

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

IN THE MATTER OF:)
)
)
TOUCHED BY AN ANGEL MINISTRIES, INC.) **File Number C-11-0029**
)
)

CONSENT ORDER

I.

The Securities and 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:

1. Touched by an Angel, Ministries, Inc. (“TBAAM”) is a Mississippi non-profit organization whose stated purpose is to be “A camp for handicapped people, mainly children”.
2. TBAAM was registered with the Division through August 30, 2010, at which time its registration expired. TBAAM’s registration expired because it failed to renew its registration by the renewal date with the State of Mississippi.
3. The Division performed an examination on TBAAM and it was determined that TBAAM failed to maintain accurate books and records of its solicitation activities in violation of Miss. Code Ann. §79-11-518.
4. The Division also determined that TBAAM failed to use all of the contributions it received for its stated charitable purpose in violation of Miss. Code Ann. §79-11-509(1)(d).
5. TBAAM’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 in the following ways in violation of Miss. Code Ann. §79-11-525:

- a. Instead of requiring a signature for checks, TBAAM's officers, board of directors, and employees allowed employees to use a rubber stamp or imprint of the signature of Brian Aldridge to sign checks;
 - b. Allowing TBAAM to have tax liens imposed against it and failing to cure the tax liens; and
 - c. Allowing TBAAM's officers, board of directors, and employees to write checks to themselves and then also sign the checks.
6. The Division further determined that TBAAM submitted registration forms that contained false and misleading statements in violation of Miss. Code Ann. §79-11-509(c).

II.

Respondent, under the terms of this Consent Order and solely for the purpose of resolving the foregoing allegations, stipulates without a hearing to the matters set forth above in Paragraph I and hereby consents to the issuance of this Consent Order and further consents to and agrees to the undertakings contained herein, with no formal administrative hearing and determination of wrongdoing.

III.

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 has cooperated with the Division's investigation in this matter.
2. 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.

3. Respondent has submitted a complete renewal charity registration to the Division. After resolution of this pending action, receipt of this signed Consent Order and penalty, the Division will process and renew Respondent's registration.

4. The Division acknowledges that Respondent has now submitted records regarding its expenses. Records documenting the loans entered into with First National Bank of Pontotoc and Bancorp South Bank on behalf of TBAAM and other individuals have been received. However, Respondent has failed to submit records to justify the total amount of reimbursement it is planning to make to individuals. Respondent states that TBAAM owes Sixty Thousand, Nine Hundred, and Eighty-Seven Dollars and Nineteen Cents (\$60,987.19) to Louis and Janice Aldridge. However, records produced by Respondent show that approximately Twenty-Six Thousand Dollars (\$26,000) is owed to these individuals. Currently, Respondent has written checks to Louis and Janice Aldridge for a total of Twenty-One Thousand, Three Hundred, and Eighty-Five Dollars and ten Cents (\$21,385.10). Therefore, any amount paid to Louis and Janice Aldridge in excess of Four Thousand, Six Hundred, and Fourteen Dollars and Ninety Cents (\$4,614.90) must be reimbursed back to the charity.

5. In addition to the amount in paragraph 4 above, Respondent has entered into an agreement to pay Louis and Janice Aldridge Seventy-Five Thousand Dollars (\$75,000.00) which is classified on Respondent's books as loans from Louis and Janice Aldridge. No records have been produced showing that Respondent owes this amount in loans or such sum was advanced to Respondent. As a result, Respondent agrees that it will not pay this undocumented loan.

6. Respondent used charitable contributions to pay overdraft fees in the amount of Fourteen Thousand, Three Hundred and Twenty-Five Dollars (\$14,325.00). These contributions were not used for its charitable purpose. Respondent agrees that it will seek reimbursement from the

officers, directors, and employees of this amount and reimburse the charity back. This amount is to be paid to the charity by December 1, 2011.

Respondent agrees that the Four Thousand, Six Hundred, and Fourteen Dollars and Ninety Cents (\$4,614.90) that is owed to Louis and Janice Aldridge will be offset by the overdraft fees (\$14,325.00) owed to Respondent. Respondent agrees that it will supply the Division with documentation signed by Louis and Janice Aldridge confirming that Respondent owes them no more money. This documentation must be submitted with the execution of this Order. As a result, the officers, directors, and employees must reimburse the charity Nine Thousand, Seven Hundred and Ten Dollars and Ten Cents (\$9,710.10) by December 1, 2011.

7. Respondent agrees that it will no longer use a rubber stamp or imprint for signatures. All checks will be signed by a person who has the authority to sign checks. Respondent agrees that Louis and Janice Aldridge will not be authorized signers. Respondent further agrees that it will furnish the Division with an updated document showing who has the authority to sign checks on its behalf. Respondent agrees that it will require a minimal of two (2) signatures on all checks.

8. Respondent agrees that within ninety (90) days, it will resolve the federal tax liens in the amount of Twenty-One Thousand, Four Hundred, and Twenty-Four Dollars and Nineteen Cents (\$21,424.19). Respondent further agrees that it will submit documents to the Division showing that all three (3) liens have been paid in full or a payment process accepted to the Internal Revenue Service has been executed. In addition, Respondent agrees that no donations received and solicited from Mississippi citizens will be used to pay these tax liens. Documentation should be submitted to the Division by October 1, 2011.

9. Respondent agrees that it will no longer allow officers, directors, and employees to sign checks made payable to themselves. The payee of the check shall not be the signer of the check under any circumstances.

10. Respondent agrees to remove Louis and Janice Aldridge from the day-to-day operations of the organization and further agrees that they will not serve as officers, directors, or employees of the organization. As a result, they will no longer have check writing privileges.

11. Respondent agrees that the current Unified Registration Form (“URS”) submitted to the Division contained false information. Respondent agrees that the URS that is required to be submitted in August and each URS hereafter will contain correct information, including but not limited to the answers in Questions 14 and 22. Respondent has provided the Division with current corrected URS.

12. The Division shall impose a penalty upon the Respondent in the amount Three Hundred Dollars (\$300.00) for violating the Act. Respondent shall remit payment to the Division, payable to the “Mississippi Secretary of State” upon execution of this Order.

13. 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.

14. 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.

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
Securities and Charities Division

Date:

7/25/11

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

TOUCHED BY AN ANGEL MINISTRIES, INC.

By:



Sign Name

Brian Aldridge

Print Name

Exec. Director

Title

Date:

7/27/11