

**OFFICE OF THE MISSISSIPPI SECRETARY OF STATE
BUSINESS REGULATION AND ENFORCEMENT DIVISION**

IN THE MATTER OF :)	Administrative
)	Proceeding
LA MAL & FRIENDS, INC.)	Number: <u>C-06-0074</u>
)	
10425 S. Western Avenue)	
Los Angeles, California 90047)	
)	
<i>Respondent</i>)	

**SUMMARY CEASE AND DESIST ORDER AND
NOTICE OF INTENT TO IMPOSE ADMINISTRATIVE PENALTY**

The SECRETARY OF STATE OF MISSISSIPPI, by and through the undersigned designated representative, hereby issues this summary cease and desist order against LA MAL & FRIENDS, INC. (hereinafter "La Mal") and 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.* (Rev. 2001). La Mal is a charitable organization as defined by Miss. Code Ann. §79-11-501(a) (i) (Rev. 2001), to-wit:

(A) Any person determined by the Internal Revenue Service to be a tax exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code.

La Mal is a charitable organization as defined by the Act, and therefore subject to the Secretary of State's regulatory authority. The Secretary of State, therefore, finds that he has jurisdiction over the subject matter and the parties herein.

II. FINDINGS OF FACT

1. In November 2005, an employee of the Secretary of State's Office, Business Regulation and Enforcement Division ("Division") received documentation that La Mal was soliciting contributions from Mississippi residents.

2. A diligent search of the records of the Division revealed that La Mal was not registered to solicit donations in the State of Mississippi.

3. On November 23, 2005, a member of the Division mailed a registration package to La Mal to complete registration.

4. Currently, La Mal is still not registered with the Division.

III. CONCLUSIONS OF LAW

5. According to Miss. Code Ann. §79-11-503(1) (Rev. 2001), every charitable organization, which solicits or intends to solicit contributions shall file a registration statement with and pay a filing fee of Fifty Dollars (\$50.00) to the Secretary of State. Since La Mal is soliciting contributions in the State of Mississippi, without being registered, it is therefore in violation of this provision.

6. Since La Mal is soliciting contributions without being registered, it is, therefore, subject to the provisions of §79-11-509 (Rev. 2001) to include the issuance of a cease and desist order with or without a prior hearing.

IV. SUMMARY CEASE AND DESIST

As provided in Miss. Code Ann. §79-11-509(4) (Rev. 2001), the Secretary of State hereby summarily orders La Mal to immediately **CEASE AND DESIST** soliciting charitable contributions in and from the State of Mississippi as defined by Miss. Code Ann. §79-11-501 (Rev. 2001). This order shall remain in effect until further order of the Secretary of State.

V. NOTICE OF INTENDED ACTION

Please note that the Secretary of State intends to take the following additional action:

1. Impose an administrative penalty of up to \$25,000.00 for each violation of Miss. Code Ann. §79-11-501 (Rev. 2001) through §79-11-529 (Rev. 2001).
2. The imposition of an administrative penalty shall become effective thirty (30) days after receipt of this Order unless a request for an administrative hearing is received by the Secretary of State before the expiration of said thirty (30) days.

VI. RIGHT TO ADMINISTRATIVE HEARING

An administrative hearing may be requested in this matter. Any such request shall be made in writing to the Secretary of State 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.

VII. 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.* (Rev. 2001).

VIII. RIGHT TO AMEND

The Secretary of State hereby reserves the right to amend this Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty.

SO ISSUED, this the 2ND day of FEBRUARY, 2006.

ERIC CLARK
Secretary of State
State of Mississippi

BY:



JAMES O. NELSON, II
Assistant Secretary of State
Business Regulation & Enforcement