

COPY

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

PROHIBITION
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Department of State

Commonwealth of Pennsylvania, :
Bureau of Corporations and :
Charitable Organizations :
v. :
Presbyterian Homes, Inc., :
Respondent :

File No.: 18-98-10704

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 Presbyterian Homes, Inc., ("Respondent"), stipulate as follows in settlement of the above-captioned matter:

JURISDICTION

1. This matter is before the Acting 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 One Trinity Drive East, Suite 201, Dillsburg, PA.

4. Respondent was issued Certificate of Registration number 22111 by the Bureau which expires on November 15, 2019.

5. Respondent admits that the following allegations are true:

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a. As a charitable organization, Respondent operates approximately thirty-three (33) retirement and senior care facilities throughout the Mid-Atlantic region.

b. On or about October 30, 2018, Respondent submitted charitable organization registration renewal materials, including the required renewal form (Form BCO-10) to the Bureau of Corporations and Charitable Organizations (BCCO) for its fiscal year ended December 31, 2017.

c. In response to Question 27C on its Form BCO-10 for its fiscal year ended December 31, 2017, Respondent answered "No" to the question of whether it had "[e]ntered into any legally enforceable agreement such as a consent agreement, an assurance of voluntary compliance or discontinuance with any district attorney, Office of Attorney General, or other local or state government agency."

d. The BCO-10 was signed by Jeffrey Davis, Respondent's Senior Vice-President and Chief Financial Officer.

e. Approximately ten (10) months prior to answering this question in the negative, Respondent executed a consent agreement with the Bureau, admitting to violating Section 13(a) of the Act, applying contributions in a manner not substantially consistent with the charitable purpose expressed in a solicitation. Respondent paid an administrative fine and reimbursed two (2) donors.

f. Both the BCO-10 and the consent agreement were signed by the same individual, namely, Jeffrey Davis, Senior Vice President and Chief Financial Officer.

AGREED VIOLATION

7. Respondent admits and agrees that by engaging in the aforementioned activities, Respondent committed a violation of the Act as follows: Section 15(a)(1) of the Act, 10 P.S. § 162.15(a)(1), that is, operation in violation of or failing to comply with any of the requirements of the Act: In that Respondent violated the Act as indicated in response to Question 27C on its Form BCO-10 for its fiscal year ended December 31, 2017, that it had not "[e]ntered into any legally enforceable agreement such as a consent agreement, an assurance of voluntary compliance or discontinuance with any district attorney, Office of Attorney General, or other local or state government agency." On January 30, 2018, Respondent executed a consent agreement with the Bureau, admitting to violating Section 13(a) of the Act, applying contributions in a manner not substantially consistent with the charitable purpose expressed in a solicitation. Respondent paid an administrative fine and reimbursed two (2) donors. Both the BCO-10 and consent agreement were signed by Jeffrey Davis, Senior Vice President and CFO for Respondent.

PROPOSED ORDER

8. The participants, intending to be legally bound, consent to issuance of the following Order in settlement of this matter: Respondent violated Section 15(a)(1) of the Act, 10 P.S. § 162.15(a)(1), by operating in violation of or failing to comply with any of the requirements of the Act, to wit: Respondent violated the Act as indicated, that in response to Question 27C on its Form BCO-10 for its fiscal year ended December 31, 2017, that it had not "[e]ntered into any legally enforceable agreement such as a consent agreement, an assurance of voluntary compliance or discontinuance with any district attorney, Office of Attorney General, or other local or state government agency." On January 30, 2018, Respondent executed a consent

agreement with the Bureau, admitting to violating Section 13(a) of the Act, applying contributions in a manner not substantially consistent with the charitable purpose expressed in a solicitation. Respondent paid an administrative fine and reimbursed two (2) donors. Both the BCO-10 and the consent agreement were signed by Jeffrey Davis, Senior Vice President and CFO for Respondent.

ADMINISTRATIVE PENALTIES

9. An **ADMINISTRATIVE FINE** of One Thousand Dollars (\$1,000.00) is levied upon Respondent. Respondent shall tender the full sum of One Thousand Dollars (\$1,000.00), with this executed Consent Agreement.

10. Payments shall be by **certified check, cashier's check, attorney's check, or U.S. Postal money order.**

11. The instrument of payment for the **administrative fine only** shall be made payable to the **"Commonwealth of Pennsylvania,"** and shall be valid for a period of at least one hundred eighty (180) days.

12. Respondent agrees that payment will be made by one of the methods indicated in Paragraph 10 above and that payment by uncertified personal check, corporate check or cash will not be accepted.

CASE SETTLED AND DISCONTINUED

14. 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

15. 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

16. 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

17. 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

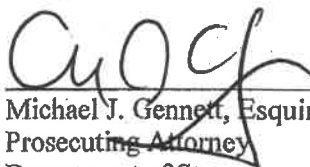
18. This Agreement contains the whole agreement between the parties; provided, however, that the captions printed in the various provisions of this agreement are for ease of reading only and are not to be interpreted as forming any part of this agreement. There are no other terms, obligations, covenants, representations, statements or conditions, or otherwise, of any kind whatsoever, concerning this Agreement.

AGREEMENT DOES NOT PREVENT REFERRAL TO OTHER AGENCIES

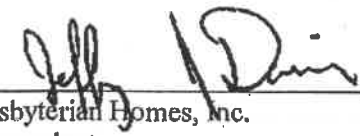
19. The parties acknowledge that other federal, state, and/or local agencies may have jurisdiction over the activities of, or representations made by, Respondent and its officers, directors, agents, employees or independent contractors. Nothing in this Consent Agreement or the Order based upon this Consent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

20. 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.



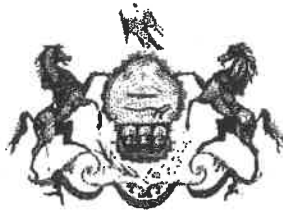
Michael J. Gennett, Esquire
Prosecuting Attorney
Department of State



Presbyterian Homes, Inc.
Respondent
By: Jeffrey J. Davis
Title: Sr. VA ICFO

DATED: 1-7-2019

DATED: 1-3-19



**IN THE MATTER OF
PRESBYTERIAN HOMES, INC.
File No.: 18-98-10704**

ORDER

AND NOW, this 18th day of January 2019, the foregoing Consent Agreement is hereby approved and the terms set forth herein are hereby adopted and incorporated herein as the Order of the Secretary of the Commonwealth, now issued in resolution of this matter.

THIS ORDER shall take effect immediately.

BY ORDER:

A handwritten signature in cursive script that reads "Kathy Boockvar".

**Kathy Boockvar
Acting Secretary of the Commonwealth**

For the Commonwealth:

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

For Respondent:

Presbyterian Homes, Inc.
One Trinity Drive East
Suite 201
Dillsburg, PA 17019