

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ERIE

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

Plaintiff, :

-against-

: Index No.: 804397/2020

:
KEAN WIND TURBINES, INC. and KEAN W. :
STIMM :

Defendants :

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CONSENT ORDER AND JUDGMENT

Plaintiff, the People of the State of New York, by Letitia James, Attorney General of the State of New York (the “OAG”) commenced this action by Summons and Complaint on April 27, 2020 and the Court granted an Order to Show Cause with Temporary Restraining Order against Kean Wind Turbines, Inc. (“Kean Wind”) and Kean W. Stimm (“Stimm,” and together with Kean Wind, “Defendants”) on April 27, 2020.

Upon reading and filing the foregoing, and the Stipulation and Consent dated June 2, 2020, in which Defendants acknowledged receipt of the above-listed documents and consented to entry of this Consent Order and Judgment (the “Consent Order”) and waived notice of entry thereof,

NOW, on motion of the OAG and on the above pleadings, and on the consent of Defendants, it is hereby

1. ORDERED, ADJUDGED AND DECREED that Defendants Kean Wind and Stimm, as well as each of their agents, trustees, servants, employees, successors, heirs and

assigns, or any other person under their direction and control, whether acting individually or in concert with others, or through any corporate or other entity or device through which they may now or hereafter act or conduct business, operating or doing business in New York State, including businesses in which they have any legal or beneficial interest, are bound by the terms of this Consent Order; and it is further

Restitution and Damages

2. ORDERED, ADJUDGED AND DECREED that Stimm shall pay restitution and damages in the principal amount of THREE HUNDRED THOUSAND DOLLARS (\$300,000), together with interest on the unsatisfied portion thereof at the statutory rate of nine percent per annum from the date of entry until such judgment is satisfied in full; and it is further

3. ORDERED, ADJUDGED AND DECREED that this Consent Order and Judgment may be docketed by Plaintiff as a money judgment against Kean W. Stimm, 6 Spring Street, Williamsville, New York 14221 pursuant to New York Civil Practice Law and Rules § 2222 and Plaintiff shall have execution thereon; and it is further

4. ORDERED, ADJUDGED AND DECREED that Stimm waives and releases any and all claims to all assets subject to the Order of Justice Catherine Nugent Panepinto, dated April 27, 2020 (the "TRO"), including but not limited to any and all assets of Kean Wind, including any drawings of the Newtonian Wind Turbine, as well as any rights to the patents for the Newtonian Wind Turbine, including but not limited to Patent No. 9004864 and Patent No. 9194371, held by Stimm. Stimm shall transfer any and all of his interest in or rights to the patents for the Newtonian Wind Turbine, and all associated rights and property, to Kean Wind; and it is further

5. ORDERED, ADJUDGED AND DECREED that the assets frozen by the TRO are

hereby released to Kean Wind and the asset freeze is terminated; and it is further

6. ORDERED, ADJUDGED AND DECREED that Stimm shall relinquish his voting control of Kean Wind and any and all voting rights arising from any Kean Wind security; and it is further

General Injunction

7. ORDERED, ADJUDGED AND DECREED that Defendants shall not engage, or attempt to engage, in conduct in violation of any applicable laws, including but not limited to the General Business Law §§ 352 *et seq.* (the “Martin Act”) and Executive Law § 63(12), and expressly agree and acknowledge that any such conduct is a violation of this Consent Order; and it is further

Conduct-Based Relief

8. ORDERED, ADJUDGED AND DECREED that Stimm shall resign from any all positions with Kean Wind, including chief executive officer, director, chairman of the board, chief scientist, or any other positions Stimm has held or may currently hold with Kean Wind; and it is further

9. ORDERED, ADJUDGED AND DECREED that Kean Wind shall not accept services provided by Stimm, whether compensated or uncompensated; and Stimm shall not offer or provide such services, unless expressly approved in writing by the OAG; and it is further

10. ORDERED, ADJUDGED AND DECREED that within five (5) days of entry of this Consent Order, Kean Wind shall appoint Merrill Arthur and William Zimmermann to organize a shareholder vote; and it is further

11. ORDERED, ADJUDGED AND DECREED that within ninety (90) days of entry of this Consent Order, Kean Wind shall hold a shareholder vote to elect a board of directors who

shall appoint officers for the company; and it is further

12. ORDERED, ADJUDGED AND DECREED that all current officers and directors of Kean Wind are terminated as of the date of this Consent Order; and it is further

13. ORDERED, ADJUDGED AND DECREED that Stimm is hereby permanently enjoined and restrained from directly or indirectly engaging or attempting to engage in any manner in the issuance, exchange, sale, offer to sell, purchase, offer to purchase, promotion, negotiation, advertisement, investment advice, investment management or distribution of any stocks, bonds, notes, evidences of interest or indebtedness, foreign currency orders, calls or options or any other securities or commodities within or from the State of New York; and it is further

14. ORDERED, ADJUDGED AND DECREED that Stimm is hereby permanently enjoined and restrained from attempting to engage in any manner in the securities or commodities business within or from the State of New York as a broker, dealer, issuer, investment adviser, investment manager, general partner, or as an officer, director, principal, controlling person, agent, affiliated person, consultant or salesperson of a broker, dealer, issuer, investment adviser or investment manager; and it is further

15. ORDERED, ADJUDGED AND DECREED that Stimm is hereby permanently enjoined and restrained from directly or indirectly engaging or attempting to engage in any manner in the writing, publishing, preparing, selling or distributing any letter or other literature advising, suggesting, or in other manner communicating advice within or from the State of New York with respect to the purchase or sale of securities or commodities; and from forecasting, advising, or in any other manner suggesting either orally or in writing any method or methods to be used in connection with the purchase or sale of securities or commodities; and it is further

16. ORDERED, ADJUDGED AND DECREED that Stimm is hereby permanently enjoined and restrained from forming or causing to form, or working for or in aid or assistance of, any entity for the purpose of soliciting, or causing investors or customers to invest in securities within and from the State of New York; and it is further

17. ORDERED, ADJUDGED AND DECREED that Stimm is hereby permanently enjoined and restrained from serving as an officer or director of any entity engaged in the offer or sales of securities within or from the State of New York; and

Cooperation and Other Terms

18. ORDERED, ADJUDGED AND DECREED that Stimm shall, upon request from the OAG, provide truthful, complete and accurate information, including by affidavit or by testimony under penalty of perjury, regarding his financial condition; and it is further

19. ORDERED, ADJUDGED AND DECREED that Stimm shall cooperate in executing any document that may be required to affect the transfer to Plaintiff or Kean Wind of the assets, proceeds and other funds described herein; and it is further

Miscellaneous

20. 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 action; and it is further

21. 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 Defendants: Michael Benson
77 North Buffalo St.
Springville, NY 14141

22. 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.



June 4, 2020

HON. CATHERINE NUGENT PANEPINTO