent "Ponzi scheme," the report brazenly failed to comply with GAAP standards. Rather than enforcing his own mandate, Judge Ruiz treated the non-GAAP submission as if the violation were completely inconsequential, accepting the narrative without holding the Receiver's team to the court-ordered benchmark.

Procedural Asymmetry on the Record

This double standard set the tone for the entire case, creating an environment where the Receiver received unchecked latitude while the defense faced constant procedural roadblocks:

1. Silencing the Defense in Open Court

During critical status conferences and virtual proceedings, defense microphones were repeatedly muted or strictly throttled, while the Receiver was allotted uninterrupted floor time frequently consuming the vast majority of the hearing to present extensive slide decks and control the court narrative.

EXHIBIT: December 15, 2020, Status Conference Transcripts and Minute Entries Demonstrating Defense Mic-Muting and Hearing Time Allocations

Pg. 40: Line 12

MR. FUTERFAS: Judge, that's not true at all.

THE COURT: I'm going -- I'll go ahead and mute you, Mr. Futerfas, so that I have any more interruptions.

Go ahead and I will turn to the defense lawyers in a minute, but I have to hear from my receiver first so I can get a good picture, and before I pivot to Mr. Kolaya on the phone, there's one thing that you just said, Mr. Stumphauzer, that I got to make sure understand. You mentioned something about someone else collecting the money for you guys.

Pg. 44 Line 17

MR. STUMPHAUZER: One last point, Your Honor --

THE COURT: Yeah, go ahead.

MR. STUMPHAUZER: -- is that Mr. Sharp, you know, I'm corresponding with him sometimes as these hearings are ongoing, has offered to meet with and assist the defense's expert.

THE COURT: So let me --

MR. FUTERFAS: So, Your Honor, can --

THE COURT: No, no, no. You are not going to be chiming in until I let you okay, so let's hold you on mute so I don't have to keep clicking that button, all right?

Pg. 56 Line 5-7

So that's my intent. I do not -- I'm not going to un-mute and listen to be a dissertation from any defense counsels on this. The purpose of this call was to talk to the receiver and get a clear picture. I'm going to un-mute Mr. Futerfas so that I can hear point by point. This is not a show for investors. This is to figure out how to get this thing done. Okay? So I want to know what issues you may have -- you're going to get a chance to file your protective order, so I don't really think we have to deal with that. I just want to help you instead of having to keep having discovery hearings, to just get that done.

2. The Twenty-Four Billing Campaigns: Unquestioned Approval

Federal equity receiverships exist to preserve capital, not liquidate it into professional fees. Over the course of 24 consecutive interim billing cycles totaling tens of millions of dollars, the docket shows zero judicial pushback. While the defense raised repeated objections to runaway professional fees, line items were approved without formal fee examination or evidentiary billing audits.

EXHIBIT: Summary of 24 Receiver Fee Petitions, Total Dollars Approved, and Court Signature Approvals

Receiver's Application for Fees and Expenses			
DE-438	1st	$ 2,155,018.64	
DE-491	2nd	$ 2,350,253.39	
DE-589	3rd	$ 2,380,111.00	
DE-699	4th	$ 2,486,117.96	
DE-948	5th	$ 2,087,293.46	
DE-1153	6th	$ 1,528,064.31	
DE-1246	7th	$ 1,278,080.71	
DE-1358	8th	$ 1,069,508.13	
DE-1440	9th	$ 1,118,586.79	
DE-1509	10th	$ 985,313.29	
DE-1567	11th	$ 897,968.35	
DE-1663	12th	$ 1,173,524.78	
DE-1751	13th	$ 888,119.63	
DE-1809	14th	$ 769,136.67	
DE-1959	15th	$ 788,469.91	
DE-2038	16th	$ 723,086.66	
DE-2068	17th	$ 620,710.26	
DE-2113	18th	$ 535,075.59	
DE-2148	19th	$ 583,968.44	
N/A	20th	NOT POSTED	
DE-2188	21st	$ 394,647.36	
DE-2199	22nd	$ 347,356.01	
DE-2231	23rd	$ 280,241.60	
DE-2240	24th	$ 220,682.59	
		$ 25,661,335.53	

The Questions That Demand Answers

Where there is smoke, there is fire. The Freedom Fighters team is presenting verifiable facts from the public record that were kept hidden from view:

Why was this mutual background omitted from the record? When a judge entrusts a receiver with sweeping control over hundreds of millions of dollars in private assets, why was their shared Moreno clerkship lineage never placed on the record?

Did the SEC exploit the "All in the Family" playbook? Did SEC counsel Amie Riggle Berlin intentionally recommend Stumphauzer during the sealed ex parte phase knowing that

Judge Ruiz's shared institutional background would disarm judicial skepticism and guarantee favorable orders?

Why was the court's own GAAP rule discarded for the Receiver? Why did an explicit judicial requirement evaporate the moment the Receiver needed a non-GAAP report to establish a Ponzi premise?

What communication occurred behind the scenes? Did their shared chambers lineage foster an unwritten baseline of institutional trust that led the court to accept the Receiver's positions wholesale while dismissing defense arguments out of hand?

Under the United States Constitution, justice requires not only actual fairness, but the undeniable appearance of fairness. When the courtroom doors are shut, microphones are muted, and the SEC, the judge, and the receiver share an undisclosed institutional web, the public can draw its own conclusions.

A Final Note to Our Readers

The foundational promise of the American legal system is that justice is impartial and that no institution is above the law. Yet the civil dismantling of Par Funding exposes a systemic double standard that should alarm every American who believes in constitutional due process: the unchecked, self-dealing culture of federal equity receiverships.

Consider the blatant hypocrisy at the center of this action. The Securities and Exchange Commission initiated its entire enforcement campaign against Par Funding based on allegations surrounding disclosures. Yet while the SEC and the court demanded strict, unforgiving compliance from the defense, the court operated under a veil of complete secrecy regarding its own institutional entanglements.

Would it not have been vital for the Par Funding community, the noteholders, employees, and defendants whose livelihoods were on the line to know from day one that the presiding judge and the court-appointed receiver shared an intimate professional pedigree as law clerks for the exact same mentor judge in the exact same courthouse?

Federal judges work for the American people; the taxpayers fund their salaries. When a judge hands sweeping, unilateral authority over hundreds of millions of dollars to an alumnus of his own institutional circle, that shared history is material. If private citizens are held to exacting disclosure standards, why are the arbiters who judge them exempt?

The record demonstrates an undeniable pattern:

The Takata MDL Precedent: First Judge Moreno appointed his former law clerk John Delionado. And when Delionado resigned, Ryan K. Stumphauzer, another Moreno former law clerk was appointed Special Master at $550 an hour directly by Judge Federico A. Moreno the very judge he clerked for taking over the role from another former Moreno clerk in an arrangement South Florida legal observers explicitly dubbed "All in the family." *(Ruiz and Stumphauzer learned from their mentor, Judge Moreno that they can continue to enrich each other, and bypass the constitution of a fair and balanced courtroom.)*

The Par Funding Appointment: Years later, SEC lead counsel Amie Riggle Berlin recommended Stumphauzer under seal, positioning him before Judge Rodolfo Ruiz II, another Moreno chambers alumnus who signed the appointment order within 72 hours.

The Exclusion of Independent Alternatives: Across Florida and the wider federal bar, thousands of seasoned, independent fiduciaries with zero ties to Judge Ruiz could have been selected. Instead, the court chose a fellow insider from the same chambers lineage, paving the way for over $60 million in professional fees to be rubber-stamped while defense motions and accounting objections were swept aside.

The SEC and the courts may hide behind technical rules to claim that shared clerkships and insider networks do not trigger mandatory recusal. But to anyone viewing the facts with common sense, the reality is clear: this is inside baseball. It fosters a baseline of institutional deference that strips litigants of an even playing field and bleeds estates dry under the banner of equity and enriches the Moreno vein.

It is time to put an end to the undisclosed nepotism and unchecked authority that plague federal receiverships. Real accountability requires dragging these insider networks into the sunlight because justice cannot be served when the bench, the government, and the fiduciary are all playing for the same team.