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

Commonwealth of Pennsylvania,
Bureau of Charitable Organizations,

v.

The Watershed Group, LLC,
Respondent

Docket No. 119-98-12
File No. 11-98-10924

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, Bureau of Charitable Organizations ("Bureau") and The Watershed Group, LLC ("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 ("Act"), 10 P.S. §§ 162.1 et. seq.

2. Respondent is a professional fundraising counsel as defined by the Act.

3. At all relevant and material times, Respondent did not hold a registration to provide professional fundraising counsel services to charitable organizations within the Commonwealth of Pennsylvania.

4. At all relevant and material times, Respondent conducted business in Pennsylvania as a professional fundraising counsel, as defined by the Act.

STIPULATED FACTS
5. Respondent admits that the following allegations are true:

   a. Respondent’s last known business address is 100 Bush Street Suite 850, San Francisco, CA 94104.

   b. Planned Parenthood Federation of America, Inc. is a charitable organization that is registered with the Bureau, certificate number 1021.

   c. The Bureau received evidence that Respondent performed professional fundraising counsel services for Planned Parenthood Federation of America, Inc. pursuant to a written contract between Respondent and Planned Parenthood Federation of America, Inc. beginning on or about August 1, 2008.

   d. At all relevant and material times, there was no approved contract on file with the Bureau between Respondent and Planned Parenthood Federation of America, Inc.

   e. Planned Parenthood Action Fund, Inc. is a charitable organization that is registered with the Bureau, certificate number 7771.

   f. The Bureau received evidence that Respondent performed professional fundraising counsel services for Planned Parenthood Action Fund, Inc. pursuant to a written contract between Respondent and Planned Parenthood Action Fund, Inc. beginning on or about August 1, 2008.

   g. At all relevant and material times, there was no approved contract on file with the Bureau between Respondent and Planned Parenthood Action Fund, Inc.

   h. The Humane Society of the United States is a charitable organization that is registered with the Bureau, certificate number 5777.

   i. The Bureau received evidence that Respondent performed professional fundraising counsel services for the Humane Society of the United States pursuant to a
written contract between Respondent and the Humane Society of the United States beginning on or about July 11, 2008.

j. The Bureau received evidence that Respondent performed professional fundraising counsel services for the Humane Society of the United States pursuant to a second written contract between Respondent and the Humane Society of the United States beginning on or about July 11, 2009.

k. At all relevant and material times, there was no approved contract on file with the Bureau between Respondent and the Humane Society of the United States.

l. Ocean Conservancy, Inc. is a charitable organization that is registered with the Bureau, certificate number 8221.

m. The Bureau received evidence that Respondent performed professional fundraising counsel services for Ocean Conservancy, Inc. pursuant to a written contract between Respondent and Ocean Conservancy, Inc. beginning on or about November 1, 2009.

n. At all relevant and material times, there was no approved contract on file with the Bureau between Respondent and Ocean Conservancy, Inc.

o. Farm Aid, Inc. is a charitable organization that is registered with the Bureau, certificate number 16007.

p. The Bureau received evidence that Respondent performed professional fundraising counsel services for Farm Aid, Inc. pursuant to a written contract between Respondent and Farm Aid, Inc. beginning on or about March 16, 2009.

q. At all relevant and material times, there was no approved contract on file with the Bureau between Respondent and Farm Aid, Inc.
r. The Student Conservation Association, Inc. is a charitable organization that is registered with the Bureau, certificate number 14593.

s. The Bureau received evidence that Respondent performed professional fundraising counsel services for The Student Conservation Association, Inc. pursuant to a written contract between Respondent and The Student Conservation Association, Inc. beginning on or about March 1, 2009.

t. At all relevant and material times, there was no approved contract on file with the Bureau between Respondent and The Student Conservation Association, Inc.

**AGREED VIOLATIONS**

6. Respondent admits and agrees that by engaging in the foregoing activities:

   a. Respondent violated the Act at 10 P.S. § 162.15(a)(1), by and through 10 P.S. § 162.8(d), by failing to file Respondent’s contract with Planned Parenthood Federation of America, Inc. with the Bureau prior to rendering professional fundraising counsel services;

   b. Respondent violated the Act at 10 P.S. § 162.15(a)(1), by and through 10 P.S. § 162.8(d), by failing to file Respondent’s contract with Planned Parenthood Action Fund, Inc. with the Bureau prior to rendering professional fundraising counsel services;

   c. Respondent repeatedly violated the Act at 10 P.S. § 162.15(a)(1), by and through 10 P.S. § 162.8(d), by failing to file Respondent’s contracts with The Humane Society of the United States with the Bureau prior to rendering professional fundraising counsel services;
d. Respondent violated the Act at 10 P.S. § 162.15(a)(1), by and through 10 P.S. § 162.8(d), by failing to file Respondent’s contract with Ocean Conservancy, Inc. with the Bureau prior to rendering professional fundraising counsel services;

e. Respondent violated the Act at 10 P.S. § 162.15(a)(1), by and through 10 P.S. § 162.8(d), by failing to file Respondent’s contract with Farm Aid, Inc. with the Bureau prior to rendering professional fundraising counsel services;

f. Respondent violated the Act at 10 P.S. § 162.15(a)(1), by and through 10 P.S. § 162.8(d), by failing to file Respondent’s contract with The Student Conservation Association, Inc. with the Bureau prior to rendering professional fundraising counsel services; and

g. Respondent repeatedly violated the Act at 10 P.S. § 162.15(a)(1), by and through 10 P.S. § 162.8(a), by providing professional fundraising counsel services prior to being registered as a professional fundraising counsel with the Bureau.

PROPOSED ORDER

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

a. Respondent repeatedly violated the Act at 10 P.S. § 162.15(a)(1), by and through §162.8(d); and

b. Respondent repeatedly violated the Act at 10 P.S. § 162.15(a)(1), by and through 10 P.S. § 162.8(a).

ADMINISTRATIVE FINE

c. An ADMINISTRATIVE FINE of fifteen thousand dollars ($15,000.00) is levied upon Respondent. Respondent shall tender the full sum of fifteen thousand dollars
($15,000.00), 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.” Respondent shall also pay any and all currently outstanding Administrative Fines levied by the Bureau’s registration unit.

**FILING OF REGISTRATION DOCUMENTS**

d. Respondent shall submit to the Bureau all documents required to initially register within fifteen (15) days of the date of the Secretary’s Order adopting this Consent Agreement. Respondent is prohibited from providing professional fundraising counseling services in Pennsylvania until such time as the Respondent becomes properly registered with the Bureau.

**FILING OF CONTRACTS**

e. Respondent shall submit to the Bureau any and all overdue contracts and campaign financial reports within thirty (30) days of the date of the Secretary’s Order adopting this Consent Agreement. In the event that the campaign reports are not filed within the required time frame, the Respondent shall pay an administrative fine of $1,000.00, and shall pay an additional penalty of $100.00 for each day during which the violation continues, in accordance with Section 162.17 of 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 any ordered discipline. This Consent Agreement resolves all issues contained in the Bureau’s Order to Show Cause filed with the Department of State Prothonotary’s Office on August 17, 2010.
ACKNOWLEDGEMENT OF NOTICE AND WAIVER OF HEARING

9. Respondent waived 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

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. 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.

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.

Jacquelyn E. Parsich
Prosecuting Attorney
Department of State

For The Watershed Group
Title:
Respondent

DATED: 3/7/12

DATED:
IN THE MATTER OF
THE WATERSHED GROUP
File No. 11-98-10924

ORDER

AND NOW, to wit, on this 7th day of March 2012, the terms of paragraph 7 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

Carol Aichele
Secretary of the Commonwealth