COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF STATE BEFORE THE SECRETARY OF THE COMMONWEALTH Department of State

Commonwealth of Pennsylvania,

Bureau of Charitable Organizations,

Docket No. 0008-98-09

File No. 09-98-05263

v.

Last Chance Ranch, Inc., Respondent

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, Bureau of Charitable Organizations ("Bureau") and Last Chance Ranch, Inc. ("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. At all relevant and material times, Respondent solicited contributions in the Commonwealth of Pennsylvania.
- 3. Respondent is currently registered with the Bureau through January 13, 2010, registration #26892.

STIPULATED FACTS

- 4. Respondent admits that the following allegations are true:
- a. Respondent, Last Chance Ranch, Inc., is located at 9 Beck Road, Quakertown, Pennsylvania 18951, and operates as a nonprofit organization.
 - b. Respondent operates with a fiscal year end date of August 31.
- c. On January 23, 2007, the Bureau issued an investigative subpoena to Respondent, requiring Respondent to produce records detailing its activities in Pennsylvania.
- d. Respondent failed to timely respond to the Bureau's investigative subpoena.
- e. Respondent's registration for fiscal year 2007 expired on January 14, 2008; Respondent did not renew or request an extension of time to renew its registration at that time.
- f. Respondent continued to solicit contributions in Pennsylvania after it's registration expired on January 14, 2008.
- g. On March 5, 2008, due to Respondent's failure to respond to the Bureau's investigative subpoena of January 23, 2007, and Respondent's continued solicitation after it's registration expired on January 18, 2008, a Cease and Desist Order was entered against Respondent, prohibiting Respondent from soliciting contributions in Pennsylvania.
- h. Respondent continued to solicit contributions in Pennsylvania after the entry of the Cease and Desist Order of March 5, 2008.

- i. Only July 10, 2008, Respondent submitted its registration materials for fiscal year 2007 as well as other requested documents, paid a \$150.00 registration fee, and a \$150.00 late filing fee; Respondent received an approved registration status at that time.
- j. On July 23, 2008 the Bureau issued an Order lifting the Cease and Desist Order of March 5, 2008.
- k. Respondent's Internal Revenue Service Forms 990 submitted to the Bureau stated that Respondent's Executive Director, Loren Benetz (Benetz), did not receive any compensation in fiscal years 2005, 2006 or 2007.
- 1. However, Respondent paid for health care insurance for Benetz in the amounts of \$2,491.84 for 2005 and \$932.48 for 2006; Respondent also paid the electricity for Benetz's personal residence, as well as fuel, maintenance, registration and insurance for Benetz's personal vehicle during the three year time period.

VIOLATIONS

- 5. Respondent agrees that by engaging in the foregoing activities, Respondent violated the Act as follows:
 - a. 10 P.S. §162.15(a)(1) by and through §162.16(f) by failing to timely comply with the January 23, 2007 investigative subpoena issued by the Bureau;
 - b. 10 P.S. §162.15(a)(1) by soliciting contributions after its registration expired on January 18, 2008;
 - c. 10 P.S. §162.15(a)(1) by soliciting contributions in violation of the March 5, 2008 Cease and Desist Order; and

d. 10 P.S. §162.15(a)(1) by and through §162.17(a)(3) by making a materially false statement on registration materials required to be filed with the Bureau in 2005, 2006 and 2007.

PROPOSED ORDER

- 6. The participants, intending to be legally bound, consent to the issuance of the following Order in settlement of this matter:
 - a. Respondent violated the Act at
 - 1. 10 P.S. §162.15(a)(1) by and through §162.16(f);
 - 2. 10 P.S. §162.15(a)(1)(registration);
 - 3. 10 P.S. §162.15(a)(1)(Cease and Desist Order); and
 - 4. 10 P.S. § 162.15(a)(1) by and through violations of 10 P.S. § 162.17(a)(3).

ADMINISTRATIVE FINE

b. An ADMINISTRATIVE FINE of five thousand dollars (\$5,000.00) is levied upon Respondent. Respondent shall tender the full sum of five thousand dollars (\$5,000.00) with this executed Consent Agreement 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."

FILING OF REGISTRATION DOCUMENTS

c. Respondent acknowledges its requirement to compile accurate financial statements and to maintain registration with the Bureau according to Section 162.5 of the Act. Should Respondent not register with the Bureau when it is required to, Respondent shall pay an administrative fine of \$1,000.00, and an

additional penalty of \$100.00 for each day during which such violation continues; and Respondent's registration shall be automatically suspended until the fine is paid or until the normal expiration date of the registration in accordance with Section 162.17 of the Act. No registration shall be renewed until the fine is paid.

CASE SETTLED AND DISCONTINUED

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

ACKNOWLEDGEMENT OF NOTICE AND WAIVER OF HEARING

8. 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; 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

9. 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

10. 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

11. 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

12. The parties acknowledge that other federal, state, and/or local agencies may have jurisdiction over the activities of, or representations made by, Respondent. 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.

VERIFICATION OF FACTS AND STATEMENTS

13. 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. § 4904 relating to unsworn falsification to authorities.

Dean F. Picarella

Prosecuting Attorney

Department of State

Respondent

Last Chance Ranch, Inc.

DATED 26 -08-09

DATED: 6/4/09



IN THE MATTER OF Last Chance Ranch, Inc. File No. 09-98-05263

ORDER

AND NOW, to wit, on this 10th day of June 2009, 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

Thomas J. Weaver

Executive Deputy Secretary

of the Commonwealth