The Six-Year Shakedown: Why Time is the Ultimate Proof Against the SEC and Receiver's Bureaucratic Cash Grab

By Freedom Fighters of America

It has been exactly six years since July 2020, when federal regulators orchestrated a massive raid, froze assets, and appointed Ryan K. Stumphauzer as court appointed receiver to take over Par Funding. The Receiver aggressively pushed a narrative when he created the fake and phony "Sharp Report" that this American business was a fraudulent "Ponzi scheme." As we previously reported, the Receiver's operation arm, DSI, created the Sharp Report instead of completing an almost final audit from Clifton Larson Allen, ranked top ten in the world auditing firm. Why would Ryan Stumphauzer do this as the court appointed Receiver? Because the CLA audit would prove Par Funding was a powerful financial going concern, and Sharp would be willing to use a non-GAAP, non-accrual methodology to fit the Receiver's narrative. Ryan Stumphauzer rewarded Sharp with a $500,000 fee for creating this fraudulent document. After the Glick analysis prepared by the defendants revealed that it was the Receiver's declarant who was misleading and spinning the court and engaged in a biased flawed assessment of the company, Ryan Stumphauzer amazingly and defensively acknowledged for the first time **on April 15, 2021, Document DE 535** that the DSI report was *"never intended to serve as an expert report with the underlying action of the SEC but rather was merely intended to provide preliminary findings."* – (**DE 577 at 14-Receiver's Quarterly Status Report May 3, 2021)**

This amazing retreat from a flawed analysis and this admission by the receiver that his own "expert" is a preliminary finding is mystifying.

Stumphauzer ever staked his credibility on DSI's Sharp Report on December 15, 2020- See Transcripts of SEC Status Conference 12/15/2020 pg. 25 of 127 (Lines -11):

I'll stake my credibility on what I've said today. I'll stake
03:29 the credibility of DSI's consultants on what they put in their
report. It's our best calculation of what has happened based
on the records that are available to us.

Stumphauzer conveniently backpedaled in April 2021 after staking his credibility on the Sharp Report at the status conference on December 15, 2020 because he got what he wanted already. He got the expanded receivership!

How Stumphauzer can obtusely claim that an expense of $500,000, and the causation of the expansion of the Receivership into the estates assets and conveniently adopted by the AUSA to bring a Federal indictment is mind boggling. How do you think investors felt spending $500,000 on a preliminary finding by the wasteful egregious receiver compared to $200,000 spent by the defendants prior to the action for a real auditing firm, CLA, to perform a 6-month analysis on the company!

But here we are in July 2026, marking a grim anniversary. And for anyone who finds the endless legal jargon and court filings confusing, there is one undeniable, common-sense piece of evidence that exposes this entire operation for what it is. That evidence is time!

The Common Sense Test

Let us apply basic, working-class logic to the government's narrative. We all know what a Ponzi scheme is. It is a hollow house of cards. It produces nothing, it generates no real revenue, and it relies entirely on new money to pay off the old money. The moment the new money stops, the entire operation instantly collapses into dust. It goes broke.

If Par Funding were truly the Ponzi scheme the regulators claimed it was in their courtroom motions, the money would have vanished the moment the doors were kicked in and operations were frozen.

Yet, six years later, the government-appointed receiver, their counsel, and DSI are still sitting on the estate. They are still aggressively recommending that the receivership continue. Why? Because they are still pulling down millions of dollars in administrative and legal fees.

EXHIBITS: The Receiver's last few Quarterly Status Reports with Yale Bogen recommending that the Receivership continues.

Exhibit: DE 2224- Receiver's Quarterly Status Report Dated April 30, 2026.

H. <u>The Receiver's recommendations for a continuation or discontinuation of the receivership and the reasons for the recommendations.</u>

It is my recommendation that the Receivership continues. The Receivership is benefited by continuing to collect outstanding merchant and loan balances and, as appropriate, pursuing various claims. While the remaining balances to be recovered have been reduced, ongoing efforts are expected to continue to result in additional collections beyond the cost of operating the receivership. The professional staffing changes that have occurred will reduce fees going forward. Current professionals are knowledgeable of the Receivership Entities' books and records, all of which is vital to working with you and counsel on various causes of actions and to maximize and monetize the assets of the receivership.

Sincerely,

Yale Scott Bogen

Yale Scott Bogen
Senior Managing Director

Copy to: Mr. Gaetan J. Alfano (GJA@Pietragallo.com)
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Mr. George E. Shoup, III (e-mail GShoup@DSIConsulting.com)

Exhibit: DE 2197- Receiver's Quarterly Status Report Dated January 30, 2026.

H. <u>The Receiver's recommendations for a continuation or discontinuation of the receivership and the reasons for the recommendations.</u>

It is my recommendation that the Receivership continues. The Receivership is benefited by continuing to collect outstanding merchant and loan balances and, as appropriate, pursuing various claims. While the remaining balances to be recovered have been reduced, ongoing efforts are expected to continue to result in additional collections beyond the cost of operating the receivership. The professional staffing changes that have occurred will reduce fees going forward. Current professionals are knowledgeable of the Receivership Entities' books and records, all of which is vital to working with you and counsel on various causes of actions and to maximize and monetize the assets of the receivership.

Sincerely,

Yale Scott Bogen
Senior Managing Director

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Exhibit: DE 2181- Receiver's Quarterly Status Report Dated October 31, 2026.

H. <u>The Receiver's recommendations for a continuation or discontinuation of the receivership and the reasons for the recommendations.</u>

It is my recommendation that the Receivership continues. The Receivership is benefited by continuing to collect outstanding merchant and loan balances and, as appropriate, pursuing various claims. While the remaining balances to be recovered have been reduced, ongoing efforts are expected to continue to result in additional collections beyond the cost of operating the receivership. The professional staffing changes that have occurred will reduce fees going forward. Current professionals are knowledgeable of the Receivership Entities' books and records, all of which is vital to working with you and counsel on various causes of actions and to maximize and monetize the assets of the receivership.

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Ask yourself: How can a receiver extract millions of dollars in fees for six straight years from a company that supposedly had no legitimate, profitable business model? We want to remind our readers that since day one the Receiver has been in full liquidation mode. He has not advanced a single penny to a merchant and has created zero revenue for the estate even though in the early stages of this case (**DE 115 on the Florida docket 8-9-2020 pg. 6.)** the defense warned, *"that unless the Receiver obtains immediate services expertise and assistance of Par Fundings knowledgeable and experienced employees' liquidation will without doubt be the end result. Without CBSG support staff working this week to restore the business, there will be no business to restore."* The defendants knew exactly what was going to happen and despite the Judges initial order, *"this will not be an end game of liquidation"* that is exactly what took place. The receiver candidly advised the court that he *"had no experience with the Merchant Cash Advance industry and is incapable of managing and monitoring the day to day operations of CBSG and will need guidance on countless issues."* **(DE 115 on the Florida docket 8-9-2020 pg. 1.)**

But instead of leaving Par Fundings experienced legal team and employees in place he chose to hire notorious liquidation firm in DSI and serial wasteful billing firm, Pietragallo

Gordon Alfano Bosick & Raspanti. This leads us to another question- why did the receiver, Ryan K. Stumphauzer need two law firms - his own- (Stumphauzer Kolaya & Soloman PLLC), and Pietragallo Gordon Alfano Bosick & Raspanti to help him manage as he states varying state laws and regulations. Instead, Mr. Stumphauzer hired his own firm, Stumphauzer Kolaya & Soloman PLLC, Pietragallo Gordon Alfano Bosick & Raspanti, plus Fox Rothschild, plus DSI, plus a litany of other investigation companies like HD Investigative and Lawgical Insight, LLC.

We also find it interesting that Par Fundings' professional and support staff of 70 which included accountants, lawyers, underwriters, processors, collections, cost a grand total of $90,000 every 2 weeks. **(DE 115 -pg. 6 at 1.)**

It would have cost half the amount of the current shakedown taking place by these bloated lawyers. The work would have been done professionally by experts for half the amount, and the end game of liquidation could have been avoided. They closed the offices and no one was there working after paying $30 million to the Receivership. Par Funding actually produced a million dollars per day in bottom line revenue and collected $1.5 million per day.

The fact that the estate continues to spit out enough cash to keep a massive team of bureaucrats and lawyers on the payroll is the ultimate proof that Par Funding was exactly what it claimed to be: a profitable, revenue-generating powerhouse. It shows that the collateral which the receiver loves to claim is worthless is still paying his bloated billing.

The Evidence is Already on the Record

We have already brought you the hard, undeniable facts. We showed you the forensic accounting from the highly respected firm Berkowitz Pollack Brant—hard math that completely dismantled the government and Receiver's claims and proved the business was backed by real, performing assets.

We exposed the hypocrisy of the SEC, who were caught telling Black Star News that they never actually charged the company with a Ponzi scheme—even though they happily used that exact inflammatory language in their omnibus motion to terrify a judge into granting them power.

We exposed the fraud on the court in the TRO, and the probable cause used by the AUSA in Philadelphia to get Search Warrants with the phony Nevis claim. And we exposed the receiver's endless billing tactics.

But even if you strip away the forensic accounting and the legal contradictions, you are left with the undeniable reality of the calendar.

The Ultimate Cash Grab

This is not about protecting investors anymore, and it never was. It is about feeding a bloated, unaccountable system. When regulators shatter an extraordinarily successful American business, they hand the pieces over to a receiver whose financial incentive is to keep the clock running. Every hour that passes is another billable hour for them, and another dollar drained from the estate.

They thought they could bury the truth under mountains of paperwork and years of delays. They thought the public would stop paying attention. They were wrong. And if the investors are paid back why is the Receiver still there? The companies should be returned to their rightful owners.

Time does not just heal wounds; it exposes lies. The six years that have elapsed since the July 2020 raid are the greatest piece of exculpatory evidence we have. The Receiver’s own ongoing cash grab proves that Par Funding was a real, thriving enterprise.

It is time to end the receivership, end the endless fees, and demand accountability for a bureaucratic overreach that has dragged on for over six years too long.