

Manufactured Losses: How the Receiver and AUSA Colluded to create Losses

We see it every single day on the national stage. The Democrats and their weaponized bureaucrats will do whatever it takes to take down President Donald J. Trump. They do not care about the collateral damage. They do not care about the economy, the border, or the American people who suffer under their destructive policies. As long as they "get their man," the sacrifice of the everyday citizen is just the cost of doing business.

But this playbook is not just used against the 45th (and 47th) President. It is a systemic rot that runs deep in our federal courts. Look no further than the Eastern District of Pennsylvania and the case of Joseph LaForte.

LaForte might be a small fry compared to the great President Trump, but the blueprint used to destroy him is exactly the same. In this case, a court-appointed receiver and an overzealous Assistant United States Attorney (AUSA) did not just want a conviction—they wanted to lock LaForte away for over a decade. And to do it, they were perfectly willing to let innocent investors suffer for years without their money.

Here is the step-by-step breakdown of how the government manufactures losses to steal a man's life.

The Setup: Sitting on a Mountain of Cash

Just prior to Joseph LaForte's sentencing on March 26, 2025, the receiver was sitting on a massive pile of cash. The funds were there to make the investors whole.

Fact: There was exactly \$217,000,311 in the Par Funding Accounts.

Exhibit: Documentation of the Receiver's own Accounting Report showing \$217,000,311 in total funds available to investors prior to March 26, 2025 (Joseph LaForte's sentencing date)-

Case 9:20-cv-81205-RAR Document 2140 Entered on FLSD Docket 04/30/2025 RECEIVER'S QUARTERLY STATUS REPORT DATED APRIL 30, 2025, pg. 27 of 33.

STANDARDIZED FUND ACCOUNTING REPORT for PAR, FUNDING - Cash Basis
 Receivership, Civil Court Docket No. 20-cv-81205-RAR
 Reporting Period 1/1/2025 to 3/31/2025

Fund Accounting:		Current Period	Prior Period(s)	Case-to-date
		1/1/25 - 3/31/25	7/28/20 - 12/31/24	Total
Line 1	Beginning Balance ¹ :	\$175,474,466	\$26,446,083	\$26,446,083
<i>Incomes in Fund Balance:</i>				
Line 2	Business Receipts	2,350,903	117,282,589	119,633,491
	Business Receipts - Overpayments:	0	(98,865)	(98,865)
Line 3	Cash and Securities	0	0	0
	Pre-Receiver'ship Cash Transfer	0	14,756,649	14,756,649
	Change in Value of Securities:	0	835,461	835,461
Line 4	Interest/Dividend Income	1,068,020	11,231,087	12,299,107
Line 5	Real Estate Liquidation	0	43,361,671	43,361,671
Line 6	Other Asset Liquidation	86,852	1,830,588	1,917,440
Line 7	Third-Party Litigation Income	38,000,000	4,079,310	42,079,310
Line 8	Miscellaneous ¹	20,070	1,515,243	1,535,313
	Total Receipts ²	41,525,845	194,813,732	236,339,577
	Total Fund: Available (Lines 1 - 8):	\$217,000,311	\$221,259,815	\$262,783,660
<i>Decreases in Fund Balance:</i>				
Line 9	Disbursements to Investors:	109,742,445	0	109,742,445
Line 10	Disbursements for Receivership Operations:			
Line 10a	Disbursements to Receiver or Other Professionals ³	698,054	26,427,962	27,126,016
Line 10b	Business Asset Expenses:			0
	Payroll & Benefits	114,327	4,359,587	4,473,914
	IT Expense	15,677	1,105,554	1,121,230
	Utilities	9,038	135,563	144,601
	Insurance	14,176	211,621	225,797
	Other Operating Expense	22,422	1,129,175	1,151,597
	Other	11,316	430,888	442,204
	Total Business Asset Expenses ²	187,155	7,372,586	7,559,543
				0
Line 10c	Personal Asset Expenses:	0	0	0
Line 10d	Investment Expenses:			0
	Premiums Due on Life Settlement Policies	302,473	6,102,834	6,405,307
	Property Expenses:	110,774	2,460,731	2,571,505
	Real Estate Liquidation Expenses:	0	3,376,708	3,376,708
	Other Asset Liquidation Expenses:	0	0	0
Line 10e	Third-Party Litigation Expenses:			0
	1. Attorney Fees:	0	44,726	44,726
	2. Litigation Expenses:	0	0	0
	3. Forensic Accounting:	0	0	0
	Total Third-Party Litigation Expenses:	0	44,726	44,726
Line 10f	Tax Administrator Fees and Bonds:	0	0	0
Line 10g	Federal and State Tax Payments:	0	0	0
	Total Disbursements for Receivership Operations:	\$111,040,900	\$45,785,349	\$156,826,249
Line 11	Disbursements for Distribution Expense Paid by the Fund:	\$0	0	0
Line 12	Disbursements to Courts/Other:	\$0	0	0
	Total Funds Disbursed (Lines 9 - 12):	\$111,040,900	\$45,785,349	\$156,826,249
Line 13	Ending Balance:	\$105,959,411	\$175,474,466	\$105,959,411

But did the receiver do his fiduciary duty and distribute all that money to the people who needed it before the sentencing? **Absolutely not!**

Instead, he strategically held back \$105,922,110 that was sitting perfectly liquid in Par bank accounts on the day LaForte faced the judge.

Exhibit: Documentation of the \$105.9M held back on sentencing day. Case 9:20-cv-81205-RAR Document 2140 Entered on FLSD Docket 04/30/2025 RECEIVER'S QUARTERLY STATUS REPORT DATED APRIL 30, 2025, pg. 22 of 33.

D. A description of known Receivership Property, including approximate or actual valuations, anticipated or proposed dispositions, and reasons for retaining assets where no disposition is intended.

Receivership Property includes:

Asset:	Estimated value
	3/31/2025
Cash in bank	\$105,922,110 ⁶
Cash held by ACH processors	\$37,000
Portfolio balance ⁷	\$8,100,000
Other accounts receivable ⁸	\$2,080,000

⁶ In April 2025, \$6.25MM was paid to class counsel for the putative investor class, as provided for in the settlement agreement with Eckert Seamans, as approved by the Court. The amount shown as Cash in Bank is prior to this payment.

⁷ Includes all MCA Receivership Entities – Complete Business Solution Group, Inc.; Fast Advance Funding, LLC; and, Contract Financing Solutions, Inc. The balance shown is after taking into account adjustments as discussed herein.

⁸ This balance of “other accounts receivable” includes, among other things, amounts owed by third parties to ESC and HBC. As with the MCA balances, certain balances were reduced during the quarter as more information about collectability was noted.

There was also another \$253 million in Accounts Receivable. The law clearly states that not just cash, but Accounts Receivable should be counted towards assets that a Judge should consider during a sentencing. In total there was \$470,000,311 that should have been credited to LaForte at his sentencing.

Exhibit: Documentation of >\$253M in Accounts Receivable- Case 9:20-cv-81205-RAR Document 2140 Entered on FLSD Docket 04/30/2025 RECEIVER'S QUARTERLY STATUS REPORT DATED APRIL 30, 2025, pg. 20 of 33.

<i>SMM's</i>	CBSG Portfolio as of:	
	7/28/2020	3/31/2025
Active ²	\$117.7	\$5.2
Exception Portfolio	203.9	\$150.1
Litigation ³	4.6	23.1
Non-Performing ⁴	34.7	19.0
Bankruptcy ⁵	54.7	55.7
Total Portfolio	\$415.6	\$253.1

Why would a receiver—someone whose sole legal job is to recover and distribute funds to victims—intentionally withhold over **\$470,000,311**?

Because paying the “victims” would have ruined the government's case.

The Law: The "Banks" Case and the Calculator of Doom

To understand this calculated move, you need to understand two things about federal law in the Eastern District of Pennsylvania: The Section 2B1.1 Calculator and the Banks Case.

1. The 2B1.1 Calculator: When someone is convicted of a financial crime, the government uses a specific formula in the United States Sentencing Guidelines known as Section 2B1.1. Think of it as a calculator for prison time. The higher the dollar amount of the "loss" caused by the defendant, the higher the sentencing range. If the losses are low, the sentence is light. If the losses are massive, they throw away the key. The AUSA needs a high loss amount to get the big headline-grabbing sentence they crave.

2. The Banks Case (Actual vs. Intended Loss): Here is where the government ran into a wall. In a landmark ruling known as the Banks case (United States v. Banks), the Third Circuit Court of Appeals ruled that under the guidelines, "loss" means ACTUAL loss, not just "intended" loss. If a defendant pays the money back—or if the funds are recovered and distributed to the victims before sentencing—the "actual loss" drops. If there is no actual loss, the defense can argue for a vastly reduced sentence or no custody.

The Trap: Starve the Investors to Inflate the Sentence

The AUSA and the receiver knew the law. They knew that if the receiver made the proper

distributions to the investors before March 26, 2025, LaForte's defense team would march into court, point to the Banks case, and rightfully argue that the actual losses were zero. On top of that, the Receiver and AUSA wanted to make sure that the additional surplus of hundreds of millions did not go to Joseph LaForte or his wife, Lisa McElhone. And to this day they are still trying to achieve that goal.

So, what did they do? They manufactured the loss.

They willfully and purposely held back paying off the investors. They let the victims twist in the wind so that when the AUSA stood in front of the judge at LaForte's sentencing, they could point to a massive, artificially inflated "actual loss."

This manufactured campaign cleared the way for the prosecution to win. LaForte was stripped of his ability to argue "no losses" because the receiver had deliberately bottlenecked the cash. Putting LaForte away for over a decade justified the receiver's pillaging of the estate, and the AUSA got another shiny trophy for their wall.

The Smoking Gun: The November Payout

If you want proof that this was entirely political and punitive, just look at what happened after the gavel fell.

Did the receiver hold onto that money forever? No. On November 25, 2025, exactly eight months after LaForte was safely sentenced and the dust had settled—the receiver magically decided it was time to distribute that \$105,922,110 to the investors.

EXHIBIT- PROOF THAT SECOND DISTRIBUTION TO INVESTORS WAS SENT- Case 9:20-cv-81205-RAR Document 2197 Entered on FLSD Docket 01/30/2026 RECEIVER'S QUARTERLY STATUS REPORT DATED JANUARY 30, 2026.

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Mr. Ryan K. Stumphauzer
January 30, 2026
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This analysis excludes accounts receivable held by Eagle Six Consultants and Heritage Business Consulting.

Claims Administration and Distribution

As you will recall, early last year, we succeeded in sending out the first interim distribution to investors for both the Receivership Entities and non-Receivership Entities. The total amount disbursed to investors was approximately \$110 million, which encompasses payments to approximately 1,563 investors. Investors received distributions either directly from the Receiver, through CamaPlan or another IRA custodian in accordance with the promissory notes and submitted claims, or, in the case of three non-Receivership Entity Agent Funds, through the agent fund manager.

During the Reporting Period, we refined our analysis for the second interim distribution and continued to work with the distribution agent and counsel to ensure that distributions were made properly and in accordance with documentation provided. By the end of Reporting Period, we provided the final analysis for the second interim distribution to investors in the Receivership Entities and non-Receivership Entities totaling approximately \$96MM. The distribution was executed in January 2026.

The Freedom Fighters of America are awaiting the Receiver's next Quarterly Status Report that should be posted this month.

Note to our readers: The Receiver's reports are designed to be artificially long, duplicative, and purposefully confusing so he can hide his corruption!

The money was always there. The ability to pay the investors was always there. But the "victims" were forced to wait, suffer, and struggle financially just so the AUSA could secure a harsher sentence. As the Freedom Fighters have reported previously, the Receiver, AUSA and FBI, all Democrat operatives have been working in conjunction to line their pockets and secure victory for their own agendas.

The Bottom Line

Is this receiver a fiduciary looking out for the “victims”? No. He, alongside a complicit AUSA, used the “victims” as pawns. This case was never about protecting investors or “victims.” This case from day one was about going after a lifetime conservative family against a business they did not like.

This is the exact same playbook the Democrats use at the very top. They do not care who gets hurt, whose business fails, or which citizens are left holding the bag. Whether it is weaponizing the legal system to interfere with Donald Trump’s campaign, or starving investors of their own money just to inflate a sentence for Joseph LaForte, the motive is the same: Sacrifice the people for their own gain.

They will burn the system down as long as they get to rule the ashes.