

- c. Cycling For Life conducted business as a charitable organization as defined by the Act; Cycling For Life is not registered with the Bureau.
- d. At all relevant and material times, Respondent was the founder and president of Cycling For Life.
- e. At all relevant and material times, Respondent, as president for Cycling For Life, had the authority to withdraw funds and make purchases with a debit/credit card, and issue checks, drawn on Cycling For Life bank account.
- f. Pursuant to Section 162.21 of the Act, Respondent is deemed a fiduciary and acting in a fiduciary capacity for Cycling For Life.
- g. At all relevant and material times, Cycling For Life maintained a checking account at Commerce Bank/Harrisburg N.A.
- h. At all relevant and material times, Respondent organized and conducted fundraising events for Cycling For Life. Proceeds from said fundraising events were to be deposited into the Cycling For Life bank account, and later donated to The Four Diamonds Fund, Penn State Milton S. Hershey Medical Center in Hershey, PA.
- i. During the period of February 2005 through October 2006, Respondent misappropriated \$5,929.17 in fundraising proceeds from the Cycling For Life bank account.
- j. The misappropriation of funds identified in this Consent Agreement was for Respondent's personal use and benefit.
- k. The funds identified in this Consent Agreement were not applied in a manner consistent with Cycling For Life's charitable purpose.

1. The funds identified in this Consent Agreement were diverted from The Four Diamonds Fund, the intended beneficiary of the funds.

m. Cycling For Life has ceased operations in Pennsylvania.

VIOLATIONS

3. Respondent agrees that by engaging in the foregoing activities Respondent committed multiple violations of the Act as follows:

a. 10 P.S. § 162.15(a)(2), in that when Respondent misappropriated a total of \$5,929.17 from the account in the name of Cycling For Life, for his personal use and benefit, he utilized unfair and deceptive acts and engaged in fraudulent conduct which created a likelihood of confusion or of misunderstanding.

b. 10 P.S. § 162.15(a)(1), by and through § 162.13(a), in that when Respondent misappropriated a total of \$5,929.17 from the account in the name of Cycling For Life, for his personal use and benefit, he caused Cycling For Life to apply contributions in a manner not consistent with Cycling For Life's charitable purpose;

c. 10 P.S. § 162.15(a)(1), by and through § 162.21, in that when Respondent misappropriated a total of \$5,929.17 from the account in the name of Cycling For Life, for his personal use and benefit, he breached the fiduciary duty he owed to Cycling For Life.

PROPOSED ORDER

4. 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. § 162.15(a)(2); § 162.15(a)(1), by and through § 162.13(a); and § 162.15(a)(1), by and through § 162.21.

PUBLIC REPRIMAND

b. A **PUBLIC REPRIMAND** is hereby issued to Respondent.

COOPERATION WITH LANCASTER COUNTY DISTRICT ATTORNEY

c. Respondent shall fully cooperate with the Lancaster County District Attorney's Office in its efforts to achieve full restitution to The Four Diamonds Fund.

ADDITIONAL PROVISIONS

d. 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.

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

f. 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 any ordered discipline.

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 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

7. 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

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

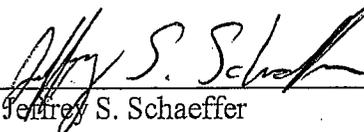
10. The parties acknowledge that other federal, state, and/or local agencies may have jurisdiction over the activities of, or representations made by, Respondent. Nothing in this Consent Agreement or the Order based upon this Consent Agreement shall preclude representatives of the Bureau from referring 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

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.



Dean F. Picarella
Prosecuting Attorney
Department of State



Jeffrey S. Schaeffer
Respondent

DATED: 09/22/2008

DATED: 18 Sep 2008



**IN THE MATTER OF
Jeffrey S. Schaeffer
File No. 08-98-08674**

ORDER

AND NOW, to wit, on this 1st day of October 2008, 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

Pedro A. Cortés

Pedro A. Cortés
Secretary of the Commonwealth