

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

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**IN THE MATTER OF:**

**THE PEOPLE'S CHARITY CLINIC OF  
EAST MISSISSIPPI  
310 Russell Drive  
Meridian, Mississippi 39302**

**File Number LC-14-1168**

**CONSENT ORDER**

**I.**

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 Respondent do hereby enter into this Consent Order 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. §79-11-501, *et. seq.* Respondent admit to the jurisdiction of the Division as to all matters contained herein under the authority of the Act.

**II. ALLEGATIONS**

A. The People's Charity Clinic of East Mississippi ("People's Charity") was registered with the Division until September 3, 2014 at which time its registration expired. People's Charity's registration expired because it failed to renew its registration by the renewal date with the State of Mississippi. As a result, People's Charity should not be soliciting contributions in the State of Mississippi until its registration is approved and renewed.

B. People's Charity was the subject of a desk examination by the Division commencing August 19, 2014. During the course of the examination, the following determinations were made:

1. People's Charity failed to maintain accurate books and records of its solicitation activities in violation of Rule 2.13 of the Mississippi Charities Act Rules and Miss. Code Ann. §79-11-518. It was determined that there were missing receipts for purchases made. Checks failed to include a memo identifying the purpose of the checks. There was also no documentation to support some of the cash withdrawals.
2. The Division also determined that People's Charity failed to use all of the contributions it received for its stated charitable purpose in the following ways in violation of Miss. Code Ann. §79-11-509(1)(d).
  - a. Paying overdraft fees in the amount of \$3715.00.
  - b. Paying expenses which do not appear to be charitable expenses in the amount of \$140.59 to the City of Hickory.
3. People's Charity failed to renew its registration with the Division by September 3, 2014. Nevertheless, it continued to solicit contributions without being registered in violation of the law. Currently, People's Charity should not be soliciting funds, including submitting grant applications.
4. People's Charity's officers, board of directors, and employees failed their fiduciary responsibilities to the organization when they failed to abide by the charity rules and regulations and provide oversight of the actions above in violation of Miss. Code Ann. §79-11-525.

### III. STIPULATIONS

THEREFORE, in consideration of a final resolution of the matters set forth herein, the Division and Respondent hereby agree and stipulate as follows:

1. Respondent stipulates to the jurisdiction of the Division as to all matters contained herein under the authority of the Act and acknowledges that the issuance of this Consent Order is solely for the purpose of resolving the matters contained in this Consent Order.

2. The Division acknowledges that Respondent has now submitted a complete renewal charity registration to the Division, including an affidavit of solicitation. After resolution of this pending action and receipt of this signed Consent Order and payment of penalty, the Division will process and renew Respondent's registration, allowing it the authority to solicit contributions in the State of Mississippi.

3. Respondent will collect reimbursement of expenses made to the City of Hickory from the appropriate person(s). One Hundred, Forty Dollars and Fifty-Nine Cents was spent using People's Charity funds. Reimbursement in the amount of One Hundred, Forty Dollars and Fifty-Nine Cents (\$140.59) should be made to People's Charity immediately.

4. Respondent's response to the Division's Findings Letter indicated that the chief executive officer ("CEO") has used her personal funds to reimburse People's Charity for the overdraft fees. Please supply the Division with documentation confirming this, including a copy of the check (or other tender) and the deposit slip(s).

5. Respondent's response to the Division's findings regarding its failure to adequately maintain its books and records was that it plans to hire a bookkeeper by October 1, 2014. Please submit to the Division upon execution of this Consent Order a copy of the contract between People's Charity and the bookkeeper confirming this employment.

6. Respondent's response to the Division's inquiry regarding its mission and purpose of providing a clinic and medication to the homeless was that it was redefining its mission, changing its name, updating its bylaws, and will be establishing a stronger Board of Directors by October 31, 2014. Name changes of charities must be submitted to both the Business Service and Charities Divisions of the Secretary of State's Office. In addition, updated bylaws, changes to the mission/charitable purpose of a charity, and an updated list of Board of Directors must also

be submitted to the Charity Division. Upon execution of this Consent Order, please submit to the Division these changes as required by Miss. Code Ann. §79-11-503(5), along with a copy of the signed minutes where these changes were discussed and voted on by the Board of Directors.

7. The Division acknowledges Respondent's response to the Division's findings regarding missing receipts and its failure to include memos identifying the purposes of the checks that it has now initiated a tracking system for receipts, will immediately start stating the purpose on all receipts, and will immediately start to identify the purpose of all checks in the memo line.

8. Respondent agrees that the CEO will not have control over the bank account and funds. The bookkeeper and/or treasurer will be responsible for all financial obligations.

9. Respondent further agrees that only authorized employees and Board of Directors will have access to its financial records.

10. Respondent agrees to eliminate cash withdrawals transactions, and utilize other means to pay expenses, including but not limited to, paying by check.

11. Respondent agrees that the secretary of the Board of Directors will be responsible for recording the board minutes. He/she should also sign and date all minutes.

12. Respondent agrees that it will no longer allow an officer, director, and/or employee sign checks made payable to themselves. The payee of the check shall not be the signer of the check under any circumstances.

13. The Division shall impose a penalty upon the Respondent in the amount of Five Hundred Dollars (\$500.00) for violating the Act and soliciting while unregistered. Respondent shall remit payment to the Division, payable to the "Mississippi Secretary of State" upon execution of this Order.

14. This Consent Order is in resolution of the matters contained herein. As a result of this Consent Order, the matters contained herein cannot be used as a basis for action by the Division except in determining any penalty as may be imposed by the Division for any future violations of the Act committed by the Respondent and as set forth below.

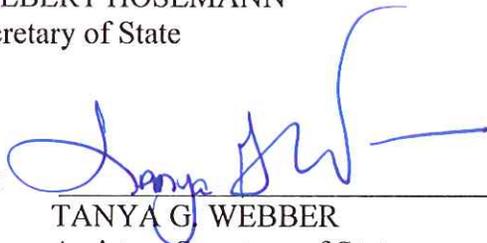
15. Respondent agrees that it will comply with the provisions of the Mississippi Charitable Solicitations Act as currently in effect or as may be subsequently amended.

#### IV. OTHER MATTERS

In the event Respondent fails or neglects to comply with any of the terms, stipulations or undertakings set forth in this Consent Order, the Division may, without notice to the Respondent, 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.

DELBERT HOSEMANN  
Secretary of State

By:



TANYA G. WEBBER  
Assistant Secretary of State  
Charities Division

Date:

10/28/2014

The undersigned agent for People's Charity acknowledges that he/she has been lawfully vested with the authority to enter into this Consent Order on behalf of the Respondent.

THE PEOPLE'S CHARITY CLINIC OF  
EAST MISSISSIPPI

By: Christie Rainer  
Sign Name

Christie Rainer  
Print Name

C.E.O  
Title

Date: 10/31/14.