

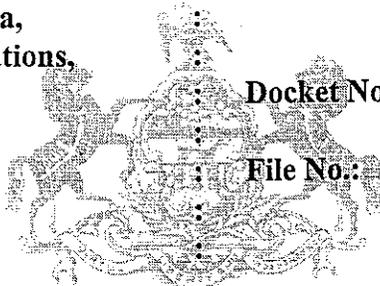
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COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
BEFORE THE SECRETARY OF THE COMMONWEALTH

Commonwealth of Pennsylvania,
Bureau of Charitable Organizations,

VS.

DELTA Rescue,
Respondent.



Docket No. 0002 -98-00

File No.: 99-98-00753

2000 JUN -9 AM 9:32

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, Bureau of Charitable Organizations ("Bureau") and DELTA Rescue ("Respondent") stipulate as follows in settlement of the above-captioned case:

JURISDICTION

1. This matter is before the Secretary of the Commonwealth ("Secretary") pursuant to the Solicitation of Funds for Charitable Purposes Act, Act of December 19, 1990, P.L. 1200, No. 202, as amended ("Act"), 10 P.S. §§ 162.1-162.24.
2. Respondent sent charitable solicitations to Pennsylvania residents.
3. At all relevant and material times, Respondent did not hold a registration to solicit charitable contributions within the Commonwealth of Pennsylvania.

FACTUAL ALLEGATIONS

4. The Respondent admits that the following allegations are true:
 - a. Respondent's last known business address, as on file with the Department of State is: P.O. Box 9, Glendale, CA 91209.

b. On or about March 17, 1997 the Bureau received evidence that Respondent was soliciting charitable contributions in the Commonwealth of Pennsylvania.

c. On or about March 17, 1997, the Bureau sent Respondent a letter via certified mail, Article Number P 482 101 387, asking them to register with the Bureau as a charitable organization.

d. On or about March 26, 1997 Respondent's agent received the correspondence as evidenced by Postal Service Form 3811.

e. Since Respondent did not reply to the March 26, 1997 letter, on or about April 29, 1997 the Bureau sent Respondent a letter via certified mail Article Number P 052 487 255, directing them to respond to the Bureau within seven days or a Cease and Desist Order would be issued.

f. On or about May 2, 1997 Respondent's agent received the letter as evidenced by Postal Service Form 3811.

g. Because the Respondent solicited funds without being registered and failed to respond to the Bureau's requests for information, on or about June 20, 1997, the Secretary of the Commonwealth issued a Cease and Desist Order directing Respondent to cease and desist from soliciting contributions in Pennsylvania until such time as Respondent became duly registered with the Bureau.

h. Respondent received the Cease and Desist Order as evidenced by Postal Form 3811.

i. On or about June 8, 1998 the Bureau received additional evidence that

Respondent was soliciting charitable contributions in Pennsylvania.

j. On or about August 11, 1998 the Bureau sent Respondent a registration packet, via certified mail Article number P 482 103 298, so that they may become properly registered with the Bureau.

k. On or about August 17, 1998 Respondent's agent received the registration packet as evidenced by Postal Service Form 3811.

l. After receiving the registration packet, Respondent did not register with the Bureau as a charitable organization.

m. On or about December 9, 1998 the Bureau received further evidence that Respondent was soliciting contributions in Pennsylvania as of November 1998.

n. On or about February 10, 1999, the Bureau received additional evidence that Respondent was continuing to solicit contributions in Pennsylvania.

o. Respondent asserts that the correspondence sent to its offices was received by an employee who did not forward the correspondence to the appropriate people, therefore Respondent was unaware of the Bureau's attempts to get Respondent to register as well as the Cease and Desist Order.

p. This employee was terminated by Respondent on or about November 8, 1999 after Respondent discovered what appeared to be a series of improprieties committed by her.

q. Respondent asserts that it did not intentionally violate the Solicitation Act since none of its directors or officers were put on notice of Respondent's failure to register before the solicitations were mailed. Respondent relied on its staff to

comply with the registration requirements. Respondent terminated its office manager upon discovery of the failure to disclose this matter to Respondent.

AGREED VIOLATIONS

5. Respondent agrees that by engaging in the foregoing activities it violated the Act at 10 P.S. § 162.15(a)(1) by soliciting contributions without properly registering with the Bureau and by soliciting contributions after the Secretary had issued a Cease and Desist Order.

PROPOSED ORDER

6. The parties consent to the issuance of the following Order in settlement of this matter:

a. Respondent violated the Act at 10 P.S. § 162.15(a)(1) by soliciting contributions without properly registering with the Bureau and by soliciting contributions after the Secretary had issued a Cease and Desist Order.

b. Respondent shall submit a completed registration statement along with any required supporting documents to the Bureau within thirty (30) days of the date of the Secretary's Order adopting this Consent Agreement. Upon receipt of the first installment of the administrative fine and completed registration statements, the Bureau will approve Respondent's registration to solicit charitable contributions in Pennsylvania.

c. Respondent shall not commence solicitation until it has an approved registration statement on file with the Bureau.

d. If Respondent fails to remit the second installment of the administrative fine, the Secretary may elect to issue a Cease and Desist Order or suspend Respondent's registration pursuant to the procedure described in paragraph 6(g).

ADMINISTRATIVE FINE

e. An **ADMINISTRATIVE FINE** of five thousand dollars (\$5,000) is levied upon Respondent. Respondent shall tender the full sum of five thousand dollars (\$5,000) in two equal installments which shall be paid by **certified check, cashier's check, attorney's check, or U.S. Postal money order made payable to the "Commonwealth of Pennsylvania."**

f. The first installment of two thousand five hundred dollars (\$2,500) shall be due with this Consent Agreement. The second installment shall be due three months from the date of the Secretary's Order.

VIOLATION OF THE SECRETARY'S ORDER

g. Notification of a violation of the terms or conditions of this Consent Agreement and Order shall result in the imposition of additional penalties as follows:

(1) The prosecuting attorney for the Bureau shall file with the Secretary a Petition which indicates that Respondent has violated the terms or conditions of this Consent Agreement and Order.

(2) Upon a probable cause determination that Respondent has violated the terms and conditions of this Consent Agreement and Order, the Secretary, or her designee, shall, without holding a formal hearing, issue a Preliminary Order, effective thirty (30) days after its mailing, which imposes a sixty (60) day period of suspension on Respondent's registration to solicit charitable contributions.

(3) Respondent shall be notified of the Preliminary Order

within three (3) days of its issuance by certified mail and first class mail postage prepaid, sent to the last registered address on file with the Bureau, together with a copy to Respondent's attorney at 1888 Century Park East, Suite 1500, Los Angeles, CA 90067 by facsimile or first class mail.

(4) Within fifteen (15) days of mailing of the notification of the Preliminary Order, Respondent may answer the Commonwealth's petition, request that a formal hearing be convened concerning Respondent's alleged violation of the Consent Agreement, and move that the period of suspension be stayed until the Secretary or her designee issues a final order. Respondent shall file all answers and subsequent filings with the Prothonotary for the Bureau of Charitable Organizations, 124 Pine Street, Suite 200, Harrisburg, PA 17101. Respondent shall serve the prosecuting attorney for the Bureau with a copy of the answer and all subsequent filings in this matter.

(5) If the Respondent moves for a stay of the period of suspension, Respondent shall set forth properly verified facts and/or state concisely the matter of law which the Respondent believes justifies a stay of the period of suspension. The Secretary or her designee shall issue a ruling on the Respondent's motion within fifteen (15) days from the date of the mailing of the notification of the

Preliminary Order. If the Secretary or her designee makes no ruling on the Respondent's motion within the fifteen (15) days from mailing of the notification of the Preliminary Order, the Respondent's motion shall be deemed denied.

(6) If a request for a formal hearing is received from Respondent a formal hearing shall be convened within forty-five (45) days from the date of filing of Respondent's request for a formal hearing.

(7) The facts and averments in this Consent Agreement and Order shall be deemed admitted and uncontested at this hearing.

(8) If the Secretary, or her designee, after such hearing makes a determination adverse to Respondent, the Secretary or her designee will issue a Final Order imposing any disciplinary measures she deems appropriate. The Secretary or her designee may, but is not required to, take into account any period of active suspension already served by the Respondent pursuant to the Preliminary Order.

(9) If a request for a formal hearing is not received from Respondent within the prescribed fifteen (15) day period, the Preliminary Order shall become a Final Order.

(10) Nothing in this Order shall preclude the Prosecuting Attorney for the Bureau from filing charges or the Secretary from imposing disciplinary or corrective measures for violations or facts

not contained in this Consent Agreement.

h. This case shall be deemed settled and discontinued upon the Secretary issuing an Order adopting of this Consent Agreement and the Respondent's successful completion of any ordered discipline.

ACKNOWLEDGMENT OF NOTICE AND WAIVER OF HEARING

7. Respondent waives the filing of an Order to Show Cause in this matter. Respondent knowingly and voluntarily waives the right to an administrative hearing in this matter, and to the following rights related to that hearing: to be represented by counsel at the hearing; the right to present witnesses and testimony in defense or in mitigation of any sanction that may be imposed for a violation; to cross-examine witnesses and to challenge evidence presented by the Bureau; to present legal arguments by means of a brief; and to take an appeal from any final adverse decision.

AGREEMENT NOT BINDING ON OTHER PARTIES

8. This Consent Agreement is between the Bureau and Respondent only. It does not bind any other administrative entity of the Commonwealth of Pennsylvania, including any other bureau within the Department of State. Except as otherwise noted, this Agreement is to have no legal effect if *a)* the Office of General Counsel expresses an objection to the Agreement's form or legality and/or *b)* unless and until the Secretary issues the stipulated Order.

EFFECT OF SECRETARY'S REJECTION

9. Should the Secretary not approve this Consent Agreement, presentation to and consideration of this Consent Agreement and other documents and matters by the Secretary shall not prejudice the Secretary from further participation in the adjudication of this matter. This paragraph is binding on the participants even if the Secretary does not approve this Consent Agreement.

ENTIRE AGREEMENT

10. This agreement contains the whole agreement between the parties; provided however, that the captions printed in the various provisions of this agreement are for ease of reading only and are not to be interpreted as forming any part of this agreement. There are no other terms, obligations, covenants, representations, statements or conditions, or otherwise, of any kind whatsoever concerning this agreement.

AGREEMENT DOES NOT PREVENT REFERRAL TO OTHER AGENCIES.

11. The parties acknowledge that other federal, state, and/or local agencies may have jurisdiction over the activities of, or representations made by, Respondent and its officers, directors, agents, employees or independent contractors. Nothing in this Consent Agreement or the Order based upon this Consent Agreement shall preclude representatives of the Bureau from referring any information or data produced as a result of this matter to any federal, state, or local agency or governmental unit having jurisdiction over the activities of Respondent or any officer, director, agent, employee or independent contractor of the Respondent.

VERIFICATION OF FACTS AND STATEMENTS

12. Respondent verifies that the facts and statements set forth in this Agreement are true and correct to the best of Respondent's knowledge, information and belief. Respondent understands

that statements in this Agreement are made subject to the criminal penalties of 18 Pa.C.S.A. §4904

relating to unsworn falsification to authorities.



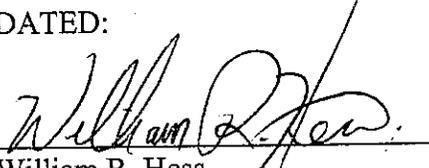
Carole L. Clarke
Prosecuting Attorney
Bureau of Charitable Organizations

DATED: 6/1/00



for DELTA Rescue,
Respondent

DATED:



William R. Hess
1888 Century Park East 159N VENTURA BLVD.
Suite 1500 201
Los Angeles, CA 90067 Encino, Ca. 91436
Attorney for DELTA Rescue

DATED: 5/22/00

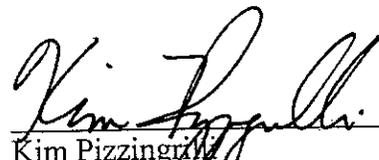


**IN THE MATTER OF THE SOLICITATION OF
FUNDS FOR CHARITABLE PURPOSES BY
DELTA RESCUE,
FILE NO.: 99-98-00753**

ORDER

AND NOW, to wit, on this 7th day of June 2000, the terms of paragraph 6 of the foregoing Consent Agreement are hereby adopted and incorporated as the Order of the Secretary of the Commonwealth in resolution of this matter. This Order shall take effect immediately.

BY ORDER



Kim Pizzingri
Secretary of the Commonwealth