

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

PROTESTANTARY
2002 APR 22 03:11:50
Department of State

Commonwealth of Pennsylvania,
Bureau of Charitable Organizations,

vs.

Last Chance for Animals,
Respondent.

:
:
:
: Docket No. 0046 -98-02
: File No. 02-98-01190
:
:

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, Bureau of Charitable Organizations ("Bureau") and Last Chance for Animals ("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. §§162.1-162.24.
2. At all relevant and material times, Respondent did not hold a registration to solicit charitable contributions within the Commonwealth of Pennsylvania.

STIPULATED FACTS

3. The Respondent admits that the following allegations are true:
 - a. Respondent's last known business address, as on file with the Department of State, is 8949 Sunset Boulevard, Los Angeles, CA 90046.
 - b. On June 4, 1998, the Bureau received evidence that Respondent was

soliciting charitable contributions from Pennsylvania residents. The solicitation material was dated April 1998.

c. By letter dated June 15, 1998, the Bureau informed Respondent of its registration obligations under the Act and provided Respondent with an application packet to register as a charitable organization in the Commonwealth of Pennsylvania.

A true and correct copy of this letter is attached as **Exhibit "1"** and incorporated by reference.

d. Respondent did not respond to the Bureau's June 15, 1998 letter.

e. In August 1998, the Bureau received additional evidence that Respondent was soliciting charitable contributions from Pennsylvania residents. The solicitation material was dated April 1998.

f. By letter dated March 25, 1999, the Bureau again informed Respondent of its registration obligations under the Act, and asked Respondent to either register or provide evidence that it was exempt or excluded from registration requirements. A true and correct copy of this letter is attached as **Exhibit "2"** and incorporated by reference.

g. On July 7, 1999, the Bureau assessed an administrative fine of \$1000.00 against Respondent for failure to comply with the registration requirements of the Act. To date, Respondent has not paid any portion of this administrative fine.

h. Following the Bureau's March 25, 1999 letter, Respondent failed to register with the Bureau, so on May 4, 2000, the Secretary of the Commonwealth issued a Cease and Desist Order, prohibiting Respondent from soliciting

contributions in Pennsylvania until it had registered or had provided information requested by the Bureau. A true and correct copy of the Cease and Desist Order is attached as **Exhibit "3"** and incorporated by reference.

i. On June 2, 2000 the Bureau served on Respondent an Investigative Subpoena to obtain information relating to Respondent's activities in Pennsylvania. A true and correct copy of the Investigative Subpoena is attached as **Exhibit "4"** and incorporated by reference.

j. On August 3, 2000, the Bureau served on Respondent a second Investigative Subpoena. A true and correct copy of the Investigative Subpoena is attached as **Exhibit "5"** and incorporated by reference.

k. A representative of the Bureau personally served a copy of the August 3, 2000 Investigative Subpoena on an individual at Respondent's last known business address on October 10, 2000. A true and correct copy of the Affidavit of Service is attached as **Exhibit "6"** and incorporated by reference.

l. Respondent failed to comply with any of the Investigative Subpoenas.

AGREED VIOLATIONS

4. Respondent agrees that by engaging in the foregoing activities, it violated the following provisions of the Act:

a. 10 P.S. §162.15(a)(1) by soliciting charitable contributions in the Commonwealth of Pennsylvania in 1998 without being properly registered under the Act.

b. 10 P.S. §162.16(f) by failing to comply with the Investigative Subpoenas issued in this case.

PROPOSED ORDER

5. The parties 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)(1) and 162.16(f).
 - b. Respondent shall register with the Bureau prior to the commencement of any charitable solicitations in Pennsylvania, and shall otherwise comply with the requirements of the Act.
 - c. Respondent shall pay the \$1000.00 administrative fine previously assessed against it by the Bureau in July 1999 before attempting to register with the Bureau.
 - d. Respondent shall fully comply with the Investigative Subpoenas issued in this case and supply the Bureau with all of the information requested within sixty (60) days of the effective date of this Order.
 - e. Respondent shall not represent directly or indirectly that by this Consent Agreement, the Attorney General or Bureau of Charitable Organizations has sanctioned, condoned or approved any part or aspect of Respondent's activities.
 - f. Respondent is permanently enjoined from directly or indirectly participating in any activities within the Commonwealth of Pennsylvania in violation of the Act.

VIOLATION OF THE SECRETARY'S ORDER

- g. Notification of a violation of the terms or conditions of this Consent Agreement and Order shall result in the imposition of additional penalties as follows:
 - (1) The prosecuting attorney for the Bureau shall file with

the Secretary a Petition which indicates that Respondent has violated the terms or conditions of this Consent Agreement and Order.

(2) Upon a probable cause determination that Respondent has violated the terms and conditions of this Consent Agreement and Order, the Secretary, or her designee, shall, without holding a formal hearing, issue a Preliminary Order, effective thirty (30) days after its mailing, which imposes a sixty (60) day period of suspension on Respondent's registration to solicit charitable contributions.

(3) Respondent shall be notified of the Preliminary Order within three (3) days of its issuance by certified mail and first class mail postage prepaid, sent to the last registered address on file with the Bureau, together with a copy to Respondent's attorneys by facsimile or first class mail.

(4) Within fifteen (15) days of mailing of the notification of the Preliminary Order, Respondent may answer the Commonwealth's petition, request that a formal hearing be convened concerning Respondent's alleged violation of the conditions of probation, and move that the period of suspension be stayed until the Secretary or her designee issues a final order. Respondent shall file all answers and subsequent filings with the Prothonotary for the Department of State, 124 Pine Street, Suite 200, Harrisburg, PA 17101. Respondent shall serve the prosecuting attorney for the

Bureau with a copy of the answer and all subsequent filings in this matter.

(5) If the Respondent moves for a stay of the period of suspension, Respondent shall set forth properly verified facts and/or state concisely the matter of law which the Respondent believes justifies a stay of the period of suspension. The Secretary or her designee shall issue a ruling on the Respondent's motion within fifteen (15) days from the date of the mailing of the notification of the Preliminary Order. If the Secretary or her designee makes no ruling on the Respondent's motion within the fifteen (15) days from mailing of the notification of the Preliminary Order, the Respondent's motion shall be deemed denied.

(6) If a request for a formal hearing is received from Respondent a formal hearing shall be convened within forty-five (45) days from the date of filing of Respondent's request for a formal hearing.

(7) The facts and averments in this Consent Agreement and Order shall be deemed admitted and uncontested at this hearing.

(8) If the Secretary, or her designee, after such hearing makes a determination adverse to Respondent, the Secretary or her designee will issue a Final Order imposing any disciplinary measures she deems appropriate. The Secretary or her designee may, but is not

required to, take into account any period of active suspension already served by the Respondent pursuant to the Preliminary Order.

(9) If a request for a formal hearing is not received from Respondent within the prescribed fifteen (15) day period, the Preliminary Order shall become a Final Order.

(10) If the period of probation is terminated, Respondent shall still comply with all terms and conditions of probation during any active period of suspension, other than those terms and conditions pertaining to the active solicitation of funds for charitable purposes. Continued failure by Respondent to comply with the unaffected terms and conditions of shall result in further disciplinary action against Respondent.

(11) Nothing in this 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; provided, however, the Bureau agrees to not re-open its investigation as of the date of this Consent Agreement and Order unless the Bureau becomes aware of material facts or omission of material facts which have previously not been disclosed to it and would give it probable cause that other violations existed during such period of time which it failed to uncover in its previous investigation.

g. This case shall be deemed settled and discontinued upon the Secretary issuing an Order adopting of this Consent Agreement and the Respondent's successful completion of any ordered discipline.

ACKNOWLEDGMENT 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; the right 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

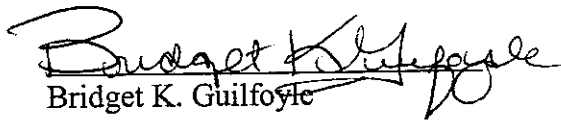
9. This agreement contains the whole agreement between the parties; provided however, that the captions printed in the various provisions of this agreement are for ease of reading only and are not to be interpreted as forming any part of this agreement. There are no other terms, obligations, covenants, 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 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.A. §4904 relating to unsworn falsification to authorities.



Bridget K. Guilfoyle
Prosecuting Attorney
Bureau of Charitable Organizations

DATED: 04/15/02



for Last Chance for Animals,
Respondent

DATED: 3/20/02



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE

June 15, 1998

OFFICE OF THE
SECRETARY OF THE COMMONWEALTH

CERTIFIED MAIL #P 482 103 248
RETURN RECEIPT REQUESTED

BUREAU OF CHARITABLE ORGANIZATIONS
P.O BOX 8723
HARRISBURG, PA 17105
or
124 PINE STREET, 3RD FLOOR
HARRISBURG, PA 17101
717-783-1720
1-800-732-0999

Chris DeRose
Last Chance for Animals
8033 Sunset Boulevard, Suite 35
Los Angeles, CA 90046

RE: 98-207

Dear Mr. DeRose:

The Pennsylvania Bureau of Charitable Organizations has received evidence that your organization is soliciting contributions in Pennsylvania. The Solicitation of Funds for Charitable Purposes Act, 10 P. S. § 162.1 *et seq.*, requires organizations soliciting contributions in Pennsylvania to register with the Bureau unless they are specifically excluded or exempted from the Act's requirements.

Consequently, I am enclosing a registration packet so that your organization can become properly registered or provide the Bureau with evidence that it is either excluded or exempted from the Act's requirements.

Because Section 17 (b)(3) of the Act, 10 P. S. § 162.17 (b)(3), authorizes the Bureau to impose fines of up to \$1,000 per violation and additional penalties of up to \$100 per day, I urge you to give this matter your immediate attention. By doing so, you can avoid having this matter forwarded to the Office of Attorney General for appropriate legal action.

Please contact Connie Martin if you have any questions or need assistance completing the enclosed registration materials. If you have any questions concerning the evidence the Bureau has received regarding your organization, please contact either me or Special Investigator Christopher A. Lupp.

I look forward to your prompt cooperation and thank you in advance for your time and attention.

Sincerely,

Karl E. Emerson
Director

Enclosure

cc: Mary Beth O'Hara Osborne, Acting Chief Deputy Attorney General





COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE

March 25, 1999

OFFICE OF THE
SECRETARY OF THE COMMONWEALTH

BUREAU OF CHARITABLE ORGANIZATIONS
P.O. BOX 8723
HARRISBURG, PA 17105
or
124 PINE STREET, 3RD FLOOR
HARRISBURG, PA 17101
717-783-1720
1-800-732-0999

CERTIFIED MAIL #Z 233 139 352
RETURN RECEIPT REQUESTED

Ilsa Baca
Last Chance for Animals
8033 Sunset Boulevard, Suite 35
Los Angeles, CA 90046

RE: 98-207

Dear Ms. Baca:

As per our telephone conversation earlier today, I have enclosed another registration application for your organization.

Please return the completed application as soon as possible along with your organization's financial information.

Please contact the Bureau if you have any questions or need assistance completing the enclosed registration materials.

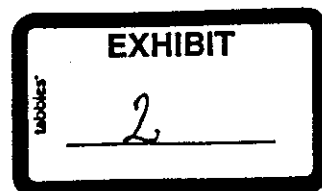
Thank you for your prompt attention to this request.

Sincerely,

Christopher A. Lupp
Special Investigator

Attachment

cc: Mary Beth O'Hara Osborne, Chief Deputy Attorney General





COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
HARRISBURG, PENNSYLVANIA
17120

SECRETARY OF THE COMMONWEALTH

CERTIFIED MAIL #Z 233 146 477
RETURN RECEIPT REQUESTED

IN THE MATTER OF: LAST CHANCE FOR ANIMALS

ORDER

AND NOW, THIS 4TH DAY OF MAY, 2000, THE SECRETARY OF THE COMMONWEALTH HAVING FOUND THAT LAST CHANCE FOR ANIMALS, HAS FAILED TO RESPOND TO THE BUREAU'S REQUEST FOR INFORMATION, AND HAS SOLICITED CONTRIBUTIONS IN PENNSYLVANIA WITHOUT SUBMITTING SOLICITATION CAMPAIGN FINANCIAL REPORTS; IN ACCORDANCE WITH THE SOLICITATION OF FUNDS FOR CHARITABLE PURPOSES ACT, 10 P.S. § 162.1 *ET SEQ.*, HEREBY ORDERS LAST CHANCE FOR ANIMALS TO CEASE AND DESIST FROM SOLICITING CONTRIBUTIONS IN PENNSYLVANIA UNTIL SUCH TIME AS LAST CHANCE FOR ANIMALS PROVIDES THE BUREAU WITH THE REQUESTED INFORMATION. THIS ORDER SHALL TAKE EFFECT IMMEDIATELY.

BY ORDER:
DEPARTMENT OF STATE


KIM PIZZINGRILLI
SECRETARY OF THE COMMONWEALTH

THIS ORDER MAY BE APPEALED BY REQUESTING A HEARING, IN WRITING, WITHIN TEN DAYS OF THE DATE OF THIS ORDER IN ACCORDANCE WITH 2 PA. C. S. § 501 *ET SEQ.* THE REQUEST MUST BE SENT TO: THE BUREAU OF CHARITABLE ORGANIZATIONS, 3RD FLOOR, 124 PINE STREET, HARRISBURG, PA 17101.

EXHIBIT
3



Commonwealth of Pennsylvania
Department of State
Bureau of Charitable Organizations
P.O. Box 8723
Harrisburg, Pennsylvania 17105-2649

INVESTIGATIVE SUBPOENA

CERTIFIED MAIL # P 482 105 402
RETURN RECEIPT REQUESTED

To: Ilsa Baca
Last Chance for Animals
8033 Sunset Boulevard, Suite 35
Los Angeles, CA 90046

GREETINGS:

In accordance to the Solicitation of Funds for Charitable Purposes Act,
10 P.S. § 162.1 *et seq.*:

You are hereby commanded, setting aside all manner of business and
excuses whatsoever, to immediately produce and tender to Doreen A. Harr, a
Special Investigator with the Bureau, by ~~June 16, 2000~~, the identified documents,
which are relevant to the above matter presently under investigation and
undetermined before the Bureau of Charitable Organizations:


1. The date Last Chance for Animals began soliciting Pennsylvania residents, and the date (if applicable) solicitation ceased;
2. A listing of all Pennsylvania residents solicited;
3. The total amount contributed to Last Chance for Animals by Pennsylvania residents;
4. The names, addresses and copies of contracts with any professional solicitors and/or professional fundraising counsels used by Last Chance for Animals to solicit in Pennsylvania;
5. A copy of Last Chance for Animals most recent IRS Form 990;




And this you are not to omit under penalty which may ensure.

WITNESS my hand and the official seal of the Secretary of the Commonwealth this 2nd day of June, 2000.





Director, Bureau of Charitable Organizations



Counsel



Commonwealth of Pennsylvania
Department of State
Bureau of Charitable Organizations
P.O. Box 8723
Harrisburg, Pennsylvania 17105-2649

INVESTIGATIVE SUBPOENA

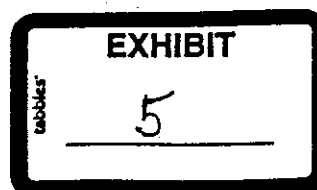
To: Ilsa Baca
Last Chance for Animals
8033 Sunset Boulevard, Suite 35
Los Angeles, CA 90046

GREETINGS:

. In accordance with the Pennsylvania Solicitation of Funds for Charitable Purposes Act, 10 P.S. § 162.1 et seq.:

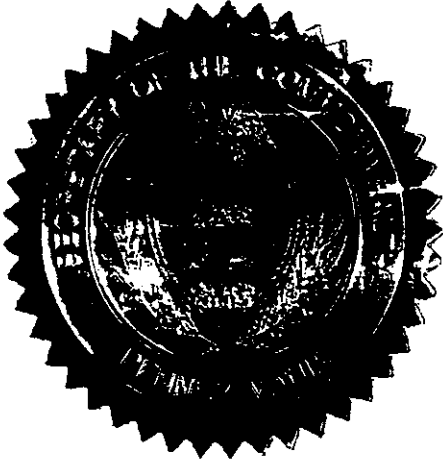
You are hereby commanded, setting aside all manner of business and excuses whatsoever, to produce and tender to Special Investigator Doreen Harr by August 21, 2000 the identified documents, which are relevant to the above matter presently under investigation and undetermined before the Bureau of Charitable Organizations:

1. The date Last Chance for Animals began soliciting Pennsylvania residents, and the date (if applicable) solicitation ceased;
2. A listing of all Pennsylvania residents solicited;
3. The total amount contributed to Last Chance for Animals by Pennsylvania residents;
4. The names, addresses and copies of contracts with any professional solicitors and/or professional fundraising counsels used by Last Chance for Animals to solicit in Pennsylvania;
5. A copy of Last Chance for Animals' most recent IRS Form 990;



And this you are not to omit under penalty which may ensure.

WITNESS my hand and the official seal of the Secretary of the Commonwealth this 3rd day of August, 2000.



Karl [Signature]

Director, Bureau of Charitable
Organizations

[Signature]

Counsel

AFFIDAVIT OF SERVICE

I, Edward Shevenock Jr., do hereby depose and affirm that I am a duly authorized agent of the Pennsylvania Department of State, Bureau of Charitable Organizations, and an individual over the age of twenty-one (21) years, and that on the 10th day of October, 2000, at 1:40 (P.M, PST), I personally served a true and correct copy of the attached Investigative Subpoena in the matter of Last Chance for Animals by leaving the letter with an employee of MAIL BOXES ETC, 8033 W. Sunset Blvd., Hollywood. CA 90046. The employee stated that the letter would be placed in organizations mailbox for them to pick up.

I understand that this Affidavit is made subject to 18 Pa. C.S. § 4903 relating to sworn falsifications to authorities.

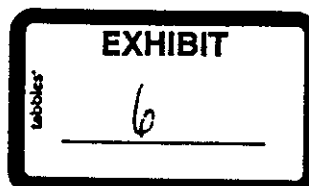
Edward Shevenock Jr.
Name
Chief - Special Investigator Unit
Title
October 20, 2000
Date

Sworn to and subscribed before me
this 20th day of
October, 2000.

Bernadette A. Scott
Notary Public (seal)

Notarial Seal
Bernadette A. Scott, Notary Public
Derry Twp., Dauphin County
My Commission Expires Jan 19, 2002

Member, Pennsylvania Association of Notaries





**IN THE MATTER OF THE SOLICITATION OF
FUNDS FOR CHARITABLE PURPOSES BY
LAST CHANCE FOR ANIMALS,
FILE NO. 02-98-01190**

ORDER

AND NOW, to wit, on this 18th day of April 2002, 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

A handwritten signature in black ink, appearing to read "C. Michael Weaver", written over a horizontal line.

C. Michael Weaver
Acting Secretary of the Commonwealth