

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

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)	
)	
Respondent)	

**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 17th day of AUGUST, 2006.

ERIC CLARK
Secretary of State

By:



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



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 18th day of August, 2006.



NATHAN THOMAS
Senior Attorney