

## **THE GREAT PHILADELPHIA REAL ESTATE HEIST: How an Overzealous Bureaucrat and a Draconian Judge Destroyed a Family's Real Estate Empire**

Fellow Patriots, if you want to see the terrifying reality of government overreach and the complete disregard for private property rights in this country, look no further than what just happened in Philadelphia. What we are witnessing is the egregious destruction of a family and its hard-earned assets, built on lies and fundamental unfairness. It is, without a doubt, the most un-American example of a property takeover by an overzealous receiver and a draconian judge blinded by confirmation bias. The LaForte's were not fools spending extravagantly on frivolous nonsense. They were sophisticated investors who invested in Real Estate, Stocks and Alternative Investments. As we have previously reported, their life's work was taken in the Par Funding scandal. But that was not enough. They invested their post-tax revenue in Real Estate that a greedy, corrupt receiver and government agencies conspired together to destroy. Today we are looking at the real estate portfolio that was built by the LaForte's and looted by the receiver.

### **A Cash-Cow Portfolio Stolen and Squandered**

Imagine building a highly profitable, fully stabilized real estate portfolio in the absolute best neighborhoods of Philadelphia. We are talking about high-end luxury properties that were 98 percent occupied by paying tenants. This portfolio was a golden goose, generating a massive \$400,000 a month in revenue, and here is the kicker: there was zero mortgage debt on these properties.

When the government stepped in and forced this portfolio into receivership, the court-appointed receiver had one fundamental fiduciary duty: to maximize the value of the assets. Instead, what did he do? He liquidated the entire pristine portfolio at a massive discount, destroying millions of dollars of family wealth for absolutely no necessary reason.

### **The Empirical Data Exposes the Scam**

Let us look at the cold, hard empirical data because the numbers do not lie. The receiver sold off these properties for a staggering loss compared to what the LaForte family paid for them, completely ignoring the historic housing market boom.

**The total purchase price of the properties in this portfolio was \$41,253,567.00.**

**The receiver fire-sold them for just \$34,324,500.00.**

**That is a nearly \$7 million loss on paper.**

But the reality is far more sinister. They did not just sell at a loss—they sold at a massive discount during one of the hottest real estate markets in modern history! Historical data proves that across the board, luxury multifamily assets in the Philadelphia metro saw total market

value increases of roughly 25% to 35% from 2017/2019 to 2022. For luxury Class A properties, prices soared well past \$315,000+ per unit as buyers aggressively competed for stabilized assets.

Furthermore, valuations were heavily inflated by historic cap rate compression. By 2022, intense buyer demand had compressed average multifamily cap rates in Philadelphia down to 4.9%. Even if the net operating income had stayed completely flat between 2018 and 2022, the market value of these properties would have increased significantly based on what buyers were willing to underwrite.

Instead of reaping the benefits of a 25% to 35% market boom, the receiver dumped these assets for zero profit and millions in outright losses. At minimum, the receiver did not do his job; at worst, this was a punitive destruction of personal assets.

### **Lining His Pockets at the Family's Expense**

Why would a receiver sell off a debt-free, cash-flowing luxury portfolio at fire-sale prices during a booming market? Because it was easy.

The receiver listed the properties for steep discounts to get quick cash. Why? So, he could sit back, bill hours day and night, and line his own pockets with the proceeds. It is a legalized racket. He acts like he owns it all and has a license to steal anything he can get his hands on. The tragic irony is that none of this had to happen. The receiver never had to sell these properties because Par Funding already had a massive portfolio of receivables—more than enough to pay investors and still have hundreds of millions of dollars left over. If the receiver had just done the hard work of making the merchants who owed the money pay their debts, this pristine real estate portfolio would not have been sold. If the court simply wanted to secure the assets, a basic Lis Pendens (a formal notice of a pending legal action) would have served its purpose perfectly without destroying the properties' value.

### **Where is the Transparency?**

If the financial destruction was not bad enough, the lack of transparency is truly chilling. Who bought these premium properties at such massive, insider discounts? We do not know. The receiver claims he does not have to tell defense counsel. In what version of America can an unelected court appointee seize your debt-free business, sell it off to unknown buyers at a loss during a booming market, and then hide the receipts? Not a single objection was lodged by the SEC who claims its sole purpose is protecting investors. Defense counsels' objections were denied multiple times!

This is not justice. This is a punitive destruction of personal assets by a system that has forgotten who it works for. It is a wake-up call for every property owner, every business builder, and every American who believes in the sanctity of private property. When a sinister receiver and a biased judge have the power to liquidate your life's work to line their own pockets, none of our property is safe.

Below are the list of LaForte Real Estate investments showing more losses caused by the receiver.

<b>PAR FUNDING RECEIVERSHIP-REAL ESTATE SALES/LIQUIDATION</b>				
<b>Commercial Real Estate -Investment Property Portfolio</b>				
<b>Property</b>	<b>Purchase Date</b>	<b>Purchase Price</b>	<b>Sales Price</b>	<b>Date of Sale</b>
803 S. 4th Street	February 2017	\$ 349,000.00	\$ 430,000.00	8/23/2023
118 Olive Street	April 2019	\$ 740,000.00	\$ 661,000.00	9/15/2023
2413 Roma Drive	July 2015	\$ 407,900.00	\$ 676,000.00	9/19/2023
4633 Walnut Street	May 2018	\$ 650,000.00	\$ 700,000.00	9/19/2023
915 S. 11th Street	October 2018	\$ 1,860,000.00	\$ 1,750,000.00	9/21/2023
1530 Christian Street	October 2018	\$ 870,000.00	\$ 890,000.00	10/11/2023
242 S. 21st Street	August 2017	\$ 1,025,000.00	\$ 1,025,000.00	10/12/2023
1932 Spruce Street	April 2018	\$ 2,125,000.00	\$ 1,650,000.00	11/14/2023
1223 N. 25th Street (Units A, B, C)	April 2018	\$ 366,667.00	\$ 650,000.00	12/21/2023
1250 N. 25th Street (Units A, B, C)	April 2018	\$ 600,000.00	\$ 650,000.00	12/21/2023
1427 Melon Street	August 2018	\$ 7,600,000.00	\$ 5,500,000.00	3/15/2024
715 Sansom Street	February 2019	\$ 2,885,000.00	\$ 2,100,000.00	3/13/2024
1248 N. 25th Street (Unit A)	January 2019	\$ 190,000.00	\$ 250,000.00	4/1/2024
861 North 3rd Street	May 2019	\$ 1,800,000.00	\$ 1,468,500.00	4/2/2024

500 Fairmount Avenue	October 2018	\$ 1,640,000.00	\$ 1,450,000.00	4/17/2024
300 Market Street	September 2018	\$ 4,400,000.00	\$ 3,250,000.00	6/27/2024
627-629 East Girard Ave	March 2019	\$ 2,950,000.00	\$ 2,750,000.00	6/28/2024
135-137 North 3rd Street	August 2019	\$ 6,575,000.00	\$ 5,600,000.00	7/10/2024
142 N. 2nd Street	February 2016	\$ 170,000.00	\$ 175,000.00	7/16/2024
1635 Passyunk Avenue	February 2018	\$ 825,000.00	\$ 675,000.00	9/17/2024
205 Arch Street -B	April 2017	\$ 260,000.00	\$ 260,000.00	6/13/2025
20-22 N 3rd -Unit 101	August 2017	\$ 835,000.00	\$ 382,500.00	12-Dec-25
20-22 N 3rd -Unit 102	August 2017	\$ 835,000.00	\$ 382,500.00	18-Dec-25
20-22 N 3rd -Unit 201	December 2017	\$ 645,000.00	\$ 450,000.00	2/18/2026
20-22 N 3rd -Unit 202	July 2018	\$ 650,000.00	\$ 549,000.00	Jul-25
		<b>\$41,253,567.00</b>	<b>\$ 34,324,500.00</b>	