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 9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
 10 COUNTY OF LOS ANGELES
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 12

13 **THE PEOPLE OF THE STATE OF CALIFORNIA**

Case No. **20STCV27491**

COMPLAINT FOR CIVIL PENALTIES AND OTHER EQUITABLE RELIEF ARISING FROM:

14
 15 v.

16 **BRITTANY LITTLETON, AN INDIVIDUAL,**
 17 **LITTLE LOVE RESCUE, INC., A**
 18 **CALIFORNIA CORPORATION, AND DOES 1 - 20**

- 19 (1) UNLAWFUL SOLICITATION;
- 20 (2) UNFAIR BUSINESS PRACTICES;
- 21 (3) BREACH OF FIDUCIARY DUTY;
- 22 (4) BREACH OF CHARITABLE TRUST;
- 23 (5) INVOLUNTARY DISSOLUTION

24 Plaintiff, the People of the State of California, files this complaint against Brittany
 25 Littleton; Little Love Rescue, Inc., and DOES 1-20 (collectively, DEFENDANTS), and allege as
 follows:

26 1. The Attorney General of California, Xavier Becerra, who brings this action on behalf
 27 of the People of the State of California, has the primary responsibility for supervising charitable
 28 trusts, “for ensuring compliance with trusts and articles of incorporation, and for protecting assets

1 held by charitable trusts and public benefit corporations.” (Gov. Code, § 12598.) The Attorney
2 General is authorized to enforce, in the name of the People, the provisions of the Supervision of
3 Trustees and Fundraisers for Charitable Purposes Act (Gov. Code, § 12580 et seq.), the Nonprofit
4 Corporation Law (Corp. Code, § 5000 et seq.), and those provisions of the Business and
5 Professions Code that prohibit unlawful, unfair, and fraudulent business practices (Bus. & Prof.
6 Code, § 17200 et seq. and §17500 et seq.).

7 **DEFENDANTS**

8 2. Brittany Littleton (LITTLETON) is an individual who resides in Los Angeles County.
9 At all times herein relevant, LITTLETON was the founder and director of LITTLE LOVE
10 RESCUE and owed fiduciary duties of care and loyalty to LITTLE LOVE RESCUE and its
11 charitable beneficiaries.

12 3. LITTLE LOVE RESCUE is a corporation registered with the California Secretary of
13 State with its principal place of business in Los Angeles County.

14 4. LITTLETON has operated LITTLE LOVE RESCUE since at least 2014, though she
15 did not incorporate or register the entity with the California Secretary of State until July 25, 2018
16 when its articles of incorporation were filed. The articles of incorporation identify LITTLE
17 LOVE RESCUE as a nonprofit public benefit corporation for charitable purposes. LITTLE
18 LOVE RESCUE’s purpose is to “take in animals from shelters and streets and adopt them to
19 loving homes.”

20 5. Since at least 2014, LITTLETON on behalf of LITTLE LOVE RESCUE has used
21 social media, including Facebook and Instagram, to conduct fundraising campaigns, often on
22 behalf of specific animals. Plaintiff is informed and believes that LITTLETON and LITTLE
23 LOVE RESCUE exaggerated or otherwise misrepresented the condition of rescued animals in
24 order to garner sympathy and donations.

25 6. Plaintiff is informed and believes that LITTLETON and LITTLE LOVE RESCUE
26 used and continue to use donations raised for specific animals for purposes other than for what
27 they were solicited. For example, LITTLETON on behalf of LITTLE LOVE RESCUE embarked
28 on a fundraising campaign for a dog named Luna. LITTLETON represented to donors that Luna

1 was in need of spinal surgery and claimed to need \$6,000 for the surgery. LITTLETON and
2 LITTLE LOVE RESCUE raised over \$8,000 for Luna. Ultimately, Luna did not need the surgery
3 and LITTLETON and LITTLE LOVE RESCUE used funds raised for Luna for other purposes.¹

4 7. LITTLE LOVE RESCUE holds its assets subject to a charitable trust and is subject to
5 the provisions of the Supervision Act pursuant to Government Code section 12581, Government
6 Code section 12580 and 12599.6 subdivision (f).

7 8. DOES 1-20, inclusive, are the fictitious names of DEFENDANTS who have acted as
8 directors, officers, trustees, agents or employees of DEFENDANTS, or who have participated or
9 acted in concert with one or more DEFENDANTS, or who have acted on behalf or as an agent,
10 servant, employee or co-conspirator of one or more of the DEFENDANTS, but whose name and
11 capacities, whether individual, corporate or otherwise, are presently unknown to Plaintiff.
12 Plaintiff is informed and believes that defendants DOES 1-20 have directly or indirectly
13 participated in and are responsible for the acts and omissions that are more specifically described
14 in this complaint. Because Plaintiff is presently uninformed as to the true names and capacities of
15 these DEFENDANTS, Plaintiff sues them by their fictitious names but will seek leave to amend
16 the Complaint when their true names are discovered.

17 JURISDICTION AND VENUE

18 9. At all times relevant herein, DEFENDANTS and each of them transacted business in
19 the County of Los Angeles and elsewhere in the State of California. The violations of law
20 hereinafter described have been and are now being carried out, in part, within said county and
21 throughout the State of California. This Court has jurisdiction pursuant to Article VI, section 10
22 of the California Constitution and section 393 of the Code of Civil Procedure.

23 GENERAL ALLEGATIONS

24 10. Whenever reference is made in this Complaint to any act of any corporate or other
25 business defendant, such allegation shall mean that said defendant and its owners, officers,
26 directors, agents, employees, or representatives did or authorized such acts while engaged in the

27 ¹ Luna's ownership is in dispute. Elliot Haas alleges that LITTLETON and LITTLE LOVE
28 RESCUE stole Luna from him. See *Elliot Haas v. Little Love Rescue et al.* Los Angeles Superior
Court case number 20STCV20469.

1 management, direction, or control of the affairs of DEFENDANTS and while acting within the
2 scope and course of their duties.

3 11. Whenever reference is made in this Complaint to any act of DEFENDANTS, such
4 allegation shall mean that each defendant acted individually and jointly with the other
5 DEFENDANTS named in that cause of action.

6 12. Whenever reference is made in this Complaint to any act of any individual defendant,
7 such allegation shall be deemed to mean that said defendant is and was acting (a) as a principal,
8 (b) under express or implied agency, and/or (c) with actual or ostensible authority to perform the
9 acts so alleged on behalf of every other defendant.

10 **FIRST CAUSE OF ACTION**
11 **UNLAWFUL SOLICITATION**
12 **(AGAINST ALL DEFENDANTS)**

13 13. Plaintiff re-alleges and incorporates by reference as though fully set forth herein each
14 of the allegations of Paragraphs 1 through 12.

15 14. A person or entity must be registered and in good standing with the Attorney
16 General's Registry of Charitable Trusts to operate or solicit for charitable purposes. (Cal. Code
17 Regs., tit. 11, § 999.9.4.)

18 15. LITTLE LOVE RESCUE's property is irrevocably dedicated to charitable purposes
19 and no part of its net income or assets may inure to the benefit of any director, officer, member or
20 private person. (Rev. & Tax Code, § 23701, subd. (d).) Further, a charity, or any person soliciting
21 on behalf of a charity, has a fiduciary relationship with any person from whom a charitable
22 contribution is being solicited. (Bus. & Prof. Code, § 17510.8.) The acceptance of a charitable
23 contribution by a charity, or any person soliciting on behalf of a charity, establishes a charitable
24 trust and a duty to use the charitable contribution for the declared charitable purposes for which it
25 was sought.

26 16. Since its inception and at least since 2014, LITTLE LOVE RESCUE and
27 LITTLETON solicited and continue to solicit donations through social media platforms and
28 crowd-sourcing websites, including but not limited to gofundme.com. LITTLE LOVE RESCUE,

1 at all times since its inception, could not legally solicit charitable donations or engage in any
2 activity for which registration with the Attorney General's Registry of Charitable Trusts was
3 required. (Gov. Code, § 12580, et seq., § 12599.6, subd. (f).) Despite soliciting donations for
4 years, LITTLETON as founder and director of LITTLE LOVE RESCUE failed to register with
5 the Registry of Charitable Trusts. LITTLETON should have filed a CT-1 Form and copies of the
6 Articles and Bylaws with the Registry of Charitable Trusts within 30 days after receiving
7 property. (Gov. Code, § 12585.)

8 17. Charitable organizations are required to file annual reports with the Attorney
9 General's Registry of Charitable Trusts regarding their solicitation and use of charitable assets.
10 LITTLE LOVE RESCUE and LITTLETON never filed any written reports with the Registry,
11 including, the Registration Renewal Fee (Form RRF-1) Report or the IRS Form 990, in violation
12 of Government Code section 12586, subdivision (a) and California Code of Regulations, title 11,
13 sections 301 through 306, and 311.

14 18. On at least one occasion, LITTLE LOVE RESCUE conducted a raffle to raise
15 charitable funds. In August 2017, LITTLE LOVE RESCUE advertised a raffle on twitter.com
16 and Instagram for tickets to an event.

17 19. The August 2017 raffle violated California law. Charities operating in California
18 may conduct a raffle only if they are designated tax exempt by the Franchise Tax Board, have
19 been in business for one year, and register their raffle in advance with the Attorney General's
20 Registry. Raffles are prohibited unless a charity strictly complies with the requirements of Penal
21 Code section 320 and the California Code of Regulations. (Cal. Code Reg., tit 11, §§ 410-425.)
22 LITTLE LOVE RESCUE failed to register its raffle with the Attorney General's Registry as
23 required by Penal Code Section 320.5 and section 415 of title 11 of the California Code of
24 Regulations. Moreover, LITTLE LOVE RESCUE was not eligible to conduct a raffle because it
25 is not an "eligible organization" as provided by Penal Code section 320.5. LITTLE LOVE
26 RESCUE is neither qualified to operate as a nonprofit in California nor is it exempt from taxation
27 under the Revenue and Taxation Code. (Pen. Code, § 320.5, subd (c).) In order to conduct a
28 raffle, eligible organizations must also comply with all registration and reporting requirements

1 provided by Penal Code section 320.5 and California Code of Regulations, title 11, sections 415 –
2 425.

3 20. LITTLETON and LITTLE LOVE RESCUE also violated Penal Code section 320.5,
4 subdivision (f)(2) by conducting and selling raffle tickets over the Internet.

5 **SECOND CAUSE OF ACTION**
6 **UNFAIR BUSINESS PRACTICES**
7 **(AGAINST ALL DEFENDANTS)**

8 21. Plaintiff re-alleges and incorporates by reference as though fully set forth herein each
9 of the allegations of Paragraphs 1 through 20.

10 22. LITTLETON represented to potential donors that donations to LITTLE LOVE
11 RESCUE were tax deductible. This representation was false. LITTLE LOVE RESCUE was not
12 then nor is it now a tax exempt organization. LITTLETON knew that the representations about
13 the tax exempt status of LITTLE LOVE RESCUE were false and would likely mislead and
14 deceive potential donors.

15 23. Plaintiff is informed and believes that LITTLETON, LITTLE LOVE RESCUE and
16 DOES 1-20, misrepresented the condition of “rescued” animals in order to entice potential donors
17 into making donations for medical bills for these “rescued” animals when the medical treatment
18 was not needed. On information and belief, DEFENDANTS raised money for specific animals
19 but used these funds for other purposes.

20 24. LITTLE LOVE RESCUE and LITTLETON engaged in unlawful business practices
21 in violation of Business and Professions Code section 17200.

22 25. LITTLE LOVE RESCUE and LITTLETON violated Government Code section
23 12599.6, subdivision (f) by using unfair and deceptive acts to solicit donations.

24 At all times, including the present, LITTLETON and LITTLE LOVE RESCUE continue to solicit
25 from the public across multiple platforms, including but not limited to littleloverescue.org,
26 Instagram, Facebook, and GoFundMe.

27 26. LITTLE LOVE RESCUE and LITTLETON conducted fundraising campaigns that
28 purported to raise funds for “rescued pets.” LITTLE LOVE RESCUE is prohibited from raising

1 funds for any charitable purpose in California. To the extent that LITTLE LOVE RESCUE
2 raised funds to purportedly assist specific rescue animals, those funds were restricted for those
3 charitable purposes. (Bus. & Prof. Code, § 17510.8.) LITTLE LOVE RESCUE failed to protect
4 or use its restricted funds according to the charitable trust in which they were solicited.

5 **THIRD CAUSE OF ACTION**
6 **BREACH OF FIDUCIARY DUTY**
7 **(AGAINST ALL DEFENDANTS)**

8 27. Plaintiff re-alleges and incorporates by reference as though fully set forth herein each
9 of the allegations of Paragraphs 1 through 26.

10 28. Under Government Code sections 12582 and 12582.1, LITTLE LOVE RESCUE is a
11 nonprofit public benefit corporation whose assets are held in a charitable trust to be used for
12 charitable purposes identified in its founding documents. LITTLE LOVE RESCUE's director(s),
13 LITTLETON and DOES 1-20 owe fiduciary duties of loyalty, care, and good faith in their
14 dealing with LITTLE LOVE RESCUE, and to ensure that LITTLE LOVE RESCUE complies
15 with all applicable laws as required under the Supervision Act and the Corporations Code. At
16 least as early as 2014, and continuing each year thereafter, DEFENDANTS breached their duties
17 of care and loyalty to LITTLE LOVE RESCUE by engaging in, participating in, aiding and
18 abetting, and facilitating unlawful actions, or omissions, including but not limited to, the
19 following acts/omissions in violation of Corporations Code section 5231:

- 20 (a) Failing to comply with any of the registration or reporting requirements set forth in
21 Government Code section 12580 et seq., and 12599.6 subdivision (f); and
22 (b) Using restricted assets for purposes other than those for which donors made the
23 contributions.

24 29. At all times relevant herein, DEFENDANTS failed to act in good faith, failed to act
25 in LITTLE LOVE RESCUE's best interests, and failed to use due care as required under
26 Corporations Code section 5231.

27 30. The acts as alleged in this cause of action were willful, wanton, malicious and
28 oppressive and were undertaken with the intent to defraud LITTLE LOVE RESCUE's charitable

1 beneficiaries and donors and thus justify the awarding of exemplary and punitive damages against
2 DEFENDANTS.

3 **FOURTH CAUSE OF ACTION**
4 **BREACH OF CHARITABLE TRUST**
5 **(AGAINST ALL DEFENDANTS)**

6 31. Plaintiff re-alleges and incorporates by reference as though fully set forth herein each
7 of the allegations of paragraphs 1 through 30 of this Complaint.

8 32. As a public benefit corporation, LITTLE LOVE RESCUE holds all of its funds and
9 other assets in trust for charitable purposes. LITTLE LOVE RESCUE's property is irrevocably
10 dedicated to charitable purposes and no part of the net income or assets may inure to the benefit
11 of any director, officer, member or private person. Pursuant to Corporations Code section 5142,
12 the Attorney General may bring an action to enjoin, correct, obtain damages for or to otherwise
13 remedy a breach of a charitable trust.

14 33. LITTLE LOVE RESCUE accepted charitable contributions on behalf of its charitable
15 beneficiaries. Once LITTLE LOVE RESCUE accepted donations, a charitable trust was
16 impressed on those funds and DEFENDANTS had a fiduciary duty to ensure that the donations
17 were used for the purposes stated in its bylaws and by their solicitations. (Bus. & Prof. Code, §
18 17510.8.)

19 34. Defendants committed breaches of the charitable trust by using these donations for
20 purposes other than those for which they were raised.

21 **FIFTH CAUSE OF ACTION**
22 **INVOLUNTARY DISSOLUTION**
23 **(AGAINST LITTLE LOVE RESCUE)**

24 35. Plaintiff re-alleges and incorporates by reference as though fully set forth herein each
25 of the allegations of paragraphs 1 through 34 of this Complaint.

26 36. The Attorney General is authorized to file a complaint for involuntary dissolution of a
27 nonprofit public benefit corporation pursuant to Corporations Code section 6510, subdivision
28 (a)(5).

1 personal, or the proceeds thereof, to which LITTLE LOVE RESCUE and the charitable
2 beneficiaries thereof are lawfully entitled, in whatsoever form in whosoever hands they may now
3 be, and order and declare that all such property or the proceeds thereof is impressed with a trust
4 for charitable purposes, that DEFENDANTS are constructive trustees of all such charitable funds
5 and assets in their possession, custody or control, and that the same shall be deposited forthwith
6 in Court by each and every defendant now holding or possessing the same or claiming any rights,
7 title or interest therein. In addition, that these DEFENDANTS be surcharged and held liable and
8 judgment entered against each of them for any and all such assets for which they fail to properly
9 account, together with interest thereon at the legal rate from the date of liability thereon; and that
10 any and all expenses and fees incurred by DEFENDANTS in this action be borne by the
11 individual DEFENDANTS and each of them and not by LITTLE LOVE RESCUE or any other
12 public or charitable corporation or fund;

13 3. For damages against DEFENDANTS in an amount to be determined following an
14 accounting from these DEFENDANTS, plus interest at the legal rate until the judgment is paid;

15 4. For punitive and exemplary damages against DEFENDANTS according to proof;

16 5. That the Court assess civil penalties against DEFENDANTS pursuant to Government
17 Code section 12591.1 for violations of the Supervision of Trustees and Fundraisers for Charitable
18 Purposes Act (Gov. Code § 12580 et seq.) as proved at trial;

19 6. That the Court order the involuntary dissolution of LITTLE LOVE RESCUE
20 pursuant to Corporations Code section 6518, provide for satisfaction of all of its lawful debts, and
21 establish a procedure for determining the disposition of all remaining assets of LITTLE LOVE
22 RESCUE in a manner consistent with their charitable purposes and consistent with any lawful
23 restrictions that have been placed upon any of their remaining assets;

24 7. That the Court order the permanent removal from LITTLE LOVE RESCUE's board
25 and ban from serving in any fiduciary capacity LITTLETON and DOES 1 through 20 pursuant to
26 Corporations Code section 5223;

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1 8. Attorneys' fees and actual costs incurred in this charitable trust enforcement action
2 under Government Code section 12598 subdivision (b), to be used for the Attorney General's
3 charitable trust enforcement responsibilities under Government Code, section 12586.2; and

4 9. For such other relief as the Court may deem just and proper.

5 THIS COMPLAINT IS DEEMED VERIFIED UNDER THE PROVISIONS OF CODE OF
6 CIVIL PROCEDURE SECTION 446.

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8 Dated: July 21, 2020

Respectfully Submitted,

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10 Attorney General of California
11 JAMES M. TOMA
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