

COPY

RECEIVED
NOV 09 2016
OFFICE OF CHIEF COUNSEL

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

Commonwealth of Pennsylvania,
Bureau of Charitable Organizations

v.

Crawford County Humane Society
Respondent

Docket No. 0022-98-16

File No. 16-98-08473

PROTHONOTARY
2016 DEC 21 PM 2:44
Department of State

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, Bureau of Corporations and Charitable Organizations ("Bureau"), and Crawford County Humane Society ("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 *et. seq.*

2. At all relevant and material times, Respondent acted as a charitable organization as defined by the Act.

3. At all relevant and material times, Respondent did not register as a charitable organization in Commonwealth of Pennsylvania or provide information that Respondent was exempt from registration under the Act.

STIPULATED FACTS

4. Respondent admits that the following allegations are true:

- a. Respondent is a domestic (Pennsylvania) non-profit corporation, entity number 83024, which incorporated on or about August 5, 1952.
- b. Respondent submitted its initial registration with the Pennsylvania Department of State's Bureau of Corporations and Charitable Organizations (hereafter referred to as 'Bureau'), which was approved on or about June 6, 1994 and expired on May 15, 1995.
- c. Respondent renewed its registration with the Bureau in 1995, and annually as required by the Act through many of the subsequent years.
- d. Specifically, Respondent's registration was approved by the Bureau for each year from 1995 through 2005.
- e. Beginning in 2006, Respondent's registration with the Bureau became deficient and irregular, which continued through 2016.
- f. Respondent submitted the required registration materials for fiscal year ends 2006 through 2010 *ex post facto*, placing its registration in a status of good standing for those years.
- g. Respondent's fiscal year end 2011 registration was deemed approved, as the Bureau did not make a determination within the ten days allowed under the Act.
- h. Respondent's fiscal year end 2011 registration expired on November 11, 2013.
- i. On or about May 26, 2016, Respondent submitted registration materials to the Bureau for its December 31, 2012 fiscal year end.
- j. The Registration and Compliance Division of the Bureau informed Respondent via letter that it was unable to retro actively register Respondent and returned the registration fee.

k. A true and correct copy of the returned check and check-off letter are attached and incorporated as **Exhibit A**.

l. On or about June 3, 2016, the Bureau's Registration and Compliance Division sent a letter informing Respondent of the various deficiencies associated with its registration, and the corrections necessary for approval.

m. A true and correct copy of the June 3, 2016 Deficiency Letter to Respondent is attached and incorporated as **Exhibit B**.

n. On or about June 15, 2016, the Bureau's Special Investigation Unit ('SIU') mailed to Respondent, a letter requesting gross national and Pennsylvania contribution amounts by year for 2012 through 2016.

o. A true and correct copy of the June 15, 2016 Investigation Letter to Respondent is attached and incorporated as **Exhibit C**.

p. On or about June 28, 2016, Respondent provided the Bureau with the requested financial information.

q. A true and accurate copy of the financial information provided by Respondent are attached and incorporated as **Exhibit D**.

r. Per the Respondent's letter, Respondent received total gross contributions as follows:

- i. \$102,319 in 2012,
- ii. \$91,250 in 2013,
- iii. \$89,854 in 2014, and
- iv. \$99,816 in 2015.

s. According to Respondent, all the above gross contributions were received from within the Commonwealth of Pennsylvania.

t. Respondent was required to be registered for fiscal year ends 2013 and 2013 as Respondent was conducting solicitation activity in this Commonwealth and was not exempt from the Act.

u. Respondent subsequently became registered for its 2014 fiscal year end, and is currently registered through November 11, 2016.

AGREED VIOLATIONS

5. Respondent admits and agrees that by engaging in the aforementioned activities, Respondent committed violations of the Act as follows:

a. Section 15(a)(1) of the Act, 10 P.S. § 162.15(a)(1), by and through actions that were not in accordance with Section 5(a), 10 P.S. § 162.5(a), by soliciting contributions in the absence of an approved registration from November 11, 2013 through July 17, 2016.

PROPOSED ORDER

6. The participants, intending to be legally bound, consent to issuance of the following Order in settlement of this matter:

a. Respondent violated the Act at Section 15(a)(1) of the Act, 10 P.S. § 162.15(a)(1), by and through actions that were not in accordance with Section 5(a), 10 P.S. § 162.5(a), by soliciting contributions in the absence of an approved registration from November 11, 2013 through July 17, 2016.

ADMINISTRATIVE PENALTIES

7. An ADMINISTRATIVE FINE of two thousand dollars (\$2,000.00) is levied upon Respondent. Respondent shall tender the full sum of two thousand dollars (\$2,000.00), with this executed Consent Agreement.

a. Payment shall be by certified check, cashier's check, attorney's check, or U.S. Postal money order.

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

c. Respondent agrees that payment will be made by one of the methods indicated in subparagraph (a) above and that payment by uncertified personal check, corporate check or cash will not be accepted.

ADDITIONAL PROVISIONS

d. Respondent shall not be allowed to renew its registration with the Bureau until the administrative fine has been remitted in full.

e. Should Respondent's registration expire prior to payment of the administrative fine Respondent shall CEASE and DESIST all manner of charitable solicitation in the Commonwealth of Pennsylvania until it has fully complied with this Agreement and the Act.

CASE SETTLED AND DISCONTINUED

8. 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 the requirements of this Order. However, 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.

ACKNOWLEDGEMENT OF NOTICE AND WAIVER OF HEARING

9. 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 the 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

10. This Consent Agreement is between the Bureau and Respondent only. It does not bind any other administrative or governmental 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

11. 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

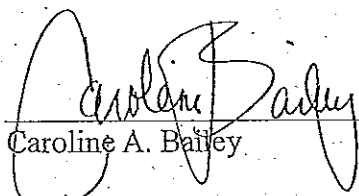
12. This Agreement contains the whole agreement between the parties; provided, however, that the captions printed in the various provisions of this agreement are for ease of reading only and are not to be interpreted as forming any part of this agreement. There are no other terms, obligations, covenants,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

AGREEMENT DOES NOT PREVENT REFERRAL TO OTHER AGENCIES

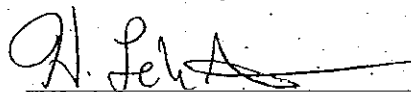
13. The parties acknowledge that other federal, state, and/or local agencies may have jurisdiction over the activities of, or representations made by, Respondent and its officers, directors, agents, employees or independent contractors. Nothing in this Consent Agreement or the Order based upon this Consent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

14. 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.



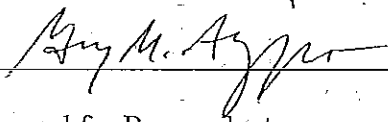
Caroline A. Bailey
Prosecuting Attorney
Department of State



Crawford County Humane Society
By: H. Kelly Stearns
Title: Ms.
Respondent

DATED: 11/8/2016

DATED:



Counsel for Respondent

DATED:



IN THE MATTER OF
Crawford County Humane Society
File No. 16-98-08473

ORDER

AND NOW, this 20th day of December 2016, the foregoing Consent Agreement is hereby approved and the terms set forth in paragraph 7 are hereby adopted and incorporated herein as the Order of the Secretary of the Commonwealth, now issued in resolution of this matter.

THIS ORDER shall take effect immediately.

BY ORDER:

A handwritten signature in cursive script that reads "Pedro A. Cortés".

Pedro A. Cortés
Secretary of the Commonwealth

For the Commonwealth:

Caroline A. Bailey, Esquire
306 North Office Building
401 North Street
Harrisburg, PA 17120

For Respondent:

Crawford County Humane Society
Attn: Leroy Stearns, President
11012 Kennedy Hill Road
Meadville, PA 16335