CAUGHT IN THE LEDGER: RECEIVERSHIP BILLS ESTATE TO MONITOR PARDON EFFORTS, POLICE INDEPENDENT JOURNALISM, AND FEED THE FBI

When a federal court appoints an equity receiver, the law demands an impartial fiduciary—a neutral officer of the court sworn to marshal, preserve, and protect corporate assets for the sole benefit of creditors and investors. A receiver is not a state prosecutor, not an intelligence-gathering arm of the Department of Justice, and certainly not a private public-relations watchdog tasked with censoring adverse press coverage.

Yet in Docket Entry 2240, the twenty-fourth quarterly fee application submitted by Receiver Ryan K. Stumphauzer, his Miami law firm Stumphauzer Kolaya & Sloman, PLLC (SKS), and Philadelphia co-counsel Pietragallo Gordon Alfano Bosick & Raspanti, LLP—the billing ledgers lay bare a stark reality. The receivership estate has been billed at hundreds of dollars per hour to monitor Joseph LaForte's pardon campaign, police independent reporting by Black Star News, and feed investigative articles to the FBI.

Worse still, Pietragallo partner Douglas K. Rosenblum (DKR) continues to inhabit two diametrically opposed roles: acting as counsel to the Receiver draining the company's treasury, while simultaneously appearing in criminal court as the attorney of record for Complete Business Solutions Group, Inc. (CBSG/Par Funding). This arrangement serves two masters, conflicts fundamental duties of client loyalty, and uses estate funds to track evidence that challenges the foundational narrative of the case.

PART I: BILLING THE ESTATE TO TRACK PARDONS AND INDEPENDENT JOURNALISM
Under federal equity receivership principles and SEC billing standards, every billable hour must directly marshal, liquidate, or protect tangible estate assets. Public relations, reputation management, and tracking external political speech confer zero benefit upon the estate and constitute non-compensable overhead.

The time ledgers in DE 2240 reveal that estate funds were billed to monitor the FreeJoeLaForte.com advocacy platform, track clemency efforts, and scrutinize investigative journalism:

Billed Entries Tracking "FreeJoeLaForte.com" and Pardon Petitions:
-May 8, 2026 – Timothy A. Kolaya (TAK, SKS) (0.20 hrs / $79.00):
"Case Administration: Review of articles from counsel for LaForte in effort to support pardon request and emails with co-counsel re same." (DE 2240-6, p. 15)

-May 26, 2026 – Timothy A. Kolaya (TAK, SKS) (0.70 hrs / $276.50):
"Case Administration: Review of 'freejoelaforte.com' website and emails with co-counsel re same." (DE 2240-6, p. 19)
-May 26, 2026 – Douglas K. Rosenblum (DKR, Pietragallo) (0.30 hrs / $118.50):
"REVIEWING WEBSITE PROMOTING EFFORTS TO OBTAIN PRESIDENTIAL PARDON FOR JOSEPH LAFORTE (LINK RECEIVED FROM GOVERNMENT); FORWARDING SAME TO CLIENT AND CO-COUNSEL" (DE 2240-7, p. 38)
-June 4, 2026 – Timothy A. Kolaya (TAK, SKS) (0.20 hrs / $79.00):
"Case Administration: Review of recent new article and additional publications from Laforte's team in effort to obtain presidential pardon." (DE 2240-6, p. 21)
-June 10, 2026 – Douglas K. Rosenblum (DKR, Pietragallo) (0.20 hrs / $79.00):
"CONFERRING WITH GJA RE: JOSEPH LAFORTE'S EFFORTS TO OBTAIN A PRESIDENTIAL PARDON AND U.S. ATTORNEY'S RESPONSE TO SAME" (DE 2240-7, p. 45)
-June 10, 2026 – Gaetan J. Alfano (GJA, Pietragallo) (0.20 hrs / $79.00):
"CONFERRING WITH DKR RE: JOSEPH LAFORTE'S EFFORTS TO OBTAIN A PRESIDENTIAL PARDON AND U.S. ATTORNEYS RESPONSE TO SAME" (DE 2240-7, p. 45)

Billed Entries Scrutinizing Black Star News & Press Inquiries:
-April 11, 2026 – Douglas K. Rosenblum (DKR, Pietragallo) (0.10 hrs / $39.50):
"REVIEWING AND FORWARDING TO CO-COUNSEL AND RECEIVER MEDIA COVERAGE OF CASE BY BLACK STAR NEWS" (DE 2240-7, p. 7)
-April 24, 2026 – Ryan K. Stumphauzer (RKS, SKS) (0.10 hrs / $39.50):
"Case Administration: Reviewed email correspondence from Milton Allimadi re: request for media comment relating to Joseph LaForte's sentencing, timing of distributions and allegations of over-billing." (DE 2240-6, p. 11)
-April 25, 2026 – Douglas K. Rosenblum (DKR, Pietragallo) (0.10 hrs / $39.50):
"DRAFTING CORRESPONDENCE TO RECEIVER, CO-COUNSEL, AND FBI RE: NEW MEDIA COVERAGE BY BLACK STAR NEWS" (DE 2240-7, p. 15)
-April 26, 2026 – Douglas K. Rosenblum (DKR, Pietragallo) (0.10 hrs / $39.50):
"REVIEWING RECENT MEDIA COVERAGE BY BLACK STAR NEWS" (DE 2240-7, p. 15)
-May 8, 2026 – Douglas K. Rosenblum (DKR, Pietragallo) (0.20 hrs / $79.00):
"REVIEWING MEDIA COVERAGE OF CASE; FORWARDING SAME TO RECEIVER, CO-COUNSEL, AND GOVERNMENT" (DE 2240-7, p. 29)
-May 8, 2026 – Douglas K. Rosenblum (DKR, Pietragallo) (0.10 hrs / $39.50):
"REVIEWING AND REPLYING TO CORRESPONDENCE FROM CLIENT RE: DECISION WHETHER TO COMMENT ON CASE TO BLACK STAR NEWS" (DE 2240-7, p. 29)
-May 18, 2026 – Ryan K. Stumphauzer (RKS, SKS) (0.40 hrs / $158.00):
"Case Administration: Review and catalogue investor inquiries, including those from

investors of AG Morgan, to ascertain whether any had not yet been responded to; further reviewed media inquiry and forwarded same to counsel with recommendation re: same." (DE 2240-6, p. 17)
-May 18, 2026 – Douglas K. Rosenblum (DKR, Pietragallo) (0.20 hrs / $79.00): "REVIEWING AND REPLYING TO CORRESPONDENCE FROM RECEIVER RE: REFRAINING FROM RESPONDING TO REQUEST FOR COMMENT FROM BLACK STAR NEWS" (DE 2240-7, p. 33)
-May 19, 2026 – Douglas K. Rosenblum (DKR, Pietragallo) (0.20 hrs / $79.00): "REVIEWING MEDIA COVERAGE OF RECEIVERSHIP IN BLACK STAR NEWS; FORWARDING SAME TO RECEIVER, CO-COUNSEL, AND GOVERNMENT" (DE 2240-7, p. 34)
-May 27, 2026 – Douglas K. Rosenblum (DKR, Pietragallo) (0.30 hrs / $118.50): "REVIEWING NEW MEDIA COVERAGE SUPPORTING JOSEPH LAFORTE'S POSITION THAT THE SEC OVERREACHED AND DOES NOT AGREE WITH THE 'PONZI' DESIGNATION; DRAFTING CORRESPONDENCE TO CLIENT AND CO-COUNSEL RE: SAME" (DE 2240-7, p. 39)
-June 4, 2026 – Douglas K. Rosenblum (DKR, Pietragallo) (0.10 hrs / $39.50): "SENDING BLACK STAR NEWS ARTICLE RE: PAR FUNDING TO GJA, RECEIVER, AND T. KOLAYA, ESQUIRE" (DE 2240-7, p. 42)
-June 5, 2026 – Douglas K. Rosenblum (DKR, Pietragallo) (0.10 hrs / $39.50): "REVIEWING NEW MEDIA COVERAGE OF PAR FUNDING MATTER BY BLACK STAR NEWS" (DE 2240-7, p. 42)
-June 16, 2026 – Ryan K. Stumphauzer (RKS, SKS) (0.10 hrs / $39.50): "Case Administration: Reviewed email correspondence from M. Allimadi re: request for media comment pertaining to on-site merchant underwriting visits." (DE 2240-6, p. 23)
-June 17, 2026 – Timothy A. Kolaya (TAK, SKS) (0.20 hrs / $79.00): "Case Administration: Review of email from D. Rosenblum forwarding article regarding Par Funding merchant declarations and collapse of Ponzi narrative." (DE 2240-6, p. 24)
June 17, 2026 – Douglas K. Rosenblum (DKR, Pietragallo) (0.20 hrs / $79.00): "REVIEWING NEW ARTICLE PUBLISHED BY BLACK STAR NEWS RE: RECEIVERSHIP; CORRESPONDENCE WITH RECEIVER AND CO-COUNSEL RE: SAME" (DE 2240-7, p. 50)
-June 25, 2026 – Ryan K. Stumphauzer (RKS, SKS) (0.10 hrs / $39.50): "Case Administration: Reviewed and considered request for media comment from M. Allimadi concerning the working relationship between the receiver and the SEC; evaluated same for appropriate response." (DE 2240-6, p. 26)
-June 27, 2026 – Douglas K. Rosenblum (DKR, Pietragallo) (0.20 hrs / $79.00): "REVIEWING MOST RECENT MEDIA COVERAGE OF RECEIVERSHIP BY BLACK STAR NEWS; FORWARDING SAME TO RECEIVER AND CO-COUNSEL" (DE 2240-7, p. 61)
-June 29, 2026 – Douglas K. Rosenblum (DKR, Pietragallo) (0.10 hrs / $39.50):

"CONFERRING WITH GJA RE: MEDIA COVERAGE OF RECEIVERSHIP" (DE 2240-7, p. 62)
-June 29, 2026 – Gaetan J. Alfano (GJA, Pietragallo) (0.10 hrs / $39.50):
"CONFERRING WITH DKR RE: MEDIA COVERAGE OF RECEIVERSHIP" (DE 2240-7, p. 62)
-June 30, 2026 – Ryan K. Stumphauzer (RKS, SKS) (0.10 hrs / $39.50):
"Case Administration: Reviewed email correspondence from M. Allimadi regarding a request for comment relating to the DSI and Glick Report." (DE 2240-6, p. 27)
-June 30, 2026 – Timothy A. Kolaya (TAK, SKS) (0.10 hrs / $39.50):
"Case Administration: Review of R. Stumphauzer email regarding media inquiry about Par Funding DSI/Glick report and intended criticism about Judge Ruiz." (DE 2240-6, p. 28)
June 30, 2026 – Douglas K. Rosenblum (DKR, Pietragallo) (0.10 hrs / $39.50):
"REVIEWING AND REPLYING TO CORRESPONDENCE FROM RECEIVER RE: MEDIA INQUIRY" (DE 2240-7, p. 63)

These entries disclose no asset recoveries, no merchant loan restructurings, and no distributions to investors. Instead, estate assets are diverted to monitor an adversarial defense campaign and police press inquiries concerning forensic audits, billing practices, and the presiding judge.

PART II: FEEDING THE FBI AND COLLUSION WITH PROSECUTORS

A court-appointed equity receiver is an officer of the court, an impartial referee maintaining a fiduciary posture toward all parties. However, DE 2240 demonstrates active operational coordination with the Federal Bureau of Investigation and the United States Attorney's Office for the Eastern District of Pennsylvania (EDPA):

-April 25, 2026 (DKR): Pietragallo billed the receivership estate to alert criminal law enforcement to an investigative press article: "DRAFTING CORRESPONDENCE TO RECEIVER, CO-COUNSEL, AND FBI RE: NEW MEDIA COVERAGE BY BLACK STAR NEWS." (DE 2240-7, p. 15)
-May 3, 2026 (DKR): "CORRESPONDENCE (IN PERSON AND IN WRITING) WITH AUSA NEWCOMER RE: D. VAGNOZZI'S MOTION TO AMEND RECEIVERSHIP AND COURT'S DENIED OF SAME WITHOUT A RESPONSE HAVING BEEN FILED." (DE 2240-7, p. 26)
-May 13, 2026 (DKR): "CONFERRING WITH AUSA NEWCOMER RE: RESTITUTION AND DISTRIBUTIONS; CONFERRING WITH T. KOLAYA, ESQUIRE RE: SAME." (DE 2240-7, p. 31)
-May 17, 2026 (DKR): "DRAFTING CORRESPONDENCE TO GOVERNMENT INCLUDING INFORMATION FROM T. KOLAYA, ESQUIRE." (DE 2240-7, p. 33)
-June 10, 2026 (DKR & GJA): Conferring regarding "JOSEPH LAFORTE'S EFFORTS TO OBTAIN A PRESIDENTIAL PARDON AND U.S. ATTORNEY'S RESPONSE TO SAME." (DE 2240-7, p. 45)
-June 23, 2026 (RKS): "Reviewed email from D. Rosenblum re: correspondence to USAPAE

to request position on a joint request to continue sentencing ahead of the four-week scheduled date noting that the receivership is not yet ready to wind down." (DE 2240-6, p. 24–25)
-June 28, 2026 (DKR): "REVIEWING AND REPLYING TO CORRESPONDENCE FROM GOVERNMENT RE: CONTINUANCE OF SENTENCING FOR CBSG IN E.D.PA.; FORWARDING SAME TO RECEIVER AND CO-COUNSEL." (DE 2240-7, p. 62)

Feeding investigative journalism clips to the FBI and conferring with the prosecution on pardon responses moves beyond the bounds of neutral estate preservation. It reflects an active alignment with federal law enforcement to preserve criminal theories that insulate the receivership's billing operations from scrutiny.

PART III: THE CORE CONCERN — COLLAPSE OF THE "PONZI SCHEME" NARRATIVE
The entries in DE 2240 indicate why the Receiver and co-counsel track independent coverage with such urgency:

-May 27, 2026 (DKR): Reviewing coverage "SUPPORTING JOSEPH LAFORTE'S POSITION THAT THE SEC OVERREACHED AND DOES NOT AGREE WITH THE 'PONZI' DESIGNATION." (DE 2240-7, p. 39)
-June 17, 2026 (TAK): Reviewing an article regarding "Par Funding merchant declarations and collapse of Ponzi narrative." (DE 2240-6, p. 24)
-June 30, 2026 (TAK): Reviewing media inquiries regarding the "Par Funding DSI/Glick report and intended criticism about Judge Ruiz." (DE 2240-6, p. 28)

The entire premise of the civil enforcement action, the parallel criminal restitution demands, and the tens of millions of dollars in administrative fees extracted by the Receiver and his retinue rests on the characterization of Par Funding as a "Ponzi scheme".

When sworn merchant declarations emerge proving legitimate underlying accounts receivable, and when independent forensic accounting (such as the Glick & Dunkelberger analyses) refutes the government's models, the structural justification for dismantling the business model dissolves. Monitoring these publications serves to track exposure to that underlying defense.

PART IV: SERVING TWO MASTERS: DOUGLAS ROSENBLUM'S CONFLICT OF INTEREST
The central structural issue identified in DE 2240 is Douglas Rosenblum's dual posture. Under professional ethical frameworks, an attorney cannot serve two masters with fundamentally opposing objectives:

Counsel to Defendant CBSG / Par Funding: In criminal proceedings in the Eastern District of Pennsylvania (U.S. v. CBSG), Rosenblum acts as legal counsel for the corporate entity. Under ABA Model Rule 1.13 (Organization as Client), an attorney representing an organization owes absolute, uncompromised loyalty to that entity. The attorney is required to defend its viability, preserve its assets, minimize its criminal exposure, and protect it from unfounded corporate fines and forfeitures.

Co-Counsel to Receiver Ryan Stumphauzer: Simultaneously, Rosenblum serves as co-counsel to the Receiver in the Southern District of Florida. The Receiver's operative objective is to liquidate the company, seize all corporate assets, settle liabilities on receivership terms, and drain tens of millions of dollars from corporate accounts to fund professional fees.

These roles run in direct opposition:
As CBSG's defense counsel, Rosenblum entered a corporate guilty plea on behalf of the company and paid a $400 mandatory special assessment out of estate funds.

In DE 2240, Rosenblum bills the corporate estate at $395.00 per hour to complete pre-sentence investigation questionnaires, coordinate corporate plea mechanics, negotiate sentencing dates with the prosecution, and forward unfavorable press coverage to the FBI.

When external publications expose evidence refuting the "Ponzi scheme" designation, evidence that could legally exonerate CBSG, Rosenblum does not deploy it to defend his corporate client. Instead, he reviews it alongside the Receiver, coordinates with the AUSA, and bills the corporate client for the review.

PART V: ETHICAL VIOLATIONS UNDER THE ABA MODEL RULES
The conduct documented in DE 2240 directly implicates core rules of professional conduct:

-ABA Model Rule 1.5 (Reasonableness of Fees): Prohibits charging or collecting an unreasonable fee. Billing a receivership estate to monitor political pardon platforms, read independent news critiques, and report articles to the FBI violates basic reasonableness standards.

-ABA Formal Opinion 93-379: Forbids billing clients for routine firm overhead or tasks devoid of tangible legal value. Monitoring public relations controversies and drafting correspondence to law enforcement about press inquiries constitute non-compensable

overhead.

-ABA Model Rule 1.7 (Conflict of Interest: Current Clients): Prohibits representing a client where the representation is materially limited by the lawyer's responsibilities to another client or third party. Rosenblum's concurrent representation of the corporate entity and the receiver dismantling that entity constitutes an active conflict of loyalty.
ABA Model Rule 1.13 (Organization as Client): Requires counsel representing an organization to act solely in the best interests of the entity, not in the self-serving administrative interests of court-appointed fiduciaries extracting fees from its balance sheet.

-ABA Model Rule 8.4(d) (Misconduct Prejudicial to the Administration of Justice): Depleting fiduciary estate funds to monitor political clemency petitions, track critical news outlets, and coordinate with federal prosecutors against former corporate principals undermines the integrity of the judicial receivership process.

First Amendment Dimensions and the Receiver's Prosecutorial Posture
1. The First Amendment and the Right to Petition
Both independent journalism (Black Star News) and advocacy websites (FreeJoeLaForte.com) operate under core First Amendment protections. Political speech, reporting on court records, critiquing judicial officers, and petitioning the government for executive clemency (a presidential pardon) are constitutionally shielded.

A court-appointed equity receiver has no legal standing or lawful authority to police or chill external protected speech. Charging receivership fees to monitor that speech essentially forces the receivership estate to finance surveillance of constitutionally protected reporting and petitioning.

2. Why the Sensitivity to Judge Ruiz and Press Inquiries?
In federal equity jurisprudence, a receiver is an "arm of the court." The receiver's entire statutory authority, expansive powers to freeze assets, and regular approval of fee petitions depend on the appointing judge's jurisdiction and goodwill.

When press reports question whether the court was misled by the SEC, scrutinize judicial oversight, or contrast the SEC's claims with independent accounting data (like the DSI vs. Glick reports), it directly challenges the foundational premise upon which the receivership operates. A court fiduciary who benefits from quarterly judicial fee orders has an inherent interest in insulating those proceedings from public controversy.

3. The Silence When the Press Calls
Fiduciaries facing critical media scrutiny frequently decline comment for two tactical reasons:

Any substantive, on-the-record response to detailed forensic reporting forces them into specific factual concessions that can be cited in court pleadings or bar grievances.
As court-appointed officers, making factual representations to reporters regarding ongoing criminal and civil proceedings carries significant risk of judicial reprimand or exposure under local rules governing extrajudicial statements.

4. Why the Receiver Continues to Behave Like a Prosecutor
Ryan Stumphauzer spent years as an Assistant United States Attorney leading complex fraud prosecutions. Gaetan Alfano is a former prosecutor. Douglas Rosenblum focuses on government investigations and white-collar defense. These professionals operate through the institutional lens and muscle memory of federal law enforcement:

Alignment of Incentives: A receiver's fee generation depends upon maintaining the theory that the enterprise was entirely corrupt from inception. If the defense establishes that Par Funding held hundreds of millions in legitimate receivables, maintained substantial cash reserves, and suffered liquidation primarily due to regulatory intervention, the economic justification for a multi-year, multi-million-dollar liquidation receivership falls apart.

Symbiosis with the DOJ: By feeding investigative materials to the FBI and coordinating with the USAO, the receivership ensures the criminal prosecution remains aligned with the civil case. This joint pressure makes it harder for defendants to challenge the receivership's accounting or fee petitions on an open record.