

CFPB and the New York Attorney General Settle with Debt Collection Group

JUL 25, 2019

WASHINGTON, D.C. – The Consumer Financial Protection Bureau (Bureau) and the New York Attorney General today filed proposed settlements with debt collectors Douglas MacKinnon, Northern Resolution Group, LLC, Enhanced Acquisitions, LLC, Delray Capital, LLC, and Mark Gray. The individuals and companies are debt-collectors who conducted business together based in Buffalo, New York. Under the proposed settlement with MacKinnon, Northern Resolution Group, and Enhanced Acquisitions, they will be banned from the industry and must pay \$60 million. Under the proposed settlement with Delray Capital and Gray, they will be banned from the industry and a judgment for civil money penalties and redress will be entered against them.

In the complaint filed in federal court in 2016, the Bureau and New York Attorney General alleged that the defendants violated the Consumer Financial Protection Act of 2010; the Bureau alleged that the defendants violated the Fair Debt Collection Practices Act (FDCPA); and the New York Attorney General alleged that the defendants violated New York laws in connection with the collection of consumer debt, placement of consumer debts for collection, and related activities.

The Bureau and the New York Attorney General alleged that Northern Resolution Group and Enhanced Acquisitions are debt collection companies created and operated by Douglas MacKinnon, and that Delray Capital is a debt collection company created and operated by MacKinnon with Gray. The complaint alleged that since at least 2009, the companies together purchased millions of dollars' worth of consumer debt, inflated those consumer debts, and relied on illegal tactics to extract as much money as possible from consumers for their debts. MacKinnon also set up a network of at least 60 additional debt collection firms to collect on the debt owned or placed by Northern Resolution Group, Enhanced Acquisitions, and Delray Capital. The Bureau and the New York Attorney General alleged that MacKinnon, Gray, and their network of debt collection companies misrepresented to consumers that they owed sums they did not

owe, were not obligated to pay, or that the companies did not have a legal right to collect; falsely threatened consumers with legal action that the collectors had no intention of taking; and impersonated law enforcement officials, government agencies, and court officers.

Under the proposed settlements, all defendants would be permanently barred from acting as debt collectors. All defendants also would be enjoined from engaging in any misrepresentation or omission in connection with any consumer financial product or service.

Under the terms of the proposed settlement with MacKinnon, Northern Resolution Group, and Enhanced Acquisitions, those defendants also would pay \$40 million in redress to consumers and a \$10 million civil money penalty to both the Bureau and New York, for a total penalty of \$20 million.

Under the terms of the proposed settlement with Gray and Delray Capital, the order would impose a judgment for redress of \$4 million, a judgment for civil money penalties of \$1 million to the Bureau, and a judgment for civil money penalties of \$1 million to the New York Attorney General. As explained in the proposed order, full payment of those amounts would be suspended subject to those defendants paying a \$1 civil money penalty to the Bureau and \$10,000 for consumer redress.

The joint stipulation for entry of proposed stipulated final judgment and order for MacKinnon, Northern Resolution Group, and Enhanced Acquisitions can be found

at: https://files.consumerfinance.gov/f/documents/cfpb_NRG-enhanced-acquisitions-MacKinnon_joint-stipulation-entry-proposed-stipulated-final-judgment-order.pdf

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The joint stipulation for entry of proposed stipulated final judgment and order for Gray and Delray Capital can be found

at: https://files.consumerfinance.gov/f/documents/cfpb_Delray-Gray_joint-stipulation-entry-proposed-stipulated-final-judgment-order.pdf

The stipulated final judgment and order for Gray and Delray Capital can be found at: https://files.consumerfinance.gov/f/documents/cfpb_Delray-Gray_stipulated-final-judgment-order.pdf