

STATE OF NEW YORK  
SUPREME COURT: COUNTY OF ERIE

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PEOPLE OF THE STATE OF NEW YORK, by  
LETITIA JAMES, Attorney General of the  
State of New York,

Petitioner,

-against-

**CONSENT ORDER AND  
JUDGMENT AS TO  
KENNETH THOMAS AND  
MIDWAY RESOLUTION  
SERVICES LLC**

Index No. 810231/2020

KENNETH THOMAS, WESLEY NEWMAN,  
JOHNFREDRICK DANIELS, JASMINE ASHLEY  
DANIELS, ELIZABETH FARNHAM, MIDWAY  
RESOLUTION SERVICES LLC  
(d/b/a GREENLAND RECOVERY  
GROUP), and JAX MANAGEMENT GROUP LLC,

Respondents.

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Petitioner commenced this special proceeding by Order to Show Cause signed by the Court on September 17, 2020 and entered on September 18, 2020; supported by the Verified Petition, verified on September 16, 2020, the Affirmation of Christopher L. Boyd, Assistant Attorney General, affirmed on September 16, 2020, and exhibits thereto, and the memorandum of law in support.

Respondents Kenneth Thomas (“Thomas”) and Midway Resolution Services LLC (d/b/a Greenland Recovery Group) (“Midway,” and together with Thomas, “Respondents”) having filed their Answer to the Verified Petition on February 26, 2021. And Petitioner having noticed the Verified Petition for a hearing, and the Court having heard argument at a Special Term held on April 22, 2021 at 2:00 p.m. from AAG Christopher L. Boyd, attorney for Petitioner, and Joseph G. Makowski, Esq., attorney for Respondents.

The Court having rendered a decision and granted an Order and Judgment on Liability as to Respondents dated and entered July 1, 2021, finding that the allegations in the Verified Petition had been proven and granting the Verified Petition in its entirety as to Respondents. The Court having deferred determination of appropriate monetary relief pending an accounting.

NOW UPON considering the Verified Petition, along with all supporting affidavits and exhibits, and all pleading and papers filed herein, and the Stipulation and Consent dated October ~~September~~ <sup>13</sup>, 2021, in which Respondent Thomas and Midway acknowledged receipt of the above-said documents and consented to entry of this Consent Order and Judgment (the “Consent Order”) and waived notice of entry thereof,

NOW, on motion of Letitia James, Attorney General of the State of New York (hereinafter “OAG”), attorney for the Petitioner, and on the above pleadings, and on the consent of Respondents Thomas and Midway, it is hereby

1. ORDERED, ADJUDGED AND DECREED that the Court’s July 1, 2021 Order and Judgment on Liability as to Respondents (the “Liability Order”) remains in full force and effect. This Consent Order addresses monetary relief payable by Respondents Thomas and Midway and imposes additional injunctive relief requirements and shall not be read in any manner to limit or terminate Respondents’ obligations under the Liability Order; and

**DISSOLUTION OF MIDWAY**

2. ORDERED, ADJUDGED AND DECREED that, with the consent and approval of Respondents Thomas and Midway, the funds held on behalf of Midway at any financial institution, including, without limitation, Citizens Bank, shall be turned over and paid to the OAG in partial satisfaction of the money judgment imposed herein. Respondents Thomas and Midway shall cooperate with the OAG in ensuring the transfer of such funds, including by executing any documents required to release such funds to the OAG; and it is further

3. ORDERED, ADJUDGED AND DECREED that Respondent Thomas shall wind-down and dissolve Respondent Midway within ninety days of entry of this Consent Order and provide proof of dissolution to the OAG. Thomas shall cause any non-cash assets of Midway to be sold and the proceeds of such sale and all cash assets of Midway transferred to the OAG in partial satisfaction of the money judgment imposed herein; and it is further

4. ORDERED, ADJUDGED AND DECREED that the temporary restraining order and asset freeze imposed by this Court's order dated September 17, 2020 is hereby modified to permit Respondents Midway and Thomas to sell Midway's assets and transfer all funds held by or on behalf of Midway to the OAG, and shall be lifted following the transfer of all such assets and the dissolution of Midway; and it is further

**CONDUCT RELIEF**

5. ORDERED, ADJUDGED AND DECREED that Respondent Thomas is hereby permanently enjoined and banned from any participation in the following industries:

- a. *Ban from Consumer Debt Collection:* Thomas shall not engage in, or attempt to engage in, the collection of any obligation or alleged obligation of a

natural person to pay money arising out of a transaction in which the money, property, insurance, or services which are the subject of the transaction are primarily for personal, family, or household purposes, whether or not such obligation has been reduced to judgment (“Consumer Debt”), or any business or activity relating to the collection of Consumer Debt (“Consumer Debt Collection”).

b. *Ban from Consumer Debt Brokering:* Thomas shall not engage in, or attempt to engage in, the purchase, sale, placement, leasing, assignment or brokering of Consumer Debt, or any business relating thereto (“Debt Brokering”).

c. *Ban from Consumer Lending:* Thomas shall not engage in, or attempt to engage in, the lending of money, extension of credit, or servicing of loans made to any natural person, and any business relating thereto (“Consumer Lending”).

Provided, however, that Thomas may make personal loans to friends and family members at an interest rate of no more than double the then prevailing Applicable Federal Rate specified by the Internal Revenue Service.

d. *Ban from Debt Settlement:* Thomas shall not engage in, or attempt to engage in, the business of debt settlement, debt negotiation or debt reduction for Consumer Debts, and any business relating thereto (“Debt Settlement”).

e. *Ban from Credit Services:* Thomas shall not engage in, or attempt to engage in, any business or provision of a service for the express or implied purpose of improving a consumer's credit record, history, or rating or providing advice or assistance to a consumer with regard to the consumer's credit record

history or rating in return for the payment of a fee, and any business relating thereto (“Credit Repair”).

f. *Ban from Payment Processing*: Thomas shall not engage in, or attempt to engage in, the business of processing payments, facilitating relationships with merchant banks (including member service providers and independent sales organizations for merchant banks), or otherwise providing any assistance regarding the processing of payments for companies involved in Consumer Debt Collection, Debt Brokering, Debt Settlement and Credit Repair, and any business relating thereto (“Payment Processing”).

g. *Ban from All Involvement in Prohibited Industries*: For the avoidance of doubt, Thomas is permanently enjoined and prohibited from engaging in the aforementioned industries, including Consumer Debt Collection, Debt Brokering, Consumer Lending, Payment Processing, Debt Settlement and Credit Repair, in any capacity, including as an owner, employee, manager, member, independent contractor, agent, consultant, service provider, investor, security holder, creditor or otherwise. Provided however, that Thomas may invest, as a minority passive investor, in the publicly traded securities, listed on a U.S. national securities exchange, of companies that engage in the foregoing businesses; and it is further

### **COOPERATION**

6. ORDERED, ADJUDGED AND DECREED that Respondent Thomas shall fully cooperate with the OAG and its representatives in any investigation as the OAG may request. Thomas shall provide truthful and complete information, evidence, and testimony,

including in person or by way of affidavit or declaration. Thomas shall appear for interviews, discovery, hearings, trials, and any other proceedings that a representative of the OAG may reasonably request upon five days written notice, or other reasonable notice, at such places and times as a representative of the OAG may designate, without the service of a subpoena. Thomas shall promptly provide documents and things requested by the OAG to assist their investigation of any matters or persons, without the service of a subpoena or discovery request; and it is further

### **REPORTING**

7. ORDERED, ADJUDGED AND DECREED that, for ten years following entry of this Consent Order, Respondent Thomas shall provide written notice to the OAG within ten days whenever he forms or acquires a beneficial ownership interest in any corporate entity. Such written notice must include the name of the corporate entity, nature of the company's business, address of the company, and Thomas's ownership percentage; and it is further

8. ORDERED, ADJUDGED AND DECREED that, for five years following entry of this Consent Order, Respondent Thomas shall notify the OAG of his employment status and provide the OAG with a written update within ten days whenever his employment status changes; and it is further

9. ORDERED, ADJUDGED AND DECREED that Respondent Thomas shall, on an annual basis until all amount owed pursuant to this Consent Order have been paid to the OAG, submit to the OAG a sworn statement attesting to his annual income from all sources; and it is further

**MONETARY PENALTIES**

10. ORDERED, ADJUDGED AND DECREED that for its violations of law as determined by the Court in the Liability Order, Respondent Midway Resolution Services, LLC is liable to the State of New York for damages, civil monetary penalties and costs in the sum of \$2,000,000.00; and it is further

11. ORDERED, ADJUDGED AND DECREED that Petitioner may docket this Consent Order as a money judgment in the County of Erie against Midway Resolution Services, LLC, 1567 Military Road, Ste 7, Buffalo, NY, 14217, in the amount of \$2,000,000.00, pursuant to New York Civil Practice Law and Rules § 2222 and, upon docketing this money judgment Petitioner shall have execution thereon; and it is further

12. ORDERED, ADJUDGED AND DECREED that for his violations of law as determined by the Court in the Liability Order, Respondent Kenneth Thomas is liable to the State of New York for damages, civil monetary penalties and costs in the sum of \$20,000.00; and it is further

13. ORDERED, ADJUDGED AND DECREED that upon becoming employed in any job making more than \$30,000.00 per annum, Thomas shall on the first day of the month for every month following the month he became so employed, pay to the OAG the sum of \$500 until he has paid the OAG \$20,000.00; and it is further

**SUSPENDED MONETARY PENALTIES**

14. ORDERED, ADJUDGED AND DECREED that in addition to the monetary penalties provided for above, Respondent Thomas is liable to the State of New York for damages, penalties and costs in the sum of \$1,880,000.00; and it is further

15. ORDERED, ADJUDGED AND DECREED that so long as Respondent Thomas complies with all terms of the Liability Order, this Consent Order and the accompanying Stipulation and Consent, the penalties provided for in paragraph fourteen shall be suspended; provided that if the OAG determines that Respondent Thomas has violated any provision of the Liability Order, this Consent Order or the Stipulation and Consent, or made any material misrepresentations to the OAG, then the OAG may, in addition to any other relief sought from the Court, docket this Consent Order as a money judgment in the County of Erie against Respondent Kenneth Thomas, 24 Tupelo Lane, Amherst, New York, 14228, in the amount of \$2,000,000.00, pursuant to New York Civil Practice Law and Rules § 2222 and, upon docketing this money judgment Petitioner shall have execution thereon; and it is further

**MISCELLANEOUS**

16. ORDERED, ADJUDGED AND DECREED that nothing contained in this Consent Order shall be construed to limit the rights of a person or an entity who is not a party to this special proceeding; and it is further

17. ORDERED, ADJUDGED AND DECREED that this Consent Order resolves this special proceeding solely as between the OAG and Respondents Thomas and Midway; and it is further



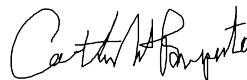
18. ORDERED, ADJUDGED AND DECREED that all correspondence and payments required herein shall be delivered or mailed to the following address, unless a different address is specified in writing by the party changing such address:

If to OAG: Office of the Attorney General of the State of New York  
Attn: Christopher L. Boyd, Assistant Attorney General  
350 Main Street, Suite 300A  
Buffalo, New York 14202

If to Respondents: Kenneth Thomas  
24 Tupelo Lane  
Amherst, New York 14228

19. ORDERED, ADJUDGED AND DECREED that the Court hereby retains jurisdiction to enforce this Consent Order and all disputes arising under this Consent Order shall be submitted to the Court, and the Court retains authority to decide all such disputes.

October 13, 2021



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HON. CATHERINE N. PANEPINTO, J.S.C.