

IN THE COURT OF COMMON PLEAS, FRANKLIN COUNTY, OHIO
CIVIL DIVISION

THE STATE OF OHIO, *ex rel*, MIKE
DEWINE, OHIO ATTORNEY GENERAL,

Plaintiff,

v.

INTEGRAL RESOURCES, INC.

Defendant.

Civil Action No.13 CV 006667

Judge David E. Cain

ASSURANCE OF DISCONTINUANCE

Pursuant to the authority granted in the Ohio Charitable Organization Act, R.C. § 1716.01 *et seq.*, specifically, R.C. § 1716.16(C), Ohio Attorney General Mike DeWine (hereinafter "Attorney General") accepts this Assurance of Discontinuance (hereinafter "Assurance") from Integral Resources, Inc. (hereinafter "IRI"). The Attorney General and IRI, as parties to this Assurance, acknowledge and agree that it is in their best interest and consistent with the best interests of the people of the State of Ohio to resolve the issues between them in the matter set forth herein. As part of this Assurance, the Attorney General and IRI stipulate as follows:

I. JURISDICTION AND VENUE

A. This Court has jurisdiction over the subject matter of this action, pursuant to R.C. Chapter 1716 and the rules adopted thereunder. This Court has jurisdiction over the parties. Venue is proper in this Court.

II. FACTS

B. IRI has its principal place of business at 1972 Massachusetts Avenue, Cambridge, Massachusetts, 02140.

C. Since 1995, IRI has been conducting solicitation campaigns in Ohio. IRI conducts or has conducted phone and mail solicitations on behalf of various charitable organizations, including, but not limited to, American Council of the Blind - National; Amnesty

International USA, Inc.; Anti-Defamation League of B'nai B'rith; Environmental Defense Fund, Inc.; League of Conservation Voters, Inc.; Operation Lookout -- National Center for Missing Youth; Planned Parenthood Action Fund, Inc.; and Planned Parenthood Federation of America, Inc.

- D. IRI is a professional solicitor as defined in R.C. § 1716.01(J). Prior to soliciting in Ohio, a professional solicitor is required to register with the Attorney General pursuant to R.C. § 1716.07(A) and (B). IRI is currently registered as a professional solicitor in Ohio.

III. CONCLUSIONS OF THE ATTORNEY GENERAL

- E. The charitable solicitation activities of IRI in Ohio are the subject of this Assurance. Such activities are described in and regulated by the Ohio Charitable Organizations Act, R.C. § 1716.01 *et seq.*
- F. The Attorney General is the party charged with enforcing the Ohio Charitable Organizations Act. The Attorney General's Charitable Law Section investigated IRI's current solicitation activities.
- G. As a result of its investigation, the Attorney General has reason to believe that IRI violated the following provisions of the Ohio Charitable Organizations Act:
1. R.C. § 1716.08(B)(1)(a): Failure to notify potential donors at the point of solicitation that IRI was acting as a professional solicitor;
 2. R.C. § 1716.08(B)(1)(a): Failure to notify potential donors at the point of solicitation the name of the professional solicitor;
 3. R.C. § 1716.08(B)(1)(b): Failure to disclose to potential donors at the point of solicitation the address of the charitable organization;
 4. R.C. § 1716.08(B)(2): Failure to inform a potential donor, upon request, of the percentage of the gross revenue that a charitable organization will receive as a benefit from a solicitation campaign;

5. R.C. § 1716.14(A)(2): Misleading potential donors as to a material fact regarding a charitable solicitation by failing to make one or all of the four above-mentioned disclosures;
 6. R.C. § 1716.14(A)(2): Misleading potential donors as to a material fact regarding a charitable solicitation by representing that a caller works for the charity and not the professional solicitor;
 7. R.C. § 1716.14(A)(8): Representing during a solicitation call that a charitable organization will receive a percentage of the gross revenue from a solicitation campaign that is greater than that set forth in a contract between IRI and a charitable organization;
 8. R.C. § 1716.07(B): Failure to file registrations on time for 2012 and 2014 registrations;
 9. R.C. § 1716.07(E): Failure to file financial reports on time;
 10. R.C. § 1716.14(A)(11): Failure to provide timely payments of the proceeds from a solicitation campaign to a charity in 2012;
 11. R.C. § 1716.17: Breached fiduciary duties by failing to comply with Ohio's solicitation laws.
- H. The Attorney General's findings, as outlined in Paragraph G above, are the basis upon which this Assurance has been negotiated. However, this Assurance is the culmination of disputed claims and does not constitute an admission of any wrongdoing by IRI. IRI expressly denies the conclusions contained herein or that its conduct constitutes a violation of any federal, state, or local law. This matter was resolved before a trial on the merits of either party's claims or counterclaims. The use of the word "conclusion" solely pertains to conclusions formed by the Attorney General and does not reflect any court determination in regard to the actions of IRI.

IV. ASSURANCE

- I. The Attorney General is accepting this assurance in settlement of the underlying claims and counterclaims alleged in the above-captioned civil action based, in part, on the cooperation and responsiveness of IRI.
- J. IRI hereby agrees to abide by the statutory requisites set forth in Chapter 1716 of the Ohio Revised Code in the course of soliciting charitable contributions from Ohio residents, including, but not limited to, timely filing its registration forms, reports and notices, and complying with the mandatory disclosures set forth in Chapter 1716.
- K. IRI agrees not to mislead potential donors as to material facts regarding charitable solicitation, including, but not limited to, misrepresenting to potential donors that callers work as volunteers when they are actually paid employees, that callers are employees or volunteers of the charitable organization, and that a charitable organization will receive all donated funds or will have possession of these funds when those statements are inaccurate;
- L. IRI agrees to monitor its employees, both at the supervisory and line staff levels, for continuing compliance with script requirements regarding mandatory disclosures under Ohio law to potential Ohio donors. IRI agrees to continue using its current audio recording system to record telephone solicitation calls made by IRI employees to determine whether IRI employees are complying with R.C. Chapter 1716. If they are not complying, IRI agrees to take corrective action immediately. IRI agrees to maintain the recordings in the ordinary course of this business process. IRI agrees that in the event the Attorney General receives a complaint about a specific solicitation call and IRI has a recording of the call to the complainant, IRI will provide the recording to the Attorney General upon request. IRI agrees to affirmatively investigate the complaint and, if necessary, to take appropriate remedial action to respond to the complaint. This

paragraph shall not limit the Attorney General's authority to request recordings from IRI under Revised Code section 1716.15.

- M. IRI shall pay a total of one hundred and five thousand dollars (\$105,000.00) to the Office of the Ohio Attorney General. IRI shall pay forty-five thousand dollars (\$45,000) immediately upon execution of this Assurance by delivering to the Office of the Attorney General, Charitable Law Section, at 150 East Gay Street, 23rd Floor, Columbus, Ohio, 43215, Attn: Chief of the Charitable Law Section, a certified check or money order in this amount, made payable to "Treasurer, State of Ohio." After this initial payment, IRI will pay \$20,000 each year for three (3) consecutive years.
- N. For a period of twenty months, IRI voluntarily ceased all acts of "solicitation" as defined in Revised Code 1716.01(K) in the State of Ohio for any "charitable organization" or "charitable purpose" as defined in R.C. 1716.01(A) and 1716.01(B), respectively, and voluntarily ceased acting as a "professional solicitor" as defined in R.C. 1716.01(J) in the State of Ohio for any "charitable organization" as defined in R.C. 1716.01(A). This period of voluntary non-solicitation began on June 18, 2013 when the above-captioned action was filed. Based on IRI's cooperation for this twenty-month period, the parties hereto further agree that IRI may resume solicitation activity in Ohio upon the execution of this Assurance.
- O. IRI agrees that this Assurance of Discontinuance is made in full settlement of all claims and counterclaims set forth in the above-captioned civil action based upon the conclusions set forth herein. The parties further acknowledge and agree that this is a negotiated settlement of disputed claims and no admissions of wrongdoing have been made.
- P. IRI agrees that any evidence of a violation of this Assurance shall be prima facie evidence of a violation of Chapter 1716 of the Ohio Revised Code and any rule adopted

thereunder in any subsequent action or proceeding brought by the Attorney General, as provided in R.C. § 1716.16(C).

- Q. IRI agrees that any matter closed by the acceptance of this Assurance of Discontinuance may be reopened at any time by the Attorney General for further proceedings in the public interest based upon any pattern or practice of violation of the terms of this Assurance or upon the discovery of evidence not known or anticipated by the parties hereto at the time of signing.

V. RETENTION OF JURISDICTION

- R. This Court shall retain jurisdiction of this action for the purpose of enforcing this Assurance.

VI. AUTHORITY TO ENTER INTO THE ASSURANCE

- S. Each signatory for IRI represents and warrants that he/she has been duly authorized to sign this document and so binds IRI to all terms and conditions hereof.

VII. ACKNOWLEDGEMENTS

- T. IRI acknowledges that it has been given ample opportunity to be advised by legal counsel as to the meaning and effect of each provision of this Assurance of Discontinuance and that it has elected of its own free will and accord to enter into this Assurance.
- U. The Attorney General and IRI hereby agree that this Assurance of Discontinuance is binding upon the successors and assignees of all parties hereto and that this Assurance of Discontinuance constitutes the entire agreement and understanding of the parties.


CERTIFICATION

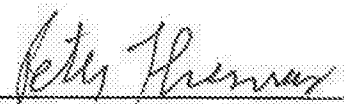
Each individual signing below represents that he or she is authorized and directed to sign this Assurance of Discontinuance on behalf of the party represented and further represents that he or she is the requisite authority to bind the party on behalf of whom they are signing.

WHEREFORE, the undersigned have executed this Assurance of Discontinuance this 5th day of February, 2015.

INTEGRAL RESOURCES, INC.

MIKE DEWINE
ATTORNEY GENERAL OF OHIO

By: 
Name: RONALD ROSENBLITH
Title: CEO

By: 
Peter M. Thomas, Section Chief
Charitable Law Section
150 E. Gay Street, 23rd Floor
Columbus, OH 43215