"DON'T SEND IT": The Three Words That Unravel the Government and Receiver's Ponzi Theory

By Freedom Fighters of America

For years, the court-appointed receiver and federal prosecutors have pushed a single, convenient narrative: that Par Funding was a ravenous "Ponzi scheme" operating on the brink of collapse, desperate for new investor money to keep the lights on and pay off old debts. As The Freedom Fighter's have previously exposed from the Forensic reports, nothing could be further from the truth. But there is even more to the story.

In a courtroom, rhetoric is easy. Slogans sway public perception. But contemporaneous evidence documented in real time before the government ever walked in the door tells the real story.

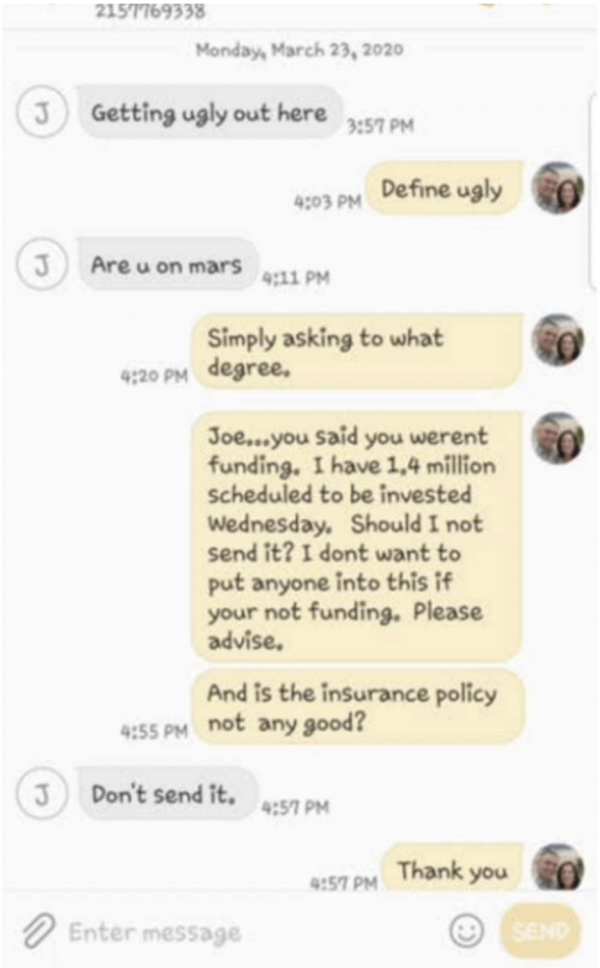
On March 23, 2020, as the global economy went into a historic tailspin at the onset of COVID-19 lockdowns, an investment fund manager named Dean Vagnozzi texted Par Funding principal Joseph LaForte. Vagnozzi had money in hand:

Vagnozzi: *"Joe…you said you weren't funding. I have 1.4 million scheduled to be invested Wednesday, Should I not send it? I don't want to put anyone into this if you're not funding. Please advise."*
LaForte: *"Don't send it."*

EXHIBIT: Text Message Exchange Between Dean Vagnozzi and Joseph LaForte, March 23, 2020

(The "J" initial is Joseph LaForte, and his phone number is the number on the text message with the cell phone directly seized by the government.)

We hope that for $60 million plus in fees the Receiver billed to the estate, he saw this message but chose to ignore it!



Read those three words again: **"Don't send it."**

Ask yourself a fundamental question: If Par Funding were a Ponzi scheme, why would anyone refuse $1.4 million in cold, hard cash?

The Fatal Flaw in the Receiver's Narrative

By definition, a Ponzi scheme is an enterprise running on pure capital starvation. It is an empty vessel. It does not generate sufficient commercial revenue to pay back what it borrows. Because it relies exclusively on fresh victim funds to pay off old noteholders, liquidity is its lifeblood. The moment incoming cash stops, the house of cards instantly implodes.

A real fraudster facing an economic shutdown of a lifetime does not turn away $1,400,000. A real fraudster grabs every single cent within reach, uses it to roll over urgent obligations, or prepares an exit strategy.

Instead, Joseph LaForte explicitly shut the door on fresh investor capital. He told the PPM manager to keep it.

Why? Because Par Funding was not an insolvent fraud. It was a disciplined commercial fund operating in the middle of a once-in-a-century macroeconomic shock.

Basic Portfolio Economics: Why Par Turned Down $1.4M

To understand this exchange, you must understand how real portfolio management works in the Merchant Cash Advance (MCA) industry, mechanics the government and the receiver consistently refuse to acknowledge and admitted in prior filings that they had no knowledge of the MCA business.

1. Investor Capital is Not "Free Cash"—It Carries a Cost

When Par Funding accepted investor capital, that capital came with a targeted yield—an expensive cost of capital (often 8% to 12% or higher). In a legitimate business, you only bring in new debt if you can safely deploy it into performing merchant contracts that return a higher yield than the cost of that capital. If you cannot deploy it safely, taking that money creates negative carry—meaning you are taking on expensive yield liabilities with nowhere to earn a return. A real Ponzi schemer would not care about the yield because they are trying to plug a financial gap. Here LaForte is concerned because Par always paid its

noteholders and would have continued to pay its noteholders if not for the fraudulent TRO and pointless appointment of a Receiver.

2. Cash Reserves Were Ballooning Past $48 Million
At the very moment this text was sent, Par Funding did not need Vagnozzi's $1.4 million. Par's bank accounts were holding over $48 million in cash.

Daily Automated Clearing House (ACH) remittances from thousands of prior, performing merchant contracts were continuously hitting the company's operating accounts. The company's treasury was swelling with real, collected cash flow. Taking on an extra $1.4 million of investor debt would have been completely irresponsible balance-sheet management.

3. Underwriting Restraint During a Once-in-a-Century Event
In late March 2020, governors across the United States ordered non-essential businesses to shutter overnight. No banker, economist, or underwriter on Earth knew how long lockdowns would last or how small businesses would survive.

Par Funding did not blindly throw money out the door. Management restricted funding, making originations strictly conditional. Capital was deployed only to essential, COVID-resistant sectors such as logistics, healthcare suppliers, and essential service providers while holding back on restaurants, retail, and hospitality. Par Funding sales associates were transformed into merchant negotiators overnight working with their thousands of merchants to get through the financial crisis helping small businesses throughout the nation survive the shutdown. Par Funding's employees worked tirelessly 18 hour days to make sure that noteholders funds and retained earnings that belonged to the defendants were rescued. The tireless efforts by Par Fundings employees were not recognized by the government or the Receiver and instead the Receiver rewarded the staff of 70 loyal long-term employees by firing them without cause and not paying them their last paycheck.

Because originations were strategically slowed to protect existing capital, Par had zero commercial need to take on fresh investor notes. There was no clarity on how long the Covid lockdowns would last so Vagnozzi was told: Don't send it.

Demolishing Mens Rea (Criminal Intent)
To convict someone of fraud, the government must prove mens rea, criminal intent to deceive and defraud.

The receiver and the prosecutors want the public to believe that management was recklessly deceiving investors about the safety of their capital. Yet here is contemporaneous, unalterable proof of management's mindset in the teeth of the crisis. The irony of this text message is that the person who was convicted of fraud is telling its largest PPM manager not to send anymore money.

As a sidenote during the covid lockdowns from March 2020 through July 27, 2020, when the Receiver came in Par Funding did not accept a single cent from Investors yet collected and deployed over 200 million from its merchant portfolio. In addition to that at the height of the crisis there were many noteholders whose security agreements were not due for years, but these were small business owners themselves and older noteholders that had individual needs due to loss of business in their own lives and financial hardship. Joseph LaForte the so-called convicted fraudster asked every noteholder who had specific needs if they wanted an early redemption payment. Over 20 million dollars in hardship claims came into Par Funding as a request for early redemption. Joseph LaForte made the decision to help these noteholders and immediately paid them back early. Is this what a Ponzi scheme fraudster does? These transactions are noted in the Glick reports which the Freedom Fighters have previously detailed for our readers.

-No Deception: Management did not manufacture false optimism to suck in more money.

That is why Joseph LaForte responses., *"are you on Mars."* Businesses were boarded up and people were dying all over the world. LaForte did not say, things are great, send more money. Which he could have easily said. And in fairness Mr. Vagnozzi being a responsible and ethical PPM manager said, *"I don't want to put anybody into this is you're not funding."* which shows his ethical nature. No wonder why the government completely ignored this text. Because Vagnozzi was wrongfully accused of securities fraud also.

-No Capital Grab: Management actively blocked $1.4 million from being put at risk when the market outlook turned murky.

-True Fiduciary Conduct: Turning down money to protect both the firm's balance sheet and incoming investors from an uncertain underwriting market is the exact opposite of fraud.

This real-time evidence perfectly matches the objective findings of independent forensic CPA reports authored by Joel Glick and David Dunkelberger. Their deep-dive analyses

confirmed that Par Funding was an operating, asset-backed business with billions in real originations, verified GAAP accrual profitability, and substantial enterprise equity—not an artificial pool shuffling money between investors.

The Truth Cannot Be Receivership-Spun
For years, the multi-million-dollar receivership apparatus has justified its astronomical legal bills by repeating the "Ponzi" smear.

But ledgers and contemporaneous text records do not lie. A business holding over $48 million in cash that refuses incoming $1.4 million wires is not an insolvent Ponzi scheme. It is an active enterprise practicing risk mitigation during an unprecedented global catastrophe.

The government can spin theories. But they cannot erase March 23, 2020:
"Should I not send it?"
"Don't send it."