The Commonwealth of Pennsylvania, Bureau of Charitable Organizations ("Bureau") and Reach Our Children, Inc. ("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, an Act of December 19, 1990, P.L. 1200, No. 202, as amended ("Act"), 10 P.S. §§ 162.1-162.24.

2. Respondent solicited charitable contributions from Pennsylvania residents.

3. At all relevant and material times after November 11, 2002, Respondent was not registered to solicit charitable contributions within the Commonwealth of Pennsylvania. Respondent previously held a registration to solicit charitable contributions within the Commonwealth of Pennsylvania (registration number 13250) which expired November 11, 2002 and was not renewed thereafter.
FACtS

4. Respondent admits to the following facts:

   a. Respondent’s last known mailing address, as on file with the Pennsylvania Department of State, is 12166 Old Big Bend, Suite 100, St. Louis, Missouri 63122.

   b. On November 11, 2002, Respondent’s registration with the Bureau expired.

   c. Thereafter, the Bureau received evidence that Respondent was soliciting charitable contributions in Pennsylvania without being properly registered.

   d. From November 15, 2002 to June 30, 2003, Respondent solicited contributions in Pennsylvania without being registered by forwarding solicitations via direct mail to 4,645 Pennsylvania addresses.

   e. On January 6, 2003, a Cease and Desist Order was entered by the Secretary of the Commonwealth, directing that Respondent cease and desist soliciting charitable contributions in Pennsylvania until such time that Respondent becomes duly registered.

   i. Thereafter, Respondent repeatedly assured the Bureau that it was not soliciting contributions in the Commonwealth of Pennsylvania.

   h. Contrary to Respondent’s assurances, from January 6, 2003, through February 16, 2006, Respondent continued to solicit contributions in Pennsylvania without being registered and in violation of the Cease and Desist
Order, by forwarding solicitations via direct mail to more than 79,000 Pennsylvania addresses.

i. The solicitations contained the disclosure statement pursuant to 10 P.S. § 162.13(c), stating that Respondent was registered in Pennsylvania when, in fact, it was not.

j. On Respondent's Internal Revenue Service Form 990 for fiscal year ending December 31, 2003, Respondent stated that it had filed a copy of its Form 990 in Pennsylvania when, in fact, it had not.

k. Precision Performance Marketing, Inc. ("PPM") is a professional fundraising counsel registered with the Bureau, registration number 29874.

l. In October 2003, PPM submitted to the Bureau an "Agreement" between PPM and Respondent.

m. The "Agreement" was not approved by the Bureau because Respondent was not registered with the Bureau.

n. Respondent's Form 990 for fiscal years ending December 31, 2003 and 2004, identify PPM as an independent contractor for the relevant years.

o. At all times relevant to the above, David Lovell was president of Respondent. However, David Lovell has not been president of Respondent since March 17, 2006.

p. Nancy Lovell is vice president of PPM.

q. David Lovell and Nancy Lovell are married and have been since at least 2003.
AGREED VIOLATIONS

5. Respondent agrees that by engaging in the aforementioned activities it committed multiple violations of the Act by:

   a. Soliciting charitable contributions in Pennsylvania while under a Cease and Desist Order, in violation of 10 P.S. § 162.15(a)(1), by and through 10 P.S. § 162.17(a)(1);

   b. Soliciting charitable contributions in Pennsylvania after its registration had expired, in violation of 10 P.S. § 162.15(a)(1), by and through 10 P.S. § 162.5; and

   c. Printing the disclosure statement on its solicitations and fraudulently misrepresenting that Respondent was registered to solicit charitable contributions in Pennsylvania so as to create a likelihood of confusion, in violation of 10 P.S. § 162.15(a)(2).

PROPOSED ORDER

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

VIOLATION

a. Respondent violated the Act at 10 P.S. § 162.15(a)(1), by and through § 162.17(a)(1) and § 162.5; and Respondent violated the Act at 10 P.S § 162.15(a)(2).

ADMINISTRATIVE FINE

b. An administrative fine of seven thousand five hundred dollars
($7,500.00) is levied upon Respondent. Respondent shall tender the full sum of seven thousand five hundred dollars ($7,500.00) 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."

**COMPLIANCE WITH ACT**

c. Respondent shall cease all solicitation in Pennsylvania and not commence solicitation unless and until it has an approved registration statement on file with the Bureau.

**ACTIONS ON OTHER VIOLATIONS NOT PRECLUDED**

d. 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.

**CASE SETTLED AND DISCONTINUED**

e. 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 or remedial measures and payment of any administrative fines.

**ACKNOWLEDGEMENT OF NOTICE AND WAIVER OF HEARING**

7. 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 orally or through submission of a brief, and to take appeal from any final adverse decision.

**AGREEMENT NOT BINDING ON OTHER PARTIES**

8. 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 Consent Agreement is to have no legal effect if the Office of General Counsel objects to the Consent Agreement's form or legality unless and until the Secretary issues the stipulated Order.

**EFFECT OF SECRETARY'S REJECTION**

9. Should the Secretary decide not to 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**

10. This Consent Agreement contains the entire agreement between the parties. The paragraph headings are for identification purposes 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 of any kind whatsoever concerning this Agreement.
AGREEMENT DOES NOT PREVENT REFERRAL TO OTHER AGENCIES

11. The parties acknowledge that other federal, state and/or local agencies or governmental units 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 and Order shall preclude representatives of the Bureau from referring any information or data produced as a result of this matter to any federal, state, and/or local agency or governmental unit having jurisdiction over the activities of Respondent or any officers, directors, agents, employees, or independent contractor of the Respondent.

VERIFICATION OF FACTS AND STATEMENTS

12. Respondent verifies that the facts and statements set forth in this Consent Agreement are true and correct to the best of Respondent’s knowledge, information, and belief. Respondent understands that statements in this Consent Agreement are made subject to the criminal penalties of 18 Pa.C.S.A. § 4904 relating to unsworn falsification to authorities.

REACH OUR CHILDREN, INC.

Dean F. Picarella
Prosecuting Attorney
Department of State
Date: 07/25/2008

By: 
Title: Pres & CEO
Respondent
Date: 07/14/2008
IN THE MATTER OF
REACH OUR CHILDREN, INC.
FILE NO: 05-98-08654

ORDER

AND NOW, this 31 day of July, 2008, 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. The Order shall take effect immediately.

By:

[Signature]
Thomas J. Weaver, Executive Deputy Secretary of the Commonwealth on behalf of the Secretary of the Commonwealth