OFFICE OF THE MISSISSIPPI SECRETARY OF STATE
CHARITIES DIVISION

IN THE MATTER OF:	)	
	)	
Asian Americans for Change, Inc., and	)	**Administrative Proceeding**
Gai Kaitlin Truong, individually	)	**Number: LC-13-0653**
2112 Bienville Blvd. Ste. L1	)	
Ocean Springs, MS 39564	)	
	)	
Respondents	)	

CONSENT AGREEMENT

The Charities Division of the Mississippi Secretary of State's Office ("Division"), having the authority to administer and to provide for the enforcement of all provisions of the Mississippi Charitable Solicitations Act ("Act"), and Respondents do hereby enter into this Consent Agreement in resolution of the following allegations by the Division of violations of certain provisions of the Act:

I. JURISDICTION

The Division has the power to regulate charitable solicitations under the Act codified at Miss. Code Ann. Section 75-71-501, et.seq. Respondents admit to the jurisdiction of the Division as to all matters contained herein under the authority of the Act.

II. ALLEGATIONS

A. Respondent Asian Americans for Change, Inc. ("AAC") was registered with the Division through July 21, 2013, at which time its registration expired. AAC's registration expired because it failed to renew its registration by the renewal date with the Division as required by Section 75-71-503(4) of the Act. As a result, AAC should not be soliciting contributions in the State of Mississippi until its registration is approved and renewed.

B. AAC was the subject of an examination by the Division, commencing December 19, 2012. During the course of that investigation, the following determinations were made:

1. AAC knew that its Board Chairperson, Respondent Truong ("Truong") was also the Chief Operations Officer, and one of the incorporators of a for-profit venture, Claim Support Center, LLC ("CSC"), a Mississippi limited liability company. After interviewing former employees of AAC, the Division determined that AAC allowed its employees to work for CSC, while grant funds donated to AAC were used to pay the salaries of these AAC employees. As AAC commingled its operations with those of CSC, AAC engaged in practices amounting to deception and misrepresentation in commingling its operations with those of CSC in violation of Section 79-11-509(g) of the Act.

2. Truong specifically instructed and used AAC employees to work for CSC while those employees were being paid with AAC funds. To the extent that occurred, Truong individually engaged in acts, practices, and/or a course of business that violated Section 79-11-525 of the Act.

3. Truong's compensation as AAC Executive Director increased from Twenty-Seven Thousand Eight Hundred Fifty Dollars ($27,850.00) in 2011 to Sixty-One Thousand, One Hundred Dollars ($61,100.00) in 2012. In response to the Division's exam findings and request, Truong provided the Division with timesheets to justify the $61,100.00 compensation paid to her by AAC in 2012. Truong also provided a copy of the contract entitling her to Forty Dollars ($40.00) per hour, and evidence of One Thousand, One Hundred Ninety-Five hours (1,195) worked, or an average of 23 hours

per week at AAC. Of note, Truong is also employed full-time in her profession. The timesheets Truong supplied to the Division represent a 73 percent increase in the hours worked from 2011 to 2012, from 689 hours to 1,195 hours. For these reasons and the fact that Truong submitted several different timesheets for the same weeks that included different hours, the Division does not accept her documentation of time worked for AAC as accurate. Even if accepted as accurate, the documentation provided to the Division justifies less than approximately Fifty Thousand Dollars ($50,000.00) in compensation, not the approximately Sixty Thousand ($60,000.00) actually paid. Truong was paid at least Ten Thousand Dollars ($10,000.00) in compensation that was neither justified by her contract, nor documented by timesheets. Truong, in failing to produce adequate records required to be kept under Sections 79-1-501 through 79-11-529, and the rules promulgated thereunder, violated Sections 79-11-519(3)(i) and 79-11-525.

Almost six (6) months later, Truong has now submitted additional information detailing her hours for 2012, which does not confirm or correlate to the hours submitted earlier, but now add more hours to her timesheets submitted in March 2013. These additional hours were submitted to "make-up" the hours needed to justify the difference in the salary paid to her and the time worked in 2012. However, the additional hours submitted were more than the hours needed to justify the difference and in some instances contradicted the previous hours submitted. In no way do the timesheets and the additional documentation of statement of work submitted correlate to the salary Truong was paid in 2012.

4. The Division's investigation revealed several instances of nepotism, mismanagement, and/or failure to observe policy directed or caused by Truong, and allowed by AAC. Truong's brother, also an incorporator of CSC, was paid a salary of Twenty-Eight Thousand, Four Hundred Ninety-Five Dollars ($28,495.00) in 2011 by AAC, although the services he provided to AAC were not satisfactorily documented to the Division. Respondent Truong, as director, repeatedly hired and supervised close friends and relatives in violation of AAC's own written Code of Ethics. Employees of AAC acted as board members, making motions, seconding motions, and voting on actions by AAC, despite not being Board members. Truong's actions constitute a breach of her fiduciary duties to AAC in violation of Section 79-11-525.

5. AAC did not keep adequate records of all costs charged to certain contracts and grants. Upon request by a particular state agency contractor, AAC was unable to produce the original source documentation for services submitted for reimbursement and had to return approximately Seventy-Two Thousand Dollars ($72,000.00) back to that contractor. In addition, AAC has lost funding from another grantor and was required to reimburse any unused grant funds by August 15, 2013, due to its poor record keeping and failure to abide by the agreement. AAC failed to keep true and correct books and records in violation of Section 79-11-518 of the Act.

III. STIPULATIONS

NOW, THEREFORE, it is hereby agreed as follows:

C. Respondents admit to the jurisdiction of the Division as to all matters herein.

D. Respondents neither admit, nor deny that their conduct was in violation of the Act.

E. Respondent AAC consents to the payment of Two Thousand Dollars ($2,000.00) to be paid upon the execution of this Consent Agreement. Payment shall be remitted to the "Mississippi Secretary of State" upon execution of this Agreement.

F. Respondent Truong consents to the repayment to AAC of Ten Thousand Dollars ($10,000.00), made in monthly payments beginning upon the execution of this Consent Agreement, evidence of each repayment to be proven to the Division's satisfaction, including a copy of the check and evidence of the deposit transaction made by AAC.

G. Respondent AAC consents to increase its Board of Directors to no less than seven (7) members for a three year period commencing with the execution of this Consent Agreement. Respondent AAC further consents to operate with a Board of Directors of no less than five (5) members following the three year period described above. This action should be taken by October 31, 2013 as Respondent AAC indicated in its February 2013 response that it would increase its Board of Directors to seven (7) members by July 1, 2013.

H. Respondent AAC consents to remove Respondent Truong from any Board position and from being Executive Director of AAC. However, Respondent Truong can remain an employee of AAC and act as "the face" of AAC, if agreed to by the new Board of Directors. AAC further represents that is has already revoked any and all financial authority held by Truong, whether incident to her Directorship or not, including but not limited to the authority to sign checks, withdraw funds, or cause AAC to incur indebtedness.

I. Respondent AAC consents to require that all grant writing (proposals and submissions) and all allocation of grant funds awarded be approved by the Board of Directors, such approval being recorded in the Board minutes.

J. Respondent AAC consents to approve all appointment of future Board of Directors or Executive Directors of AAC by vote of the Board of Directors. AAC further consents that it will not appoint a relative of Truong to the position of Director for a five year period to commence at the execution of this agreement. Respondent AAC agrees to fill the vacant Executive Director vacant position by October 31, 2013.

K. Respondent AAC consents to more accurately document minutes of its board meetings to reflect sufficiently actions taken therein.

L. Respondent Truong consents to limit her involvement in AAC to positions of volunteer or employee, and consents to seek no supervisory, director, or board position with AAC for a period of not less than five years from the execution of this agreement.

M. Respondent Truong consents to perform grant writing, participate in the grant writing process, and/or allocate the use of charitable donations only under supervision, and only with the documented approval of the Executive Director, or the Board.

N. A willful failure to comply with any of the terms, conditions or obligations of this Agreement will result in Respondents being deemed to be in violation of a lawful order made pursuant to the Act and, therefore, subject to the penalties available under the Act.

O. Respondents are aware of their right to a hearing on those matters set forth in the Agreement, at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondents hereby irrevocably waive their right to such a hearing.

P. The entry of this Agreement represents the settlement of regulatory claims by the Division against Respondents only and does not, in any way, restrict or affect the rights or causes of action, if any, of any individual or entity.

Q. This Agreement pertains only to those matters set forth in the Order, referred to above, and only to Respondents involvement therein.

R. Respondents acknowledge that they have read this Consent Agreement in its entirety and fully understand the rights, terms, and obligations contained therein.

IV. OTHER MATTERS

S. In the event that Respondents fail to comply with the provisions of this Order, the Division may, without notice to the Respondents, unilaterally rescind this Order and institute any legal or administrative proceedings it deems appropriate including, but not limited to, proceedings to address the matters set forth herein.

WHEREFORE, the undersigned hereby acknowledges and agrees to the terms and conditions of the foregoing Agreement by written consent.

C. DELBERT HOSEMANN, JR.
Secretary of State

By: _____
TANYA G. WEBBER
Assistant Secretary of State
Charities Division

Date: 10/18/13

ASIAN AMERICANS FOR CHANGE, INC.

By: _____

Title: Mickey Sou - Treasurer

Date: 10-24-13

_____
GAI KAITLIN TRUONG

Date: 10-24-13