

**ATTORNEY GENERAL OF THE STATE OF NEW YORK  
BUREAU OF CONSUMER FRAUDS & PROTECTION**

-----X

**In the Matter of the  
Investigation by Letitia James,  
Attorney General of New York, of**

**AOD 24-007**

**TROMBERG, MORRIS AND POULIN, PLLC  
and STEPHEN EINSTEIN & ASSOCIATES, P.C.,**

**Respondent.**

-----X

**ASSURANCE OF DISCONTINUANCE**

The Office of the Attorney General of the State of New York (“NYAG”) commenced an investigation into the debt collection practices of Tromberg, Morris and Poulin, PLLC (“TMP”) and its subsidiary, Stephen Einstein & Associates, P.C. (“SEA”) pursuant to Executive Law § 63(12), Article 22-A of the General Business Law (“GBL”) §§ 349 and 350-d, Article 29-H of the GBL § 601, and the federal Fair Debt Collection Practices Act (“FDCPA”), 15 U.S.C. § 1692, *et seq.* This Assurance of Discontinuance (“Assurance”) contains the findings of the NYAG’s investigation and the relief agreed to by the NYAG and TMP and SEA.

**FINDINGS OF THE NEW YORK ATTORNEY GENERAL**

**Background**

1. TMP is a debt collection law firm that as a part of its practice sues about 20,000 New Yorkers each year on behalf of its clients. These clients include debt buyers and landlords. The lawsuits allege that the defendants owe them money.
2. TMP’s principal place of business in New York is 39 Broadway Suite 1250, New York NY 10006. It was formed in 2020 as a professional limited liability company with two

subsidiaries: (1) a Florida law firm (Tromberg Law Group, PLLC) and (2) a New York law firm (SEA). TMP is registered with the New York Department of State as a foreign Professional Service Limited Liability Company based in Florida.

3. TMP charges its collection clients a contingent fee that is a percentage of what it collects. Its collection clients do not pay TMP by the hour or per account. SEA used the same billing model.

4. TMP's business model rests on litigation, almost all of which results in default or summary judgments. The vast majority of the people TMP sues in debt collection suits do not file an Answer.

5. While TMP focuses on obtaining judgments in suits that it files, it has under-invested in processes that could have prevented the issues that are the subject of this Assurance. TMP has asserted to the NYAG that some of the issues were related to the COVID-19 pandemic.

6. Despite its high-volume practice, TMP has employed between five to nine full-time attorneys to handle New York files. It also contracts with attorneys on a per diem basis to cover routine court appearances and with Stephen Einstein, former owner of SEA, as a consultant since September, 2020.

7. TMP sets each New York attorney's weekly "capacity" at 125 lawsuits, 69 default judgment applications, and 12 new garnishments – in addition to other responsibilities like litigating contested cases. At times, it allows attorneys to deviate from the guidelines by exceeding those limits.

8. TMP's attorneys rely on internal guidebooks to navigate TMP's computer systems and determine when to file certain documents. These guidebooks do not include all applicable laws. While TMP expects the attorneys to know or familiarize themselves with

applicable laws, it does not train the attorneys on them or provide all of them in written materials.

9. TMP and SEA have failed to consistently comply with certain legal requirements.

10. On multiple occasions TMP and SEA have slowed down courts in which they brought suits. For example, courts have had to respond to applications for default judgments where there was an Answer on file. And courts have had to process and hold appearances for cases that TMP had closed in its office or that were already brought to judgment in Housing Court.

11. The practices at issue harmed consumers. They must defend against actions that never should have been brought, show up to court on cases TMP has already internally closed, and urge TMP to timely file legally-required notices with the court when they satisfy judgments.

12. The NYAG's investigation of TMP and SEA and this Assurance pertains solely to the New York debt collection practices of TMP and SEA. The findings and references relate solely to the collection practices of SEA and TMP. Similarly, Tromberg Law Group, PLLC was not the law firm of record in any of the cases examined by the NYAG, and the NYAG makes no findings or conclusions as to that entity.

**I. TMP and SEA Sued on Behalf of Landlords Without Reviewing the Account History, Resulting in Duplicate Judgments and Hundreds of Improper Filings.**

13. Since 2016, SEA and then TMP filed over 500 rental arrears cases in New York, mostly in the New York City Civil Courts.

14. In a rental arrears action, TMP represents a landlord in seeking past-due rent and fees against its tenant or former tenant. In some instances the landlord had previously sued the

tenant in Housing Court. Housing Court actions typically seek eviction and past-due rent; they sometimes result in a judgment for both the possession and for past due rent.

15. When attorneys file an action, they are required to certify that “to the best of that person’s knowledge, information and belief, formed **after an inquiry** reasonable under the circumstances ... the presentation of the paper of the contentions therein are not frivolous[.]” N.Y.Ct.Rules § 130-1.1-a (emphasis added).

16. As described more fully below, TMP’s process, from intake through its failure to review its landlord clients’ records before filing lawsuits on their behalf, represents a failure to conduct a reasonable inquiry and a lack of meaningful attorney involvement in which SEA and TMP filed duplicate or precluded lawsuits in which it was attempting to enforce a right in the course of debt collection that did not exist.

17. SEA and TMP did not maintain written policies or protocols for determining when to file suit in a rental arrears action, or what steps to take before filing, such as checking for prior suits or judgments.

18. When SEA and TMP intake a new rental arrears case, they ask the landlord-client to fill out a form and provide “All L&T Court Documentation (if applicable)” and other documents to SEA and TMP. In many cases, the files contain (or should contain) documents showing that the landlord has already sued in housing court. The form does not ask whether the landlord previously sought or obtained a judgment against the tenant.

19. In multiple instances TMP and SEA were unaware of whether the landlord had already sued the tenant when it filed a rent arrears lawsuit on the landlord’s behalf.

20. From 2017, SEA, and since 2020, TMP, have filed at least 374 rental arrears cases in New York without noting internally whether there was prior litigation – and another five

where it noted there was, but it did not know the outcome.<sup>1</sup> In 23 cases it noted there was prior litigation, *and* it resulted in a money judgment or stipulation to pay – yet TMP went ahead and sued anyway in Civil Court. In addition to those resulting in duplicate judgments or simply wasted time, it is possible that TMP has litigated other matters that were precluded by findings in the earlier Housing Court action.

21. In at least two cases, TMP sued a former tenant against whom its landlord-client already held a Housing Court judgment. In both cases, the attorney did not review the account history provided by the landlord until *after the defendant contested the action*. As a result, the defendant in each case was forced to appear in Civil Court multiple times, burdening them and clogging the court system. These cases were ultimately dismissed because TMP did not appear in court.

22. In 11 matters since 2017, SEA and then TMP secured a NYC Civil Court judgment for a landlord even though the landlord already held a monetary judgment from Housing Court. These duplicate judgments total \$67,001.01.

## **II. In Cases Where Judgments Were Vacated, TMP Kept the Cases on the Courts' Dockets Despite Lacking Evidence.**

23. In cases that were transferred to it after judgments were entered, but in which the judgments were subsequently vacated, TMP repeatedly kept lawsuits pending on the courts' dockets even though it did not possess evidence sufficient to pursue the cases to judgment. This practice disrupts consumers' lives and burdens the courts.

24. For example, in April 2022, Everett Martin moved the court to vacate a judgment held by TMP's client. TMP was not engaged until long after the judgment had been entered, and

---

<sup>1</sup> To learn the outcome of Housing Court litigation, TMP could either ask its client for the judgment or look up the matter on a terminal at the courthouse.

it did not have documents to support the underlying action or show that it was properly served; it was the third firm to represent the client in Mr. Martin's matter.

25. TMP did not contest the motion to vacate; the court granted the vacatur. TMP later represented to NYAG that TMP had discontinued the action, as well. But this was not true. The court restored the matter to its calendar, according to its standard procedure when a judgment is vacated and the plaintiff wishes to litigate on the merits. The parties appeared twice more and the court scheduled the matter for a third appearance, on April 20, 2023, and then dismissed it when TMP failed to appear.

26. When confronted with these facts in February 2023 (while Mr. Martin's matter was still active), TMP acknowledged that it might maintain an action despite lacking evidence if the defendant was engaging in settlement discussions. In other words, TMP keeps the consumer coming back to court in the hope of getting them to settle. If the consumer fails to appear they are at risk that TMP could obtain a default judgment against them.

27. TMP did not maintain written policies or protocols that required its attorneys to discontinue actions on accounts that had been closed in its office or actions it did not have the ability to pursue after a prior judgment had been vacated.

28. In practice, when TMP closes a file that is in active litigation, either on its own accord or because its client asks it not to pursue the matter, TMP has repeatedly failed to discontinue the action absent specific instructions from its client to do so. In cases that it does not discontinue it does not ordinarily move to withdraw.

29. This leaves consumers hanging: they do not know the plaintiff has dropped the case, court records searches show there is litigation pending against them, and credit rating

agencies can report them as being involved in active litigation. (The three major credit reporting agencies appear not to be reporting civil judgment currently.)

30. NYAG identified seven cases where TMP not only allowed internally-closed files to languish on the court docket, but actually appeared for hearings or other court events on them (this does not count Mr. Martin's case, described above, which TMP did not mark as closed internally).

31. For example, one of TMP's clients recalled a Brooklyn resident's file on October 15, 2020, meaning that it no longer wanted TMP to represent it on the matter. Yet TMP did not discontinue its lawsuit against the Brooklyn consumer or file a motion to withdraw, and in fact Kings County Civil Court recorded *four pre-trial conferences* in the matter in 2021. Finally the court dismissed the action in March 2022 after TMP failed to appear at trial.

32. In another case, the court noted TMP's habitual failure to communicate with it, including when it intended to discontinue cases. And, on February 15, 2023, frustrated with TMP's failure to come to court prepared in multiple cases, that court held a contempt hearing.

33. In that case, the defendant had argued at a pre-trial conference that he was unable to pay TMP's client due to hardship. The parties agreed that they would continue the matter to a later date, and in the interim the defendant would mail documentation of his hardship to TMP.

34. At the next hearing, TMP's usual per diem counsel represented that he was not authorized to represent its client in that case, so although he was present in the courtroom he could not answer the court's questions about it. TMP now denies these allegations and represents that this attorney did have authority. Either way, instead of communicating through him or a TMP attorney, TMP had its paralegal write to the court clerk that it wanted to discontinue the matter. As that court noted, it does not take orders from paralegals.

35. This was improper. To discontinue an action in NYC Civil Court, the plaintiff must file a statement or stipulation. *See* N.Y.Ct.Rules § 208.16. Only parties or their attorneys may file documents with the court. The document must be filed *before* the next scheduled “judicial activity.” *Id.*

36. Having effectively heard nothing from TMP about its intentions, the court adjourned the matter yet again.

37. The court stated at the contempt hearing: “many, many times, in other actions ... the attorney who was appearing for your firm could not tell the Court what their position was or did not have knowledge of what documents were received.” She noted that this conduct “was causing unnecessary delays to these actions repeatedly, and my concern was that your prosecution of some cases became frivolous because you simply did not know or the attorney in Court did not know what to do on any of the cases.”

38. The court ultimately did not impose sanctions on TMP in that case, citing the contempt proceeding itself as “sanction enough.”

39. TMP’s approach to litigation burdens courts and defendants. All court events have the potential to disrupt consumers’ work and care obligations, cause them stress, and pressure them to pay the plaintiff. As to the courts, they regularly spend time throughout the morning trying to figure out how to handle cases brought by TMP, for which TMP has not shown up because its clients closed the matters with them.

### **III. TMP Pursued Judgments Obtained by Prior Law Firms without Attorney Review for Prior Actions or Judgment.**

40. Thousands of TMP’s open files are “judgment placements,” in which another law firm represented the client in litigation and obtained a judgment, the then client retained TMP at some point in time after a final judgment was entered.



41. Some judgment placements may have been partially paid already by the consumer. TMP relies on the client to accurately report this information, and the client may have relied on records from a previous law firm.

42. TMP did not maintain policies or protocols that would have required its client to produce payment records. Further, TMP did not subject judgment placements to attorney review; nor did it have a process to obtain the account notes of a prior law firm to look for mention of payments made. It relied on clients to provide accurate information on payments and stipulations and balances to send demand letters. It did not require clients to provide verification of balances.

43. As a result, TMP has pursued consumers for debts already partially paid. For example, in 2008, a judgment was entered against Wendy Montalvo by Sharinn & Lipshie, P.C. on behalf of its client for \$7,750.81. Ms. Montalvo then signed a stipulation to pay the judgment off monthly; in exchange the plaintiff agreed not to garnish her wages or levy her bank account.

44. Ms. Montalvo made payments for over a decade totaling \$9,962.73.

45. Sharinn filed for bankruptcy in 2018 and Ms. Montalvo's account ultimately became a "judgment placement" for TMP.

46. In September 2020 TMP began seeking payment from Ms. Montalvo for the full amount of the judgment, not counting the thousands in payments already made, by garnishing her wages – in violation of the agreement its client had signed with Ms. Montalvo.

47. TMP acknowledged internally that it had no record of its client's stipulation with Ms. Montalvo.

48. To stop the garnishment, Ms. Montalvo had to file a motion, which involved going to the courthouse at least twice, filling out paperwork, and mailing documents at the post office with proof of mailing.

49. The erroneous balance was obvious to Ms. Montalvo because almost \$10,000 in payments were unaccounted for. Other consumers might not notice an error or be certain of it because they paid smaller amounts, or because years of fees and statutory judgment interest – a staggering 9% per annum until mid-2022 – made it hard to track the true amount owed.

#### **IV. TMP Sought Default Judgments Against Consumers Who Did Not Default.**

50. For at least 18 months, TMP filed at least 16 applications for default judgments against consumers who had *not* defaulted, but in fact had e-filed Answers.

51. TMP files about half its New York cases in Supreme Court. These cases represent the bulk of TMP's NY practice outside of NYC, as it tends to sue NYC consumers in the Civil Court.

52. When proceeding in Supreme Court, TMP uses New York State Courts Electronic Filing (NYSCEF), i.e., e-filing.

53. When TMP was formed in September 2020, during the COVID pandemic, it managed all its e-filed cases through the NYSCEF account of a single TMP New York attorney, but it did not set up its system to receive and process all notifications sent to that attorney. Nor did it apparently check for e-filed Answers by logging into NYSCEF prior to seeking default judgments.

54. Tromberg also did not instruct attorneys on how to proceed in cases where an Answer was filed. Its manuals mentioned that an answer “would impair entry of judgment,” but gave no other guidance. TMP's policies regarding default judgments did not require attorneys to check the court docket for answers that had not been served on or received by TMP. That meant it had no failsafe when it misfiled answers that were properly served on it.

55. Over the next year and a half, TMP filed applications for default judgment in NYSCEF cases where the defendant had filed an Answer.

56. As part of each application, a TMP attorney affirmed “That the defendant(s) having failed to answer or appear herein, and the time do so having expired, Plaintiff is entitled to judgment by default[.]”

57. While TMP represented that TMP fixed the problem within days of discovering it, this was not true. A court rejected a default application on April 16, 2021. TMP’s opposing counsel emailed TMP on June 14 and August 12, 2021, spelling out the problem, yet TMP continued to file unfounded default applications at least until March 23, 2022.

**V. TMP Failed to Timely File Satisfaction of Judgment.**

58. Pursuant to CPLR 5020(a), “[w]hen a person entitled to enforce a judgment receives satisfaction or partial satisfaction of the judgment, [they] shall execute and file . . . a satisfaction-piece. . .” This is required to be done within twenty (20) days. CPLR 5020(c).

59. If the creditor fails to file the satisfaction-piece on time, the consumer is entitled to a penalty of \$100 if the judgment was less than \$5,000, and (since February 4, 2021) \$500 if the judgment was higher. CPLR 5020(c).

60. TMP did not maintain written policies or protocols requiring its attorneys to comply with CPLR 5020 or to file the satisfaction-piece within any particular timeframe.

61. SEA and then TMP repeatedly violated CPLR 5020 in 4,468 cases between Feb. 16, 2017 and Feb. 15, 2023 by delivering the Satisfaction to the court more than 20 days from the date the judgment was fully satisfied. These violations of CPLR 5020 entitle the consumers to an aggregate \$595,600 in penalties.

62. When court records lack a satisfaction-piece, public court records searches show that the consumer owes the judgment and credit rating agencies can report the judgment as unpaid. (The three major credit reporting agencies appear not to be reporting civil judgments currently.)

63. An Onondaga County consumer's experience illustrates the problem. TMP represented a client that held a judgment against the consumer for an old credit card debt. Intent on clearing up her credit report, she paid off the judgment on June 7, 2021. More than 20 days later, on June 28, a TMP employee emailed his colleague that he had "a very irate debtor hounding" him for a satisfaction-piece – "lol."

64. TMP's records reflect that it sent an undated letter to the consumer with a satisfaction-piece enclosed that was dated June 29, 2021. But the consumer reported to TMP on July 9, 2021, that the county clerk still had not received one. TMP again told the consumer that it was sending the satisfaction-piece to the clerk, but on July 23 the clerk again told the consumer that it had not received the document.

65. The consumer reported that every time she called TMP, "I get hung up on."

66. TMP told the consumer that the clerk was wrong. But internally an employee admitted that "it doesn't appear that we have a record of where exactly the originals on either June 29 or July 12 were sent, so I couldn't even tell you if we sent it to the right address."

67. After weeks of frustration and runaround for the consumer, the court finally recorded receipt of the satisfaction-piece on August 10, 2021. The public record now reflected that the judgment was satisfied – after having been wrong for 45 days.

68. The NYAG finds that, as described in paragraphs 1 - 67, TMP and SEA have engaged in deceptive and illegal debt collection practices in violation of GBL Article 22-A, §

349, GBL Article 29-H, § 601, and the FDCPA. TMP and SEA have failed to follow requirements for discontinuing actions pursuant to N.Y.Ct.Rules § 208.16 and issuing timely satisfactions of judgment pursuant to CPLR § 5020. TMP and SEA have also engaged in frivolous litigation in violation of N.Y.Ct.Rules § 130-1.1-a. Consequently, TMP and SEA have engaged in repeated and persistent illegal conduct in violation of Executive Law § 63(12).

69. TMP and SEA neither admit nor deny the findings of the NYAG.

### **AGREEMENT**

1. The NYAG is willing to accept the terms of this Assurance pursuant to New York Executive Law § 63(15) in lieu of commencing a statutory proceeding for violations of Executive Law § 63(12), Article 22-A of the GBL § 349, Article 29-H of the GBL § 601, and the FDCPA, and to discontinue its investigation.

2. The parties hereto wish to fully and finally resolve all claims that are the subject of this Assurance.

3. The parties each believe that the obligations imposed by this Assurance are prudent and appropriate.

4. NYAG and TMP and SEA, their parents, principals, successors and assigns and on behalf of their agents, representatives, employees and by any corporation, subsidiary or division through which they act or hereafter act, agree as follows with respect to TMP and SEA's operations in New York State.

### **PROSPECTIVE RELIEF**

5. TMP shall not engage, or attempt to engage, in New York in conduct in violation of any applicable laws, including but not limited to Executive Law § 63(12), GBL §§ 349, 350

and 601, and the FDCPA, and any further amendments to the foregoing laws, regulations, and rules that may be adopted subsequent to the date of this Assurance.

### **Definitions**

6. A “Judgment Placement” is a judgment held by TMP’s client on which TMP is collecting, where TMP has not represented the client continuously since the judgment was secured.

7. “Recalling” a file means that TMP’s client is asking TMP to cease representing it on that matter.

8. A “Rental Arrears” matter is a dispute over alleged rental arrears between a landlord and tenant. It includes matters where the tenant no longer lives in or possesses the landlord’s property. The amount in controversy may include amounts other than past-due rent, such as late fees.

9. “Satisfaction-piece” refers to the document by that name described in CPLR 5020.

10. “Stipulation” refers to a written agreement between TMP’s client and any consumer, including agreements the parties entered into outside of litigation, during the pendency of litigation, or after a judgment has entered; and including agreements that TMP’s client executed when TMP was not its counsel.

### **TMP’s Business Practices**

11. TMP shall file satisfaction-pieces with the relevant court within 20 days of TMP receiving the funds that fully satisfy the judgment. TMP shall submit to the court satisfaction-

pieces with the relevant court within 20 days of TMP receiving funds that it or its client have agreed will fully satisfy a judgment.

12. TMP shall not file an application for default judgment in any action where the defendant has filed an answer.

13. In all Rental Arrears matters, TMP must use its best efforts to ensure that it does not file a legal action against any individual where there was a prior litigation over the same rental arrears (as defined in ¶ 14) that resulted in a money judgment or settlement or where the prior matter was dismissed with prejudice; and to ensure it does not seek to litigate factual or legal questions that were already adjudicated. To this end, in all Rental Arrears matters TMP shall:

- a. Ask its client to provide all documents related to prior litigation and prior payments, and have an attorney review all documents produced by the client, before TMP contacts or sues the alleged debtor;
- b. Investigate whether there was prior litigation between its client and the alleged debtor by searching electronic databases available at certain courthouses. If the database reflects prior litigation, TMP shall procure all relevant documents from the court or from its client, and have an attorney review them, before filing any lawsuit for rental arrears; and
- c. Not assign the account, if contested, to any attorney who is not directly employed by TMP, e.g., any attorney referred to as a “per diem.”

14. In Rental Arrears matters where there was prior litigation, TMP shall investigate whether the past Housing Court action and planned Civil Court action refer to the “same rental arrears” by reviewing the client’s ledger and determining which time periods are at issue. Before

suing the alleged debtor, TMP must determine that the ledger reflects they fell into arrears (or additional arrears) after any previous judgment. If the amount that the client currently seeks to collect is the same as the amount in controversy or the judgment amount of a previous lawsuit it filed regarding the same unit during the same period, then there shall be a presumption that it is the “same rental arrears.”

15. If a court vacates a Judgment Placement without dismissing the underlying action, TMP shall within 5 business days request that its client provide it with the documents necessary to prove the case anew. If its client does not provide such documents within thirty days of the request TMP will either discontinue the action or seek to withdraw as counsel for the plaintiff.

16. TMP shall use best efforts to ensure that they do not maintain any debt collection actions for Rental Arrears or seek to execute on any judgment for debts already paid.

17. When a client Recalls a file from TMP, TMP shall cease all collections activity on that file immediately. If TMP has sued the alleged debtor and the case has not been discontinued or dismissed already, TMP shall within 5 business days request permission from its client to discontinue the action as appropriate under court rules. If such consent is not received within thirty days, TMP will move to withdraw from the case.

18. TMP shall make all reasonable efforts to appear at court events scheduled in its clients’ cases, in compliance with relevant statutes and court rules. The appearance attorneys shall have knowledge of their cases and authority to settle or discontinue them. To this end, TMP has established and will maintain a “hotline” for its New York per diem attorneys to be able to reach an attorney in the firm’s New York office.

19. For all new Judgment Placements, TMP shall



- a. Request from its client a record of payment history (or certification that no payments were made), account notes, and all Stipulations (or confirmation by email or in writing that there are none);
  - b. Review public records to determine whether there has been court activity subsequent to the date of judgment, and if so, obtain the relevant documents; and
  - c. Have an attorney review all documentation obtained from the client and public records, and verify the balance owed, before it seeks to execute on any Judgment Placement or initiate communication with the consumer about such a Judgment.
20. Within 30 days of the date of this Assurance, TMP shall adopt policies and update its guidance for attorneys and paralegals to convey the policies and instruct them in how to implement the policies set out in paragraphs 5 - 19.

### **Consumer Redress**

21. Within 15 days of the date of this Assurance, TMP shall halt all collection activity on Judgment Placements.

22. Before resuming collection activity on any Judgment Placement, TMP shall request from its client a record of payment history (or confirmation by email or in writing that no payments were made) and all Stipulations (or certification that there are none). If TMP determines after review by an attorney that it had previously failed to account for past payments or Stipulations in its collections, or if it is unable to obtain the documents described in this paragraph, it shall cease collection on the Judgment Placement and notify its client that it was unable to validate the amount owed, and issue a refund to the judgment-debtor as appropriate.

23. Within 15 days of the date of this Assurance, TMP shall identify all judgment debtors who satisfied judgments owed to TMP's or SEA's clients within six years preceding the

date of this Assurance. Of that list of judgment debtors TMP shall identify every case in which TMP did not file a Satisfaction-Piece within 20 days of receiving the funds that fully satisfied the judgment. Within 90 days of the date of this Assurance TMP shall mail by U.S. mail, postage prepaid, a notice to the consumers' last known address, in an envelope marked "New York Attorney General Settlement," stating the following in English and in Spanish:

NOTICE: As a result of a settlement with the New York State Office of the Attorney General, we have reviewed our records and determined that you are entitled to payment from us.

Our records show that you were a judgment defendant in Case Number \_\_\_\_\_. Our records show that the satisfaction of judgment was not filed within twenty days of our receipt of the funds that fully satisfied the judgment. You are entitled to \$\_\_\_\_\_ [either \$100 or \$500, consistent with Section 5020 of the New York Civil Procedures Act]. Please sign and return a fully executed claim form, a copy of which is attached, and you will receive a check from us. You may also complete this process by visiting the website: [URL].

24. The claim form shall be in the form attached (with stamped, addressed envelope) and available on a website described in the Notice.

25. TMP shall create the website and make it available to the public on or before the date it sends the mailing described in paragraph 23. The website shall include functionality for consumers to submit their claims through it.

26. Any funds paid to judgment debtors under paragraph 23 shall be deemed restitution. The parties intend them to be non-taxable.

27. The consumer shall have one (1) year from the date of the notice to respond back with a completed and valid form to TMP to receive the award.

28. TMP shall mail or caused to be mailed, a check for the appropriate amount to the judgment debtor at the address provided by the judgment debtor on the claim form. The checks shall be mailed to the judgment debtors who submitted a complete and valid claim in four batches based on the date of the notice pursuant to the following timeline:

- a. The first batch of checks shall be mailed within 15 days after 90 days following issuance of the notice;
- b. The second batch of checks shall be mailed within 15 days after 180 days following issuance of the notice;
- c. The third batch of checks shall be mailed within 15 days after 270 days following the issuance of the notice; and
- d. The fourth and final batch of checks shall be mailed within 15 days after 365 days following issuance of the notice.

29. Within 45 days of the date of this Assurance, TMP shall identify any rental arrears case that it or SEA filed within six years preceding the date of this Assurance, on a claim for rent that was the subject of a prior judgment or prior suit that was dismissed with prejudice. Any such suit that is pending shall be discontinued within fifteen business days of such determination or amended to strike from the suit any rental arrears claims that were already adjudicated or dismissed with prejudice. As to any judgments in such cases, if a portion of the judgment for rental arrears is the subject of a prior adjudication or dismissal with prejudice, TMP shall file a partial satisfaction as to that portion of the judgment. If all of the judgment is the subject of a prior adjudication or dismissal with prejudice, TMP shall vacate and dismiss the

judgment, and underlying action. To determine whether rent sought in an action was also sought or awarded in a previous action, TMP shall employ the procedure for evaluating “same rental arrears” described in ¶ 14.

30. As to any judgment for rental arrears obtained by TMP or SEA within six years preceding the date of this Assurance, if the rental arrears for which the judgment was issued were subject of a prior adjudication or dismissal with prejudice, within 30 days of the date of this Assurance, TMP shall refund all moneys paid by the judgment debtor for rental arrears that were the subject of a prior adjudication or dismissal with prejudice. To determine whether rent sought in an action was also sought or awarded in a previous action, TMP shall employ the procedure for evaluating “same rental arrears” described above in ¶ 14.

### **Penalties**

31. In consideration of the making and execution of this Assurance, TMP will pay by certified or bank check payable to the State of New York the sum of \$60,000 as penalties pursuant to GBL §§ 349-d and 602. Such amount shall be payable within thirty (30) days after the date of this Assurance. The payment shall be delivered to the State of New York Office of the Attorney General, Bureau of Consumer Frauds and Protection, Attention: AAG Glenna Goldis, Consumer Frauds and Protection Bureau, New York State Office of the Attorney General, 28 Liberty Street, 20th Floor, New York, NY 10005.

32. Any payments and all correspondence related to this Assurance must reference Assurance No. 24-007.

### **Compliance Reports**

33. Within 4 months of the date of this Assurance, TMP shall provide a compliance report to the NYAG that includes:
- a. Documents sufficient to show TMP's compliance with paragraphs 5-20.
  - b. Documents sufficient to identify (by Index Number, case caption, and court) each Judgment Placement matter subject to paragraphs 21 and 22; a notation indicating whether it was able to validate the amount owed as described in paragraph 22; a notation indicating whether the judgment debtor was owed a refund under paragraph 22; and a notation indicating the amount of any refund issued.
  - c. Documents sufficient to identify (by Index Number, case caption, and court) each Rental Arrears matter subject to paragraphs 29 and 30, the actions that TMP took relative to the matter in order to comply with paragraphs 29 and 30, and the date on which the action was taken.
  - d. A sworn declaration attesting to the issuance of the refunds specified paragraph 22.
  - e. A sworn declaration attesting to the filing of the partial or complete judgment satisfactions specified paragraph 29.
  - f. A sworn declaration attesting to the issuance of the refunds specified paragraph 30.
  - g. The information described by each of subparagraphs 33(b) and 33(c) shall be provided as a separate spreadsheet, or as a separate tab within one spreadsheet file.
  - h. The declarations described by each of subparagraphs 33(d), 33(e), and 33(f) shall itemize all consumers' names and mailing addresses, the index numbers of the

court filings at issue, and the dates on which TMP took action (e.g., mailed the notice, filed satisfaction-pieces).

34. Within 60 days of the conclusion of the claims period described in ¶ 28, TMP shall provide a compliance report to the NYAG that includes:
- a. All consumers TMP determined to be entitled to receive payment under paragraph 23, identified by their names, addresses, phone numbers, account numbers (per TMP's numbering system);
  - b. The court name and Index Number for each consumer (if the consumer is entitled to more than one payment under paragraph 23, then each judgment shall be described in a separate row);
  - c. The date on which each consumer was mailed a claims notice;
  - d. A notation as to whether each consumer responded to the claims notice;
  - e. The amount to which each consumer was entitled;
  - f. The date on which TMP issued the check to the consumer;
  - g. The amount that TMP paid to each consumer; and
  - h. A sworn declaration attesting to the issuance of refunds specified in paragraph 23.
  - i. The information described in subparagraphs 34(a)-(g) shall be provided in the form of a spreadsheet.

### **Miscellaneous**

#### **Subsequent Proceedings**

35. TMP expressly agrees and acknowledges that a default in the performance of any obligation under paragraphs 1 - 28 is a violation of the Assurance, and that the NYAG thereafter may commence a civil action or proceeding contemplated in paragraph 1, supra, in addition to

any other appropriate investigation, action, or proceeding, and that evidence that the Assurance has been violated shall constitute prima facie proof of the statutory violations described in the NYAG's "Findings," pursuant to Executive Law § 63(15).

36. In any subsequent investigation, civil action, or proceeding by the NYAG to enforce this Assurance, for violations of the payment and judgment satisfaction obligations of Assurance, or if the Assurance is voided pursuant to paragraph 39, TMP expressly agrees and acknowledges:

- a. that any statute of limitations or other time-related defenses are tolled from and after the effective date of this Assurance; that the NYAG may use statements, documents or other materials produced or provided by TMP prior to or after the effective date of this Assurance;
- b. that any civil action or proceeding must be adjudicated by the courts of the State of New York, and that TMP irrevocably and unconditionally waives any objection based upon personal jurisdiction, inconvenient forum, or venue.

37. If a court of competent jurisdiction determines that TMP has violated the Assurance, TMP shall pay to NYAG the reasonable cost, if any, of obtaining such determination and of enforcing this Assurance, including without limitation legal fees, expenses, and court costs.

38. To the extent not already provided under this Assurance, TMP shall, upon request by NYAG, provide all documentation and information necessary for NYAG to verify compliance with this Assurance and to effectuate the terms of this Assurance.

## **Effects of Assurance**

39. Acceptance of this Assurance by NYAG is not an approval or endorsement by NYAG of any of TMP's practices or procedures, and TMP shall make no representation to the contrary.

40. This Assurance is not intended for use by any third party in any other proceeding.

41. All terms and conditions of this Assurance shall continue in full force and effect on any successor, assignee, or transferee of TMP. TMP shall cause this Assurance to be adopted in any such transfer agreement. No party may assign, delegate, or otherwise transfer any of its rights or obligations under this Assurance without the prior written consent of NYAG.

42. Nothing contained herein shall be construed as to deprive any person of any private right under the law.

43. Any failure by the Attorney General to insist upon the strict performance by TMP of any of the provisions of this Assurance shall not be deemed a waiver of any of the provisions hereof, and the Attorney General, notwithstanding that failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Assurance to be performed by TMP.

## **Communications**

44. All notices, reports, requests, and other communications pursuant to this Assurance must reference Assurance No. 24-007, and shall be in writing and shall, unless expressly provided otherwise herein, be given by hand delivery; express courier; or electronic mail at an address designated in writing by the recipient, followed by postage prepaid mail, and shall be addressed as follows:



If to TMP, to: Scott Morris, or in his/her absence, to the person holding the title of  
Managing Member:

Scott Morris  
39 Broadway, Suite 1250  
New York, New York, 10006,  
[smorris@tmppllc.com](mailto:smorris@tmppllc.com)  
646-518-2906

If to the NYAG, to: AAG Glenna Goldis, or in her absence, to the person holding the title  
of Bureau Chief, Consumer Frauds and Protection Bureau:

Glenna Goldis  
Office of the New York State Attorney General  
28 Liberty Street  
New York, NY 10005  
[glenna.goldis@ag.ny.gov](mailto:glenna.goldis@ag.ny.gov)  
(646) 856-3697

## **Representations and Warranties**

45. The NYAG has agreed to the terms of this Assurance based on, among other things, the representations made to NYAG by TMP and their counsel and NYAG's own factual investigation as set forth in Findings, paragraphs 1 - 68 above. TMP represents and warrants that neither it nor its counsel has made any material representations to the NYAG that are inaccurate or misleading. If any material representations by TMP or its counsel are later found to be inaccurate or misleading, this Assurance is voidable by the NYAG in its sole discretion.

46. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Assurance has been made to or relied upon by TMP in agreeing to this Assurance.

47. TMP represents and warrants, through the signatures below, that the terms and conditions of this Assurance are duly approved, and execution of this Assurance is duly

authorized. TMP shall not take any action to challenge the validity of this Assurance, nor shall it assert that this Assurance was wholly without factual basis. Nothing in this paragraph affects TMP's (i) testimonial obligations or (ii) right to take legal or factual positions in defense of future litigation or other legal proceedings provided that such positions do not challenge or deny the enforceability of this Assurance.

### **General Principles**

48. Nothing in this Agreement shall relieve TMP of other obligations imposed by any applicable state or federal law or regulation or other applicable law.

49. Nothing contained herein shall be construed to limit the remedies available to the NYAG in the event that TMP violates the Assurance after its effective date.

50. This Assurance may not be amended except by an instrument in writing signed on behalf of the Parties to this Assurance.

51. In the event that changes to state or federal law set a lower total amount of interest or rental fees that Consumer Contracts may charge, TMP shall promptly comply with such changes and so notify the NYAG in writing.

52. In the event that any one or more of the provisions contained in this Assurance shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, in the sole discretion of the NYAG, such invalidity, illegality, or unenforceability shall not affect any other provision of this Assurance.

53. TMP acknowledges that they have entered this Assurance freely and voluntarily and upon due deliberation with the advice of counsel.

54. This Assurance shall be governed by the laws of the State of New York without regard to any conflict of laws principles.

55. The Assurance and all its terms shall be construed as if mutually drafted with no presumption of any type against any party that may be found to have been the drafter.

56. This Assurance may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

57. The effective date of this Assurance shall be Feb. 21, 2024.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement on the dates set forth below.

LETITIA JAMES  
Attorney General of the State of New York  
28 Liberty Street  
New York, NY 10005

By: Jane M. Azia

Jane Azia  
Bureau Chief  
Consumer Frauds & Protection Bureau  
(212) 416-8727  
jane.azia@ag.ny.gov

By: Glenna Goldis

Glenna Goldis  
Assistant Attorney General  
Consumer Frauds & Protection Bureau  
(646) 856-3697  
glenna.goldis@ag.ny.gov

TROMBERG, MORRIS, & POULIN, LLC  
39 Broadway  
Suite 1250  
New York NY 10006

By: Scott Morris

Scott Morris  
Managing Member  
(646) 518-2906  
smorris@tmppllc.com