

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

PROTHONOTARY

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Department of State

Commonwealth of Pennsylvania, :  
Bureau of Charitable Organizations, :

vs. :

New Freedom Theatre, Inc. :

Docket No. 0001-98-09  
File No. 07-98-10338

**CONSENT AGREEMENT AND ORDER**

The Commonwealth of Pennsylvania, Bureau of Charitable Organizations ("Bureau") and the New Freedom Theatre ("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 is currently registered with the Bureau as a charitable organization, registration No. 483.

**STIPULATED FACTS**

3. Respondent admit that the following allegations are true:

a. Respondent's last known business address is 1346 North Broad Street, Philadelphia, PA 19121.

b. Respondent received contributions in excess of \$25,000 during its fiscal years ending August 31, 2005 and August 31, 2006.

c. Respondent was previously registered with the Bureau as a charitable organization on March 28, 2006 for the fiscal year ending August 31, 2004, after having been unregistered from July 12, 2005 to March 28, 2006.

d. Respondent's registration expired on July 12, 2006, and was not renewed until April 2, 2007.

e. Respondent was unregistered between July 13, 2006 and April 1, 2007; Respondent stated that it did not solicit donations during this time period.

f. Respondent's registration for the fiscal year that ended August 31, 2006 included an audit report containing a qualified audit opinion.

g. The qualified audit opinion stated the auditors were unable to confirm accounts receivable and accounts payable balances at September 1, 2005.

h. Respondent's registration for the fiscal year that ended August 31, 2005 was not renewed on time, because Respondent could not provide audited financial statements and an IRS Form 990.

i. Respondent failed to provide supporting documentation for the 2005 financial statements, which prevented the Independent Auditor from completing the audit of the financial statements.

j. Respondent's Independent Auditor disclaimed an opinion on the financial statements for the fiscal year that ended August 31, 2007 due to lack of supporting accounting records.

**AGREED VIOLATIONS**

4. Respondent agrees that by engaging in the foregoing activities it violated the Act at 10 P.S. §162.15(a)(1) by and through violations of 10 P.S. §162.12 in that Respondent solicited charitable contributions in the Commonwealth of Pennsylvania and failed to keep true and accurate fiscal records of its solicitation activities.

**PROPOSED ORDER**

5. The participants consent to issuance of the following Order in settlement of this matter:

a. Respondent violated the Act at 10 P.S. § 162.15(a)(1) by and through §162.12.

b. An **ADMINISTRATIVE FINE** of one thousand dollars (\$1,000.00) is levied upon Respondent. Respondent shall tender the full sum of one thousand dollars (\$1,000.00) 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."**

c. Respondent acknowledges its requirement to keep true and accurate fiscal records and understands that the Bureau may audit the records of Respondent at anytime.

**VIOLATION OF THE SECRETARY'S ORDER**

6. 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**

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; 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. §4904 relating to unsworn falsification to authorities.

New Freedom Theatre, Inc.

Dean F. Picarella  
Dean F. Picarella, Esquire  
Prosecuting Attorney  
Department of State

By: [Signature]  
Title: INTERIM MANAGING DIRECTOR  
Respondent

DATED: January 20, 2009

DATED: JANUARY 15, 2009



**IN THE MATTER OF  
New Freedom Theatre, Inc.  
FILE NO. 07-98-10338**

**ORDER**

AND NOW, this 22<sup>nd</sup> day of January 2009, the terms of paragraph 5 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

*Pedro A. Cortés*

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Pedro A. Cortés  
Secretary of the Commonwealth