

# \$470 Million In Assets At Sentencing: LaForte's 15 ½-Year Sentence Re-Examined

Apr 25, 2026 by [Black Star](#)

*Former Par Funding CEO LaForte*

By Milton Allimadi

**Newly highlighted financial records are raising significant questions about the government's portrayal of investor losses in the Par Funding case at the time former CEO Joseph LaForte was sentenced to [15½ years in federal prison](#) on March 25, 2025.**

According to the court-appointed receiver's own quarterly report dated April 30, 2025, Complete Business Solutions Group (CBSG), which operated as Par Funding, held \$217,000,311 in cash as of March 25, 2025—the very day LaForte stood before U.S. District Court Judge Mark A. Kearney for sentencing in the Eastern District of Pennsylvania. The same report also documented more than \$253 million in accounts receivable, bringing the company's total assets to approximately \$470,000,311 at that time.

LaForte and his attorneys argue that these figures fundamentally undercut the government's assertion of massive investor losses in [an alleged Ponzi scheme](#) used to justify the lengthy sentence. Under federal sentencing guidelines, specifically Section 2B1.1, prison terms in financial crime cases are driven largely by the amount of actual loss suffered by victims.

Yet, despite the availability of more than \$217 million in cash, the receiver distributed only \$111,078,201 to investors prior to sentencing. A remaining \$105,922,110—funds that were already liquid—was not distributed until November 25, 2025, eight months after LaForte's sentencing.

“Did the receiver do his fiduciary duty and distribute all that money to the people who needed it before the sentencing? Absolutely not,” a lawyer for

LaForte said. “Instead, he strategically held back \$105,922,110 that was sitting perfectly liquid in Par bank accounts.”

LaForte’s legal team contends that this delay created the appearance of inflated investor losses at a critical moment in the case. They argue that had those funds been distributed before sentencing, the “actual loss” calculation—central to determining prison time—would have been significantly lower.

The argument draws support from the Third Circuit’s 2022 ruling in *United States v. Banks*, which rejected the use of “intended loss” in favor of “actual loss” when calculating sentences. As LaForte’s attorneys note: “If a defendant pays the money back—or if the funds are recovered and distributed to the victims before sentencing—the ‘actual loss’ drops.”

They maintain that this principle was not properly applied in LaForte’s case.

At the time of sentencing, federal prosecutors relied on figures outlined in a Department of Justice press release stating that investor losses initially totaled \$404,737,299, later reduced to \$288,395,088 after accounting for seized collateral. When Par Funding was placed in Receivership, the court-appointed receiver Ryan K. Stumphauzer, had overall control and pleaded guilty to conspiracy to commit wire fraud and securities fraud on behalf of Par Funding in what prosecutors described as a “wide-ranging scheme that defrauded investors out of hundreds of millions of dollars.”

However, LaForte and his lawyers have publicly challenged the characterization of the business as a Ponzi scheme. “Generally, a Ponzi scheme... uses new investor money to pay earlier investors... So, what kind of Ponzi scheme was this then? The funds were there to make the investors whole.”

Indeed, in the six years since the company was placed into receivership and its operations shut down, [approximately \\$196 million](#) has been repaid to investors, according to the most recent court-mandated report by receiver Stumphauzer for the first quarter of 2026—despite no new revenue being generated during that period since he halted the company’s cash advance operations.

LaForte and his attorneys argue that this repayment record, combined with the company's asset position at the time of sentencing, demonstrates that investor losses were far lower than initially claimed—and potentially avoidable altogether had the business continued operating.

They have also raised concerns about the cost of the receivership itself. Over six years, Stumphauzer has billed approximately \$30 million, an amount LaForte's team characterizes as excessive—roughly 15% of the total funds returned to investors.

Stumphauzer did not respond to requests for comment on these allegations by deadline today. The U.S. Attorney's Office for the Eastern District of Pennsylvania declined comment in a brief e-mail message.



*Receiver Ryan K. Stumphauzer. Photo: [sknlaw.com](http://sknlaw.com)*