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KAMALAD. HARRIS  
Attorney General of California  
BELINDA J. JOHNS  
Senior Assistant Attorney General  
KELVIN GONG  
Supervising Deputy Attorney General  
JOSEPH N. ZIMRING  
Deputy Attorney General  
State Bar No. 185916  
300 South Spring Street, Suite 1702  
Los Angeles, CA 90013  
Telephone: (213) 897-2559  
Fax: (213) 897-7605  
E-mail: Joseph.Zimring@doj.ca.gov  
*Attorneys for the People of the State of California*

**FILED**  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE  
CENTRAL JUSTICE CENTER

MAR 13 2012

ALAN CARLSON, Clerk of the Court  
*Delia Sanchez*  
BY D SANCHEZ

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF ORANGE

**THE PEOPLE OF THE STATE OF CALIFORNIA,**  
  
**PLAINTIFF,**  
  
v.  
  
**AMERICAN VETERANS RELIEF FOUNDATION, a nonprofit public benefit corporation.**  
  
**DEFENDANT.**

CASE NUMBER 30-2009-00123817  
CONSENT DEFAULT JUDGMENT AND PERMANENT INJUNCTION AS TO DEFENDANT AMERICAN VETERANS RELIEF FOUNDATION

Dept: C-32  
Judge: The Honorable Steven L. Perk **BY FAX**

Action Filed: May 29, 2009

The parties, Plaintiff the People of the State of California ("Plaintiff") and defendant American Veterans Relief Foundation, a nonprofit public benefit corporation ("AVRF"), stipulate that this Consent Default Judgment and Permanent Injunction ("Consent Judgment") as to defendant AVRF may be issued by a judge of the Orange County Superior Court without the taking of additional evidence and without trial.

1           The Court having considered the Stipulation executed by the parties and good cause  
2 appearing;

3           IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

4           1.    This Court has jurisdiction of the subject matter of this action and of the parties.

5           2.    Defendant was properly served with the complaint. Defendant failed to answer or  
6 otherwise contest the complaint. The court entered default against defendant on February 5,  
7 2010. Defendant has waived its rights to contest the allegations in the complaint.

8           3.    Venue as to all matters between the parties as alleged in the complaint lies in this  
9 Court. Defendant waives its right to appeal, to attempt to set aside or vacate, or otherwise modify  
10 or attack this Consent Judgment.

11          4.    Defendant American Veterans Relief Foundations and its employees, agents,  
12 servants, representatives, successors, and assigns are permanently enjoined from all of the  
13 following activities:

14           a.    Receiving or expending any funds from, or distributing any assets of Coalition  
15 of Police & Sheriffs, Disabled Firefighters Fund, Association of Disabled  
16 Firefighters and American Veterans Relief Foundation except as specifically  
17 authorized by the Court;

18           b.    Soliciting funds, by any means, regardless of purpose;

19           c.    Receiving and/or controlling and/or disbursing any funds, assets, or property as  
20 a result of a solicitation for charitable purposes.

21           d.    Acting as an officer, director, employee, agent, volunteer or independent  
22 contractor of any charitable organization or any organization which solicits  
23 funds for charitable purposes;

24           e.    Serving in a fiduciary capacity with any charitable organization or charitable  
25 trust;

26           f.    Acting as a commercial fundraiser for charitable purposes, fundraising counsel  
27 for charitable purposes, trustee or commercial coventurer, as those terms are  
28 defined in Government Code sections 12599, 12599.1, 12582 and 12599.2;

- 1 g. Holding, managing, directing or controlling assets for a charitable purpose;  
2 h. Engaging in any act of unfair competition as defined in Business and  
3 Professions Code section 17200; and  
4 i. Making or disseminating any untrue or misleading statements in violation of  
5 Business and Professions Code section 17500 and Government Code section  
6 12599.6.

7 5. Judgment is entered in Plaintiff's favor against Defendant American Veterans Relief  
8 Foundation in the total amount of \$11,710,620, consisting of:

- 9 a. Damages and restitution in the amount of \$10,000,000. Such funds shall be  
10 paid to California Community Foundation for the purpose of assisting  
11 homeless or disabled veterans.  
12 b. Civil penalties in the amount of \$200,000 pursuant to Business and Professions  
13 Code sections 17206 and 17536, one-half payable to the State of California  
14 General Fund and one-half payable to the Treasurer for the County of Orange,  
15 pursuant to subdivision (c) of each section.  
16 c. Civil penalties in the amount of \$10,000 pursuant to Government Code section  
17 12591.1, payable to the California Attorney General. These funds shall be  
18 used exclusively by the Charitable Trusts Section for the administration of the  
19 Attorney General's charitable trust enforcement responsibilities.  
20 d. Attorney's fees and costs in the amount of \$500,000. Such funds shall be  
21 payable to the California Attorney General for attorneys fees and costs  
22 incurred by the Charitable Trusts Section, pursuant to Government code  
23 sections 12598 and 12586.2. These funds shall be used exclusively by the  
24 Charitable Trusts Section for the administration of the Attorney General's  
25 charitable trust enforcement responsibilities.  
26 e. Punitive damages in the amount of \$1,000,000.  
27 f. Filing fees and costs in the amount of \$620. Payment shall be made to the  
28 Orange County Superior Court pursuant to Government Code section 6103.5.

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6. Defendant shall:

a. Immediately produce to Plaintiff all documents related to Coalition of Police & Sheriffs, Disabled Firefighters Fund, Association of Disabled Firefighters and American Veterans Relief Foundation, within the defendant's possession custody of control, including documents which are electronically maintained, within ten days of the entry of judgment.

b. Immediately produce to Plaintiff all charitable assets belonging to Coalition of Police & Sheriffs, Disabled Firefighters Fund, Association of Disabled Firefighters and American Veterans Relief Foundation, within the defendant's possession custody of control.

7. Defendant is a constructive trustee of all charitable funds and assets received by or on behalf of AVRF. All such assets in the possession, custody or control of the defendant shall be immediately deposited with the Court. Defendant shall immediately render to the Court and to the Attorney General a full and complete accounting of the financial activities and condition of AVRF from its incorporation to the present, to include the expenditure and disposition of all revenues and assets received by or on behalf of AVRF.

8. All assets of AVRF shall be transferred to the California Community Foundation, a California nonprofit public benefit corporation, for the purpose of assisting homeless or disabled veterans. All assets currently due and owing to defendant and all assets which defendant may obtain or be owed in the future, shall be distributed to California Community Foundation, for the purposes specified above.

9. The liability of defendants to creditors, if any, is not discharged;

10. The liability of the directors and officers and former directors and officers of defendants is not discharged except as to claims arising from the allegations set forth in the complaint in this action and only as provided in the settlement of those claims to which Plaintiff is a party;

11. Defendants are found to be properly subject to involuntary dissolution pursuant to Corporations Code section 6510, subdivision (b)(5) and Corporations Code section 6511,

1 subdivision (a)(1), because of gross mismanagement and because the corporation's property was  
2 misapplied and wasted by its directors and officers. This Court also exercises its power to  
3 dissolve defendant pursuant to Corporations Code section 6514. Accordingly, defendant  
4 American Veterans Relief <sup>Foundation</sup> Fund is hereby dissolved.

5 12. Pursuant to Code of Civil Procedure section 664.6, the Court shall retain jurisdiction  
6 to enforce the Consent Judgment.

7 13. This Consent Judgment shall take effect immediately upon its entry.

8 14. The clerk is ordered to enter this judgment forthwith.

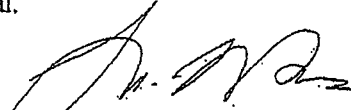
9 15. The Office of the California Attorney General shall have the authority to enforce, or  
10 seek sanctions for, violations of the provisions of this consent judgment in this Court.

11 16. Except as otherwise stated, each party shall bear its own attorney's fees and costs.

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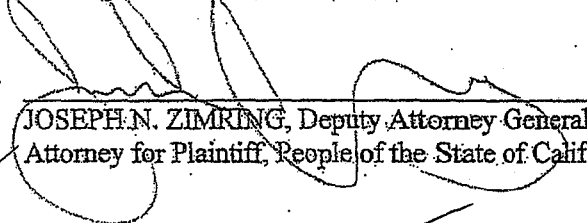
CONSENT

I have read and understand the terms of this Consent Judgment. I agree to the terms of the Consent Judgment. I agree that the Court may enter this Consent Judgment without the taking of additional evidence and without trial.

Dated: 1-19-12   
WILLIAM ROSE, President  
Defendant American Veterans Relief Foundation

Approved as form and content:

Dated: \_\_\_\_\_  
ROBERT C. MOEST  
Attorney for Defendant American Veterans Relief Foundation

Dated: 2/22/2012   
JOSEPH N. ZIMRING, Deputy Attorney General  
Attorney for Plaintiff, People of the State of California

IT IS SO ORDERED:

Dated \_\_\_\_\_  
HON. GLENDA SANDERS,  
SUPERVISING JUDGE OF THE SUPERIOR COURT

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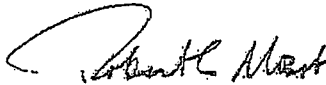
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CONSENT

I have read and understand the terms of this Consent Judgment. I agree to the terms of the Consent Judgment. I agree that the Court may enter this Consent Judgment without the taking of additional evidence and without trial.

Dated: \_\_\_\_\_  
WILLIAM ROSE, President  
Defendant American Veterans Relief Foundation

Approved as form and content:

Dated: 2/21/12  
  
ROBERT C. MOEST  
Attorney for Defendant American Veterans Relief Foundation

Dated: \_\_\_\_\_  
JOSEPH N. ZIMRING, Deputy Attorney General  
Attorney for Plaintiff, People of the State of California

IT IS SO ORDERED:

Dated 3-13-12  
GLENDAS SANDERS  
HON. GLENDAS SANDERS,  
SUPERVISING JUDGE OF THE SUPERIOR COURT

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DECLARATION OF SERVICE BY U.S. MAIL

Case Name: **People v. Coalition of Police & Sheriffs, et al.**  
Case No.: **30-2009-00123817**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service with postage thereon fully prepaid that same day in the ordinary course of business.

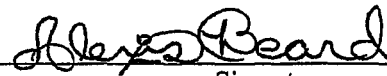
On March 15, 2012, I served the attached **NOTICE OF ENTRY OF CONSENT DEFAULT JUDGMENT AND PERMANENT INJUNCTION AGAINST DEFENDANT AMERICAN VETERANS RELIEF FOUNDATION** by placing a true copy thereof enclosed in a sealed envelope in the internal mail collection system at the Office of the Attorney General at 300 South Spring Street, Suite 1702, Los Angeles, CA 90013, addressed as follows:

Robert C. Moest, Esq.  
Law Offices of Robert Moest  
11723 Avon Way, Suite 204  
Los Angeles, CA 90066

William Rose  
9902 Moore Circle  
Huntington Beach, CA 92646

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on March 15, 2012, at Los Angeles, California.

Alexis J. Beard  
\_\_\_\_\_  
Declarant

  
\_\_\_\_\_  
Signature