

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

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2002 MAY 10 PM 1:35
Department of State

Commonwealth of Pennsylvania,
Bureau of Charitable Organizations

vs.

The Veteran's Observer
Respondent

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Docket No. 0014-98-01
File No. 01-98-04640

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, Bureau of Charitable Organizations ("Bureau") and The Veteran's Observer ("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 ("the Act"), Act of December 19, 1990, P.L. 1200, No. 202, *as amended*, 10 P.S. §§162.1-162.24.

2. At all relevant and material times, Respondent did not hold a registration to solicit charitable contributions within the Commonwealth of Pennsylvania.

STIPULATED FACTS

3. Respondent's last known business address, as on file with the Department of State, is 7314 Deering Avenue, Canoga Park, CA 91303.

4. Respondent is a for-profit corporation incorporated in California.

5. Respondent publishes a monthly newspaper, the Veteran's Observer, which covers issues of interest to veterans, including stories about veteran's benefits and services.

6. Respondent's newspaper is distributed throughout the United States to facilities that serve veterans, including Veteran's Administration Hospital, military base hospitals, veteran employment centers, colleges, and libraries.

7. Respondent is funded through payments made by organizations that advertise in its newspaper.

8. In the June 2000 edition of the Veteran's Observer, Respondent ran an advertisement by Just Born, Inc., a Pennsylvania corporation. A true and correct copy of this advertisement is attached as **Exhibit "1"** and incorporated by reference.

9. Prior to running the advertisement for Just Born, Inc., Respondent never informed Just Born, Inc. that Respondent is a for-profit, commercial enterprise that is not directly affiliated with or sponsored by any charitable organization.

10. On or about October 3, 2000, Respondent faxed Invoice No. 71398 to Just Born, Inc. The invoice stated that Just Born, Inc. owed \$2,395.00, discounted to \$1,195.00, for "June Issue 2000." A true and correct copy of this invoice is attached as **Exhibit "2"** and incorporated by reference.

11. The invoice did not inform Just Born, Inc. that Respondent is a for-profit, commercial enterprise that is not directly affiliated with or sponsored by any charitable organization. *See Exhibit 2.*

12. Respondent never received any payments from Just Born, Inc. as a result of the invoice that was sent, and Respondent canceled the invoice as soon as it learned that the advertisement was never authorized by Just Born, Inc.

ALLEGATIONS OF THE COMMONWEALTH

13. The Commonwealth makes the following additional allegations. Respondent neither specifically admits nor specifically denies the following:

- a. Just Born, Inc. never authorized the advertisement that ran under its name in the June 2000 edition of the Veteran's Observer.

AGREED VIOLATIONS

14. The parties agree that by engaging in the foregoing activities, Respondent violated the Act at 10 P.S. §162.15(a)(11)(i) in that Respondent solicited advertising to appear in a for-profit publication, which could reasonably be construed to relate to a charitable purpose, without informing Just Born, Inc. prior to the solicitation that Respondent is a for-profit, commercial enterprise that is not directly affiliated with or sponsored by any charitable organization.

15. The parties agree that by engaging in the foregoing activities, Respondent violated the Act at 10 P.S. §162.15(a)(11)(ii) in that Respondent, prior to attempting to collect payment from Just Born, Inc. for advertising that appeared in a for-profit publication, failed to inform Just Born, Inc., in written form and in conspicuous type, that Respondent is a for-profit, commercial enterprise that is not directly affiliated with or sponsored by any charitable organization.

PROPOSED ORDER

17. To address concerns raised by the Commonwealth and to resolve this matter on a compromise basis, the Commonwealth and the Respondent agree to the issuance of the following Order in settlement of this matter:

- a. Based upon the above-referenced facts, the Secretary finds that Respondent violated the Act at 10 P.S. §162.15(a)(11)(i) by soliciting advertising to appear in a for-profit publication, which could reasonably be construed to relate to a

charitable purpose, without informing Just Born, Inc. prior to the solicitation that Respondent is a for-profit, commercial enterprise that is not directly affiliated with or sponsored by any charitable organization.

b. Based upon the above-referenced facts, the Secretary finds that Respondent violated the Act at 10 P.S. §162.15(a)(11)(ii) by failing to inform Just Born, Inc., prior to attempting to collect payment for advertising that appeared in a for-profit publication, in written form and in conspicuous type, that Respondent is a for-profit, commercial enterprise that is not directly affiliated with or sponsored by any charitable organization.

c. Prior to soliciting for advertisements in Pennsylvania to appear in its for-profit publication, the Veteran's Observer, Respondent shall inform potential advertisers prior to the solicitation that Respondent is a for-profit, commercial enterprise that is not directly affiliated with or sponsored by any charitable organization.

d. Respondent shall not represent directly or indirectly that by this Consent Agreement the Bureau has sanctioned, condoned, or approved any part or aspect of Respondent's activities.

e. Respondent is permanently enjoined from directly or indirectly participating in any activities within the Commonwealth of Pennsylvania in violation of the Act.

ADMINISTRATIVE FINE

f. 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."

18. This case shall be deemed settled and discontinued upon the Secretary issuing an Order adopting this Consent Agreement.

ACKNOWLEDGEMENT OF NOTICE AND WAIVER OF HEARING

19. Respondent acknowledges the filing and service 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

20. 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

21. 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

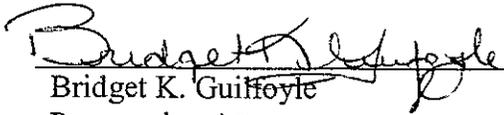
22. This Agreement contains the whole agreement between the parties; provided, however, that the captions printed in the various provisions of this agreement are for ease of reading only and are not to be interpreted as forming any part of this agreement. There are no other terms, obligations, covenants,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

AGREEMENT DOES NOT PREVENT REFERRAL TO OTHER AGENCIES

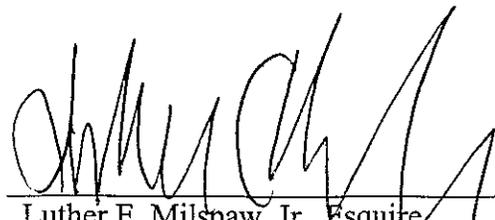
23. The parties acknowledge that other federal, state, and/or local agencies may have jurisdiction over the activities of, or representations made by, Respondent and its officers, directors, agents, employees or independent contractors. Nothing in this Consent Agreement or the Order based upon this Consent 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

24. 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.



Bridget K. Guilfoyle
Prosecuting Attorney
Bureau of Charitable Organizations
DATED: 04|23|02



Luther E. Milspaw, Jr., Esquire
For The Veteran's Observer
Respondent
DATED: 4/19/02

THE VETERAN'S OBSERVER



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EXHIBIT
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June 2000

Korea. Echoes of A War

After 50 years, is it time for real peace?

By Steven Butler
Copyright U. S. News & World Report

Big anniversaries rarely coincide with genuinely important events. Yet this week, the leaders of North and South Korea will meet for the first time ever, 50 years to the month after North Korean troops opened a massive artillery barrage and then stormed across the 38th parallel in a drive that nearly obliterated South Korea. The meeting is more than symbolic. For decades, North Korea refused to talk directly to South Korea because the Seoul government never signed the armistice that halted fighting between belligerents—United Nations forces led by the United States on one side, North Korean and Chinese forces on the other. When North Korean leader Kim Jong Il meets as an equal with South Korean President Kim Dae Jung, it will be an admission of sorts that war is finally over and that South Korea is a reality that can't be wished away.

Even so, 50 years of combat and

military stalemate have left unsolved the main issue of the Korean War: how to restore unity to an ancient nation that was divided as a tragic afterthought at the end of World War II. As Japan prepared to surrender in August 1945, two American Army colonels, Dean Rusk (later President Kennedy's secretary of state) and Charles H. Bonesteel, were ordered to find a place to divide the Korean Peninsula. Within 30 minutes, they chose the 38th parallel as the spot where Soviet troops, coming south to accept the surrender of Japanese troops, would meet the American troops moving north. No one imagined it would become a permanent border. The Soviets helped establish a Stalinist-style dictatorship in Pyongyang under the leadership of Kim Il Sung.

Meanwhile, America struggled with only partial success to establish a democracy under Syngman Rhee in half a nation whose civil infrastructure and society were torn apart by 35 years of harsh Japanese colonial rule. In

fact, America gave up the job as hopeless. America withdrew its occupation troops in 1949, and public and private statements by Secretary of State Acheson and military leaders suggested that the United States had resigned itself to watching all of Korea fall under Soviet influence. Who would have dreamed that a civil war launched by North Korea to reunify its homeland would have brought a massive response involving at its peak almost a quarter of a million U.S. troops and contributions from 19 other United Nations members? Certainly not Kim Il Sung nor Soviet dictator Joseph Stalin, who hesitantly gave the nod to Kim's war plans.

Collision course. America assumed—erroneously, historians say—that the invasion launched on June 25, 1950, was part of a communist master plan involving eventual expansion of communist China and a Soviet move into Western Europe. As a result, with little consideration for the consequences, President Truman ordered the 7th Fleet into the Taiwan

Strait. That thwarted plans by Chinese communists to end the Chinese civil war by launching an amphibious assault against Taiwan, where remnants of Chiang Kai-shek's Nationalist Army had taken refuge. And it put China and America on a collision course from which they have yet to veer.

Of course, Truman also ordered U.S. troops into Korea, with approval from the U.N. Security Council after the Soviet delegate foolishly boycotted the proceedings. Inexperienced soldiers on soft duty in Japan were airlifted to Pusan, from where they formed Task Force Smith and raced north to block the southern advance of North Korean troops. They failed to halt the unexpectedly disciplined and well-equipped North Korean Army, and were forced into a chaotic retreat, sometimes dropping equipment on the run.

Continued on page 30

We Honor And Salute Our American Veterans

Just Born, Inc.

1300 Stefko Boulevard
Bethlehem, Pennsylvania 18017

*An Equal Opportunity Employer By Choice
M/F/D/VET*



THE VETERAN'S OBSERVER

F A X

DATE: October 3, 2000

TO: JUST BORN

Attention: MARY

FAX # 610-954-8668

FROM: D.L. CARPENTER

FAX INSTRUCTIONS:

CALL: _____ **EXT:** _____

PLEASE FORWARD TO: _____

NUMBER OF PAGES: 2

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7314 Deering Avenue ■ Canoga Park, California ■ 818-713-9447 ■ FAX 818-713-8086
e-mail: tvo@westworld.com

WE UNITE TO INFORM

EXHIBIT
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**THE VETERAN'S
OBSERVER**

7314 Deering Avenue
Canoga Park, CA 91303
(818) 713-9447
FAX (818) 713-8086

JUST BORN, INC.
1300 Stefko Blvd.
Bethlehem, PA 18017
Attention: Kathy Zingaro

No 71398

Authorized By: Kathy Zingaro

Please detach and return upper portion with your remittance

WE PROUDLY SUPPORT OUR AMERICAN VETERANS	DATE	AMOUNT DUE
June Issue 2000	5/5/00	\$2,395.00 Discounted To: \$1,195.00
A remittance at your earliest convenience will be most deeply appreciated.	Please Deduct 2% If Paid Before _____	

Please make all checks payable to The Veteran's Observer

10 | 3 | 00

Delorie Carpenter

EEO Statement Ad

P.O.# ("WE don't have a P.O." - he says)

5/17 by phone KZ



**IN THE MATTER OF THE SOLICITATION OF
FUNDS FOR CHARITABLE PURPOSES BY
THE VETERAN'S OBSERVER
FILE NO. 01-98-04640**

ORDER

AND NOW, this 2^oth day of April 2002, the terms of Paragraph 17 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

A handwritten signature in cursive script that reads "C. Michael Weaver".

C. Michael Weaver
Acting Secretary of the Commonwealth