

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

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<b>In The Matter Of:</b>	)	
	)	
<b>Mississippi Youth Activities and Recreation Team, Inc.</b>	)	<b>Administrative Proceeding</b>
<b>6915 Crumpler Boulevard, Suite 246</b>	)	<b>Number: <u>C-06-0053</u></b>
<b>Olive Branch, MS 39110</b>	)	
	)	
<b>RESPONDENT</b>	)	

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**FINAL CEASE AND DESIST ORDER  
AND ORDER IMPOSING ADMINISTRATIVE PENALTY**

**I. JURISDICTION**

Comes now, James O. Nelson, II, Assistant Secretary of State for the Business Regulation and Enforcement Division (hereinafter "Division"), on behalf of Eric Clark, Secretary of State for the State of Mississippi, after having served a Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty against Respondent MISSISSIPPI YOUTH ACTIVITES AND RECREATION TEAM, INC. (hereinafter "Respondent") having wholly failed to respond within the time allowed by the applicable rules, hereby issues this Final Cease and Desist Order and Order Imposing Administrative Penalty regarding Respondent's violations of the Mississippi Charitable Solicitations Act (hereinafter "Act"), codified at Miss. Code Ann. §§ 79-11-501 *et seq.*

**II. FINDINGS OF FACT**

1. Respondent is a Mississippi non-profit corporation and a charitable organization under the Act with the last known address of 6915 Crumpler Boulevard, Suite 246, Olive Branch, Mississippi 38654. Up to the issuance of this Order, Respondent was not registered with the Division to solicit contributions in the State of Mississippi.

2. Julia Carpenter is a natural person and an incorporator of Respondent. Carpenter is also the Respondent's agent for service of process purposes. Carpenter's address for service of process purposes is 6915 Crumpler Boulevard, Suite 246, Olive Branch, Mississippi 38654.
3. The Division discovered information indicating that Respondent appeared to have solicited contributions in Mississippi from Mississippi residents without being registered with the Division.
4. On August 17, 2006, the Division issued a Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty (hereinafter "Order") against Respondent. The Order is affixed hereto as Exhibit "A." The Order indicates that Respondent shall have thirty (30) days from the date of receipt of the Order to give written notice to the Division requesting a hearing on the matters contained in the Order.
5. On August 18, 2006, the Division mailed a true and correct copy of the Order to Respondent.
6. On August 30, 2006, the Division received the Order, addressed to Respondent, returned and marked "Refused."
7. On September 15, 2006, the Division delivered a true and correct copy of the Order, addressed to Respondent, to the Secretary of State.
8. On September 15, 2006, the Division mailed a true and correct copy of the Notice of Service and Affidavit of Compliance to Respondent. The Division sent the Notice of Service and Affidavit of Compliance, via certified mail, to the last known address of 6915 Crumpler Boulevard, Suite 246, Olive Branch, Mississippi 39110.

9. On October 31, 2006, the Division received the Order, Notice of Service, and Affidavit of Compliance, addressed to Respondent, returned and marked "Refused."
10. To date, Respondent has not contacted the Division regarding the Order.
11. Because Respondent failed to respond within the time allowed by the applicable rules, the Division issues this Final Cease and Desist Order and Order Imposing Administrative Penalty.

### III. APPLICABLE LAW

12. Section 79-11-501(d) of the Act states the following:

"Contribution" means the promise or grant of any money or property of any kind or value, including the promise to pay, except payments by members of an organization for membership fees, dues, fines, assessments or for services rendered to individual members...

13. Section 79-11-501(f) of the Act states the following:

"Person" means any individual, organization, group, association, partnership, corporation, trust or any combination of them or any other entity however established within or without this state.

14. Section 79-11-501(j) of the Act states the following:

"Solicitation" or "solicit" means the request, directly or indirectly, for money, credit, property, financial assistance, or any other thing of value on the plea or representation that such money, credit, property, financial assistance, or other thing of value or a portion of it will be used for a charitable purpose or will benefit a charitable organization....

15. Section 79-11-503(1) of the Act states the following:

Except as otherwise provided in Section 79-11-505 and prior to any solicitation of contributions, every charitable organization as defined in Section 79-11-501 which solicits or intends to solicit contributions by any means whatsoever shall file a registration statement with, and pay a filing fee of Fifty Dollars (\$50.00) to, the

Secretary of State....

16. Section 79-11-509(2) of the Act states the following, in relevant part:

The denial, suspension or revocation shall become effective thirty (30) days after receipt of the notification [to Respondent] unless a request for an administrative hearing is received by the Secretary of State before the expiration of the thirty (30) days.

#### IV. CONCLUSIONS OF LAW

17. Respondent violated Miss. Code Ann. § 79-11-503 (2001) by soliciting in Mississippi without being properly registered with the Division, or without having been exempted or excluded from the registration requirements of the Act.

#### V. PUBLIC INTEREST

This Final Cease and Desist Order is issued in the public interest and for the protection of donors consistent with the purposes of the Act.

#### VI. ORDER

**IT IS THEREFORE ORDERED**, pursuant to the authority set out in Miss. Code Ann. § 79-11-501 through § 79-11-529 of the Act, that Respondent **MISSISSIPPI YOUTH ACTIVITIES AND RECREATION TEAM, INC.** shall permanently **CEASE AND DESIST FROM ANY FURTHER ILLEGAL ACTIVITY IN, OR ORIGINATING FROM THE STATE OF MISSISSIPPI** in connection with solicitations of charitable contributions. In addition, Respondent shall pay a fine in the amount of Twenty Five Thousand Dollars (\$25,000) payable to the “Mississippi Secretary of State” within fifteen days from the receipt of this Final Order.

**BE ADVISED THAT**, a willful violation of this Final Cease and Desist Order may be punishable upon conviction by a fine of not more than Twenty-Five Thousand

Dollars (\$25,000.00) or five (5) years imprisonment, or both, in addition to civil and administrative remedies available to the Division.

SO ISSUED, this the 7<sup>th</sup> day of NOVEMBER, 2006.

ERIC CLARK  
Secretary of State

By:

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

Nathan Thomas, MSB # 100496  
Mississippi Secretary of State's Office  
Post Office Box 136  
700 North Street  
Jackson, Mississippi 39205-0136  
(601) 359-6366

**CERTIFICATE OF SERVICE**

I, Nathan Thomas, do hereby certify that I have this day mailed via Certified Mail, postage pre-paid, a true and correct copy of the Final Cease and Desist Order and Order Imposing Administrative Penalty to the following:

Julia Carpenter  
6915 Crumpler Boulevard  
Suite 246  
Olive Branch, Mississippi 38654

This, the 7<sup>th</sup> day of November, 2006.



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NATHAN THOMAS  
Senior Attorney

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

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IN THE MATTER OF:	)	
	)	
MISSISSIPPI YOUTH ACTIVITIES AND RECREATION TEAM, INC.	)	ADMINISTRATIVE PROCEEDING
6915 Crumpler Boulevard, Suite 246	)	NUMBER: <u>C-06-0053</u>
Olive Branch, Mississippi 39110	)	
	)	
<u>Respondent</u>	)	

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

**I. JURISDICTION**

Comes now, James O. Nelson, II, Assistant Secretary of State for the Business Regulation and Enforcement Division (hereinafter "Division"), on behalf of Eric Clark, Secretary of State for the State of Mississippi, and issues this Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty against Respondent MISSISSIPPI YOUTH ACTIVITIES AND RECREATION TEAM, INC. (hereinafter "Respondent") for violations of the Mississippi Charitable Solicitations Act (hereinafter "Act"), codified at Miss. Code Ann. §§79-11-501 *et seq.*

Section 79-11-501(a)(i)(B) of the Act defines "charitable organization" with the following:

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 any appeal that suggest that there is a charitable purpose to any solicitation....



Respondent purports to be established for the purpose of acting as a non-profit youth organization and to provide recreational activities including, but not limited to, athletic opportunities for persons who are twenty-one (21) years of age and younger. Respondent further purports that it is formed to operate exclusively for such charitable and benevolent purposes as will qualify it as an exempt organization under the Internal Revenue Code Section 501(c)(3). Because Respondent's purpose is benevolent in nature and appears to solicit contributions in, or from, Mississippi, Respondent falls within the definition of "charitable organization." Thus, Respondent is subject to the Secretary of State's regulatory authority.

## **II. FINDINGS OF FACT**

1. Respondent is a Mississippi non-profit corporation and a charitable organization under the Act with a last known address of 6915 Crumpler Boulevard, Suite 246, Olive Branch, Mississippi 38654. Up to the issuance of this Order, Respondent was not registered with the Division to solicit contributions in the State of Mississippi.

2. Julia Carpenter is a natural person and an incorporator of Respondent. Carpenter is also the Respondent's agent for service of process purposes. Carpenter's address for service of process purposes is 6915 Crumpler Boulevard, Suite 246, Olive Branch, Mississippi 38654.

3. The Division discovered information indicating that Respondents appeared to have solicited contributions in or from Mississippi without being registered with the Division.

## **III. APPLICABLE LAW**

4. Section 79-11-501(d) of the Act states the following:

“Contribution” means the promise or grant of any money or property of any kind or value, including the promise to pay, except payments by members of an organization for membership fees, dues, fines, assessments or for services rendered to individual members...

5. Section 79-11-501(f) of the Act states the following:

“Person” means any individual, organization, group, association, partnership, corporation, trust or any combination of them or any other entity however established within or without this state.

6. Section 79-11-501(j) of the Act states the following:

“Solicitation” or “solicit” means the request, directly or indirectly, for money, credit, property, financial assistance, or any other thing of value on the plea or representation that such money, credit, property, financial assistance, or other thing of value or a portion of it will be used for a charitable purpose or will benefit a charitable organization....

7. Section 79-11-503(1) of the Act states the following:

Except as otherwise provided in Section 79-11-505 and prior to any solicitation of contributions, every charitable organization as defined in Section 79-11-501 which solicits or intends to solicit contributions by any means whatsoever shall file a registration statement with, and pay a filing fee of Fifty Dollars (\$50.00) to, the Secretary of State....

#### IV. CONCLUSIONS OF LAW

8. It appears to the Division that Respondent violated Section 79-11-503(1) of the Act by soliciting contributions in or from the State of Mississippi for charitable purposes without having been registered with the Division or without having been exempted or excluded from the registration requirements of the Act.

#### V. ADMINISTRATIVE PENALTY

9. Please take notice that the Secretary of State intends to impose an administrative penalty of up to Twenty-five Thousand Dollars (\$25,000.00) for each offense, each violation to be considered a separate offense in a single proceeding, of Miss. Code Ann. Section 79-11-501 through 79-11-529.

10. The imposition of an administrative penalty shall be assessed and an order assessing same shall become effective, along with a final Cease and Desist Order, thirty (30) days after receipt of this Notice unless a request for an administrative hearing is received by the Secretary of State before the expiration of said thirty (30) days.

#### **VI. PUBLIC INTEREST**

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

#### **VII. AMENDMENTS**

12. The Division reserves the right to amend this Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty.

#### **VIII. ORDER**

13. **IT IS THEREFORE ORDERED**, pursuant to the authority set out in §79-11-501 through §79-11-529 of the Act, that the Respondent MISSISSIPPI YOUTH ACTIVITIES RECREATION TEAM, INC., shall immediately **CEASE AND DESIST FROM ANY FURTHER ILLEGAL ACTIVITY IN, OR ORIGINATING FROM**, the State of Mississippi in connection with solicitations of charitable contributions.

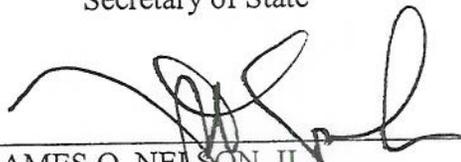
14. **NOTICE** is hereby given that the Respondent shall have thirty (30) days from the date of receipt of this Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty to give written notice to James O. Nelson, II, Assistant Secretary of State for Business Regulation & Enforcement, Office of the Secretary of State, Post Office Box 136, 700 North Street, Jackson, Mississippi 39205-0136. In the event such a hearing is requested, the Respondent may appear, with or without the assistance of an attorney, on a date and at a time and place to be specified and cross-

examine witnesses, present testimony, evidence and argument relating to the matters contained herein. Upon request, subpoenas may be issued for the attendance of witnesses and for the production of books and papers on the Respondent's behalf at the hearing relating to matters contained herein. In the event such written notice is not received within said thirty (30) day period of time, a FINAL CEASE AND DESIST ORDER may be entered in this proceeding with no further notice.

This, the 17<sup>th</sup> day of August, 2006.

ERIC CLARK  
Secretary of State

By:

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



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Nathan Thomas, MSB #100496  
Senior Attorney  
Post Office Box 136  
Jackson, Mississippi 39205  
(601) 359-6366

## CERTIFICATE OF SERVICE

I, Nathan Thomas, do here by certify that I have this day mailed via Certified Mail, postage pre-paid, a true and correct copy of the Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty to the following:

Julia Carpenter  
6915 Crumpler Boulevard  
Suite 246  
Olive Branch, Mississippi 38654

This, the 18<sup>th</sup> day of August, 2006.



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NATHAN THOMAS  
Senior Attorney