

The Second Forensic Opinion They Buried: How the SEC and US Attorney's Office Ignored Not One but Two Forensic Experts to Destroy a Powerhouse American Business

They told two federal judges, one in Florida and one in Philadelphia, that Par Funding was insolvent. They claimed it was a house of cards. They stormed in like the Gestapo, seizing assets and shutting down operations based on nothing more than a hunch. They did not have a single line of QuickBooks records when they pulled the trigger—they just had a narrative they wanted to sell. But facts are stubborn things.

When the government tried to bury the expert reports from Joel Glick—a top-tier forensic accountant from Berkowitz Pollack Brant—Joseph LaForte did not back down. He went out and got a second opinion. He retained David Dunkelberger, a partner at IS Partners, LLC, a Certified Public Accountant (CPA), and a Certified Fraud Examiner (CFE).

LaForte brought in another heavy hitter to audit the books and check the math. And guess what? Dunkelberger confirmed exactly what the defense and Joel Glick have been saying since day one: Par Funding was a highly profitable, solvent, powerhouse machine.

Who is David Dunkelberger?

David Dunkelberger is not just some guy with a calculator. He is a partner in charge of quality assurance at IS Partners, a firm with over 35 employees in Pennsylvania. He specializes in forensic investigations and risk-based auditing. He was brought in to perform an independent attestation of the Glick Reports.

His job was simple: Review the forensic reports. Check the math. Tell the truth.

The Verdict: Par Funding Was Profitable

The SEC's entire case rests on the lie that Par Funding was using new money to pay old investors—a classic Ponzi scheme definition. Dunkelberger's independent review destroyed that lie.

Dunkelberger confirmed that *"CBSG made money on the funding portfolio. CBSG did not need to use new noteholder money to prop it up or to fund ongoing operations"*.

He validated the hard numbers:

-Between 2012 and 2019, the company generated over \$434 million in revenue.

-Even after paying interest to investors and commissions, the company had a net income of \$64 million.

-Investors were paid back \$300M in principal and interest during that period.

This was not a scheme. It was a business. A successful one.

The "Voodoo Math" of the SEC

So, how did the SEC claim the company was insolvent? They hired a forensic accountant named Melissa Davis to cook the books using "cash-basis" analysis instead of the standard "accrual basis".

Dunkelberger did not mince words about this. He stated that the SEC expert's approach "*violated generally accepted accounting principles ('GAAP')*". He explained that her method "*would never be used to analyze the value or profitability of an ongoing concern*".

The SEC's expert tried to claim the company was failing by assuming a "liquidation scenario"—pretending that every single debt the company owed over the next 5 to 7 years had to be paid back immediately, on a random Tuesday.

Dunkelberger called this out for what it was: nonsense. He wrote that such assumptions "*are not based in economic reality*" and "*violate the natural order of the flow of funds*". No successful business in America—not GM, not Apple, and certainly not a finance company—could survive if you forced them to pay every future debt in one day while ignoring their future revenue.

Fighting With One Hand Tied Behind Their Back

Here is the tragedy of this case. The defense had two forensic auditors, Glick, and Dunkelberger—experts beyond reproach, confirming that Par Funding was solvent, profitable, and compliant with GAAP standards.

But the Court did not care!

The government weaponized the legal process. They delayed discovery, hiding the fact that they did not have the financial records to back up their claims until it was too late. LaForte had to commission these reports himself, fighting against a receiver and an agency that wanted to bleed him dry rather than find the truth.

Dunkelberger confirmed that even during the COVID shutdown, when the company stopped taking new investor money, Par Funding continued to pay every dime of principal and interest to noteholders exclusively from the profits of the business.

Where Are the Losses?

The government wants to talk about "losses." Let us look at the scoreboard:

Forensic Fact: Two separate auditors confirmed Par Funding was profitable.

Economic Reality: The investors have been paid back.

Operational Truth: Par Funding did not need new money to pay for old money. They paid everyone from the profits of their merchant advances.

This was a witch hunt, plain and simple. They targeted a successful business, made false claims to a judge to seize control, and then used "experts" who violated basic accounting principles to justify their overreach.

Dunkelberger's report stands as proof. The company was strong. The math was right. The only thing "insolvent" in this case is the government's argument.