

**OFFICE OF THE MISSISSIPPI SECRETARY OF STATE
CHARITIES DIVISION**

IN THE MATTER OF:)	
)	
Community Relief Foundation)	Administrative Proceeding
359 Culley Drive)	Number: <u>LC-13-0798</u>
Jackson, Mississippi 39206)	
)	
<i>Respondent</i>)	

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 Community Relief Foundation ("Community Relief", "Respondent") 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

Respondent admits to the jurisdiction of the Division as to all matters contained herein under the authority of the Act.

II. FINDINGS

- A. Community Relief Foundation is a registered charitable organization with the Division. Its stated purpose on file with the Division is "to assist economically disadvantaged individuals and families in the achievement of social and economic self-sufficiency . . . by organizing, developing, and implementing human services programs in disadvantaged/deprived communities."
- B. The Division performed an examination in June 2013. The exam revealed the following:

1. Statements, bills, and receipts were not adequately maintained. As a result, Community Relief violated Miss. Code Ann. §79-11-518 of the Act and Rule 2.13 of the Charities Act Rules. The Division acknowledges that Community Relief has indicated that it will institute an improved record keeping system.
2. Records of solicitation activities were not adequately kept. As a result, Community Relief violated Miss. Code Ann. §79-11-518 of the Act and Rule 2.13 of the Charities Act Rules. The Division acknowledges that Community Relief has indicated that it will institute an improved record keeping system.
3. Board minutes were not adequately maintained. As a result, Community Relief violated Miss. Code Ann. §79-11-518 of the Act and Rule 2.13 of the Charities Act Rules.
4. An apparent conflict of interest with Board members, breach of fiduciary duty, and private inurement or excess benefits to directors. As a result, Community Relief violated Miss. Code Ann. §79-11-519(4)(j) and §79-11-525 of the Act. The Division acknowledges that Community Relief has eliminated service contracts with Board members.

III. STIPULATIONS

NOW, THEREFORE, it is hereby agreed as follows:

- C. Respondent admits to the jurisdiction of the Division as to all matters herein.
- D. Respondent neither admits nor denies that its conduct was in violation of the Act.
- E. Respondents have been cooperative throughout the examination process. The Board of Directors has met to address the violations listed in this Agreement and have made modifications to Community Relief Foundation's policies and procedures.

- F. The Division shall impose an administrative penalty upon the Respondent in the amount of Two Thousand Dollars (\$2,000.00). Respondent shall remit payment to the Division, payable to "Mississippi Secretary of State," upon execution of this Agreement.
- G. Respondent agrees that the payee of a Community Relief check shall not be the signer of the check.
- H. Respondent agrees to avoid any future dual roles of officers and directors.
- I. Respondent agrees to avoid any future contracting with officers and directors for services.
- J. Respondent agrees to document the Board minutes in more detail to reflect adequately the actions taken by the Board of Directors.
- K. Respondent agrees to have all reimbursements to officers and directors individually authorized by the Board prior to the reimbursement and have all required documentation with each reimbursement.
- L. Respondent agrees to officially memorialize all loans to the organization, including all repayment terms.
- M. Respondent agrees to limit the amount of cash transactions and to have receipts for all remaining cash transactions.
- N. A willful failure to comply with any of the terms, conditions or obligations of this Agreement will result in Respondent 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. Respondent is aware of its right to a hearing on the matters set forth in the Agreement at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondent hereby irrevocably waives its right to such a hearing.

P. Respondent acknowledges that it has read this Consent Agreement in its entirety and fully understands the rights, terms, and obligations contained therein.

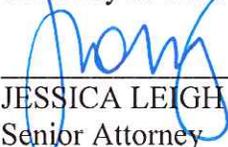
III. OTHER MATTERS

Q. In the event that Respondent fails to comply with the provisions of this Agreement, the Division may, without notice to the Respondent, unilaterally rescind this Agreement 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:



JESSICA LEIGH LONG
Senior Attorney
Charities Division

Date:

August 15, 2014

The undersigned agent for Community Relief Foundation acknowledges that he/she has been lawfully vested with the authority to enter into this Consent Agreement on behalf of the Respondent.

COMMUNITY RELIEF FOUNDATION

By:



Sign Name

Tanya C. Johnson

Print Name

Chairman

Title

Date:

8/8/2014




8.8.2014