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

Commonwealth of Pennsylvania,  
Bureau of Charitable Organizations

vs.

Colonial Valley Enterprises, LLC  
(formerly Colonial Valley Enterprises),  
and Herbert H. Sterner, Jr.

Respondents

Docket No. 0014-98-06  
File No. 06-98-07634

DEPT OF STATE  
OFFICE OF  
THE SECRETARY

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CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, Bureau of Charitable Organizations ("Bureau"), and Colonial Valley Enterprises, LLC (formerly Colonial Valley Enterprises) and Herbert H. Sterner, Jr. ("Respondents") 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. §§ 162.1-162.24.
2. Respondents solicited charitable contributions from Pennsylvania residents.
3. At all relevant and material times, Respondents did not hold a registration to solicit charitable contributions within the Commonwealth of Pennsylvania.

STIPULATED FACTS

4. Respondents admit that the following allegations are true:

- a. At all relevant and material times until June 14, 2004, Respondent, Colonial Valley Enterprises, LLC, formerly Colonial Valley Enterprises, ("Colonial Valley"), was an unincorporated business with an address of 5932 Colonial Valley Road, Spring Grove, Pennsylvania 17362.
- b. Colonial Valley was organized as a Pennsylvania LLC on June 14, 2004.
- c. Colonial Valley operates the Colonial Valley Scream Park ("Scream Park") and Haunted Mill ("Haunted Mill").
- d. At all relevant and material times until January 2, 2005, Respondent, Herbert H. Sterner, Jr. ("H. Sterner"), owned Colonial Valley.
- e. On January 2, 2005, ownership of Colonial Valley was transferred to Timothy Sterner.
- f. H. Sterner resides at 5932 Colonial Valley Road, Spring Grove, Pennsylvania.
- g. In 2002, promotional brochures for the Scream Park and Haunted Mill represented that they contributed to the American Cancer Society, the American Red Cross, the Ronald McDonald House Charities and the Make-A-Wish Foundation and used the name and/or logo of the charities.
- h. In 2003, promotional brochures for the Scream Park and Haunted Mill represented that they contributed to the American Cancer Society, the American Red Cross and the Ronald McDonald House Charities and used the name and/or logo of the charities.
- i. In 2004, promotional brochures for the Scream Park and Haunted Mill represented that they contributed to the American Cancer Society and the American Red Cross and used the name and/or logo of the charities.

- j. In 2005, promotional brochures for the Scream Park and Haunted Mill represented that they contributed to the American Cancer Society and the American Red Cross and used the name and/or logo of the charities.
- k. In 2002, 2003 and 2005, a large banner was posted at the Scream Park and Haunted Mill indicating that the Scream Park and Haunted Mill benefits the American Cancer Society, the American Red Cross and the American Heart Association and included the name and/or logo of the charities.
- l. In 2002, 2003, 2004 and 2005, the above-referenced promotional brochures were placed at various business establishments throughout south central Pennsylvania.
- m. The American Cancer Society never authorized Respondents to use its logo or refer to it in any promotional materials.
- n. Respondents had no agreement with the American Cancer Society for the solicitation of contributions.
- o. The Ronald McDonald House Charities never authorized Respondents to use its name or refer to it in any promotional materials.
- p. Respondents had no agreement with Ronald McDonald House Charities for the solicitation of the contributions.
- q. Respondents made no contribution to the Ronald McDonald House Charities in 2002, but only made a contribution to the Ronald McDonald House in 2005.
- r. The Make-A-Wish Foundation never gave the Scream Park and Haunted Mill permission to use its name on promotional materials.

- s. Respondents had no agreement with Make-A-Wish Foundation for the solicitation of the contributions.
- t. Respondents made no contribution to the Make-A-Wish Foundation in 2002.
- u. The American Red Cross never gave the Scream Park and Haunted Mill permission to use its name or logo on promotional materials.
- v. Respondents had no agreement with the American Red Cross for solicitation of contributions.
- w. The American Heart Association never gave the Scream Park and Haunted Mill permission to use its name or logo on promotional materials.
- x. Respondents had no agreement with the American Heart Association for solicitation of contributions.
- y. Respondents made no contribution to the American Heart Association in 2002 or 2003, but only made contributions in 1998, 1999 and 2001.

#### **AGREED VIOLATIONS**

5. Respondents agree that by engaging in the foregoing activities they violated the following sections of the Act at:

a. 10 P.S. § 162.5(a)(1), by soliciting charitable contributions in the Commonwealth of Pennsylvania by the inclusion of various charities' names and logos in a promotional brochure without permission in multiple years up to and including 2005 without first being properly registered as required by 10 P.S. § 162.5(a);

b. 10 P.S. § 162.15 (a)(2) – utilizing any unfair or deceptive acts or practices or engaging in any fraudulent conduct which creates a likelihood of confusion or of misunderstanding – in that Colonial Valley represented that proceeds benefited the Ronald

McDonald House Charities (in 2002), the Make-A-Wish Foundation (in 2002) and the American Heart Association (in 2002 and 2003) when in fact they did not.

c. 10 P.S. §162.15 (a)(3) – utilizing any representation that implies the contribution is for or on behalf of a charitable organization, or utilizing any emblem, device or printed matter belonging to or associated with a charitable organization without first being authorized in writing to do so by the charitable organization – in that Respondents printed promotional materials in multiple years up to and including 2005 with the name and logo of the American Cancer Society, Ronald McDonald House Charities, Make-A-Wish Foundation, American Red Cross and American Heart Association without such organizations authorizing them to do so in writing.

d. 10 P.S. §162.15 (a)(5) – misrepresenting or misleading anyone in any manner to believe that the person on whose behalf a solicitation or charitable sales promotion is being conducted is a charitable organization or that the proceeds of such solicitation or charitable sales promotion will be used for charitable purposes when such is not the fact – in that Colonial Valley represented that proceeds benefited the Ronald McDonald House Charities (in 2002), Make-A-Wish Foundation (in 2002) and the American Heart Association (in 2002 and 2003) when in fact they did not.

f. 10 P.S. §162.15 (a)(6) – misrepresenting or misleading anyone in any manner to believe that any other person sponsors, endorses or approves such solicitation or charitable sales promotion when such other person has not given consent in writing to use its name for these purposes – in that Respondents' brochures displaying the name and/or logo of the American Cancer Society, Ronald McDonald House Charities, Make-A-Wish Foundation, American Red Cross and American Heart Association misrepresented that

such organizations had authorized the use of their name and/or logo when in fact they did not.

g. 10 P.S. §162.15 (a)(12) – representing that any part of the contributions received will be given or donated to any other charitable organization unless such organization has consented to the use of its name prior to the solicitation, through a written consent signed by any two authorized officers, directors or trustees of the charitable organization – in that Colonial Valley represented that donations would be made to the American Cancer Society, Ronald McDonald House Charities, Make-A-Wish Foundation, American Red Cross and American Heart Association when Colonial Valley had no written authorization to use the American Cancer Society's name in brochures promoting the Scream Park and Haunted Mill.

#### **PROPOSED ORDER**

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

a. Respondents violated the Act at 10 P.S. § 162.15(a)(1); 10 P.S. § 162.15(a)(2); 10 P.S. § 162.15(a)(3); 10 P.S. § 162.15(a)(5); 10 P.S. § 162.15(a)(6); and 10 P.S. § 162.15(a)(12).

#### **ADMINISTRATIVE FINE**

b. An **ADMINISTRATIVE FINE** of seven thousand dollars five hundred dollars (\$7,500.00) is levied upon Respondent. Respondent shall tender the full sum of seven thousand dollars five hundred dollars (\$7,500.00), with this executed Consent Agreement which shall be paid by **certified check, cashiers check, attorney's check, or U.S. Postal money order made payable to the "Commonwealth of Pennsylvania."**

### REGISTRATION

c. Respondent is prohibited from soliciting contributions in Pennsylvania until such time as the Respondent becomes properly registered with the Bureau. Should Respondents desire to use the name of any charity on its promotional materials in the future, Respondent shall comply with all of the requirements of the Act prior to doing so AND notify the Bureau prior to distributing any such promotional materials.

### CASE SETTLED AND DISCONTINUED

7. This case shall be deemed settled and discontinued upon the Secretary issuing an Order adopting this Consent Agreement and the Respondents' successful completion of any ordered discipline. However, nothing in this Consent Agreement and Order shall preclude the Prosecution 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

8. 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

9. This Consent Agreement is between the Bureau and Respondent only. It does not bind any other administrative 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**

10. 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**

11. 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**

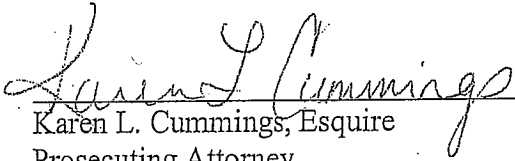
12. The parties acknowledge that other federal, state, and/or local agencies may have jurisdiction over the activities of, or representations made by, Respondent and its officers, directors, agents, employees or independent contractors. Nothing in this Consent Agreement or the Order based upon this Consent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



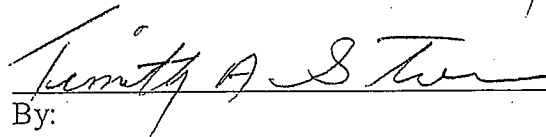
VERIFICATION OF FACTS AND STATEMENTS

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

Colonial Valley Enterprises, LLC

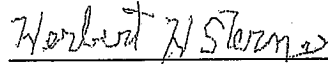
  
\_\_\_\_\_  
Karen L. Cummings, Esquire  
Prosecuting Attorney  
Department of State

DATED: 2/23/07


1/31/07  
  
\_\_\_\_\_  
By:  
Title:  
Respondent

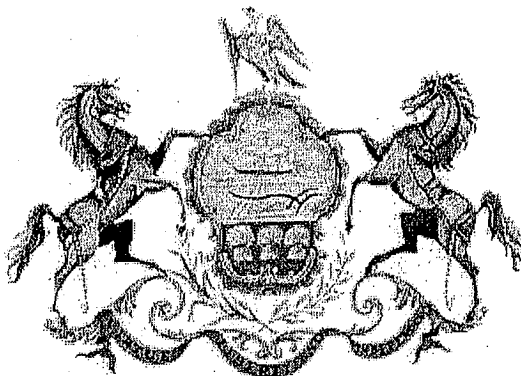
DATED:

Herbert H. Sterner, Jr.

  
\_\_\_\_\_  
By:  
Title:  
Respondent

DATED: 8-2-07

  
\_\_\_\_\_  
Attorney for Respondent:  
David Schaumann, Esquire  
Griest, Himes, Herrold, Schaumann, LLP  
129 East Market Street  
York, PA 17401  
(717) 846-8856



**IN THE MATTER OF**

**Colonial Valley Enterprises, LLC (formerly Colonial Valley Enterprises),  
and Herbert H. Sterner, Jr.**

**FILE NO. 06-98-07634**

**ORDER**

AND NOW, to wit, on this 26<sup>th</sup> day of February 2007, the terms of paragraph 6 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