EXPOSING THE RECEIVERSHIP MACHINE: Inside Ryan Stumphauzer's Never-Ending Fee Machine

To All Patriots, and Freedom Fighters:

What you are looking at is not justice—it is a textbook feeding frenzy orchestrated by a court-appointed billing machine. We dove into Receiver Ryan Stumphauzer's Ninth Fee Application (Doc. 1440), covering just one quarter (July 1, 2022 – September 30, 2022). Across hundreds of pages of invoices, Stumphauzer and his legal squad demanded $1,046,449.75 in legal fees and $72,137.04 in expenses—draining $1,118,586.79 from the estate in just 90 days.

Put that in perspective: when Par Funding was actively generating $179 million a year in revenue and funding over 700 commercial deals every single month which, it utilized an entire in-house legal team of 5 corporate attorneys for under $1 million a year included litigation. Now, a government-appointed receiver burns through well over $1.1 million in a single quarter just to run a paperwork regime.

THE "VAMPIRE CLAUSE": The Math Behind the Madness
Let's do the basic math on what billing hundreds of hours a quarter actually means. When you see lead attorneys billing over 300 hours in a single 60 business day window, that means they claim to be working on this single case roughly 5 billable hours every single day—multiplied across an army of approximately 30 plus different lawyers. Every day. All day. Just to liquidate Par Funding!
-Gaetan J. Alfano (Pietragallo): 310.80 hours ($122,766.00)
-Timothy A. Kolaya (SKN): 250.70 hours ($99,026.50)
-Ryan K. Stumphauzer (SKN / Receiver): 228.00 hours ($90,060.00)

Under ABA Model Rule 1.5 and the federal Lodestar doctrine (Norman v. Housing Auth. of Montgomery), billing must reflect actual, physically possible hours. If you looked at Gaetan Alfano's total billing across this entire quarter and added up all his other active clients at a major firm like Pietragallo, you'd have to conclude he's a vampire who simply does not sleep. What is really going on under the hood of his total outgoing billing? Who else was billed for those same 24 hours in a day?

-08/12/2022 (Ryan K. Stumphauzer — 11.70 Hours / $4,621.50): Billed nearly 12 hours in one day stacking travel, meetings, in-flight emails, and calls.

-09/11/2022 (Sunday "Prep" — $7,189.00): Kolaya billed an unbroken 10.00-hour block ($3,950.00) while Stumphauzer billed 8.20 hours ($3,239.00) to prep on a Sunday.
-09/12/2022 (Hearing Day — $6,320.00): Both lead partners billed identical 7.00-hour blocks ($2,765.00 each) just to sit in the exact same courtroom together.

THE SIX-FIGURE SECRETARIES: Shifting Overhead to the Estate
Under Missouri v. Jenkins and SEC Billing Guidelines, administrative work is non-compensable firm overhead. Yet this receivership charged professional hourly rates for routine clerical chores:
-07/05/2022 (EMR): $87.50 (0.70 hrs) to download and save an incoming bank response.
-08/30/2022 (AL): $12.50 (0.10 hrs) to "scan, delete blank pages on Adobe, and send via email."
-08/02/2022 (AL): $12.50 (0.10 hrs) for basic notary service.
-07/28/2022 (AL): $137.50 (1.10 hrs) to "Format motion re: spacing."
-09/02/2022 (AL & EMR): Billed at $125.00/hr simply to make FedEx labels and stuff envelopes.

"TWO GUYS ON A PHONE": Redundant Intra-Firm Conferencing
The U.S. Supreme Court (Hensley v. Eckerhart) prohibits billing for redundant internal hours. In Stumphauzer's operation, internal calls trigger double billing:

-08/30/2022 (RKS & TAK): Two senior partners billed 1.40 hours each ($553.00 each) to talk to each other about subpoena language—costing the estate $1,106.00 for one internal discussion.
-09/09/2022 (RKS & TAK): Both partners billed 3.30 hours each ($1,303.50 apiece) for a single joint Zoom call, costing over $2,600.00.

THE "TRUST ME, BRO" LOGS: Zero-Detail Mystery Calls
Under bankruptcy standards (In re Southeast Banking Corp.), vague billing entries that conceal inefficiency are strictly disallowed. Yet the invoices are littered with blank descriptions:
-07/28/2022: "Two phone calls with Kolaya re: asset recovery issues" — $158.00 (0.40 hrs).
-08/07/2022: "Phone call with Tim Kolaya" — $79.00 (0.20 hrs) with zero subject detail.
-08/16/2022 & 08/30/2022: "Phone call with Kolaya" — $158.00 and $79.00 billed with no explanation.
-09/01/2022: "Second phone call with Kolaya re: receivership matters" — $197.50 (0.50

hrs).

THE EXPENSE REPORT: High-End Travel & Shifting Overhead. *(Did they ever hear of Zoom?)*
SEC rules require expenses to be strictly actual and necessary (FTC v. Direct Benefits Grp.). Instead, the estate is billed like a corporate expense account:
-Travel: A $764.20 roundtrip flight paired with back-to-back Philadelphia hotel nights totaling $835.39 ($410.81 + $424.58).
-Vendor Drops: Process server lump sums of $1,055.00 and $1,075.00, including routine bank drops billed at up to $250.00 per entity.
-Overhead Dumping: Micro-billing the estate for $11.00–$15.00 FedEx labels alongside private website hosting/GoDaddy fees ($119.88 and $60.32).

This is how this receivership operates: while claiming to protect recovery, the Receiver and his partner law firms run an unchecked billing machine that burns through cash faster than a functioning $179 million business ever did. Every seven-hundred-dollar internal chat, twelve-dollar PDF page deletion, and round-the-clock Sunday marathon drains the very recovery this estate was meant to protect.