President Trumps Task Force to Eliminate Fraud indicts Government's Star Witness Against Par Funding and LaForte

The Catalyst: How Kara DiPietro and Shane Heskin Triggered the Par Funding Actions

The civil enforcement action brought by the Securities and Exchange Commission (SEC) and the subsequent criminal prosecution against Complete Business Solutions Group (Par Funding) did not originate from independent, objective agency auditing. The primary catalyst driving both cases was Kara DiPietro, acting under the legal representation and guidance of attorney Shane Heskin.

Kara DiPietro owned a kitchen remodeling business called HMC, Inc and borrowed tens of millions of dollars from Par Funding 2018 through 2019. Dipietro was represented by Shane Heskin and together they choreographed this entire case for the SEC and the FBI. The motivation was clear, DiPietro had Par Fundings money and lied compulsively to keep it. Heskin kept losing against Par Funding in court.

The irony here is while the noteholders suffered, the SEC and the Receiver went to great lengths to protect the merchants who stole from noteholders and the Par Funding estate. We have exposed this in the past in DE-663 if you want to refer to the exhibits.

In the Par Funding case (DE-663) defense counsel proved that Heskin and Dipietro created a fraud on the court and now once again DiPietro is committing fraud on the United States taxpayers. The only difference is in the Par Funding case, Dipietro and Heskin were protected by liberal operatives and now DiPietro must face the Trump Taskforce for her continued fraudulent behavior.

DiPietro and Heskin approached federal regulators and prosecutors, positioning DiPietro as a credible, victimized merchant insider. She provided the SEC and the Assistant United States Attorneys (AUSAs) with boatloads of documents, text messages, allegations, and self-serving emails that formed the foundational narrative of the government's entire case. Federal authorities adopted her claims as unquestioned truth to secure emergency asset freezes, appoint a receiver, and build a sweeping RICO criminal indictment.

EXHIBIT: Documentation of Kara DiPietro & Shane Heskin's Direct Communications and Submissions to the SEC and AUSA

*****There are hundreds of these emails, but there are too many to include.**

This email correspondence begins a year prior to the SEC action against Complete Business Solutions Group/ DBA Par Funding:

To: 'k.dipietro@hmcincorporated.com'[k.dipietro@hmcincorporated.com]
From: Schmidt, Linda S.
Sent: 2019-08-15T10:12:27-04:00
Importance: Normal
Subject: smail RE: smail RE: smail United Fidelis Group FL-04188
Received: 2019-08-15T10:12:00-04:00

It would be helpful to review any documents concerning investments you made with Complete Business or others. We can discuss the other records when we speak.

We can email a link to upload the documents if that would be more convenient for you. Please let me know . Many thanks. Linda

Linda S. Schmidt
Senior Counsel
U.S. Securities and Exchange Commission
Miami Regional Office
801 Brickell Avenue, Suite 1800
Miami, FL 33131
Direct Dial: 305.982.6315
Fax: 305.536.4146

-----Original Message-----
From: k.dipietro@hmcincorporated.com <k.dipietro@hmcincorporated.com>
Sent: Thursday, August 15, 2019 9:29 AM
To: Schmidt, Linda S. <SCHMIDTLS@SEC.GOV>
Subject: RE: smail RE: smail United Fidelis Group FL-04188

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

I have thousands of documents. What type of documents would be useful for you?

--- Originally sent by schmidtls@sec.gov on Aug 15, 2019 9:02 AM ---

Dear Ms. DiPietro: Are you available next week on Thursday or Friday, after 9am? We may also have time next Wednesday afternoon. Please let me know your preference, and many thanks for your response.

To help us during the call, do you have any documents concerning Complete Business Solutions Group or related companies you could email to me for review before we speak? Many thanks. Best regards, Linda

Linda S. Schmidt

Senior Counsel

U.S. Securities and Exchange Commission

Miami Regional Office

801 Brickell Avenue, Suite 1800

Miami, FL 33131

Direct Dial: 305.982.6315

Fax: 305.536.4146

Dear Ms. DiPietro: Are you available next week on Thursday or Friday, after 9am? We may also have time next Wednesday afternoon. Please let me know your preference, and many thanks for your response.

To help us during the call, do you have any documents concerning Complete Business Solutions Group or related companies you could email to me for review before we speak? Many thanks. Best regards, Linda

Linda S. Schmidt

Senior Counsel

U.S. Securities and Exchange Commission

Miami Regional Office

801 Brickell Avenue, Suite 1800

Miami, FL 33131

Direct Dial: 305.982.6315

Fax: 305.536.4146

To: k.dipietro@hmcincorporated.com[k.dipietro@hmcincorporated.com]
Cc: heskins@whiteandwilliams.com[heskins@whiteandwilliams.com]; Roa, Marlon (Contractor)[roam@SEC.GOV]
From: Schmidt, Linda S.
Sent: 2019-09-17T06:25:21-04:00
Importance: Normal
Subject: Re: smail RE: 09-12-2019 Document Receipt Confirmation
Received: 2019-09-17T06:25:22-04:00

Dear Ms. DiPietro- Marlon will send you a link for documents. I'll call you Wednesday at 11am. Thank you. Linda

Sent from my iPhone

> On Sep 16, 2019, at 7:41 PM, "k.dipietro@hmcincorporated.com" <k.dipietro@hmcincorporated.com> wrote:
>
> CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.
>
>
> Can you do 11am Wednesday?
>
> I see that I can attach documents to this internal protected email. Can I just do that?
>
>
> --- Originally sent by schmidtls@sec.gov on Sep 16, 2019 7:31 PM ---
> Dear Ms. DiPietro- I'm available Wednesday morning, so please let me know a good time. Also let me know if you need a secure link for additional documents. Thank you. Best, Linda
>
> Sent from my iPhone
>
>> On Sep 16, 2019, at 6:34 PM, "k.dipietro@hmcincorporated.com" <k.dipietro@hmcincorporated.com> wrote:
>>
>> CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.
>>
>>
>> Linda - I apologize for not getting back to you until now! I have to take my car in for service, there were all sorts of traffic issues - it ended up taking me the whole day. I am going to upload some other documents for context. How does your schedule look for Wednesday? We have a hearing in Phili on Thursday regarding the fraudulent COJ filed against me by CBSG claiming I owed them over $11,000,000.
>>
>> --- Originally sent by schmidtls@sec.gov on Sep 16, 2019 10:33 AM ---
>> Dear Ms. DiPietro- we are available today between 11:30am-3pm. Please let me know the best time to contact you and at what number. Thank you.
>>
>> Linda S. Schmidt
>> Senior Counsel
>> U.S. Securities and Exchange Commission
>> Miami Regional Office
>> 801 Brickell Avenue, Suite 1800
>> Miami, FL 33131
>> Direct Dial: 305.982.6315
>> Fax: 305.536.4146
>>
>> -----Original Message-----
>> From: k.dipietro@hmcincorporated.com <k.dipietro@hmcincorporated.com>

To: Berlin, Amie R.[BerlinA@sec.gov]; Schmidt, Linda S.[SCHMIDTLS@SEC.GOV]
From: Heskin, Shane
Sent: 2020-06-24T14:42:48-04:00
Importance: Normal
Subject: New Par Funding Call
Received: 2020-06-24T14:43:28-04:00

;;;;;

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Make sure to check out yesterday's recorded call by Foti. Apparently Joe owns a billion dollar company.

To: Schmidt, Linda S.[SCHMIDTLS@SEC.GOV]
From: Heskin, Shane
Sent: 2020-05-14T12:58:24-04:00
Importance: Normal
Subject: RE: United Fidelis FL-04188
Received: 2020-05-14T12:58:41-04:00

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Linda,

You can reach me at 917.362.1313

From: Schmidt, Linda S. <SCHMIDTLS@SEC.GOV>
Date: Thursday, May 14, 2020, 12:40 PM
To: Heskin, Shane <heskins@whiteandwilliams.com>
Subject: United Fidelis FL-04188

CAUTION: This message originated outside of the firm. Use caution when opening attachments, clicking links or responding to requests for information.

Hi Shane- Please let me know the bet number to reach you today. I called your direct dial but the mailbox is full. Thanks.

Linda S. Schmidt
Senior Counsel
U.S. Securities and Exchange Commission
Miami Regional Office
801 Brickell Avenue, Suite 1950
Miami, Florida 33131
Direct Dial: 305.982.6315
Fax: 305.536.4146

To: 'Heskin, Shane'[heskins@whiteandwilliams.com]
From: Berlin, Amie R.
Sent: 2020-07-22T19:04:50-04:00
Importance: Normal
Subject: RE: FW:
Received: 2020-07-22T19:04:00-04:00

;;;;;;;;;;
Perfect! Thank you

From: Heskin, Shane <heskins@whiteandwilliams.com>
Sent: Wednesday, July 22, 2020 2:53 PM
To: Berlin, Amie R. <BerlinA@sec.gov>
Subject: RE: FW:

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You have to go to the affidavit in support of the confessions, which are normally the second entry on docket. The affidavit will explain that the agreement was with CBSG and CBSG was the predecessor in interest.
Let me know if you still have questions. I can get on a call.

From: Berlin, Amie R. <BerlinA@sec.gov>
Date: Wednesday, Jul 22, 2020, 2:50 PM
To: Heskin, Shane <heskins@whiteandwilliams.com>
Subject: RE: FW:

CAUTION: This message originated outside of the firm. Use caution when opening attachments, clicking links or responding to requests for information.

Shane,
How do we know the NY Unity Factor cases are CBSG/Par Funding cases? I want to make sure I understand the link. I think it is a collections agency but I don't see that on the COJs. Like this one, filed by NY Unity Factor but I understand it's a CBSG case.

To: Schmidt, Linda S.[SCHMIDTLS@SEC.GOV]
Cc: 'Heskin, Shane'[heskins@whiteandwilliams.com]
From: Kara DiPietro
Sent: 2020-07-09T10:51:11-04:00
Importance: Normal
Subject: (3) Fwd: 09-19-2019 CBSG 1 out of 5
Received: 2020-07-09T12:07:19-04:00
CBSG #1.zip

;;;;;;;

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Get Outlook for iOS

From: Kara DiPietro
Sent: Thursday, September 19, 2019 10:44:30 PM
To: 'Murray, John F. (PH) (FBI)'
Cc: 'Heskin, Shane' ; Josh Persing
Subject: 09-19-2019 CBSG 1 out of 5

Today in a court hearing CBSG's attorney John Hartley stated that CBSG and HMC/DiPietro have known each other money, many years.
Is that true?

- NO

When and how did CBSG/Laforte and HMC/Kara meet?

- February of 2018

What was the event that resulted in the downward spiraling of the relationship?

- Between December 20, 2019 and May 1, 2019 Par had electronically debited over a million dollars more than they were entitled.
- HMC requested information and understanding (on SEVERAL occasions) regarding the daily payment increases that would occur without warning. NOT ONCE did Par provide that.
- In ADDITION to the $1,500,000 unauthorized debits - Par funding had not applied over $900,000 in payments made.

What attempts did HMC/DiPietro take to resolve and/or overcome the disagreement?

- HMC first offered to pledge collateral in an amount that exceeded amount due. DiPietro discussed this with Laforte. DiPietro suggested she pledge assets while the two parties reconciled accounts. Laforte said if she did that it would avoid adverse action. But DiPietro pledged the assets and yet adverse action still occurred.

- DiPietro offered at least 5 ways that would have restructured the terms of the agreements that were still active. DiPietro even went as far as to offer Par funding 100% of their income (after expenses -direct costs and cost of goods sold were paid). Par REJECTED EVERY proposal.
- Par attempted to blackmail and/or extort over $11 million dollars from HMC/DiPietro in this certain Restated Purchase Agreement totaling $11,940,053.45. The Restated Purchase Agreement lists Prior Factoring Agreements starting at the bottom of page one. There are a total of 20 Agreements listed. ONLY FOUR OF THOSE AGREEMENTS WERE OPEN. The others had been paid in full.

When did CBSG file the Writ of Execution to Confess Judgement against HMC/Kara DiPietro?
- May 14, 2019

Was HMC/DiPietro made aware of the pending action?
- No

Were the facts stated in the COJ fair and accurate?
No.
1. The COJ included five Agreements - not the 20 agreements listed in the Repurchase Agreement doc.
2. Out of the five agreements that were included in the COJ only three were relevant as they included one contract from Fast Advance Funding and one agreement that HMC had paid in full many weeks earlier.
3. Par Funding offered weekly payments instead of daily payments. There for there had been NO missed payments when they filed the COJ. There for there had been no breach.

To: Schmidt, Linda S.[SCHMIDTLS@SEC.GOV]
From: Kara DiPietro
Sent: Thur 8/27/2020 11:22:48 PM
Subject: Re: 05-31-2019 RE: Pattern of Criminal Dealings

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Np:)

Get Outlook for iOS

From: Schmidt, Linda S.
Sent: Thursday, August 27, 2020 7:21:56 PM
To: Kara DiPietro
Subject: Re: 05-31-2019 RE: Pattern of Criminal Dealings

Thanks.

> On Aug 27, 2020, at 7:17 PM, Kara DiPietro wrote:
>
> CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.
>
> Here is local report
>
> **Kara A. DiPietro**
> **President & CEO**
>
> **HMC Inc.**
> Holdings Management Company
> 7190 Oakland Mills Rd #10
> Columbia, MD 21046
> Please Visit Our Website
>
> ---
>
> **From:** Kara DiPietro
> **Sent:** Friday, May 31, 2019 10:42 AM
> **To:** 'Rettig, Nathan D'
> **Cc:** 'Heskin, Shane' ; 'jsk@dhclegal.com'
> **Subject:** 05-31-2019 RE: Pattern of Criminal Dealings
>
> Detective Retting – My bank accounts were levied using a fraudulent Writ of Execution. Dan Ring and John Hartley told my attorney they gave the Writ of Execution to the Sheriff and he delivered it to the bank. We demanded to see the fraudulent Writ of Execution as the bank has told me they do not have one in their system. They have levied FIVE of my bank accounts. I have six federally funded projects – that have strict regulations and reporting requirements. The account levies have caused me to be in violation of Fair Labor Laws. My clients are not able to take my work for it. As you are probably aware my clients are obligated to upholding their promise to the government. I have lost over $2,000,000 since May 1. How is this not criminal?
>
> ---
>
> **From:** Rettig, Nathan D <ndrettig@howardcountymd.gov>
> **Sent:** Wednesday, May 22, 2019 10:30 AM
> **To:** Kara DiPietro <k.dipietro@hmcincorporated.com>
> **Subject:** RE: Pattern of Criminal Dealings
>
> Mrs. DiPietro.

I just got done speaking with one of our states attorneys. At the conclusion of the conversation it was determined that this is not a criminal case and should be handled in civil court. I just read the most recent email you sent and again I recommend that you continue to follow the guidance of your civil attorney. If you have any questions let me know. I understand that you have a lot on your plate and a lot going on but let me know if you have any time coming up in the next few weeks to meet up to work on the Worm investigation.

Thanks

Detective Nathan Rettig
ID# 5447
Howard County Police
Financial Crimes Investigator
410-313-4747

From: Kara DiPietro [mailto:k.dipietro@hmcincorporated.com]
Sent: Wednesday, May 22, 2019 1:08 AM
To: Rettig, Nathan D
Subject: Pattern of Criminal Dealings

[Note: This email originated from outside of the organization. Please only click on links or attachments if you know the sender.]

https://iapps.courts.state.ny.us/nyscef/ViewDocument?docIndex=7iL501u_PLUS_LGis3pfooX5VSg==

Kara A. DiPietro

<05-30-2019 HMC Federal Jobs Effected by Hold.pdf>

To: Schmidt, Linda S.[SCHMIDTLS@SEC.GOV]
From: Kara DiPietro
Sent: 2020-04-02T20:33:59-04:00
Importance: Normal
Subject: FW: Damage Report of HMC
Received: 2020-04-02T20:37:56-04:00
HMC damage report with exhibits.pdf

;;;;;;;;;;

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

FYI

From: Heskin, Shane [mailto:heskins@whiteandwilliams.com]
Sent: Thursday, April 02, 2020 5:54 PM
To: Kara DiPietro ; Josh Persing
Subject: FW: Damage Report of HMC

See attached. Did the wire go out for this?

Remember, we get three times damages if we succeed on RICO.

Also, what is timing on our monthly payment? We can work with you but just need to know when to expect it.

Thanks!

From: Charles Lunden <C.Lunden@msn.com>
Date: Thursday, Apr 02, 2020, 1:18 PM
To: Heskin, Shane <heskins@whiteandwilliams.com>
Subject: Damage Report of HMC

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Shane:

My report is attached.

Chuck Lunden
234 Cheshire Circle
West Chester PA 19380
610-283-9406
610-836-3032 (fax)

To: Schmidt, Linda S.[SCHMIDTLS@SEC.GOV]
From: Kara DiPietro
Sent: 2020-09-08T11:54:42-04:00
Importance: Normal
Subject: Motion for Summary Judgement
Received: 2020-09-08T11:56:16-04:00
7-23 SJ Motion.pdf

;;;;;

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Linda - On July 23, 2020 we filed for summary judgement. Soon after, CBSG went into receivership. As you know, what CBSG did to me, my company and my family is criminal and caused irreparable harm.

Right now we are in limbo. But the matter continuous to harm our business as records show we have a judgement against us for about $12,000,000. This is on top of the negative effect from the direct loss of $1.5 million that CBSG stole from us more than a year ago. On top of that is another $250,000 in legal fees I incurred to save my business.

I know that Shane has had some contact with the receiver who's representing the company that the SEC is representing the investors. We were damaged before the investors and I'd hope our participation, in-the-end will have helped to collect money for the investors that may have otherwise been taken and spent by CBSG.

I have wanted to be patient and helpful, but I need information in order to make business decisions. Since CBSG stole from us and went on a far reaching smear campaign we've been able to hold on. But everyday that goes by the damages compound. Shane has suggested mediation several times to the receivership (I believe). But has not yet seen movement. Fox Rothchild filed another motion to be reinstated.

The lawsuits that CBSG filed against people like me were meant to fill in the "cash voids" to allow CBSG to take more than their share from small business then sue the small business for money to pay investors.

Do you have any advice for me? How do things look moving forward? The thought of Brett Berman showing up with the lies to the court is more than I can fathom right now. I appreciate any insight you have.

Thank you,
Kara

To: Schmidt, Linda S.[SCHMIDTLS@SEC.GOV]
Cc: 'Heskin, Shane'[heskins@whiteandwilliams.com]
From: Kara DiPietro
Sent: 2020-07-09T10:35:22-04:00
Importance: Normal
Subject: Final - DiPietro Declaration
Received: 2020-07-09T10:35:38-04:00
Declaration of Kara DiPietro Final.pdf

;;;;;
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Please see attached.

Thank you,
Kara

From: Gerry Dzurek
Sent: Thursday, July 9, 2020 10:11:40 AM
To: Kara DiPietro
Subject:

DECLARATION OF KARA DIPIETRO

Pursuant to 28 U.S.C. Section 1746, the undersigned states as follows:

1. My name is Kara DiPietro. I am over twenty-one years of age and have personal knowledge of the matters set forth herein. I am the President and Chief Executive Officer of HMC, Inc. (HMC), a company that is in the business of building commercial cafeterias. I reside in Maryland where my business is also located.

2. Beginning in approximately February 2018, HMC entered into a series of merchant cash advance agreements with Joseph LaForte ("LaForte") and Complete Business Solutions Group, Inc. d/b/a Par Funding ("CBSG"). A broker by the name of Alan contacted me and referred me to CBSG to consolidate my business loans.

3. Soon thereafter, I spoke directly with LaForte. He introduced himself as "Joe Mack" or "Joe Macki" and told me he was in charge of CBSG. During our initial conversation, LaForte confirmed to me that he was the boss at CBSG as well as Par Funding ("Par") entities he controlled. As detailed in the exhibits described below, LaForte would sent me emails from "Joe Mack" with the email address joe@parfunding.

4. LaForte explained that CBSG/Par Funding would loan money to HMC in exchange for daily payments. The loan agreements stated that payments are based on a specified 10% of HMC's accounts receivables.

5. Based on the loan terms that LaForte proposed, I agreed to consolidate HMC's loans with CBSG on or about February 26, 2018. After that, and through February 24, 2019 HMC and CBSG entered into many more separate loan agreements that I secured through personal guarantees.

6. During this same time period, LaForte also told me that CBSG offered investments to individuals who wished to invest in CBSG's merchant loan business, the very same business that had consolidated HMC's loans.

7. In approximately April 2018, Perry Abbonizio ("Abbonizio"), who told me that he is the lead sales person for CBSG, contacted me to follow up on my interest in CBSG's investment opportunity. Attached hereto as Exhibit "A" is a copy of emails to me and my father, Gerry Dzurek, ranging from April-July 2018 discussing the CBSG investment opportunity.

8. Abbonizio told me that CBSG only accepted investments through its investment funds and that he would arrange for an in-person meeting with David Alperstein of Alperstein & Associates in Philadelphia to discuss the CBSG investment.

9. On or about June 5, 2018, I met with Alperstein and Abbonizio at Par's offices in Philadelphia. Alperstein told me that he served as the manager of a Par investment fund that handled investments in CBSG's loan business.

10. LaForte joined us about halfway through the meeting. With LaForte present at the meeting, Alperstein told me that CBSG would use my investment funds to make merchant loans similar to the loans I had obtained for HMC through CBSG.

11. During the meeting, Alperstein said Par would pay me monthly interest with a return of principal in one year. The percentage of interest Par paid investors depended on the amount invested, so that the more I invested, the higher my return.

12. Alperstein told me that Par required a minimum investment amount of $50,000. Alperstein also told me that if I invested $200,000, Par promised to pay me a 12% return paid monthly for 12-months.

13. During the meeting, LaForte told me CBSG had a loan default rate of less than 1% so there was virtually no risk to my investment funds given the low default rate.

14. LaForte also told me that my investment was secured by insurance, and that there was no risk to my principal. He told me that if a merchant defaulted on his loan, then CBSG had the insurance to back up investor funds, thus reassuring me that my investment was safe and secure.

15. After the meeting, Alperstein emailed me documents concerning the Par investment that included a Subscription Agreement with MCA Capital Fund I, LLC (MCA), an Investor Questionnaire, and Promissory Note.

16. In mid-June 2018, based on what LaForte and Alperstein told me about the investment opportunity, as well as LaForte's reassurances to me that CBSG had a less than 1% default rate, and that my funds were secured by insurance, I decided to invest. Attached hereto as Composite Exhibit "B" are my signed investment documents.

17. Neither LaForte, nor Alperstein, Abbonizio, or anyone associated with the investment opportunity ever disclosed any risks associated with an investment with Par or MCA, such as that I could lose all my investment funds. If I had known that CBSG had a higher default rate than what LaForte told me, or that my investment funds were not backed by insurance, I never would have invested.

18. In October 2018, I contacted LaForte to inquire whether he had any investment opportunities for my father if he were to invest $14 million with CBSG and Par. Attached hereto as Exhibit "C" is a copy of that my email exchange with LaForte.

19. I had no expertise with investments of this type. I was looking for a safe and secure investment with no risk to my principal.

20. If LaForte, Abbonizio, Alperstein, or anyone with CBSG, Par, MCA or any entity related to the investment opportunity had told me that I could lose my principal, I never would have invested.

21. No one told me that my principal would be used for anything other than to fund loans to merchants. Had I known that my money would be used for any other purpose, I would never have invested.

22. By May 2019, CBSG had debited far more per day than it was entitled to under the loans with CBSG. Around the same time period, my investment term was approaching maturity. I repeatedly complained and asked for an accounting from CBSG.

23. On May 3, 2019, LaForte demanded I travel to Philadelphia to meet with him and CBSG's CFO to discuss my outstanding balances. That meeting occurred on May 6, 2019. At that meeting LaForte presented me with a new loan that he demanded I sign. After the meeting, LaForte followed me to my car and threatened to blow up my home if I did not sign the new loan with CBSG and pay what he said I "owed" them. LaForte also made similar physical threats to HMC's attorney, telling him that he did not want anybody to get "hurt." On Friday, May 10, 2019, LaForte sent me a text message saying "Get your fat ass up and call me," followed by "That was my last call. Now action." A true and correct copy of this text message I received from LaForte is attached as Exhibit D.

24. On July 26, 2019, I filed a lawsuit against CBSG and others alleging violations of the federal Wire Fraud and RICO statutes. That lawsuit is still ongoing.

I declare under penalty of perjury that the foregoing is true, correct, and made in good faith.

Executed on this 9 th. day of July 2020 in Ocean City, Maryland.

Kara DiPietro

KARA DIPIETRO

To: Berlin, Amie R.[BerlinA@sec.gov]; Schmidt, Linda S.[SCHMIDTLS@SEC.GOV]
From: Heskin, Shane
Sent: 2020-07-31T09:53:56-04:00
Importance: Normal
Subject: FW: HMC
Received: 2020-07-31T09:54:27-04:00
HMC ECF 56.pdf
HMC ECF 58.pdf

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

See below. We also need the document below de-designated as confidential in order to comply with the subpoena.

From: Rossi, Laura <Rossil@whiteandwilliams.com>
Date: Friday, Jul 31, 2020, 9:36 AM
To: Heskin, Shane <heskins@whiteandwilliams.com>
Subject: RE: HMC

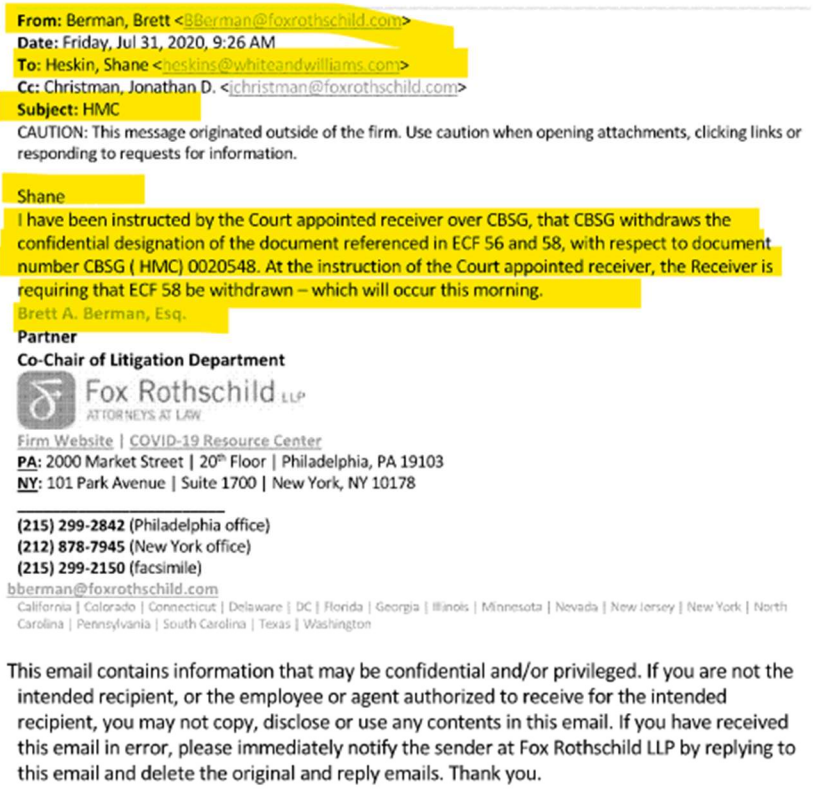
CBSG (HMC) 0020548_CONFIDENTIAL

White and Williams LLP
Laura Rossi
1650 Market Street | One Liberty Place, Suite 1800 | Philadelphia, PA 19103-7395
Direct 215.864.6366 | Fax 215.789.7588
rossil@whiteandwilliams.com | whiteandwilliams.com

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From: Heskin, Shane <heskins@whiteandwilliams.com>
Sent: Friday, July 31, 2020 9:30 AM
To: Rossi, Laura <Rossil@whiteandwilliams.com>
Subject: FW: HMC

What is the Bates number of the document we sent letter about?



From: Berman, Brett <BBerman@foxrothschild.com>
Date: Friday, Jul 31, 2020, 9:26 AM
To: Heskin, Shane <sheskins@whiteandwilliams.com>
Cc: Christman, Jonathan D. <jchristman@foxrothschild.com>
Subject: HMC
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Shane
I have been instructed by the Court appointed receiver over CBSG, that CBSG withdraws the confidential designation of the document referenced in ECF 56 and 58, with respect to document number CBSG (HMC) 0020548. At the instruction of the Court appointed receiver, the Receiver is requiring that ECF 58 be withdrawn – which will occur this morning.

Brett A. Berman, Esq.
Partner
Co-Chair of Litigation Department
Fox Rothschild LLP
ATTORNEYS AT LAW
Firm Website | COVID-19 Resource Center
PA: 2000 Market Street | 20th Floor | Philadelphia, PA 19103
NY: 101 Park Avenue | Suite 1700 | New York, NY 10178
(215) 299-2842 (Philadelphia office)
(212) 878-7945 (New York office)
(215) 299-2150 (facsimile)
bberman@foxrothschild.com
California | Colorado | Connecticut | Delaware | DC | Florida | Georgia | Illinois | Minnesota | Nevada | New Jersey | New York | North Carolina | Pennsylvania | South Carolina | Texas | Washington

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Yet, while federal regulators held up DiPietro as a reliable whistleblower exposing financial wrongdoing, she was actively executing a multi-million-dollar federal scheme: stealing taxpayer money by manufacturing Employer Identification Numbers (EINs), submitting fraudulent Paycheck Protection Program (PPP) applications during the peak of the pandemic, and committing perjury and asset concealment in federal bankruptcy court. Her attorney, Shane Heskin, was directly involved in her legal affairs, and the government had every duty and opportunity to vet its star witness.

Now, with President Trumps Task Force to Eliminate Fraud stepping in to do what the partisan agencies refused to do, the coverup is over: Kara DiPietro has been formally indicted on federal bank fraud charges and now faces up to 180 years in federal prison for stealing millions from the United States Treasury.

EXHIBIT: Video Breakdown of the Case and Evidence
Woman listed as city employee indicted in alleged $2.5M PPP fraud case

The Anatomy of the Coverup: Why Did They Hide the Evidence that DiPietro was actively committing fraud while feeding the SEC?
If this fraud was so widespread, why did the SEC, the AUSAs, Shane Heskin, and the court-appointed receiver bury it? Why did it take the President's federal fraud task force to finally expose and indict this fraudster?

The answer is simple: They hid it because exposing DiPietro meant the entire case would immediately collapse.

Every single party had a vested, self-serving reason to protect their fraudulent star witness:
-The SEC and the AUSAs Knew Their Case Would Fold: DiPietro's emails and sworn declarations were the bedrock upon which the SEC's emergency asset freeze and the AUSA's criminal RICO indictment against Joseph LaForte were constructed. Had prosecutors disclosed that their central witness was actively defrauding the federal government and committing perjury during the investigation, their entire narrative would have evaporated before a judge.

-**The Receiver Protected a $60 Million Billing Machine:** The court-appointed receiver was not operating as an impartial fiduciary; he was running a corporate liquidation machine. While spending an astounding $60 million in professional fees draining the assets of Par Funding, the receiver actively looked the other way. Instead of recovering millions owed by DiPietro's defaulting entities to the estate, the receiver absolved DiPietro of her commercial debt to keep her cooperative with the government. Simultaneously, the receiver seized and liquidated the private LaForte-McElhone Family Trust to personally enrich the receivership team.

-**Shane Heskin Protected a $490,000 Payday and Client Immunity:** DiPietro's attorney, Shane Heskin, leveraged the government's dependency on his client to secure debt absolution from the receiver while pocketing approximately $490,000 in fees. He had every incentive to ensure DiPietro's concurrent PPP and bankruptcy schemes never became exposed.

The Human Cost of the Fraud: While the regulatory machine enriched its attorneys and prosecutors chased career headlines, lives were systematically destroyed. Par Funding was dismantled, hundreds of employees and businesses lost their livelihood, and Joe LaForte has been left sitting in a federal prison cell for four years based on a case built upon the fabricated testimony of a woman who is now an indicted federal fraudster.

The Parallel Timeline: Cross-Referencing DiPietro's Crimes with the Par Funding Prosecution

The official record proves that DiPietro's fraudulent conduct occurred directly alongside her cooperation with the SEC and federal prosecutors. Her crimes were committed while she was actively feeding material to the government:

-2019 – The Financial Breakdown & Initial Claims: Kara DiPietro's company falls delinquent on its commercial obligations to Par Funding. Rather than resolving the commercial debt, DiPietro teams up with attorney Shane Heskin, fabricating claims against Par Funding and approaching federal authorities to deflect from her mounting liabilities.

-April 2020 to May 2021 – The Pandemic Fraud Scheme Is Executed: During the exact months DiPietro and Heskin are interfacing with federal regulators and delivering statements, DiPietro executes a systemic fraud scheme, generating EIN numbers and submitting over 20 falsified applications to steal over $2.5 million in taxpayer PPP funds intended for struggling businesses during the pandemic.

-July 24, 2020 – The SEC Files their TRO against Par Funding Based on DiPietro's Falsehoods: Relying heavily on declarations and narrative documents supplied by DiPietro and championed by Heskin, the SEC files its emergency civil enforcement complaint (SEC v. Complete Business Solutions Group, Inc.) in the Southern District of Florida, securing an asset freeze and installing the receivership.

-2021 to 2022 – Laundering Proceeds While Guiding Prosecutors: While continuing to serve as the government's indispensable cooperating witness, DiPietro diverts and launders her stolen PPP proceeds for personal luxury and home renovations, all while federal agencies present her as an honest victim.

-May 2023 – DOJ Brings Indictments: The U.S. Attorney's Office secures federal criminal indictments against Par Funding and Joseph LaForte, with DiPietro's statements, timelines, and email correspondence serving as core structural pillars of the prosecution.

-2023 to 2024 – Active Perjury in Federal Bankruptcy Court: Facing over $6.4 million in liabilities, DiPietro and her entities (including H.M.C. Inc.) file Chapter 7 bankruptcy. Under oath, she conceals assets, falsifies disclosures, and commits ongoing bankruptcy fraud all while the receiver turns a blind eye, absolves her debts, and keeps her insulated as a protected government witness.

-October 2026 – President Trumps Task Force to Eliminate Fraud Strikes: Cutting through years of bureaucratic coverups, the federal Task Force to Eliminate Fraud indicts Kara DiPietro on six counts of bank fraud, carrying a maximum statutory penalty of 180 years in prison.

EXHIBIT: Bankruptcy Filings Demonstrating Fraudulent Omissions and Debt Absolution

The federal government knew that Kara Dipietro was committing bankruptcy fraud. Two weeks later they indicted Joseph LaForte on a RICO. LaForte and defense counsel never saw it or knew about it. The government has a responsibility under Brady and Giglio to disclose if their witness has been under investigation.

The Freedom Fighters wonder what their internal records show regarding their star witnesses' fraud.



Business Bankruptcies / Maryland / 05/11/2023 / Kara Anne DiPietro Chapter 11 Bankruptcy Case 23-13304

Case Overview

Kara Anne DiPietro filed a voluntary Chapter 11 bankruptcy petition on May 11, 2023. Case **23-13304** was filed in U.S. Bankruptcy Court, District of Maryland (Baltimore).

FILED
May 11, 2023

CASE NUMBER
23-13304

COURT
U.S. Bankruptcy Court, District of Maryland (Baltimore)

DIVISION
Baltimore

Community Provided Case Information

Do you have inform about this case?

Kara Anne DiPietro Chapter 11 Bankruptcy Case 23-13304

Represented By The Law Firm Tydings & Rosenberg LLP

PlnDue

U.S. Bankruptcy Court
District of Maryland (Baltimore)
Bankruptcy Petition #: 23-13304

Case Information

Case number	23-13304
Chapter	Chapter 11
Petition type	Voluntary
Asset status	Asset
Court	U.S. Bankruptcy Court, District of Maryland (Baltimore)
Division	Baltimore

Important Dates

Date filed	May 11, 2023
Deadline for filing government claims	November 7, 2023

Debtor
Kara Anne DiPietro

represented by **Joseph Michael Selba**
Tydings & Rosenberg LLP

EXHIBIT: The Criminal Indictment of Kara DiPietro Issued by President Trumps Task Force to Eliminate Fraud

PRESS RELEASE

Baltimore County Woman Indicted in Federal $2.5 Million Paycheck Protection Program Funds Case

Tuesday, October 20, 2026

For Immediate Release

U.S. Attorney's Office, District of Maryland

Defendant also allegedly submitted 20-plus fraudulent applications seeking more than $7.5M

Baltimore, Maryland – A Maryland woman is facing indictment stemming from submitting fraudulent applications for millions of dollars in federal loans.

Kara DiPietro, 49, of Towson, is charged with bank fraud in connection with fraudulent applications that she allegedly filed to obtain Paycheck Protection Program (PPP) loans in the names of multiple businesses.

Kelly O. Hayes, U.S. Attorney for the District of Maryland, announced the indictment with Special Agent in Charge Jimmy Paul, FBI Baltimore Field Office, and Inspector General William W. Kirk, U.S. Small Business Administration – Office of Inspector General, (SBA-OIG). This prosecution is part of the Trump Administration's Task Force to Eliminate Fraud.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act — a federal law enacted in March 2020 — provided emergency financial assistance to Americans suffering from the

economic effects of the COVID-19 pandemic. It authorized up to $659 billion in forgivable loans to small businesses for employee retention and certain business expenses through the Paycheck Protection Program (PPP), which was administered by the U.S. Small Business Administration (SBA). The business needed to use PPP loan proceeds on payroll costs, mortgage interest, rent, and utilities.

According to the six-count indictment, between April 2020 and May 2021, DiPietro, who served as president and CEO of multiple Maryland companies — including H.M.C., Inc., Holdings Management Company Inc., and Kinetic Capital LLC — submitted more than 20 fraudulent PPP applications in the name of HMC, Holdings, Kinetic, and similarly named and/or spelled entities. These applications listed false and fraudulent Employer Identification Numbers (EINs) not assigned by the IRS to the entities listed on the applications. The applications also failed to disclose prior PPP loan applications associated with DiPietro; the applying entity; and/or other entities owned, controlled, created, and/or used by DiPietro as required under PPP rules. DiPietro further caused the submission of PPP applications that falsely certified that that the applicant business did not already receive a First Draw PPP loan and other PPP applications that falsely certified that the applicant business did not already receive a Second Draw PPP loan.

The indictment alleges that, during 2020 and 2021, DiPietro caused the submission of PPP loan applications seeking more than $7.5 million. Eight of these applications were funded. Bank accounts under DiPietro's control subsequently received more than $2.5 million in PPP funds. DiPietro then caused the transfer of PPP loan proceeds that were used for expenses that are not permissible under the PPP, including renovations to DiPietro's personal residence.

An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

If convicted, DiPietro faces a maximum sentence of 30 years in federal prison for each of the six counts of bank fraud. Actual sentences for federal crimes are typically less than the maximum penalties. A federal district judge determines sentencing after considering the U.S. Sentencing Guidelines and other statutory factors.

On April 7, the Department of Justice announced the creation of the National Fraud Enforcement Division ("Fraud Division"). The Fraud Division is investigating and prosecuting those who commit fraud against the American people. The Department's work to combat fraud supports President Trump's Task Force to Eliminate Fraud, a whole-of-government effort chaired by Vice President J.D. Vance to eliminate fraud, waste, and abuse within Federal benefit programs.

U.S. Attorney Hayes commended FBI and SBA-OIG for their work in the investigation. Ms. Hayes also thanked Assistant U.S. Attorneys Joseph Wenner and John Mark Mastakas who are

prosecuting this federal case, along with Paralegal Specialist Joanna N. Huber, for her valuable assistance.

For more information about the Maryland U.S. Attorney's Office, its priorities, and resources available to report fraud, please visit justice.gov/usao-md and justice.gov/usao-md/report-fraud.

# # #

Contact
Kevin Nash
USAMD.Press@usdoj.gov
410-209-4946

Updated October 21, 2026

Impeaching the Prosecution: The Legal Violations of the SEC, AUSA, Heskin, and the Receiver

Under the United States Constitution, due process cannot be subverted for political scalps or financial windfalls. When prosecutors, state actors, and court-appointed officers willfully bury evidence to protect their case, they commit severe prosecutorial misconduct.

1. The Brady v. Maryland (1963) Violation

Under Brady, prosecutors have an absolute constitutional duty to turn over all exculpatory material to the defense. The SEC and AUSAs had evidence demonstrating that their central witness was manufacturing fraudulent documents, lying to federal entities, and stealing from the Treasury. Concealing this information to save their case is a direct violation of Brady.

2. The Giglio v. United States (1972) Violation

Under Giglio, the government must disclose all impeachment material regarding its witnesses including criminal activity, ongoing fraud schemes, and deals for leniency or debt relief.

DiPietro was committing bank fraud and bankruptcy fraud concurrently while feeding evidence to the SEC.

The receiver provided DiPietro with de facto financial absolution on her debts in exchange for her cooperation.

By concealing her active crimes and favorable financial treatment, the AUSAs committed a textbook Giglio violation that invalidates the proceedings.

3. Shane Heskin: ABA Ethical Violations & Criminal Exposure

Attorney Shane Heskin navigated DiPietro's legal representations across her commercial defaults, her interactions with prosecutors, and her parallel bankruptcy filings while securing a lucrative $490,000 payout:
-ABA Model Rules 1.2(d) & 3.3: Prohibiting an attorney from assisting in fraud or misleading a tribunal. Presenting DiPietro as a clean witness while she actively committed PPP and bankruptcy fraud directly violates these rules.
-ABA Model Rule 8.4(c) & (d): Prohibiting conduct involving dishonesty, fraud, deceit, or misrepresentation prejudicial to the administration of justice.

Criminal Exposure: Knowingly providing false representations to federal investigators, facilitating fraudulent declarations, or aiding the concealment of assets triggers potential exposure under 18 U.S.C. § 371 (Conspiracy to Defraud), 18 U.S.C. § 1001 (False Statements to Federal Agencies), and 18 U.S.C. § 152 (Bankruptcy Fraud).

4. The Receiver's Complicity: Fiduciary Malfeasance and Legal Liability
The receiver, tasked as an impartial officer of the court, drained $60 million while failing to conduct basic due diligence on the estate's primary debtor:
-**Selective Absolution:** Forgiving DiPietro's multi-million-dollar obligations while simultaneously pillaging the LaForte-McElhone Family Trust to enrich the receivership team violates fundamental fiduciary duties.
-**Ethical Violations:** Breaches ABA Model Rule 8.4(d) (conduct prejudicial to the administration of justice) by operating as an unvetted enforcement arm of the prosecution rather than a neutral trustee.
-**Criminal Exposure:** Engaging in willful asset suppression, fraudulent handling of receivership property, and granting unauthorized debt forgiveness opens exposure under 18 U.S.C. § 645 (Embezzlement or Misapplication by a Court Officer/Receiver) and 18 U.S.C. § 152 (Concealment of Assets in Connection with Bankruptcy).

Conclusion: The House of Cards Has Collapsed
This entire prosecution was built on the back of an unvetted fraudster who stole millions from taxpayers during a national emergency and lied under oath to cover her tracks while simultaneously feeding the SEC blatant lies about Par Funding and LaForte.

The SEC, the AUSAs, Shane Heskin, and the receiver protected her because their case, their fees, and their reputation depended on her lies. They destroyed an operating company, plundered a private trust, and left a man in prison for four years all while covering for a criminal now facing nearly two centuries behind bars.

The truth has finally been dragged into the daylight by President Trumps Task Force to Eliminate Fraud. With the core catalyst criminally indicted, every indictment,

receivership order, and judgment secured through Kara DiPietro's contaminated narrative stands completely compromised, legally impeached, and subject to total dismissal.

**Just to remind our readers with whom we are dealing. Shane Heskin and Kara Dipietro both conducted criminal behavior in the past.

Heskin was previously convicted of filming underage women performing sexual acts.

Exhibit: LA Times Article

Teen-Ager Sentenced to 2 Months in Jail for Videotaping Sexual Exploits

MAY 5, 1991 | 12 AM

ASSOCIATED PRESS

SOLVAY, N.Y. — A high school senior who secretly videotaped his sexual exploits with two teen-age girls was sentenced to 60 days in jail.

Solvay Village Justice Robert Smolinsky showed no sympathy last week when Shane Heskin, 18, told him a jail sentence and probation would force him to miss graduation ceremonies and ruin his chances of going to college in Minnesota.

"I'm troubled that I attend civic functions, and people feel the need to tell me that you are a bad person," the judge told Heskin. "You've embarrassed us all. You've humiliated two young ladies."

Smolinsky ordered Heskin to begin serving his time June 19, about four hours after his last school exam.

Heskin, a senior at Solvay High School, pleaded guilty March 27 to one count of sexual misconduct and two counts of endangering the welfare of a child. He videotaped separate sexual encounters with two girls, ages 15 and 16, at his mother's home in Solvay in suburban Syracuse.

Assistant Dist. Atty. Rick Trunfio said Heskin bragged about the tapes at school and showed them to friends.

In addition to the jail term, Heskin was put on three years' probation, and ordered to perform 100 hours of community service.

*** For full disclosure, the case was later expunged. We believe Heskin's father was a judge and used his political connections.*

***After the Par Funding case, SEC attorney, Amie "Rigged It" Riggle Berlin from the and Shane Heskin have teamed up as speakers for the Federal Bar Association on Human Trafficking in Hotels.



Program Summary | Speakers | Agenda | MCLE Credits

Program Summary

Join Heskin & Proper, PLLC attorneys Shane Heskin, Justin Proper, and Amie Berlin, for a focused CLE on human-trafficking exposure in the hospitality industry. The program highlights current litigation trends, how indemnification provisions and insurance coverage issues are influencing these cases, and the policies and procedures that help reduce risk. Attendees will leave with a clear understanding of the core legal pressures in this area and the considerations that matter most when advising clients.

Key topics to be discussed:

- Human trafficking liability in the hospitality industry
- Current litigation trends and exposure risks
- Indemnification provisions and risk allocation
- Insurance coverage and defense issues
- Policies and procedures to reduce liability

This course is co-sponsored with myLawCLE.

Date / Time: TBD

 Closed-captioning available