

b. On October 16, 2007, the Bureau made a written request for certain fiscal and operational records of Respondent.

c. Subsequently, Bureau investigators went to Respondent's location and with Respondent's full cooperation obtained the documentation requested in the October 16, 2007 written request.

d. Upon review of the records obtained, the Bureau determined that the records were deficient in several ways, including, but not limited to, a failure to keep complete and accurate staff lists during fiscal years 2005, 2006 and 2007.

e. The Bureau further determined that Respondent failed to disclose material related party transactions on both its financial and registration documents, in that it failed to report that it made significant reimbursement, rental and/or other payments to its board members during fiscal years 2005, 2006 and 2007.

f. The Bureau further determined that Respondent improperly reported its direct public support for the fiscal years 2005, 2006 and 2007 on the wrong page of its IRS Forms 990.

g. The Bureau did not find any other record-keeping or reporting deficiencies in the records obtained from Respondent.

AGREED VIOLATIONS

4. Respondent admits and agrees that the record-keeping and reporting deficiencies identified by the Bureau constitute the following violations of the Act:

a. Failing to disclose material related party transactions on

applications, statements or reports that are required to be filed under the Act, in violation of 10 P.S. § 162.17 (a)(3);

b. failing to properly report transactions between Respondent and individual members of Respondent's Board of Directors, wherein the members of the Board were vendors and/or suppliers of goods or services to Respondent, in violation of 10 P.S. § 162.5(b)(12); and

c. failing to keep true and accurate records in violation of 10 P.S. §162.12.

PROPOSED ORDER

5. 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 10 P.S. §162.17(a)(3) as described hereinabove;

b. Respondent violated the Act at 10 P.S. § 162.5 (b)(12) as described hereinabove; and

c. Respondent violated the Act at 10 P.S. § 162.12 as described hereinabove.

ADMINISTRATIVE FINE

d. An **ADMINISTRATIVE FINE** of five thousand dollars (\$5,000) is levied upon Respondent. Respondent shall tender the full sum of five thousand dollars (\$5,000), 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."

CASE SETTLED AND DISCONTINUED

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. 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 (a) not described in this Consent Agreement and Order, or (b) of which the Bureau is not aware based on its review of the records it obtained pursuant to its written request of October 16, 2007.

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 or governmental entity of the Commonwealth of Pennsylvania, including any other bureau within the Department of State. Except as otherwise noted, this Agreement, including any and all admissions, agreements or stipulations of Respondent, 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

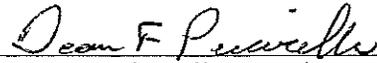
11. The parties acknowledge that other federal, state, and/or local agencies may have jurisdiction over the activities of, or representations made by, Respondent and its officers, directors, agents, employees or independent contractors. Nothing in this Consent Agreement or the Order based upon this Consent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

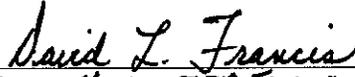
VERIFICATION OF FACTS AND STATEMENTS

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.

Next Step Foundation, Inc.



Dean F. Picarella, Esquire
Prosecuting Attorney
Department of State



By: *NEXT STEP FOUNDATION, INC.*
Title: *FOUNDER, CEO*
Respondent

DATED: 02/16/2009

DATED:



**IN THE MATTER OF
Next Step Foundation, Inc.
FILE NO. 09-98-11476**

ORDER

AND NOW, to wit, on this 17th day of February 2010, 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

Pedro A. Cortés
Secretary of the Commonwealth