

At an Ex-Parte Term of the Supreme Court of the State of New York, in and for the County of Erie, at the Erie County Courthouse, Buffalo, New York, on the 16 day of September, 2020

PRESENT:
Honorable C. Nugent Panepinto, JSC
Justice Presiding

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-

**ORDER TO SHOW CAUSE
WITH TEMPORARY
RESTRAINING ORDER**

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

Index No. 810231/2020

Respondents.

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Upon 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, the memorandum of law in support, and upon the motion of Letitia James, Attorney General of the State of New York, attorney for the Petitioner, it is

ORDERED that Respondents show cause before Part 3 of this Court, at a Special Term thereof, to be held at the Erie County Courthouse, located at 92 ~~Delaware Avenue~~, ^{Franklin St.} Buffalo, NY 14202, on the 22nd day of October, 2020, at 9:30 o'clock in the

forenoon/afternoon of that day, or as soon thereafter as counsel may be heard, why an order and judgment should not be made pursuant to Executive Law § 63(12), General Business Law Articles 22-A and 29-H, and CPLR Articles 4, 31, 62 and 63:

- a. preliminary and permanently enjoining Respondents from engaging in the deceptive, fraudulent and illegal acts and practices alleged herein, including debt collection activities in violation of Executive Law § 63(12), General Business Law Articles 22-A and 29-H, Penal Law § 190.25, the Fair Debt Collection Practices Act and the Truth in Caller ID Act of 2009;
- b. preliminarily and permanently enjoining Respondents from engaging, directly or indirectly, in any debt collection, debt brokering, debt buying or selling activities, payment processing for debt collection businesses, or providing consulting or advisory services regarding the same;
- c. preliminarily freezing the assets of Midway Resolution Services LLC (“Midway”) and Jax Management Group LLC (together, the “Corporate Respondents”);
- d. directing Respondents Midway and Kenneth Thomas (“Thomas”) to fully comply with all obligations contained in the Assurance of Discontinuance executed on May 15, 2014 by Respondent Thomas;
- e. directing Respondents to provide a full accounting;
- f. directing Respondents to make restitution to eligible consumers;
- g. ordering disgorgement as to Respondents;
- h. awarding damages against Respondents;
- i. pursuant to GBL § 350-d, imposing a civil penalty of five thousand dollars (\$5,000) for each deceptive act committed by Respondents;

- j. pursuant to CPLR § 8303(a)(6), granting two thousand dollar (\$2,000) in costs to the State of New York against each Respondent;
- k. pursuant to Executive Law § 63(15) ordering Respondents Midway and Thomas to pay the Petitioner's costs and attorneys' fees; and
- l. for such other and further relief as the Court deems just and proper;

IT APPEARING that cause for *ex parte* temporary injunctive relief exists under Executive Law § 63(12), General Business Law §§ 349(c) and 602(2), and CPLR §§ 6301 and 6313, and that Respondents have engaged in repeated and persistent illegal, fraudulent and deceptive acts and practices, and that Respondents Midway and Thomas have violated a prior assurance of discontinuance given to the Office of the Attorney General of the State of New York, which actions have caused and will continue to cause immediate and irreparable injury to members of the public unless Respondents are restrained before a hearing can be held, it is hereby;

ORDERED that pending further order of this Court, Respondents, their agents, employees, successors, assigns, and any other person acting under Respondents' direction or control, whether acting individually or alone, or thorough any corporation, company, entity or device, are hereby temporarily restrained pursuant to Executive Law § 63(12), General Business Law §§ 349(b) and 602(2), and CPLR §§ 6301 and 6313 from:

1. collecting on any consumer debt;
2. placing any consumer debt for collection with any person or entity;
3. providing payment processing services to facilitate the collection of consumer debt;

4. destroying, transferring or otherwise disposing of any business records or property related to Respondents' debt collection business;
5. transferring, selling or otherwise disposing of any assets owned, possessed or controlled by the Corporate Respondents, including any consumer debts and any monies of the Corporate Respondents on deposit or account with an agent, a bank or any other financial institution;
6. incurring any debts on behalf of the Corporate Respondents; and
7. modifying, altering or deleting any documents and data on computers or electronic storage devices, including, but not limited to, hard drives, thumb drives, servers, cloud storage, cellular telephones and tablets; and it is further

ORDERED that pending the hearing and determination of this proceeding Respondents Thomas and Midway are required to comply with all provisions of the May 15, 2014 Assurance of Discontinuance; and it is further

ORDERED that Petitioner shall not be required to post an undertaking pursuant to CPLR § 6313 (c); and it is further

ORDERED that as set forth in the Order to Show Cause Granting Permission to File Case Under Seal signed by Justice Catherine N. Panepinto on September 15, 2020, 810187/2020, good cause for sealing having been found, this case file will remain under temporary seal for five business days after entry of this Order and the entire file shall be sealed to all persons other than Petitioner. After five business days, or when Petitioner notifies the Erie County Clerk, whichever is sooner, the temporary seal shall be lifted, and the entire case file shall be viewable by the public; provided however that Exhibits LL and MM to the Affirmation of Christopher L.

Boyd, affirmed on September 16, 2020, shall remain permanently under seal, as such audio recordings contain consumers' personally identifiable information;

ORDERED that upon service of a copy of this Order, via electronic mail, facsimile or as otherwise provided for in the CPLR, on any bank, payment processor or other institution which holds funds in the name of or to the credit of Midway Resolution Services LLC or Jax Management Group LLC, and any fictitious name used thereby, including Midway Resolution Group and Greenland Recovery Group, such bank or financial institution is hereby temporarily restrained from paying out, transferring, honoring drafts, checks or charges against or setting off or assigning to themselves or any other person or firm any such funds until further order of this Court; and it is further

ORDERED that upon service of a copy of this Order, via electronic mail, facsimile or as otherwise provided for in the CPLR, on any business providing services to Respondents and any fictitious name used thereby, including Midway Resolution Group, Greenland Recovery Group, and Jax Management Group, such as telecommunications providers, email hosting companies, website hosting companies and businesses software companies, such service provider is hereby temporarily restrained from deleting or altering any data associated with Respondents, or providing any services in furtherance of Respondents' debt collection activities, until further order of this Court.

SUFFICIENT CAUSE to me appearing therefore,

LET service of a copy of this Order and supporting papers on Respondents on or before the 5th day of October, 2020, be deemed due and sufficient service hereof.

Answering papers, if any, must be served upon Petitioner at least two days prior to the return date of this Order to Show Cause.

Sept. 17, 2020



Catherine Nugent Panepinto, JSC