IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

UNITED STATES OF AMERICA *v.* DARRELL THOMAS, TELDRIN FOSTER, ET AL.	Criminal Action No. 1:20-CR-00296-JPB

OMNIBUS MOTION TO SUBSTITUTE RESTITUTION PAYEES AND BRIEF IN SUPPORT THEREOF

The United States of America, by Theodore S. Hertzberg, United States Attorney, and Vanessa A. Leo, Assistant United States Attorney for the Northern District of Georgia, respectfully requests an order substituting the restitution payees pursuant to 18 U.S.C. § 3663A, and in support shows:

Background Information

1. On March 29, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted into federal law. The CARES Act was designed to provide emergency financial assistance to millions of Americans who were suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of guaranteed forgivable loans to small businesses through the Paycheck Protection Program (PPP).

2. In order to obtain a PPP loan, a qualifying business submitted a PPP loan application, which was signed by an authorized representative of the

business. The PPP loan application required the business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. In the PPP loan application (Smal Business Administration Form 2483), the small business (through its authorized representative) was required to provide, among other things, its: (a) average monthly payroll expenses; and (b) number of employees. These figures were used to calculate the amount of money the small business was eligible to receive under the PPP. In addition, businesses applying for a PPP loan were required to provide documentation confirming their payroll expenses.

3. A PPP loan application was processed by a participating lender. If a PPP loan application was approved, the participating lender funded the PPP loan using its own monies. While it was the participating lender that issued the PPP loan, the loan was 100% guaranteed by the Small Business Administration ("SBA"). Data from the application, including information about the borrower, the total amount of the loan, and the listed number of employees, was transmitted by the lender to the SBA in the course of processing the loan.

4. PPP loan proceeds were required to be used by the business on certain permissible expenses- payroll costs, interest on mortgages, rent, and utilities. The PPP allowed the interest and principal on the PPP loan to be entirely forgiven if the business spent the loan proceeds on these expense items within a designated

period of time and used a defined portion of the PPP loan proceeds on payroll expenses.

5. The present case containing twenty (20) defendants initially commenced on August 4, 2020, by indictment. Each of the 20 defendants entered negotiated pleas of guilty to various offenses related to fraudulently obtained PPP loans during the COVID pandemic.

6. This Court imposed criminal monetary penalties on each of the 20 defendants, ordering restitution be paid jointly and severally in this case and in related criminal cases[1] to the following respective lenders: Harvest Small Business Finance, CDC Small Business Finance, Cross River Bank, Customers Bank, and Celtic Bank.

7. The SBA purchased the guarantees on the fraudulently obtained PPP loans as required by the CARES Act in this case and related criminal cases. The SBA's purchase of the guarantees on the fraudulently obtained PPP loans made the respective lenders whole, and the SBA became subrogated to all rights of the respective lenders. SBA's purchase of the guarantees on the fraudulently obtained PPP loans is detailed in Exhibit 1 attached to this Motion and coincides with the

[1] *U.S. v. Redding*, 1:21-cr-178; *U.S. v. Denesseria Slaton*, 1:21-cr-179; *U.S. v. Gaines*, 1:21-cr-206; and *U.S. v. Pyfrom-Foster*, 1:23-cr-164.

Judgment and Commitment entered in ***Teldrin Foster's*** case (Dkt. 1055). More specifically, the SBA purchased the following guarantees:

a. Harvest Small Business Finance Loan No. 5333777210 made to Darrell Thomas and Megan Thomas on behalf of their company, Bellator Phront Group, Inc., in the amount of $799,955.35. At the time the Judgment and Commitment was entered in Teldrin Foster's case (Dkt. 1055), the amount due to Harvest Small Business Finance was $775,956.69. The Certified Statement of Account showing the SBA purchased this loan is attached as Exhibit A.

b. Harvest Small Business Loan No. 9948117804 made to Derek Parker on behalf of his company, D. Parker Holdings, Inc., in the amount of $818,102.00. At the time the Judgment and Commitment was entered in Teldrin Foster's case (Dkt. 1055), the amount due to Harvest Small Business Finance was $793,558.94. The Certified Statement of Account showing the SBA purchased this loan is attached as Exhibit B.

c. Harvest Small Business Loan No. 9097577901 made to Charmaine Redding (*U.S. v. Redding,* 1:21-cr-178) on behalf of her company, All Star Room & Board Services of Michigan Inc., in the amount of $750,298.11. At the time the Judgment and Commitment was entered in Teldrin Foster's case (Dkt. 1055), the amount due to Harvest Small Business Finance was $715,826.05. The Certified Statement of Account showing the SBA purchased this loan is attached as Exhibit C.

d. CDC Small Business Finance Corporation loan No. 5005788003 made to Ryan Whittley on behalf of his company, ML Exotic Customs, Inc., in the amount of $797,275.000. At the time the Judgment and Commitment was entered in Teldrin Foster's case (Dkt. 1055), the amount due to CDC Small Business Finance Corporation was $773,356.75. The Certified Statement of Account showing the SBA purchased this loan is attached as Exhibit D.

e. CDC Small Business Finance Corporation loan No. 7688278109 made to El Hadj Sall on behalf of his company, Bellevie Corp., in the amount of $823,585.00. At the time the Judgment and Commitment was entered in Teldrin Foster's case (Dkt. 1055), the amount due to CDC Small Business Finance Corporation was $798,877.45. The Certified Statement of Account showing the SBA purchased this loan is attached as Exhibit E.

f. CDC Small Business Finance Corporation loan No. 7071928005 made to Charles Hill, IV on behalf of his company, Infinite Education Services, Inc., in the amount of $854,805.00. At the time the Judgment and Commitment was entered in Teldrin Foster's case (Dkt. 1055), the amount due to CDC Small Business Finance Corporation was $829,160.00. The Certified Statement of Account showing the SBA purchased this loan is attached as Exhibit F.

g. Cross River Bank loan No. 8300887401 made to John Gaines and Andre Gaines (*U.S. v. Gaines*, 1:21-cr-206) on behalf of their company, Gaines Reservation and Travel, in the amount of $806,710.00. At the time the Judgment and Commitment was entered in Teldrin Foster's case (Dkt. 1055), the amount due to Cross River Bank was $782,508.70.

The Certified Statement of Account showing the SBA purchased this loan is attached as Exhibit G.

h. Cross River Bank loan No. 7871687410 made to Kahlil Gibran Green, Sr. on behalf of his company, Impact Creations, LLC, in the amount of $830,000.00. At the time the Judgment and Commitment was entered in Teldrin Foster's case (Dkt. 1055), the amount due to Harvest Small Business Finance was $805,100.00. The Certified Statement of Account showing the SBA purchased this loan is attached as Exhibit H.

i. Cross River Bank loan No. 9327227407 made to Bern Benoit on behalf of his company, Transportation Management Services, in the amount of $830,417.00. At the time the Judgment and Commitment was entered in Teldrin Foster's case (Dkt. 1055), the amount due to Cross River Bank was $805,504.49. The Certified Statement of Account showing the SBA purchased this loan is attached as Exhibit I.

j. Customers Bank loan No. 3869848006 made to David Belgrave III on behalf of his company, Continuing Success, Inc., in the amount of $727,000.00. At the time the Judgment and Commitment was entered in Teldrin Foster's case (Dkt. 1055), the amount due to Customers Bank was $705,190.00. The Certified Statement of Account showing the SBA purchased this loan is attached as Exhibit J.

k. Customers Bank loan No. 6917877410 made to Ricky Dixon on behalf of his company, RK Painting Company, in the amount of $775,000.00. At the time the Judgment and Commitment was entered in Teldrin

Foster's case (Dkt. 1055), the amount due to Customers Bank was $751,750.00. The Certified Statement of Account showing the SBA purchased this loan is attached as Exhibit K.

l. Celtic Bank loan No. 9096407404 made to Ricky Dixon on behalf of his company, Lee Operations, LLC, in the amount of $805,813.00. At the time the Judgment and Commitment was entered in Teldrin Foster's case (Dkt. 1055), the amount due to Celtic Bank was $781,638.61. The Certified Statement of Account showing the SBA purchased this loan is attached as Exhibit L.

8. The United States contends the SBA is entitled to restitution as subrogee of the respective lenders: Harvest Small Business Finance, CDC Small Business Finance, Cross River Bank, Customers Bank, and Celtic Bank in this case and in related criminal cases.

9. The Clerk of Court should be ordered to substitute the restitution payee in this case to the SBA as subrogee of the respective lenders pursuant to Exhibit 1 which coincides with the Judgment and Commitment entered in ***Teldrin Foster's*** case (Dkt. 1055).

Argument and Application of Law

10. 18 U.S.C. § 3664(f)(1)(A) requires the Court to order restitution in the full amount of each victim's loss. The Mandatory Victims Restitution Act defines a victim as "a person directly and proximately harmed as a result of the

commission of an offense for which restitution may be ordered." 18 U.S.C. § 3663A. The SBA suffered proven financial losses as result of fraudulently obtained PPP loans, yet possesses no hope of being made whole with the judgements as they currently stand. Thus, the United States recommends substituting the SBA as restitution payee pursuant to Exhibit 1 which coincides with the Judgment and Commitment entered in ***Teldrin Foster's*** case (Dkt. 1055).

11. The United States does not seek to alter the court's judgment ordering the defendant's liability to pay the total amount of restitution originally imposed. The United States merely requests an adjustment to the disbursement of restitution payments in compliance with 18 U.S.C. § 3664(j)(1), which provides:

> If a victim has received compensation from insurance or any other source with respect to a loss, the court shall order that restitution be paid to the person who provided or is obligated to provide the compensation, but the restitution order shall provide that all restitution of victims required by the order be paid to the victims before any restitution is paid to such a provider of compensation.

12. The victim payees comprised of the respective lenders: Harvest Small Business Finance, CDC Small Business Finance, Cross River Bank, Customers Bank, and Celtic Bank have received compensation from the SBA. Accordingly, the United States requests that the Clerk of Court substitute the SBA as the victim and disburse restitution payments pursuant to Exhibit 1 which coincides with the Judgment and Commitment entered in ***Teldrin Foster's*** case (Dkt. 1055).

13. A proposed order is submitted to the Court contemporaneously for its consideration.

WHEREFORE, the United States respectfully requests that this Court substitute the Small Business Administration as the restitution payee in the above-captioned case pursuant to Exhibit 1 which coincides with the Judgment and Commitment entered in ***Teldrin Foster's*** case (Dkt. 1055). This amendment would not change the balance of Defendants' restitution debts and therefore would not substantively alter their rights, or the criminal sentences imposed by the court.

Submitted this 10th day of December, 2025.

Respectfully Submitted,

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CERTIFICATE OF COMPLIANCE

I hereby certify, pursuant to Local Rules 5.1B and 7.1D, that the foregoing response has been typed using 13-point Book Antiqua font.

/s/ Vanessa A. Leo
VANESSA A. LEO
Assistant United States Attorney

CERTIFICATE OF SERVICE

This is to certify that on this date, the foregoing document was electronically filed using the Court's Electronic Case Filing program, which sends a notice of this document and an accompanying link to this document to all parties who have appeared in this case under the Court's Electronic Case Filing program.

Dated: December 10, 2025

/s/ Vanessa A. Leo
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