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

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Department of State

Commonwealth of Pennsylvania,
Bureau of Charitable Organizations

Docket No. 0055 - 98-10

vs.

File No. 10-98-06774

John Michael Reber
Respondent

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, Bureau of Charitable Organizations ("Bureau"), and John Michael Reber, ("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.*

STIPULATED FACTS

- 2. Respondent admits that the following allegations are true:
 - a. Respondent's last known address is 3 Cedarwood Road, Reading, PA 19610.
 - b. Independence Day LTD (hereinafter "Independence Day") operates as a nonprofit organization, and is also known as the Fourth of July Committee.
 - c. Independence Day conducts business as a charitable organization as defined by the Act.

d. Between on or about 2005 through on or about 2009, Respondent served as the chairman of Independence Day.

e. At all relevant and material times, Independence Day maintained a checking account at the Diamond Credit Union.

f. At all relevant and material times, Respondent, as chairman for Independence Day, had the authority to withdraw funds and issue checks drawn on Independence Day's checking account.

g. Pursuant to Section 162.21 of the Act, Respondent is deemed a fiduciary and was acting in a fiduciary capacity Independence Day.

h. Independence Day's raised funds were to be deposited in Independence Day's bank account.

i. During the period July 2008 through March 2009, Respondent made ninety-nine (99) ATM withdrawals from Independence Day's, totaling \$15,721.20.

j. The funds misappropriated by Respondent, were used for Respondent's personal use and benefit, including purchasing lottery tickets.

k. The funds misappropriated by Respondent, were not applied in a manner consistent with Independence Day's charitable purpose.

l. Respondent has made full restitution to Independence Day as part of a Guilty Plea sentence imposed upon Respondent on April 7, 2010, by the Montgomery County Court of Common Pleas.

AGREED VIOLATIONS

3. Respondent admits and agrees that by engaging in the aforementioned activities:

a. Respondent violated the Act at 10 P.S. § 162.15(a)(1), by and through 10 P.S. § 162.13(a), in that Respondent caused Independence Day to apply contributions not consistent with their charitable purpose when he misappropriated \$15,721.20 from Independence Day for his personal use and benefit;

b. Respondent violated the Act at 10 P.S. § 162.15(a)(1), by and through 10 P.S. § 162.21, in that when Respondent, as chairman, misappropriated \$15,721.20 from Independence Day for his own use and benefit, he breached the fiduciary duty he owed to Independence Day; and

c. Respondent violated the Act at 10 P.S. 162.15(a)(2), in that when Respondent misappropriated a total of \$15,721.20 from the accounts in the name of Independence Day for his own use and benefit, he utilized unfair and deceptive acts and engaged in fraudulent conduct which created a likelihood of confusion and misunderstanding.

PROPOSED ORDER

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

a. Respondent violated the Act as set forth in Paragraph 3.

PUBLIC REPRIMAND

b. A PUBLIC REPRIMAND is hereby issued to Respondent.

ADDITIONAL PROVISIONS

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

d. Respondent shall not, either directly or indirectly, participate in any activities within the Commonwealth of Pennsylvania in violation of the Act.

e. Respondent shall not assume any position, whether voluntary or paid, in any charitable organization, which involves the solicitation, collection, or expenditure of contributions.

CASE SETTLED AND DISCONTINUED

5. 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

6. 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

7. 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

8. 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

9. 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

10. 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

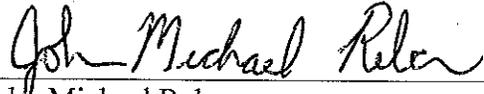
agency or governmental unit having jurisdiction over the activities of Respondent or any officer, director, agent, employee or independent contractor of the Respondent.

VERIFICATION OF FACTS AND STATEMENTS

11. 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.



Jacquelyn E. Pfirsich, Esquire
Prosecuting Attorney
Department of State



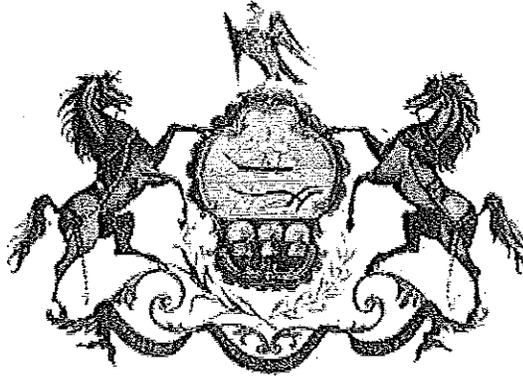
John Michael Reber
Respondent

DATED:

8/23/10

DATED:

8/18/10



IN THE MATTER OF
John Michael Reber
File No. 10-98-06774

ORDER

AND NOW, to wit, on this 25th day of August 2010, the terms of paragraph 4 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:

Basil L. Merenda
Basil L. Merenda
Acting Secretary of the Commonwealth