OFFICE OF THE MISSISSIPPI SECRETARY OF STATE
CHARITIES DIVISION

IN THE MATTER OF :	)	
	)	
	)	
Foundation for Catholic Action, Inc.	)	**Administrative Proceeding**
5501 Merchants View Square, Suite 712	)	**Number: LC-16-1885**
Haymarket, Virginia 20169	)	
	)	
	)	
Respondent	)	

CEASE AND DESIST ORDER AND
NOTICE OF INTENT TO REVOKE REGISTRATION

The SECRETARY OF STATE OF MISSISSIPPI, by and through the undersigned designated representative, hereby issues this Cease and Desist Order and Notice of Intent to Revoke Registration against Foundation for Catholic Action, Inc. ("Foundation for Catholic Action"). In support hereof, he states the following:

I. JURISDICTION

The Secretary of State is vested with the regulation of charitable organizations that solicit donations in the State of Mississippi pursuant to Miss. Code Ann. §79-11-501, *et seq.* Foundation for Catholic Action is a charitable organization as defined by Miss. Code Ann. §79-11-501(a)(i) ("Act"), to-wit:

> (B) Any person actually or purporting to be established for any voluntary health and welfare, benevolent, philanthropic, patriotic, educational, humane, scientific, public health, environmental conservation, civic, or other eleemosynary purpose or for the benefit of law enforcement personnel, fire fighters, or other public safety organizations, or any person employing in any manner a charitable appeal as the basis of any solicitation or an appeal that suggests that there is a charitable purpose to any solicitation and includes each local, county or area division within this state of such charitable organization, provided such local, county or area division has authority and discretion to disburse funds or property otherwise than by transfer to any parent organization.

Foundation for Catholic Action is a charitable organization as defined by the Act, and is subject to the Secretary of State's regulatory authority. Therefore, the Secretary of State finds that he has jurisdiction over the subject matter and the parties herein.

II. FINDINGS OF FACT

1. On March 10, 2015, the Charities Division of the Secretary of State's Office ("Division") sent Foundation for Catholic Action a renewal registration notice informing it of the requirement to submit the annual renewal registration on or before July 8, 2015, its renewal date. The renewal notice was sent to the charity via electronic mail.

2. Failing to submit its renewal registration by July 8, 2015, Foundation for Catholic Action's registration expired. As a courtesy thereafter, the Division sent Foundation for Catholic Action a "termination letter" on October 26, 2015. The termination letter indicated that Foundation for Catholic Action had failed to renew its registration and that a renewal registration was required if Foundation for Catholic Action wanted to continue to solicit contributions in Mississippi; otherwise, if Foundation for Catholic Action wanted to cease solicitations in Mississippi, a Final Report would be required to terminate the registration. Foundation for Catholic Action failed to respond to the termination letter, submit a renewal registration, or file a Final Report. The Division continued to send Foundation for Catholic Action termination letters via electronic mail on November 26, 2015 and December 28, 2015, giving it the ample opportunity to comply with state law.

3. Again, Foundation for Catholic Action failed to respond to the termination letters so the Division sent Foundation for Catholic Action a final expiration letter on January 28, 2016. The expiration letter stated that Foundation for Catholic Action had failed to renew its registration or file a Final Report as required, and that solicitations made without a proper

registration were in violation of the Act and subject to an administrative penalty up to a maximum of Twenty-five Thousand Dollars ($25,000.00) per violation.

4. To date, the Division has not received a renewal registration or Final Report from Foundation for Catholic Action.

III. APPLICABLE LAW

5. Pursuant to Miss. Code Ann. §79-11-503(1), every charitable organization which solicits or intends to solicit contributions shall be registered with the Secretary of State prior to any solicitation.

6. Miss. Code Ann. §79-11-503(6) further states that in no event shall a registered charitable organization continue to solicit contributions in or from this state after the date such organization should have filed, but failed to file, a renewal and the financial report in accordance with the requirements of §§79-11-501 through 79-11-529.

7. Miss. Code Ann. §79-11-503(8) also states that any registered charitable organization which for any reason opts not to renew its registration must, upon the expiration of its registration, provide to the Secretary of State a final report.

8. Miss. Code Ann. §79-11-509(1)(e) states that the Secretary of State shall deny, suspend, or revoke a registration or exemption if the applicant or registrant has violated or failed to comply with any provisions of the chapter or any rule or order thereunder.

9. Miss. Code Ann. §79-11-509(2) also states that the Secretary of State shall notify the applicant or licensee of his intent to deny, suspend, or revoke a license and shall inform him of his right to request an administrative hearing within thirty (30) days of receipt of the notification.

10. Miss. Code Ann. §79-11-509(4) provides that whenever it appears to the Secretary of State that any person has engaged in or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order hereunder, he may, in his discretion, seek one or more of the following remedies in addition to other remedies authorized by law:

(a) Issue a cease and desist order, with or without a prior hearing against the person or persons engaged in the prohibited activities, directing them to cease and desist from further illegal activity;

(b) Administratively dissolve the charitable organization; or

(c) Issue an order imposing an administrative penalty up to a maximum of Twenty-Five Thousand Dollars ($25,000.00) for each offense, each violation to be considered as a separate offense in a single proceeding or a series of related proceedings;

IV. CONCLUSIONS OF LAW

11. According to Miss. Code Ann. §79-11-503(1) and (6), every charitable organization which solicits or intends to solicit contributions shall file with the Secretary of State a registration statement and pay a filing fee of Fifty Dollars ($50.00). In no event shall a registered charitable organization continue to solicit contributions in or from this state after the date such organization should have filed, but failed to file, a renewal and the financial report in accordance with the requirements of §§79-11-501 through 79-11-529. Foundation for Catholic Action has failed to file a renewal registration and financial report with the Division after its registration expired, and is therefore in violation of these provisions.

12. Foundation for Catholic Action does not have the option of not renewing its registration in Mississippi. Pursuant to Miss. Code Ann. §79-11-503(8), if a registered charitable

organization for any reason opts not to renew its registration, it must upon the expiration of its registration, provide to the Secretary of State a final report. Foundation for Catholic Action has failed to file a final report with the Division after its registration expired, and is therefore, in violation of this provision.

V. CEASE AND DESIST

As provided in Miss. Code Ann. §79-11-509(4), the Secretary of State hereby orders Foundation for Catholic Action to immediately **CEASE AND DESIST** soliciting charitable contributions in and from the State of Mississippi as defined by Miss. Code Ann. §79-11-501. This order shall remain in effect until further order of the Secretary of State.

VI. NOTICE OF INTENT TO REVOKE REGISTRATION

Pursuant to Miss. Code Ann. §79-11-509(1)(e), the Secretary of State shall deny, suspend, or revoke a registration of a registrant that has violated or failed to comply with any provision of the chapter or rule thereunder. The Secretary of State hereby revokes the registration of Foundation for Catholic Action.

VII. RIGHT TO ADMINISTRATIVE HEARING

An administrative hearing may be requested in this matter. Any such request shall be made, in writing, to Tanya G. Webber, Assistant Secretary of State, Charities Division, Post Office Box 136, Jackson, MS 39205, within thirty (30) days from the date of receipt of this Order. If an administrative hearing is requested, written notice of the date, time, and place, will be given to all parties by certified mail, return receipt requested. Said notice will also designate a Hearing Officer. In the event such written notice is not received within the thirty (30) day period of time, the registration revocation and dissolution shall become effective.

VIII. PUBLIC INTEREST

The actions taken and proposed to be taken herein by the Secretary of State are in the public interest and are consistent with the purposes set out in Miss. Code. Ann. §79-11-501, *et seq*.

IX. RIGHT TO AMEND

The Secretary of State hereby reserves the right to amend this Cease and Desist Order and Notice of Intent to Revoke Registration.

SO ISSUED, this the 25th day of May, 2016.

C. DELBERT HOSEMANN, Jr.
Secretary of State
State of Mississippi

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

CERTIFICATE OF SERVICE

I, Tanya G. Webber, do here by certify, that I have this day, mailed a true and correct copy, via certified mail, return receipt requested, of the Cease and Desist Order and Notice of Intent to Revoke Registration to the following:

Foundation for Catholic Action, Inc.
5501 Merchants View Square, Suite 712
Haymarket, Virginia 20169

Ryan Callaghan
2878 Hayne Street
Carmel, Indiana 46032

Joseph Hans
21135 Brookside Lane
Sterling, Virginia 20165

This the 25th day of May, 2016.

TANYA G. WEBBER
Assistant Secretary of State
Charities Division
Mississippi Secretary of State's Office

Tanya G. Webber, MSB# 99405
Mississippi Secretary of State's Office
Post Office Box 136
Jackson, Mississippi 39205
(601) 359-1599