



NAILAH K. BYRD
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1200 Ontario Street
Cleveland, Ohio 44113

Court of Common Pleas

New Case Electronically Filed:
November 16, 2017 10:24

By: MATTHEW T. GREEN 0075408

Confirmation Nbr. 1226849

STATE OF OHIO, EX REL. MIKE DEWINE

CV 17 889144

vs.

KEVIN RA, F/K/A KEVIN RAMSEY, ET AL

Judge: BRENDAN J. SHEEHAN

Pages Filed: 22

**IN THE COURT OF COMMON PLEAS
CUYAHOGA COUNTY, OHIO**

State of Ohio, *ex rel.* Mike DeWine :
Attorney General of Ohio :
Charitable Law Section :
150 East Gay Street, 23rd Floor :
Columbus, Ohio 43215, :

Case No. :
Judge :

Plaintiff, :

v. :

COMPLAINT OF STATE OF OHIO

Kevin Ra, f/k/a Kevin Ramsey, :
3880 Brianard Road :
Beachwood, Ohio 44122 :

Housing Court Assistance Program, Inc. :
c/o Kevin Ra, statutory agent and :
Executive Director :
3880 Brianard Road :
Beachwood, Ohio 44122, :

Greater Cleveland Housing :
Partnership, Inc. :
c/o Wendy Rosett, statutory agent :
16781 Chagrin Blvd., #304 :
Shaker Heights, Ohio 44120 :

and :

Vista REO Settlement Services, LLC :
c/o Wendy Rosett, statutory agent :
16781 Chagrin Blvd., #304 :
Shaker Heights, Ohio 44120 :

Defendants. :

Plaintiff State of Ohio, *ex rel.* Mike DeWine, who is the duly elected, qualified and acting
Attorney General of Ohio, hereby avers and alleges:

I. INTRODUCTION

1. Plaintiff, State of Ohio, by and through the Attorney General of Ohio, Mike DeWine (“Attorney General” or “Attorney General’s Office”), having reasonable cause to believe that violations of Ohio’s charitable laws have occurred, brings this action in the public interest and under the authority vested in the Attorney General by Revised Code Chapter 109, Revised Code Chapter 1716, and the Attorney General’s common law authority to enforce charitable trusts.

2. This is an action seeking reformation of a charitable trust, injunctive relief, equitable relief, statutory penalties, and damages for Defendants’ violations of the common law, Revised Code Chapter 109, and Revised Code Chapter 1716.

II. DEFENDANTS, JURISDICTION, AND VENUE

3. Defendant Kevin Ra, formerly known as Kevin Ramsey (“Kevin Ra”), resides in Cuyahoga County Ohio.

4. Upon information and belief, Kevin Ra currently resides at 3880 Brianard Road, Beachwood, Ohio 44122.

5. Defendant Housing Court Assistance Program, Inc. (“HCAP”) is an Ohio nonprofit corporation that was formed on or about April 24, 2014.

6. Kevin Ra has directed and operated HCAP as both the president of the board of directors and Executive Director since the organization’s incorporation.

7. Defendant Greater Cleveland Housing Partnership, Inc. (“GCHP”) was an Ohio nonprofit corporation formed on or about November 14, 2011. GCHP filed its certificate of dissolution with the Ohio Secretary of State’s Office on or about February 9, 2015.

8. Beginning no later than June 2012, Kevin Ra directed and operated GCHP as both the president of the board of directors and Executive Director.

9. Upon information and belief, Kevin Ra is the sole member and manager of Defendant Vista REO Settlement Services, LLC (“Vista REO”).

10. Kevin Ra has personally participated in the violations of law described in this complaint, or, through his actions or inaction, authorized, directed, adopted, ratified, allowed, or otherwise caused or permitted such violations to occur. This action is being initiated against Kevin Ra (1) individually; (2) in his capacity as a director, trustee, officer, and/or agent of GCHP; (3) in his capacity as a director, trustee, officer, and/or agent of HCAP; and (4) in his capacity as a member, manager, and/or agent of Vista REO.

11. This Court has subject matter jurisdiction in this case pursuant to R.C. 2305.01.

12. This Court may exercise personal jurisdiction over the Defendants in this case pursuant to R.C. 2307.382 because the acts and omissions alleged in this Complaint occurred in Ohio and/or because they involve or relate to the activities of an Ohio nonprofit corporation.

13. Venue is proper in Cuyahoga County because the majority of the acts and omissions alleged in this Complaint occurred in Cuyahoga County.

III. DEFENDANTS’ ACTIVITIES GIVING RISE TO THIS COMPLAINT

A. Relationship Between Kevin Ra, HCAP and GCHP

14. Upon information and belief, Kevin Ra is the only officer or board member of HCAP.

15. The mission of HCAP is: “To assist owners of vacant, abandoned, and distressed properties who face civil or criminal complaints in Ohio Housing Courts or tickets and/or fines issued by Ohio building and/or community development officials.”

16. The mission of GCHP was to: “Purchase, renovate, own, and lease residential and commercial real estate for the purpose of revitalizing Greater Cleveland and its surrounding suburbs.”

17. GCHP was the sole incorporator of HCAP. In the initial articles of incorporation for HCAP filed with the Secretary of State’s Office, Kevin Ra signed as the authorized representative of GCHP and identified himself as GCHP’s Executive Director.

18. In GCHP’s certificate of dissolution filed with the Secretary of State’s Office, Kevin Ra was identified as the only board member and officer of GCHP.

19. HCAP is a “charitable organization” as that term is defined in R.C. 1716.01(A) and a “charitable trust” as that term is defined in R.C. 109.23.

20. Prior to its dissolution, GCHP was a “charitable organization” as that term is defined in R.C. 1716.01(A) and a “charitable trust” as that term is defined in R.C. 109.23.

21. Upon information and belief, Kevin Ra has treated HCAP, GCHP, and Vista REO as his alter egos.

B. Kevin Ra’s and HCAP’s Public Representations and Solicitations

22. Kevin Ra, HCAP, and GCHP operate or have operated in Cuyahoga County. These operations primarily focus on real estate properties that could be described as distressed, abandoned, or blighted.

23. On its website, HCAP describes its mission and the services it offers as follows:

The Housing Court Assistance Program (“HCAP”) provides free assistance to homeowners facing building and housing violations, fines, and imprisonment in Ohio housing courts, including Cleveland Housing Court. HCAP, by working in concert with licensed real estate agents, brokers, and local title and escrow companies, can also assist homeowners avoid housing court completely.

Services are provided free of charge and include:

Free Short Sale Assistance and Title/Escrow Services ...

Free Loan Modification Assistance ...

Free Assistance Under the Neighborhoods Now Development Initiative ...

Discounted Legal Representation ...

24. HCAP's also has an online complaint form that allows member of the public to refer abandoned properties to HCAP. According to HCAP's website:

HCAP will send a representative to take photos of the property and create a written report. We will then contact the property owner and attempt to provide assistance by developing a Housing Court Action Plan to sell or renovate the property. Only after the homeowner has not responded to our request to provide assistance will we then forward a sworn affidavit to the City Prosecutor in which the property is located. If given the opportunity, we will work with the prosecutor and lobby for the homeowner to be prosecuted.

25. On October 1, 2014, HCAP and Kevin Ra filed a lawsuit against the City of Cleveland and two individuals who worked for the Cleveland Housing Court. *See Housing Court Assistance Program, Inc., et al. v. City of Cleveland, et al.*, Cuyahoga County Case No. CV 14 833635.

26. In the complaint, HCAP and Kevin Ra made the following representations:

HCAP [has] invested tens of thousands of dollars into three Cleveland-area offices which are staffed seven days a week and recruited a legal team of 14 licensed attorneys, all in good standing with the Ohio Supreme Court, including undersigned counsel These defendants are further and at no cost to them provided a free appraisal by a state licensed real estate professional, a free title examination which reveals and discovers legal impediments to a property's expeditious transfer, and are assigned an HCAP Counselor who coordinates the efforts of all involved.

HCAP also retained Mazorkis Investments, LLC, a woman-owned contracting company registered with the City, to, at HCAP's expense, maintain hundreds of vacant and abandoned properties awaiting sale through HCAP's programs and assist HCAP clients who have lost their homes by moving their belongings into Uncle Bobs' © chain of storage

facilities. HCAP then pays for the first few months of storage fees upfront – families are not asked to repay the money.

...

[T]he Wittenberg family, the heirs to the fortune created by the founding of Jo-Ann Fabric Stores in the 1940's [has] pledged \$500,000 to HCAP's mission[.]

...

HCAP has applied for but not yet received 501c (3) status from the Internal Revenue Service.

(Emphasis added.)

27. Upon information and belief, HCAP routinely sends solicitation materials to individuals against whom building or housing complaints have been filed.

28. HCAP's solicitation materials indicate that property owners face potential criminal prosecution as a result of these complaints and that penalties may include jail time, fines, or the suspension of driver's licenses.

29. HCAP's solicitation materials state that recipients are being contacted because they either may qualify or already qualify for free assistance from HCAP. Solicitation materials further state that HCAP is a free, privately funded program which provides access to a network of volunteer real estate agents, brokers, title insurance providers, and attorneys.

30. HCAP's solicitation materials instruct that interested individuals are to "apply" to free assistance from HCAP.

C. Kevin Ra's Efforts to Avoid Registration and Oversight

31. HCAP has provided the following statutory agent contact information to the Secretary of State's Office: Kevin Ra, 4500 Lee Road, Suite 224, Cleveland, Ohio 44128.

HCAP has not provided updated statutory agent information since HCAP's initial incorporation in April 2014.

32. Upon information and belief, neither Kevin Ra nor HCAP has had any presence or received mail at 4500 Lee Road, Suite 224, Cleveland, Ohio 44128 for at least twenty-four months.

33. The Attorney General's Office is entrusted with overseeing charitable organizations that either operate or solicit in Ohio and ensuring that these organizations comply with the requirements imposed by both Ohio Revised Code Chapters 109 and 1716 and common-law.

34. The Attorney General's Office was first made aware of Kevin Ra when an anonymous complaint was filed with the Office in June 2013 regarding Kevin Ra and/or GCHP. Among other things, the complaint alleged that GCHP "claims to have 501c3 status, but does not actually have this status," and that GCHP "solicits donations on its website."

35. One of the obligations imposed on charitable trusts and/or charitable organizations is the obligation to register with the Attorney General's Office. This obligation is separate and distinct from the obligation to file with the Secretary of State's Office.

36. The Attorney General's Office first contacted Kevin Ra in July 2013 and advised him that GCHP needed to register with the Office. Shortly thereafter, Kevin Ra began the registration process on behalf of GCHP.

37. Despite numerous requests and correspondence from the Attorney General's Office over a ten-month period, Kevin Ra never completed the registration process on behalf of GCHP.

38. On multiple occasions, Kevin Ra represented to the Attorney General's Office that he would be completing the registration process on behalf of GCHP. The last such representation was on April 28, 2014, or after he had already incorporated HCAP. On one occasion, Kevin Ra even represented that he had mailed certain documentation necessary for registration to the Attorney General's Office. No materials were ever received by the Office.

39. Upon information and belief, Kevin Ra operated as and through GCHP until approximately April 2014.

40. Kevin Ra incorporated HCAP on or about April 24, 2014. Sometime between April 24, 2014 and July 2014, Kevin Ra redesigned his website and began operating as HCAP.

41. Prior to November 2016, HCAP made no effort to register with the Attorney General's Office.

42. In response to a request by the Attorney General's Office, GCHP did produce certain bank records in 2014. The Office's review of these records revealed a large number of questionable expenditures and withdraws that warranted further review and investigation.

43. On January 8 2015, the Attorney General's Office issued a request for records and information to GCHP pursuant to R.C. Chapters 109 and 1716. The January 2015 records request was sent via certified mail to the following address: 8870 Darrow Road, F106 Suite 108, Twinsburg, OH 44087. The Darrow Road address is the address Kevin Ra provided to the Attorney General's Office when he began the registration process on behalf of GCHP. The January 2015 records request was never successfully delivered.

44. On February 3, 2015, the Attorney General's Office issued a second request for records and information to GCHP pursuant to R.C. Chapters 109 and 1716. The February 2015 records request was sent via certified mail to the following address: 520 Beacon Hill Dr.,

Chagrin Falls, OH 44022. The Chagrin Falls address was the address listed on certain GCHP bank account statements; this was also Kevin Ra's personal residence at the time. The February 2015 records request was never successfully delivered.

45. On September 10, 2015, the Attorney General's Office sent out four separate letters via certified mail regarding GCHP's legal obligation to file dissolution paperwork with the Office and/or HCAP's legal obligation to register with the Office:

- a) Letter regarding need to file dissolution paperwork sent to GCHP, c/o Kevin Ra, 4500 Lee Road, Suite 224, Cleveland, Ohio 44128; letter never delivered.
- b) Letter regarding need file to dissolution paper sent to GCHP, c/o Rick Fishman, 4362 Silsby Road, Cleveland, Ohio; letter never delivered.
- c) Letter to HCAP, advising of the need to register; mailed to the 4500 Lee Road, Suite 224 address; letter never delivered.
- d) Letter to HCAP, advising of the need to register; mailed to 6240 Som Center Road, Suite 130, Solon, Ohio 44139; *letter delivered*.

46. In January 2016, the Attorney General's Office issued a request for records and information to HCAP pursuant to R.C. Chapters 109 and 1716. The January 2016 records request was sent via certified mail to 6240 Som Center Road, Suite 130, Solon, Ohio 44139. The January 2016 records request was never successfully delivered.

47. After numerous additional efforts, the Attorney General's Office successfully located and contacted Wendy Rosett in November 2016. In addition to being the statutory agent for GCHP and Vista REO, Wendy Rosett identified herself as counsel for HCAP.

48. In November 2016, Kevin Ra began the registration process on behalf of HCAP.

49. In December 2016, Kevin Ra, on behalf of HCAP, submitted a written request for HCAP to be exempt from registration under R.C. Chapters 109 and 1716. The request was submitted on HCAP letterhead and identifies HCAP's mailing address as 6240 Som Center Road, Suite 130, Solon, Ohio 44139.

50. In the exemption request, Kevin Ra represented: "[P]lease accept this letter as supporting documentation that HCAP did not engage in soliciting for funds, volunteers, donated goods or other activities seeking support of a charitable cause from NON-members. This has been the case since HCAP was formed and will continue to be the case into the foreseeable future." This representation was contrary to Kevin Ra's and HCAP representations in Cuyahoga County Case No. CV 14 833635.

51. Based on Kevin Ra's representations in the exemption request letter, on January 10, 2017, the Attorney General's Office advised HCAP that it was exempt from registration under R.C. Chapter 1716 but not exempt from registration under R.C. Chapter 109.

52. Kevin Ra has still failed to complete the registration process on behalf of HCAP.

53. On April 6, 2017, the Attorney General's Office issued a second request for records and information to HCAP pursuant to R.C. Chapters 109 and 1716. The April 2017 records request was sent via regular mail and email care of Wendy Rosett, as counsel for HCAP. Wendy Rosett subsequently contacted the Office on two separate occasions to request extensions. Despite specifically representing that HCAP was "compiling the documents requested," HCAP failed to produce any documents.

54. On May 26, 2017, the Attorney General's Office issued a third request for records and information to HCAP pursuant to R.C. Chapters 109 and 1716. The May 2017 records

request was sent via certified mail care of Wendy Rosett, as counsel for HCAP. The May 2017 records request was successfully served. HCAP failed to produce any documents.

D. Expenditure of GCHP's Charitable Funds

55. GCHP maintained at least three bank accounts with Key Bank. Kevin Ra was the sole signatory for and/or authorized user of these bank accounts.

56. The first GCHP bank account showed activity from June 2012 through September 2014. During that period of time, \$45,182.65 was deposited into the bank account.

57. Upon information and belief, the following categories of expenditures from the first GCHP bank account were for the benefit of Kevin Ra personally and did not further the charitable mission of GCHP in any reasonable way:

- a) \$23,296.59 in cash or teller withdraws; and
- b) \$10,068.78 in car payments.

58. The second GCHP bank account showed activity from October 2012 through September 2014. During that period of time, \$37,751.97.65 was deposited into the second bank account.

59. Upon information and belief, the following categories of expenditures from the second GCHP bank account were for the benefit of Kevin Ra personally and did not further the charitable mission of GCHP in any reasonable way:

- a) \$2,077 in ATM withdraws;
- b) \$2,652.95 in cash withdraws;
- c) \$5,527.74 in Amazon purchases;
- d) \$2,137.57 in food/restaurant purchases;
- e) \$3,507.60 in grocery/general store purchases; and

f) \$1,090.19 in gas station purchases.

60. The ability of the Attorney General's Office to investigate these matters further has been compromised by the acts and omissions of GCHP, HCAP, and Kevin Ra.

E. Scheme Involving Vista REO, GCHP, and HCAP

61. Vista REO is a for-profit, Ohio limited liability company formed on or about January 22, 2013.

62. HCAP's website represents that clients will receive access to free "Title/Escrow Services."

63. A prior version of HCAP's website stated that the "title services" in question are provided by Vista REO.

64. Upon information and belief, Vista REO does not and has never held any license issued by the Ohio Department of Insurance.

65. Upon information and belief, Kevin Ra does not and has never held any license issued by the Ohio Department of Commerce, Division of Real Estate and Professional Licensing.

66. Vista REO has maintained at least three bank accounts with Key Bank. Kevin Ra is the sole signatory for and/or authorized user of these bank accounts.

67. One of Vista REO's bank accounts is self-identified as an "IOLTA account." Between January 1, 2014 and June 30, 2016, \$457,685.83 was deposited into Vista REO's IOLTA account.

68. Upon information and belief, a significant portion of the deposits into Vista REO's IOLTA account are proceeds from the sale of real properties.

69. At least some of the real property transactions handled by Vista REO involved property owned by GCHP, HCAP, and/or the alleged clients of GCHP and HCAP.

70. One such transaction involved 3566 E. 151st Street, Cleveland, Ohio. Real property records indicate that GCHP purchased 3566 E. 151st Street from an individual seller on or about April 7, 2014 for \$6,400 and then sold the same property to another individual buyer on April 11, 2014 for \$5,400.

71. Upon information and belief, GCHP did not actually pay \$6,100 for 3566 E. 151st Street.

72. The \$5,400 in proceeds from GCHP's sale of 3566 E. 151st Street was deposited into Vista REO's IOLTA account. There is no indication that Vista REO ever distributed to GCHP or HCAP the net proceeds from the sale of 3566 E. 151st Street.

73. A second transaction involved 6515 Wakefield Ave., Cleveland, Ohio 44102. Real property records indicate that GCHP purchased 6515 Wakefield Ave. from an individual seller on or about September 16, 2014 for \$21,220 and then sold the same property to another individual buyer on September 16, 2014 for \$6,250. The deeds for these transactions were filed at the exact same time—September 16, 2014, 3:02:44 PM.

74. Upon information and belief, GCHP did not actually pay \$21,220 for 6515 Wakefield Ave.

75. The \$6,956.50 in proceeds from GCHP's sale of 6515 Wakefield Ave. was deposited into Vista REO's IOLTA account. There is no indication that Vista REO ever distributed to GCHP or HCAP the net proceeds from the sale of 6515 Wakefield Ave.

76. A third transaction involved 3424 West 132nd Street, Cleveland, Ohio 44111. Real property records indicate that GCHP purchased 3424 West 132nd Street from an individual

seller on or about November 7, 2014 for \$12,239 and then sold the same property to another individual buyer on or about November 24, 2014 for \$13,000.

77. Upon information and belief, GCHP did not actually pay \$12,239 for 3424 West 132nd Street

78. The \$13,837.50 in proceeds from GCHP's sale of 3424 West 132nd Street was deposited into Vista REO's IOLTA account. There is no indication that Vista REO ever distributed to GCHP or HCAP the net proceeds from the sale of 3424 West 132nd Street.

79. A fourth transaction involved 15907 Talford Ave., Cleveland, Ohio 44128. Real property records indicate that GCHP purchased 15907 Talford Ave. from Lakeside REO Ventures, LLC on or about March 4, 2015 for \$6,500 and then sold the same property to DIP Realty and Investment, Inc. on or about March 4, 2015 for \$11,500. The deeds for these transactions were filed one second apart.

80. GCHP dissolved on or about February 9, 2015, or prior to the transactions involving 15907 Talford Ave.

81. The \$11,565.50 in proceeds from GCHP's sale of 15907 Talford Ave. was deposited into Vista REO's IOLTA account. There is no indication that Vista REO ever distributed to GCHP or HCAP the net proceeds from the sale of 15907 Talford Ave.

82. The ability of the Attorney General's Office to investigate these matters further has been compromised by the acts and omissions of GCHP, HCAP, and Kevin Ra.

IV. ATTORNEY GENERAL'S CLAIMS

COUNT ONE: BREACH OF FIDUCIARY DUTY

83. Plaintiff Attorney General incorporates the preceding paragraphs of this Complaint as if fully rewritten herein.

84. GCHP and HCAP are/were organized exclusively for charitable purposes. They are/were charitable trusts as defined in R.C. 109.23 and the common law.

85. Kevin Ra owed fiduciary duties to the charitable beneficiaries of GCHP and HCAP, including the duty of care, the duty of loyalty, the duty to properly manage accounts, and the duty to comply with the law, as well as other duties, including, but not limited to, the duty not to waste charitable trust assets and to act in the best interest of the charity.

86. Kevin Ra violated his fiduciary duty by diverting charitable assets for his own personal use and placing his personal interests above the interests of GCHP and HCAP and their charitable beneficiaries and/or he failed to ensure that charitable assets were protected from diversion for unlawful personal use.

87. Kevin Ra violated his fiduciary duty to preserve the charitable trust property of GCHP and HCAP for intended charitable trust purposes and to properly manage and maintain the charitable trust property for the benefit of the charitable beneficiaries.

88. Kevin Ra violated his fiduciary duty to account for all assets of GCHP and HCAP collected and expended for charitable purposes and/or he failed to keep adequate records of GCHP's and HCAP's charitable programming.

89. Kevin Ra violated his fiduciary duty to use all the money or assets collected or earned by GCHP and HCAP for charitable purposes and/or he failed to ensure that all the money or assets of GCHP and HCAP were used for the organization's charitable purpose.

90. As a direct and proximate cause of the breaches of fiduciary duty as alleged in this Complaint, there was a waste of charitable assets to the detriment of the charitable beneficiaries in an amount that will be established through discovery.

91. Kevin Ra is liable for charitable funds that have been wrongfully diverted from their intended charitable purposes.

92. Kevin Ra's actions were willful, wanton, and in reckless disregard of the legal rights of the charitable beneficiaries of GCHP and HCAP, and are of the nature for which the recovery of punitive damages is appropriate.

93. Because Kevin Ra has continuously breached his fiduciary responsibilities in the administration of GCHP and HCAP, he should be removed as an officer and director of HCAP

COUNT TWO: CONVERSION

94. Plaintiff Attorney General incorporates the preceding paragraphs of this Complaint as if fully rewritten herein.

95. Kevin Ra and Vista REO converted the value of funds and property owned by GCHP and HCAP and expended it for their personal benefit.

96. Kevin Ra's and Vista REO's conversion of the funds and property of GCHP and HCAP was intentional, and was contrary to the rights and interests of GCGP and HCAP.

COUNT THREE: UNJUST ENRICHMENT

97. Plaintiff Attorney General incorporates the preceding paragraphs of this Complaint as if fully rewritten herein.

98. As alleged in this Complaint, GCHP and HCAP conferred a variety of benefits on Kevin Ra and Vista REO.

99. Kevin Ra and Vista REO had knowledge of the benefits conferred and/or have received these benefits under circumstances that have resulted in them being unjustly enriched at the expense of GCHP, HCAP, and their intended charitable beneficiaries.

100. The Attorney General, in his role as *parens patriae*, protects charitable trusts and the beneficiaries who should have benefitted from the operation of charitable trusts.

101. The Attorney General is entitled to an order from this Court imposing a constructive trust on all property or assets unjustly retained by Kevin Ra and Vista REO.

102. The Attorney General is entitled to an order from this Court disgorging all funds unjustly received by Kevin Ra and Vista REO.

COUNT FOUR: FAILURE TO COOPERATE WITH AN INVESTIGATION

103. Plaintiff Attorney General incorporates the preceding paragraphs of this Complaint as if fully rewritten herein.

104. R.C. 1716.15(E) prohibits anyone from failing to appear for an investigation, withholding information, or otherwise failing to cooperate as identified in that section.

105. Kevin Ra and HCAP violated R.C. 1716.15(E) by refusing to respond to demands for records and information regarding the operation of HCAP and the use of charitable assets by the organization.

106. Pursuant to R.C. 1716.15(F), Kevin Ra and HCAP are each liable to pay a civil penalty of not more than \$10,000.

COUNT FIVE: FAILURE TO REGISTER

107. Plaintiff Attorney General incorporates the preceding paragraphs of this Complaint as if fully rewritten herein.

108. R.C. 109.26 requires every charitable trust established or active in Ohio to register with the Attorney General's Office.

109. Kevin Ra failed to successfully complete GCHP's registration with the Attorney General's Office.

110. Kevin Ra's actions were willful and a violation of R.C. 109.26.

111. Pursuant to R.C. 109.99, Kevin Ra is obligated to pay a civil fine of not less than \$500 nor more than \$10,000.

COUNT SIX: FAILURE TO REGISTER

112. Plaintiff Attorney General incorporates the preceding paragraphs of this Complaint as if fully rewritten herein.

113. R.C. 109.26 requires every charitable trust established or active in Ohio to register with the Attorney General's Office.

114. Kevin Ra failed to successfully complete HCAP's registration with the Attorney General's Office.

115. Kevin Ra's actions were willful and a violation of R.C. 109.26.

116. Pursuant to R.C. 109.99, Kevin Ra is obligated to pay a civil fine of not less than \$500 nor more than \$10,000.

COUNT SEVEN: FAILURE TO FILE FINAL REPORT

117. Plaintiff Attorney General incorporates the preceding paragraphs of this Complaint as if fully rewritten herein.

118. R.C. 109.27 gives the attorney general the authority to make such rules, subject to the provisions of sections 119.01 to 119.13 of the Revised Code, as are necessary to administer sections 109.23 to 109.33 of the Revised Code.

119. Ohio Administrative Code 109:1-1-09 requires that any charitable trust required to be registered with the attorney general, upon the time of dissolution, file a final report as described in rule 109:1-1-04 of the Administrative Code.

120. GCHP violated Ohio Administrative Code 109:1-1-09 by failing to file a final report with the Ohio Attorney General as a charitable trust required to register with the attorney general.

COUNT EIGHT: REFORMATION OF CHARITABLE TRUST

121. Plaintiff Attorney General incorporates the preceding paragraphs of this Complaint as if fully rewritten herein.

122. Ohio courts recognize the equitable doctrine of *cy pres*, and courts will apply the doctrine when: (A) there is a viable charitable trust; (B) the donor evidenced a general charitable intent on promoting the trust; and (C) it has become impossible or impractical to carry out the specific purposes or terms of the trust.

123. Ohio case law recognizes the equitable doctrine of deviation. Courts may apply the doctrine when it deems necessary or highly desirable in order to enable the trustee to perform the purposes of the trust. Courts may deviate from the terms of the trust if the provisions have become so restrictive as to impair accomplishment of the trust purposes.

124. GCHP and HCAP were formed as charitable trusts and were required to operate for the benefit of their charitable beneficiaries. As such, the funds of GCHP and HCAP may be used only for the charitable purposes set forth in the terms of the trust. Additionally, all charitable proceeds unjustly or illegally retained by the individual Defendants are subject to the same charitable trust.

125. The specific purposes and/or specific terms of the charitable trust have become impossible or impractical to perform due to the actions or inactions of Defendants.

126. As an example of the frustration of purpose, Kevin Ra has taken assets and proceeds under trust, or held such assets, and have used them for their personal or other unlawful purposes.

127. The Ohio Attorney General is entitled to an order reforming the terms of the charitable trust, in order to most nearly fulfill the purposes of the charitable trust in accordance with the doctrine of *cy pres* or deviation.

128. Because Kevin Ra has proven incapable of appropriately managing and distributing the charitable trust assets of HCAP, the Ohio Attorney General requests an order reforming the charitable trust, dissolving HCAP, and distributing all assets and proceeds to the Ohio Attorney General to be distributed to an organization with a similar charitable purpose.

129. It is the Attorney General's position that GCHP has already dissolved and that no further action by this Court is necessary. However, to the extent Defendants disagree with this position, and the Court deems it necessary, the Ohio Attorney General requests an order reforming the charitable trust, dissolving GCHP, and distributing all assets and proceeds to the Ohio Attorney General to be distributed to an organization with a similar charitable purpose.

COUNT NINE: ABUSE OF A CHARITABLE TRUST, R.C. 109.24

130. Plaintiff Attorney General incorporates the preceding paragraphs of this Complaint as if fully rewritten herein.

131. R.C. 109.24 provides that the Attorney General "shall institute and prosecute a proper action to enforce the performance of any charitable trust, and to restrain the abuse of it whenever he considers such action advisable."

132. The acts and omissions of Kevin Ra identified constitute an abuse of a charitable trust, in violation of R.C. 109.24.

PRAYER FOR RELIEF

WHEREFORE, pursuant to his statutory and common law authority, Plaintiff Ohio Attorney General respectfully requests this Court grant the following relief:

- A. Grant equitable and statutory relief preserving charitable assets, including, but not limited to, taking assets of HCAP and GCHP into constructive or actual possession by the court to be distributed in accordance with the purpose of the charitable trust;
- B. Grant an injunction perpetually enjoining Kevin Ra from soliciting in the state of Ohio for charitable purposes, incorporating any other nonprofit entities, and/or serving in a fiduciary capacity for any nonprofit;
- C. Order Kevin Ra and Vista REO to pay restitution and compensatory damages, including interest for all amounts unjustly or illegally retained by them, to the Ohio Attorney General for redistribution;
- D. Order Kevin Ra to pay punitive damages;
- E. Impose a civil penalty against Kevin Ra of at least \$500 but less than \$10,000 for each violation of R.C. 109.26;
- F. Impose a civil penalty against Kevin Ra and HCAP of up to \$10,000 for each violation of R.C. Chapter 1716;
- G. Order GCHP to file a final report with the Attorney's Office General as required by Administrative Code 109:1-1-09;
- H. Order HCAP to properly dissolve with the Ohio Secretary of State by filing all required documentation and paying and associated fees;

- I. Order HCAP to provide notice of their dissolution to the IRS on such forms or in such manner as is required by the IRS;
- J. Award joint and several liability against Defendants;
- K. Award Plaintiff Attorney General his reasonable attorney's fees and costs of investigation and litigation, as permitted by R.C. 1716.16(B); and
- L. Grant Plaintiff Attorney General other relief as the Court deems proper and necessary.

Respectfully submitted,

MIKE DEWINE
ATTORNEY GENERAL OF OHIO

/s/ Matthew T. Green

Matthew T. Green (0075408)

Assistant Attorney General

Lindsey Grant (0088167)

Assistant Attorney General

Ohio Attorney General's Office

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