THE DUAL-REPRESENTATION PLAYBOOK

The paper trail never lies. Publicly filed fee applications from Receiver Ryan K. Stumphauzer pull back the curtain on how Douglas K. Rosenblum (DKR) of Pietragallo, Gordon, Alfano, Bosick, & Raspanti, LLP- Co-counsel for the Receiver, operated across the Southern District of Florida civil receivership and the Eastern District of Pennsylvania criminal prosecution simultaneously.

Every lawyer admitted to the bar is bound by mandatory professional standards regarding conflict checks and loyalty. Yet, the filed billing invoices document an attorney simultaneously acting on behalf of the court-appointed Receiver and the criminal corporate defendant (Complete Business Solutions Group, Inc. / Par Funding)—a company the receivership apparatus spent the last six years prosecuting and liquidating. For six years there has been contentious litigation regarding theories not brought by the SEC, the plaintiff, but by the court appointed Receiver.

The Ethical Mandate: Self-Disqualification vs. Billing the Estate
Under ABA Model Rule 1.7 (Conflict of Interest: Current Clients), Rule 1.13 (Organization as Client), and Rule 1.16 (Declining or Terminating Representation):

Mandatory Conflict Check: Attorneys have a non-delegable duty to run reasonable conflict-checking procedures prior to taking any case.
Mandatory Refusal/Withdrawal: Rule 1.16(a)(1) mandates that an attorney must withdraw or refuse representation if it results in a violation of professional conduct rules.

Non-Consentable Conflicts: Under Rule 1.7(b)(3), an attorney cannot represent opposing sides in related litigation before a tribunal. A liquidating receiver's duty is to seize assets and maximize claims; a criminal corporate defendant holds distinct constitutional protections and trial defense interests.

Instead of voluntarily disqualifying himself, the attached fee applications show DKR billing thousands of dollars to litigate and preserve his dual posture:
-**5/30/2023: DKR bills 0.50 hrs ($197.50) conferring with Receiver and T. Kolaya regarding "Appearance in Criminal Matter on behalf of company and entry of plea".**
-6/2/2023: Bills 1.00 hr ($395.00) "Representing Receiver at initial appearance and plea for Par Funding as corporate defendant in criminal case in E.D.Pa.".
-6/13/2023: Bills 2.00 hrs ($790.00) "Analyzing show cause order issued by Judge Kearney in criminal matter re: potential disqualification".
-6/14/2023 – 6/16/2023: Bills 2.90 hrs ($1,145.50) developing response and drafting

a Memorandum of Law against disqualification.
-6/19/2023: Bills 2.00 hrs ($790.00) for "Multiple edits and correspondence re: memo of law in response to show cause order concerning potential disqualification".
-7/5/2023: Bills 2.20 hrs ($869.00) reviewing defense submissions and analyzing case law cited by defendants seeking his disqualification.
-7/6/2023 – 7/7/2023: Bills 4.70 hrs ($1,856.50) receiving calls from the prosecutor and drafting/filing legal memoranda defending his position.
-7/12/2023: Bills 0.50 hrs ($197.50) analyzing the court's order determining he is not disqualified.
-10/12/2023: Explicitly bills 1.30 hrs ($513.50) "Representing Receiver for CBSG at status conference of criminal case".

The Discovery Deprivation & Rule 41(g)
Under Rule 41(g) of the Federal Rules of Criminal Procedure (Motion to Return Property) and Rule 16 (Discovery and Inspection), the government must afford defendants full, uninhibited access to seized data and return physical hardware once forensically mirrored if deprivation harms the defense.

Physical servers, laptops, and mobile devices were withheld from defendants for years and never returned to this day – over 6 years later.

Meanwhile, fee records reflect an asymmetric data channel:
-7/7/2023 – 8/28/2023: Continuous entries reviewing discovery status reports and government tranches.
-6/5/2024: Direct entries of DKR reaching out to DSI and Bradley Sharp to retrieve data directly, securing materials through receivership channels outside the standard defense production track.

****The defense fought for years for access to discovery. And Douglas Rosenblum *acting as attorney for Par Funding* simply just had to pick up the phone and ask. His client, Par Funding was a co-defendant of Joseph LaForte. How come DKR gets privilege, and the rest of the defendants receive nothing. This proves the Receiver knew exactly where everything was.**

The Mike Russo / Lawgical Insight Connection
A central operative in the discovery handling is Michael Russo, founder of the e-discovery firm Lawgical Insight.

Public court filings and corporate registry records show that Lawgical Insight's listed headquarters is 2 South Biscayne Blvd, Suite 1600, Miami, FL 33131—the identical office suite as Receiver Ryan K. Stumphauzer's law firm (Stumphauzer Kolaya & Sloman, PLLC).

*****To our readers - Yes, you read that right. They share identical office space. This is an e-discovery firm that is obviously an arm of Ryan K. Stumphauzer and his firm.**

On 1/24/2024, billing entries show DKR and Russo analyzing discovery together. The physical co-location of the supposedly independent e-discovery vendor inside the Receiver's own suite raises serious operational questions regarding independent oversight, chained custody of electronic devices, and data exclusivity.

Sentencing Manipulation: How Loss Multiplies Prison Time
Under United States Sentencing Guidelines (U.S.S.G. §2B1.1), sentence length in federal white-collar matters is driven overwhelmingly by the loss calculation. As alleged losses cross escalating monetary thresholds, the base offense level increases substantially, adding significant recommended guideline sentencing time in prison.

-**10/10/2024: DKR's billing reflects working directly with the Assistant U.S. Attorney (AUSA) regarding Joseph LaForte's calculated loss amounts—coordinating loss metrics that directly increase sentencing exposure.**

What is even more interesting and corrupt is that while DKR was coordinating with the prosecution and calculating loss metrics to increase LaForte's sentence, the witness called by the AUSA's office to testify at LaForte's loss hearing was no other than Bradley Sharp, the owner of DSI, and DKR's colleague in the Receivership. They positioned him as an expert witness as he recited these non-CPA, non-GAAP theories to a vulnerable Judge Mark A. Kearney (big Obama fan) and his testimony were accepted, and LaForte was hit with $314 million in losses!

-1/30/2025: Entries show DKR coordinating with the prosecution regarding the relinquishment of LaForte's assets.

Here once again, the Receiver who helped create a false narrative for the SEC is now assisting the AUSA's office while representing Par Funding, LaForte's co-defendant. Are the AUSA not capable of doing their own investigation and utilizing their own resources. Why is the Par Funding estate financing loss metrics to increase LaForte's sentencing exposure?

The Disposition & Restitution Pipeline

-7/18/2023 – 10/23/2023: Consecutive billing entries show DKR conferring with prosecutors regarding a "Potential non-trial disposition of criminal charges against CBSG in E.D.Pa.".

DKR was negotiating a plea agreement with the prosecution as early as 7/18/2023. That was over 3 years ago. The delay until this December of 2026 gave them another 14 quarters to bill instead of resolving the case years ago.

-7/9/2025 & 8/7/2025 – 8/8/2025: The endgame is laid out in the billing: meeting with the U.S. Attorney's Office to ensure criminal restitution funds are collected and directly distributed by the Receiver.

The Freedom Fighters must believe the reason why DKR pushed so hard to represent Par Funding and violated every ethical oath that he took was to ensure- 1. He helped control LaForte receiving a lengthy sentence 2. Kept control of discovery and 3. Made sure him and his cronies were able to capture the tens of millions of dollars that the AUSA was already in control of.

The invoices present a continuous operation by this group of lawyers and technology specialists: maintain control through dual representation, secure non-trial dispositions for the corporate shell, coordinate loss figures with the government, and direct restitution back into the receivership apparatus. **THAT WAS THE MISSION!**

Judicial Orders Do Not Erase an Attorney's Ethical Oath

A common misconception is that a judge's signature provides blanket immunity. Readers must understand the legal reality: a judicial order does not exonerate an attorney from their independent ethical obligations under the Rules of Professional Conduct.

Judge Kearney's Disqualification Ruling: When Judge Mark Kearney declined to disqualify DKR in the Eastern District of Pennsylvania criminal proceeding, that ruling only addressed the procedural posture of the docket at that specific moment. A judge managing a criminal docket does not act as a state ethics board. An attorney remains individually and personally bound by their oath, the rules of professional responsibility, and the strict mandate to avoid non-consentable conflicts. Subsequent actions—such as coordinating loss figures against co-defendants or negotiating plea postures—remain fully open to disciplinary scrutiny and appellate review.

Judge Ruiz's Fee Approvals: The fact that Judge Rodolfo Ruiz approved fee applications in the Southern District of Florida civil receivership does not cleanse wrongful or conflicted billing. Attorneys hold an affirmative duty under Rule 1.5 (Fees) to submit only reasonable, legally permissible invoices. Billed hours incurred while laboring under a concurrent conflict of interest remain vulnerable to mandatory disgorgement, regardless of whether fee petitions were routinely approved on the civil docket.

Potential Penalties Facing Douglas Rosenblum and Pietragallo Gordon Alfano Bosick & Raspanti, LLP
Attorneys and law firms that operate under active conflicts of interest or exploit dual postures face severe disciplinary, civil, and financial liabilities:

To our readers, there are 24 billings. We have not even scratched the surface on the counts of conflicts that exist.

-**State Disciplinary Sanctions (Disbarment & Suspension):** Under state bar disciplinary frameworks and the ABA Model Rules, attorneys who violate core duties of loyalty can face formal disciplinary proceedings resulting in public reprimands, multi-year suspensions, or permanent disbarment.

-Mandatory Fee Disgorgement: Courts possess the inherent power to order the complete disgorgement and forfeiture of all legal fees earned by DKR and his firm (Pietragallo Gordon Alfano Bosick & Raspanti, LLP) during the period of conflicted representation.

-Vicarious Disqualification (Rule 1.10): Under the rule of imputed disqualification, an ethical taint on an individual partner can disqualify the entire law firm from participating in connected matters.

-Civil Exposure for Breach of Fiduciary Duty: Operating with divided loyalties exposes counsel to civil actions for legal malpractice and breach of fiduciary duty—claims where traditional burdens of proof are often reversed due to the fundamental breach of trust.

-**Appellate Reversals & Vacated Sentences:** In the criminal arena, an actual conflict of interest that prejudices co-defendants or impacts the integrity of sentencing submissions establishes solid constitutional grounds for appellate courts to vacate rulings, remand cases, or set aside sentences.