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

Department of State  
Prothonotary

<b>Commonwealth of Pennsylvania,</b>	:	
<b>Bureau of Corporations and</b>	:	
<b>Charitable Organizations</b>	:	
	:	
v.	:	<b>File No. 20-98-013515</b>
	:	
<b>Potomac Appalachian Trail Club</b>	:	
<b>Respondent</b>	:	

**CONSENT AGREEMENT AND ORDER**

The Commonwealth of Pennsylvania, Bureau of Corporations and Charitable Organizations ("Bureau"), by and through its undersigned prosecuting attorney, Michael J. Gennett and Potomac Appalachian Trail Club, ("Respondent"), stipulate as follows in settlement of the above-captioned matter:

**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 *et. seq.*

2. At all relevant and material times, Respondent acted as a charitable organization as defined by the Act.

**STIPULATED FACTS**

3. Respondent's last known address on file with the Bureau is 118 Park Street, SE, Vienna, VA 22180.

4. Respondent operated as an unregistered charitable organization in Pennsylvania from November 11, 2008 through November 12, 2020.

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5. Summary of Charitable Mission in Pennsylvania.

Respondent's charitable work during the past 12 years (November 2008 through November 2020) in Pennsylvania has consisted of the following major activities:

- a. Provided approximately 45,000 volunteer hours with an estimated value of over \$1 million to maintain 170 miles of the Appalachian and Tuscarora trails, 150 miles of which are located on lands owned by agencies of the Commonwealth of Pennsylvania, and to maintain trail shelters.
- b. Operated under lease and maintained for public use three cabins in the Michaux State Forest;
- c. Provided 40 volunteers who worked more than 3,200 hours at the behest of agencies of the Commonwealth of Pennsylvania between 2013 and 2019 to conduct 201 GPS surveys on the Pennsylvania State Game Lands in the Michaux State Forest, Buchanan State Forest, and Tuscarora State Forest;
- d. Invested more than \$700,000 to acquire nine properties covering about 276 acres to protect the Tuscarora Trail.

6. Mitigating Facts.

- a. Respondent did not intend nor willfully attempt to evade the required registration. Respondent experienced significant staff and board officer turnover that contributed to the lapse in registration.
- b. Respondent realized it had a duty to register in 2020 when it enlisted a fundraising counsel's services. Respondent took immediate action on its initiative to submit the required registration application.

- c. The Respondent has since initiated the development of a management plan to avoid a recurrence of the registration lapse contributing to the violation.

7. Respondent is currently registered as a charitable organization with the Department of State, Bureau of Corporations and Charitable Organizations (Bureau) and holds certificate number 29842.

8. Respondent engaged in charitable activities in Pennsylvania, even though Respondent was not exempt from registration under 10 P.S. § 162.6(a)(8) since Respondent received contributions in excess of \$25,000.00 per annum.

#### **AGREED VIOLATIONS**

7. Respondent admits and agrees that by engaging in the aforementioned conduct, Respondent committed violations of the Act as follows:

- a. Violating Section 15(a)(1) of the Act, 10 P.S. § 162.15(a)(1), by and through 10 P.S. § 162.5(a), by soliciting contributions without the approved registration filed with the Bureau.

#### **PROPOSED ORDER**

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

- a. Respondent violated Section 15(a)(1) of the Act, 10 P.S. § 162.15(a)(1), by and through 10 P.S. § 162.5(a), by soliciting contributions without the approved registration filed with the Bureau.

#### **ADMINISTRATIVE PENALTIES**

9. An **ADMINISTRATIVE FINE** of **Ten Thousand Dollars (\$10,000.00)** is levied upon Respondent. Respondent shall tender the full sum of **Ten Thousand Dollars (\$10,000.00)**,

with this executed Consent Agreement. Payment shall be by certified check, cashier's check, attorney's check, or U.S. Postal money order. The instrument of payment shall be made payable to the "Commonwealth of Pennsylvania," and shall be valid for a period of at least one hundred eighty (180) days. Respondent agrees that payment will be made by one of the methods indicated in subparagraph (a) above and that payment by uncertified personal check, corporate check or cash will not be accepted.

**CASE SETTLED AND DISCONTINUED**

10. 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 the requirements of this Order. However, 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.

**ACKNOWLEDGEMENT OF NOTICE AND WAIVER OF HEARING**

11. 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 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**

12. 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**

13. 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**

14. 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.

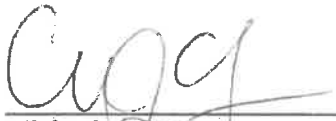
**AGREEMENT DOES NOT PREVENT REFERRAL TO OTHER AGENCIES**

15. 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**

16. 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.



Michael J. Gennett  
Prosecuting Attorney  
Department of State  
Commonwealth of Pennsylvania

/s/   
Potomac Appalachian Trail Club  
Respondent

By: \_\_\_\_\_  
Joseph F. Lombardo Jr.  
Title: \_\_\_\_\_  
President

DATE: 18 MAR 2021

DATE: March 15, 2021



**IN THE MATTER OF**  
**Potomac Appalachian Trail Club**

**File No.: 20-98- 013515**

**ORDER**

**AND NOW**, this 2<sup>ND</sup> day of APRIL 2021, the foregoing Consent Agreement is hereby approved, and the terms set forth herein are hereby adopted and incorporated herein as the Order of the Acting Secretary of the Commonwealth, now issued in resolution of this matter.

**THIS ORDER** shall take effect immediately.

**BY ORDER:**

A handwritten signature in black ink, appearing to read "Veronica W. Degraffenreid", written over a horizontal line.

**Veronica Degraffenreid**  
**Acting Secretary of the Commonwealth**

**For the Commonwealth:**

Michael J. Gennett  
Prosecuting Attorney  
306 North Office Building  
401 North Street  
Harrisburg, PA 17120

**Respondent:**

Potomac Appalachian Trail Club  
118 Park Street, SE  
Vienna, VA 22180