

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

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Department of State

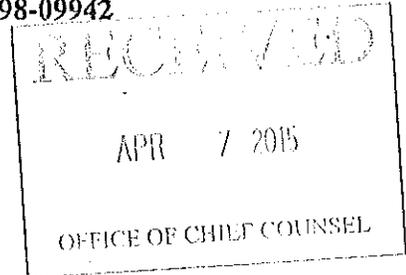
Commonwealth of Pennsylvania,
Bureau of Corporations and
Charitable Organizations

vs.

Active Engagement, L.L.C.,
Respondent

Docket No. 0010-98-14

File No. 13-98-09942



CONSENT AGREEMENT AND ORDER

PARTIES

The Commonwealth of Pennsylvania, Department of State, Bureau of Corporations and Charitable Organizations ("Bureau") and Active Engagement, L.L.C. ("Respondent") stipulate as follows in settlement of the above-captioned matter:

JURISDICTION

1. This matter is before the Secretary of the Commonwealth ("Secretary") pursuant to the Solicitation of Funds for Charitable Purposes Act ("Act"), Act of December 19, 1990, P.L. 1200, No. 202, *as amended*, 10 P.S. §§ 162.1-162.24.

LICENSE AND REGISTRATION STATUS

2. Respondent does not deny the truth of the following averments:

a. On or about April 18, 2013, the Department of State, Bureau of ~~Corporations and Charitable Organizations~~ (hereafter referred to as "Bureau") received a Charitable Organization Registration Statement – Form BCO-10 from Tea Party Patriots, Inc., physical address: 1025 Rose Creek Drive, Suite 620-322, Woodstock, GA 30189; mailing address: 1747 Pennsylvania Avenue, N.W.,

Suite 1000, Washington, DC 20006; Registration Certificate No. 39119, for fiscal year ending May 31, 2012.

b. In response to Question 16 on the form, which requested the name, address and telephone number of all professional fundraising counsel used to provide services with respect to the solicitation of contributions from residents of the Commonwealth, the Tea Party Patriots, Inc., provided the name of the Respondent and the following address and telephone number: 44084 Riverside Parkway, Suite 350, Lansdowne, VA 20176; telephone (703) 726-1117.

c. Question 16 also requested that the dates of any contract with any professional fundraising counsel be identified; to which the Tea Party Patriots, Inc., responded that the contract was effective 06/01/11 until termination.

d. A review of records maintained by the Bureau confirmed that the Respondent was not registered with the Bureau as a professional fundraising counsel in the Commonwealth.

e. The last known mailing address for the Respondent is: 44084 Riverside Parkway, Suite 350, Lansdowne, VA 20176.

f. On June 7, 2013, a letter was sent to the Respondent by the Bureau advising the Respondent that the Bureau had evidence that the company may have provided professional fundraising counsel services, without being registered as required by the Solicitation of Funds for Charitable Purposes Act, to organizations soliciting contributions in the Commonwealth of Pennsylvania.

g. Thereafter, Respondent submitted the appropriate forms and information and became registered with the Bureau effective June 30, 2013, PA Certificate Number 100523.

FACTUAL ALLEGATIONS

3. The Respondent admits that the following allegations are true:

a. Respondent submitted to the Bureau contracts in its possession under which it was required to provide professional fundraising services to the following charitable organizations:

(1) Tea Party Patriots, 1025 Rose Creek Drive, Suite 520-322, Woodstock, GA 30189 (Pa. Cert. No.), dated April 4, 2013, noted as having commenced on June 1, 2011.

(2) The Conservative Caucus (Pa. Cert. No. 15278), dated and effective August 24, 2012.

(3) Americans for Fair Taxation, 3900 Essex Lane, Suite 328, Houston, TX 77027 (Pa. Cert. No. 15977), dated and effective December 12, 2012.

b. Prior to being registered with the Bureau, Respondent provided professional fundraising counsel services to at least three (3) charitable organizations with regard to the solicitation of contributions from residents of the Commonwealth.

c. The professional fundraising counsel services provided by Respondent to charitable organizations were provided in accordance with a written contract executed by the parties.

d. Respondent did not provide a copy of the written contract to the Department of State at any time prior to the performance of the professional fundraising counsel services set forth in the contract.

AGREED VIOLATIONS

4. The parties agree that by engaging in the foregoing activities, Respondent committed multiple violations of Section 15(a)(1) of the Act, 10 P.S. § 162.15(a)(1), by having:

a. provided professional fundraising counsel services regarding the solicitation of contributions in the Commonwealth prior to obtaining approval by the Department of State of a registration statement as required by Section 8(a) of the Act, 10 P.S. § 8(a); and,

b. failed to file with the Department of State each written contract between the organization and a charitable organization for professional fundraising counsel services related to solicitations for charitable contributions within the Commonwealth and provided those services prior to the approval by the Department of each contract as required by Section 8(d) of the Act, 10 P.S. § 162.8(d).

TERMS OF ORDER TO BE ISSUED BY THE SECRETARY OF THE COMMONWEALTH

5. To address concerns and allegations of violations raised by the Commonwealth, and with the expectation of resolving this matter on a compromise basis, the Commonwealth and the Respondent, intending to be legally bound, agree to the issuance by the Secretary of the following Order in settlement of this matter:

a. Respondent violated Section 15(a)(1) of the Act, 10 P.S. § 162.15(a)(1), in that Respondent provided professional fundraising counsel services regarding the solicitation of contributions in the Commonwealth prior to obtaining approval by the Department of State of a registration statement as required by Section 8(a) of the Act, 10 P.S. § 8(a).

b. Respondent violated Section 15(a)(1) of the Act, 10 P.S. § 162.15(a)(1), in that Respondent failed to file with the Department of State each

written contract between the organization and a charitable organization for professional fundraising counsel services related to solicitations for charitable contributions within the Commonwealth and provided those services prior to the approval by the Department of each contract as required by Section 8(d) of the Act, 10 P.S. § 162.8(d).

ADMINISTRATIVE FINE

c. An **ADMINISTRATIVE FINE** in the amount of **TWO-THOUSAND-FIVE-HUNDRED-DOLLARS (\$2,500.00)** is hereby levied upon Respondent.

(1) Respondent shall tender the full sum of the **ADMINISTRATIVE FINE** with the return of this executed Consent Agreement;

(2) Payment of the **ADMINISTRATIVE FINE** shall be by certified check, cashier's check, attorney's check, or money order issued by a usual, customary, and reputable issuer (e.g. U.S. Postal Money Order, Western Union Money Order, etc.).

(3) The instrument of payment shall be payable to the 'Commonwealth of Pennsylvania,' and shall be valid for a period of at least one hundred eighty (180) days.

FILING OF REGISTRATION DOCUMENTS

d. Respondent agrees that it will not provide professional fundraising counseling services with regard to the solicitation of charitable contributions in the Commonwealth of Pennsylvania without being properly registered with the Bureau in accordance with Section 162.8 of the Act, 10 P.S. § 162.8.

e. Respondent acknowledges that the failure to register and to maintain the registration with the Bureau may result in an administrative fine of \$1,000.00, and an additional penalty of \$100.00 for each day a violation continues, should professional fundraising services be provided in violation of the Act.

f. Respondent acknowledges that no subsequent registration shall be renewed until the administrative fine agreed to above is paid.

CASE SETTLED AND DISCONTINUED

g. This case shall be deemed settled and discontinued upon the Secretary issuing an Order approving and adopting this Consent Agreement and upon the Respondent's successful completion of the requirements of this Order.

h. Nothing in this Consent Agreement and 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 and Order.

ADMISSIBILITY OF CONSENT AGREEMENT IN FUTURE PROCEEDINGS

6. Respondent agrees that if Respondent is charged with a violation of an Act enforced by this Board in the future, this Consent Agreement and Order shall be admitted into evidence without objection in that proceeding.

ACKNOWLEDGMENT OF NOTICE AND WAIVER OF HEARING

7. Respondent acknowledges receipt of an Order to Show Cause filed in this matter.

8. Respondent knowingly and voluntarily waives the right to an administrative hearing in this matter, and knowingly and voluntarily waives 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 Commonwealth; to present legal arguments by means of a brief; and to take an appeal from any final adverse decision.

ACKNOWLEDGMENT OF RIGHT TO ATTORNEY

9. Respondent acknowledges that it is aware that it has the right to consult with, and be represented by, private legal counsel of Respondent's choosing and at Respondent's expense when reviewing, considering and accepting the terms of this Consent Agreement.

10. To the extent that Respondent is not represented by legal counsel, Respondent has knowingly elected to proceed in this matter without the assistance of legal counsel.

WAIVER OF CLAIM OF COMMINGLING AND OTHER CONSTITUTIONAL CLAIMS

11. Respondent expressly waives any constitutional rights and issues, such as commingling of prosecutorial and adjudicative functions by the Secretary or her counsel, which may arise or have arisen during the negotiation, preparation and/or presentation of this Consent Agreement. This paragraph is binding on the participants even if the Secretary does not approve this Consent Agreement.

NO MODIFICATION OF ORDER

12. Respondent agrees, as a condition of entering into this Consent Agreement, not to seek modification at a later date of the Stipulated Order adopting and implementing this Consent Agreement without first obtaining the express written concurrence of the Prosecution Division.

AGREEMENT NOT BINDING ON OTHER PARTIES

13. This Consent Agreement is between the Bureau and Respondent only. It does not bind any other governmental or administrative entity of the Commonwealth of Pennsylvania, including any other bureau within the Department of State.

14. The Office of General Counsel has approved this Consent Agreement as to form and legality; however, this Consent Agreement shall have no legal effect unless and until the Secretary issues an Order approving and adopting this Consent Agreement.

EFFECT OF SECRETARY'S REJECTION OF CONSENT AGREEMENT

15. 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.

AGREEMENT DOES NOT PREVENT REFERRAL TO OTHER AGENCIES

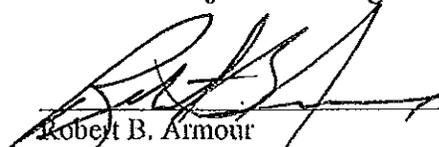
16. The parties acknowledge that other federal, state, and/or local agencies may have jurisdiction over the activities of, or representations made by, Respondent and its officers, directors, agents, employees or independent contractors. Nothing in this Consent Agreement or the Order based upon this Consent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

ENTIRE AGREEMENT

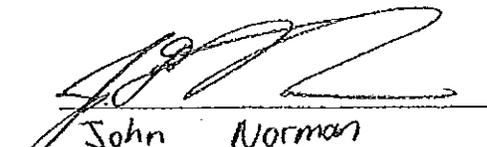
17. This agreement contains the whole agreement between the participants; provided however, that the captions printed in the various provisions of this agreement are for ease of reading only and are not to be interpreted as forming any part of this agreement. There are no other terms, obligations, covenants,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

VERIFICATION OF FACTS AND STATEMENTS

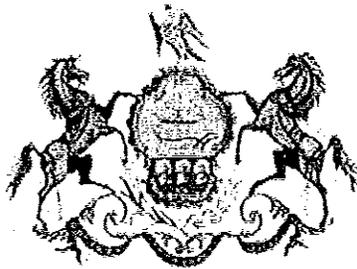
18. Respondent verifies that the facts and statements set forth in this Consent Agreement are true and correct to the best of Respondent's knowledge, information and belief. Respondent understands that statements in this Consent Agreement are made subject to the criminal penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.


Robert B. Armour
Prosecuting Attorney
Department of State

DATED: 3/5/15


John Norman
for Active Engagement, L.L.C.,
Respondent

DATED: 3/2/15



ACTIVE ENGAGEMENT, L.L.C.

DOCKET NO. 0010-98-14
FILE NO. 13-98-09942

ORDER

AND NOW, this 28 day of April 2015 the foregoing Consent Agreement is approved and the terms set forth in paragraph 5 are hereby adopted and incorporated herein as the Order of the Secretary of the Commonwealth issued in resolution of this matter.

THIS ORDER shall take effect immediately.

BY ORDER

Pedro A. Cortés

Pedro A. Cortés
Acting Secretary of the Commonwealth

For the Commonwealth:

Robert B. Armour, Esquire
2601 North Third Street
P. O. Box 69521
Harrisburg, PA 17106-9521

For the Respondent:

Charles M. Watkins, Esquire
Webster, Chamberlain & Bean, LLP
Suite 1000
1747 Pennsylvania Avenue
Washington, D.C. 20006-4693

Date of mailing:

5/1/06/15