

1 EDMUND G. BROWN JR.
Attorney General of California
2 BELINDA J. JOHNS
Senior Assistant Attorney General
3 KELVIN GONG
Supervising Deputy Attorney General
4 TANIA M. IBANEZ
Deputy Attorney General
5 State Bar No. 145398
300 South Spring Street, Suite 1702
6 Los Angeles, CA 90013
Telephone: (213) 897-0218
7 Fax: (213) 897-7605
E-mail: tania.ibanez@doj.ca.gov
8 *Attorneys for the People of the State of California*

9
10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 COUNTY OF SAN BERNARDINO
12

13
14 **THE PEOPLE OF THE STATE OF
CALIFORNIA,**

15 **Plaintiff,**

16 v.
17

18 **CALIFORNIA ORGANIZATION OF
POLICE AND SHERIFFS, a mutual benefit
19 nonprofit corporation; CIVIC
DEVELOPMENT GROUP, LLC, a limited
20 liability corporation; RAMBRET, INC., a
corporation; GREG F. SAWTELLE,
21 individually and as owner of RAMBRET,
INC.; MONTY D. HOLDEN; ED GRAY;
22 GREGG PASSAMA; SCOTT PASCH,
individually and as corporate officer of
23 CIVIC DEVELOPMENT GROUP, LLC;
DAVID KEEZER, individually and as
24 corporate officer of CIVIC
DEVELOPMENT GROUP, LLC; DOES 1-
25 100, inclusive.**

26 **Defendants.**
27
28

COMPLAINT FOR DAMAGES, CIVIL
PENALTIES, RESTITUTION, AN
ACCOUNTING, A CONSTRUCTIVE
TRUST, A PRELIMINARY AND
PERMANENT INJUNCTION,
INVOLUNTARY DISSOLUTION, AND
FOR OTHER RELIEF ARISING FROM

(1) CONSPIRACY TO DEFRAUD DONORS
(2) FAILURE TO FILE ANNUAL REPORTS
(3) DECEPTIVE AND MISLEADING
SOLICITATION
(4) BREACH OF FIDUCIARY DUTY
(5) FILING AND DISTRIBUTING FALSE
AND INCOMPLETE RECORDS
(6) NEGLIGENCE
(7) NEGLIGENCE PER SE
(8) REMOVAL OF DIRECTORS AND
OFFICERS UNDER CORP. CODE, § 7223
(9) INVOLUNTARY DISSOLUTION
UNDER CORP. CODE, §§ 8510(a)(5),
8511(a)(1)
(10) UNFAIR BUSINESS PRACTICES
(11) VIOLATION OF BUSINESS AND
PROFESSIONS CODE SECTION 17500

1 Edmund G. Brown Jr., Attorney General of the State of California (hereinafter "the
2 Attorney General"), files this complaint as Attorney General on behalf of the People and alleges
3 as follows:
4

5 **GENERAL ALLEGATIONS**

6 1. Plaintiff, is the People of the State of California. The Attorney General, who
7 brings this action on plaintiff's behalf, is the duly elected Attorney General of the State of
8 California and is charged with the general supervision of all charitable organizations within this
9 State; with the enforcement of the obligations of trustees, nonprofits, and fiduciaries who hold or
10 control property in trust for charitable and eleemosynary purposes; and with enforcement
11 supervision under California's Unfair Business Practice Act for unlawful, unfair, and fraudulent
12 business practices within this State. The Attorney General is authorized to enforce, in the name
13 of the People, the provisions of the Supervision of Trustees and Fundraisers for Charitable
14 Purposes Act (Gov. Code, § 12580 et seq.), the Nonprofit Mutual Benefit Corporation Law (Corp.
15 Code, §§ 7142, subd. (a)(5), 7223 & 7240), the Solicitations for Charitable Purposes Law (Bus. &
16 Prof. Code, § 17510 et seq.), and those provisions of the Business and Professions Code which
17 prohibit unlawful, unfair, or fraudulent business acts or practices within this State (Bus. & Prof.
18 Code, §17200 et seq.).

19 2. Defendant California Organization of Police and Sheriffs, (hereinafter "COPS")
20 has its principal place of business in Ontario, San Bernardino County. COPS is a nonprofit
21 mutual benefit corporation, recognized as a tax-exempt organization by the Internal Revenue
22 Service. As a mutual benefit corporation, COPS provides labor representation and legal defense
23 for police officer members. From 2005 to 2007, COPS also solicited donations for public
24 charitable purposes from individuals and businesses in California and Nevada. The solicitation of
25 charitable contributions creates a fiduciary duty to use those contributions for the declared
26 charitable purpose for which they were solicited. COPS holds these assets in charitable trust.

27 3. Defendant Civic Development Group, LLC, (hereinafter "CDG") is a New Jersey
28 limited liability company with its principal place of business located in Edison, New Jersey.

1 CDG conducts business in California both as a commercial fundraiser and as a fundraising
2 counsel. CDG entered into contracts with COPS acknowledging that California law applies.
3 From January 1, 2005, to November 1, 2008, CDG's actions, as described herein, occurred in the
4 State of California.

5 4. Defendant Rambret, Inc. (hereinafter "RAMBRET") is a for-profit corporation with
6 its principal place of business in Los Angeles. RAMBRET conducted business in California as a
7 commercial fundraiser and as a fundraising counsel. RAMBRET entered into contracts with
8 COPS acknowledging that California law applies. From January 1, 2004, through May 2008,
9 RAMBRET's actions, as described herein, occurred in the State of California.

10 5. Defendant Greg F. Sawtelle (hereinafter "SAWTELLE") is president and owner of
11 Rambret, Inc. From 2000 to 2008, he operated Rambret, Inc. in Los Angeles County.

12 6. Defendant Monty D. Holden (hereinafter "HOLDEN") is a resident of Riverside
13 County. From 2004 to 2008, HOLDEN held various positions of authority and control over
14 COPS, serving as director, chief executive officer, and manager of COPS. HOLDEN negotiated
15 solicitation contracts on behalf of COPS and also authorized the retention of telemarketers and
16 fundraising counsel used by COPS. HOLDEN also deposited donors' checks on behalf of COPS.
17 HOLDEN is a fiduciary of property irrevocably dedicated to charitable purposes.

18 7. Defendant Gregg Passama (hereinafter "PASSAMA") is a resident of Contra
19 Costa County. From 2004 to present, PASSAMA held various positions of authority and control
20 over COPS, serving as director and officer. PASSAMA authorized telemarketing scripts used by
21 COPS and also signed donor acknowledgment letters. PASSAMA is a fiduciary of property
22 irrevocably dedicated to charitable purposes.

23 8. Defendant Ed Gray (hereinafter "GRAY") is a resident of Upland. From 1998 to
24 2004, GRAY held various positions of authority and control over COPS, serving as director and
25 officer. GRAY was responsible for filing records with the Attorney General's Registry of
26 Charitable Trusts ("Registry") in 2008 and also signed COPS' informational returns in 2008.

1 9. Defendant Scott Pasch (hereinafter "PASCH") acts as Vice President of CDG.
2 PASCH has the same principal office or place of business as CDG. PASCH was responsible for
3 and prepared filings made with the Attorney General's Registry on behalf of CDG.

4 10. Defendant David Keezer (hereinafter "KEEZER") acts as President of CDG.
5 KEEZER has the same principal office or place of business as CDG. KEEZER prepared filings
6 with the Attorney General's Registry on behalf of CDG.

7 11. At all times material herein, defendants and each of them have been transacting
8 business in part within the State of California in San Bernardino County. The violations of law
9 described herein have been and are now being carried out in Ontario, San Bernardino County,
10 where COPS' headquarters are located. The actions of defendants and each of them, jointly and
11 severally, as set forth below, are in violation of the laws and public policy of the State of
12 California and are inimical to the rights and interests of the public beneficiaries of charitable
13 trusts.

14 12. Defendants DOES 1 through 100, inclusive, are defendants who have acted as
15 directors, officers, trustees, agents, or employees of defendants, or who have participated or acted
16 in concert with one or more of the defendants, or who have acted on behalf of or as agent,
17 servant, employee, or co-conspirator of one or more of the defendants herein, but whose true
18 names and capacities, whether individual, corporate or otherwise, are presently unknown to
19 plaintiff. Plaintiff is informed and believes that defendants DOES 1 through 100 have directly or
20 indirectly participated in and are responsible for the acts and omissions that are more specifically
21 described herein. Because plaintiff is presently uninformed as to the true names and capacities of
22 these defendants, the People sue them herein by their fictitious names but will seek leave to
23 amend the Complaint when their true names are discovered.

24 ///

25 ///

26 ///

27 ///

28 ///

1 **FIRST CAUSE OF ACTION**

2 **CONSPIRACY TO DEFRAUD DONORS**

3 **[against DEFENDANTS COPS, CDG, HOLDEN, PASSAMA, KEEZER, PASCH, and**
4 **DOES 1-100]**

5 13. CDG has operated as a commercial fundraiser in California since 1996 and
6 contracted to conduct COPS' telemarketing solicitation since 1997. CDG was registered with the
7 Attorney General's Registry as a commercial fundraiser and operated as a commercial fundraiser
8 as defined by Government Code section 12599.

9 14. In 2004, CDG changed its contract with COPS to identify itself as a fundraising
10 counsel, instead of a commercial fundraiser. On information and belief, KEEZER and PASCH
11 proposed the consulting model to COPS as a way to avoid the disclosure requirements under
12 California and Federal law. On information and belief, COPS, through HOLDEN, PASSAMA,
13 and DOES 1-100, agreed to the consulting scheme because it would increase donations to COPS.

14 15. Under the consulting scheme, COPS purportedly conducted its solicitation in-
15 house, whereas CDG was a consultant which trained, hired, terminated, and disciplined COPS
16 telemarketing employees. CDG also provided the facilities, equipment, scripts, and other written
17 materials for the telemarketing centers, and was responsible for accounting, payroll tax filings,
18 unemployment and related financial reporting. In fact, CDG still acted as a commercial
19 fundraiser. CDG owned the rights to COPS' donor list and was paid 85 percent of the gross
20 collections. CDG had control over the funds solicited. All donations were directed to a banking
21 agent, Financial Processing Services, selected by CDG, which was operated and headed by
22 Dolores Keezer, Defendant KEEZER's mother. CDG controlled all aspects of COPS'
23 telemarketing activity. CDG had the same "consulting" scheme with other charities, and on any
24 given day telemarketers worked in the same boiler room operation for several different charities.

25 16. The consulting scheme allowed donors to be deceived and thwarted the Attorney
26 General's attempt to educate the public regarding fundraising expenses. Donors were led to
27 believe that 100 percent of their donation would benefit COPS, when in reality CDG received 85
28

1 percent of each donation and COPS retained less than 15 percent. The consulting scheme
2 allowed for misleading, false, and deceptive solicitation in violation of Government Code
3 sections 12599 and 12599.6. The deception occurred during and after the solicitation process.

4 17. The solicitation script used in the consulting scheme provided as follows:

- 5 a. “[Donor’s name], this is [solicitor’s name], I work directly for CACOP.
- 6 b. When confirming the donation, the solicitor states, “Mr./Mrs., I am also a
7 CACOP employee and I see you made a generous pledge of \$[amount]. Is that
8 correct?”
- 9 c. If the prospective donor asked, “What company do you work for?” or “What
10 fundraising company are you calling from?” the solicitors would respond,
11 “Sir/Ma’am, I work directly for the California Organization of Police and
12 Sheriffs. I am a California Organization of Police and Sheriffs employee
13 calling you from the fundraising center in [City, State]. I do not work for a
14 fundraising company.”
- 15 d. If the prospective donor persisted, the script provides, “Sir/Ma’am, I do not
16 think you understand, the California Organization of Police and Sheriffs IS the
17 fundraiser. I am NOT an employee of a third party telemarketing company.
18 The California Organization of Police and Sheriffs operates its own call center
19 and I am employed directly by them, so they don’t need to hire a professional
20 fundraising company for this drive.”
- 21 e. If the prospective donor asked how much of their donation went to COPS, the
22 script provided that “100% goes directly to the association. I am an employee
23 of the California Organization of Police and Sheriffs and not an outside
24 fundraising company. The Association now runs an in-house fundraising drive
25 from the California Organization of Police and Sheriffs office. Of course,
26 there are costs associated with the drive and the Associations programs, but
27 they are all paid directly by the California Organization of Police and
28 Sheriffs.”

1 f. If donors asked how much of the donation was used for fundraising expenses
2 and how much was used for programs, instead of providing a response as
3 required under Government Code section 12599, subdivision (j), the script
4 instructed the telemarketers to state, “I’m sorry, but we do not have detailed
5 financial information here in the center.” Prospective donors were directed to
6 write to COPS or to call the Fundraising Information Center.

7 g. If a prospective donor asked why CDG’s telephone number wasn’t displayed
8 on the caller ID, the script provided that “the Telephone Sales Rule exempts
9 nonprofits and political calls from the new caller-ID requirements.”

10 18. COPS and CDG further misled donors by sending them with a donor
11 acknowledgment letter signed by PASSAMA, which stated, “You will be pleased to know that
12 the person you spoke with is an employee of COPS and not from a telemarketing company. You
13 will be glad to know that 100% of the donations go to COPS”

14 19. Through the consulting scheme, defendants attempted to evade the Federal Trade
15 Commission’s Telemarketing Sales Rule (“TSR”) because the TSR does not apply to charities
16 conducting their own solicitation. Under the TSR, for-profit telemarketers are prohibited from:

17 (a) misrepresenting the nature, purpose or mission of any entity for which the
18 solicitation is being made. (16 C.F.R. § 310.3, subd. (d)(1).);

19 (b) misrepresenting how a contribution will be used and the percentage or
20 amount the charity will receive. (16 C.F.R. § 310.3, subd. (d)(3) and (4).);

21 (c) initiating any outbound telephone call to any person when that person
22 “previously has stated that he or she does not wish to receive an outbound call . . . made
23 on behalf of the charitable organization for which a charitable contribution is being
24 solicited.” (16 C.F.R. § 310.4, (b)(iii)(A));

25 (d) blocking caller ID. (16 C.F.R. § 310.4(a)(7).);

26 (e) sending billing information without the donor’s express authorization. (16
27 C.F.R. § 310.3(a)(3).); and
28

1 (f) engaging in abusive telemarketing acts or practices such as letting the
2 phone ring repeatedly or continuously with the intent to annoy, abuse or harass or calling
3 before 8:00 a.m. or after 9:00 p.m.. (16 C.F.R. § 310.4(b)(1)(i),and (c).)

4 COPS and CDG sought to evade the TSR by purportedly conducting the solicitation in-house.
5 Under this scheme, defendants engaged in abusive practices, such as ignoring donors' requests to
6 be removed from the calling list, calling before 8:00 a.m. and after 9:00 p.m., and sending billing
7 statements to donors who had not agreed to pledge any money.

8 20. The consulting scheme was successful. From 2005 to 2006, COPS donations
9 increased from \$6.2 million to \$11.4 million. California donors and the beneficiaries of charity
10 have been damaged as a result of this scheme. CDG prevented the Attorney General's Office
11 from providing California residents with information regarding the fundraising costs involved in
12 the solicitation. Under Government Code section 12599, subdivision (c), commercial fundraisers
13 are required to file with the Attorney General's Registry annual financial reports accounting for
14 all funds collected as a result of charitable solicitation campaigns they conduct. The annual
15 financial report requires a detailed itemized accounting of all revenues received from the
16 solicitation campaign(s), the fees or commissions charged by the commercial fundraiser, the
17 fundraising expenses involved in the solicitation, and the payment made to the charity as a result
18 of the solicitation. The Attorney General uses this information to prepare an annual report, which
19 informs the public about the total amount of funds raised by the solicitation campaign and the
20 percentages paid to the commercial fundraisers.

21 21. Because CDG characterized its role and relationship with COPS as a fundraising
22 consultant, CDG was not required to file annual financial reports with the Attorney General's
23 Registry in 2007 and 2008. For the time period 2004-2006, CDG filed annual reports only for
24 solicitations made to businesses and Spanish-speaking residents of California. Because CDG
25 failed to file annual reports, the Public was deprived of critical information needed to make an
26 informed decision about whether to donate to COPS.

27 22. The acts as alleged in this cause of action were willful, wanton, malicious and
28 oppressive and were undertaken with the intent to defraud donors and thus justify the award of

1 exemplary and punitive damages against defendants. Plaintiff is entitled to damages, injunctive
2 relief, and civil penalties.

3 4 **SECOND CAUSE OF ACTION**

5 **FAILURE TO FILE ANNUAL REPORTS IN VIOLATION OF GOVERNMENT** 6 **CODE SECTION 12599[against Defendants CDG, KEEZER, PASCH, and DOES 1-** 7 **100]**

8 23. For compensation, Defendants CDG, PASCH, KEEZER, and DOES 1-100
9 solicited funds in this state for charitable purposes on behalf of COPS. CDG, PASCH, KEEZER,
10 and DOES 1-100 received and/or controlled funds donated as a result of their solicitation for
11 COPS.

12 24. Defendants CDG, PASCH, KEEZER, and DOES 1-100 procured and/or engaged
13 compensated persons to solicit, receive, and/or control funds for COPS.

14 25. By virtue of the actions of CDG, PASCH, KEEZER, and DOES 1-100 described
15 herein, they are commercial fundraisers for charitable purposes within the meaning of
16 Government Code section 12599.

17 26. As commercial fundraisers for charitable purposes, CDG, PASCH, KEEZER, and
18 DOES 1-100 were required to file annual financial reports with the Attorney General's Registry
19 for the years 2004-2008, pursuant to Government Code section 12599, subdivision (c).
20 Defendants failed to file any reports for 2007-2008, and for 2004-2006 they filed reports only for
21 solicitations made to commercial businesses and Spanish-speaking residents in California.

22 27. At all times relevant herein, CDG, PASCH, KEEZER, and DOES 1-100 were
23 commercial fundraisers for charitable purposes and as such are subject to the Attorney General's
24 supervision under Government Code section 12599, subdivision (g). Under Government Code
25 section 12599, subdivision (g), CDG, PASCH, KEEZER, and DOES 1-100 are constructive
26 trustees for charitable purposes with regard to all funds collected from solicitations for COPS and
27 have a duty to account to the Attorney General for all such funds.

1 28. Under Government Code section 12599, subdivision (f), plaintiff is entitled to an
2 injunction against CDG, PASCH, KEEZER, and DOES 1-100 prohibiting them from soliciting
3 for charitable purposes in this State until they have complied with the registration and reporting
4 provisions of Government Code section 12599. Under Government Code section 12591.1,
5 plaintiff is entitled to civil penalties.

6
7 **THIRD CAUSE OF ACTION**

8 **CONSPIRACY TO DEFRAUD DONORS [against Defendants COPS, HOLDEN,**
9 **PASSAMA, RAMBRET, SAWTELLE, and DOES 1-100]**

10 29. Defendant RAMBRET has operated as a commercial fundraiser in California since
11 2000 and, since 2000, has contracted to conduct COPS' law-enforcement job fairs. RAMBRET
12 was registered with the Attorney General's Registry as a commercial fundraiser and operated as a
13 commercial fundraiser as defined by Government Code section 12599.

14 30. On information and belief, in 2004, COPS retained RAMBRET and SAWTELLE
15 to manage COPS' in-house fundraising operations. COPS, through HOLDEN, PASSAMA and
16 DOES 1-100, decided to manage the Police Expo in-house for the purpose of becoming the owner
17 of the Police Expo, which provided a recruitment venue for law enforcement agencies.

18 31. Although defendants COPS, PASSAMA, HOLDEN, and DOES 1-100
19 characterized RAMBRET and SAWTELLE as fundraising consultants, in reality RAMBRET and
20 SAWTELLE acted as commercial fundraisers. Defendants RAMBRET and SAWTELLE made
21 their telemarketing facilities, including their computers, software, telephone systems, telephone
22 lines, office furniture, and staff, available to COPS. RAMBRET retained title to all of its
23 fundraising assets, including COPS' donor list, and were solely responsible for management of
24 solicitation on behalf of the Police Expo. RAMBRET collected donations and deposited them
25 into a bank account in COPS' name, was reimbursed for all of its telemarketing expenses and on
26 top of that also received 15 percent of gross revenues, and RAMBRET employees made
27 withdrawals from COPS accounts and handled the accounting for the Police Expo. RAMBRET
28

1 and SAWTELLE made all employment decisions in the hiring, training, disciplining, and
2 terminating of employees.

3 32. In carrying out the consultation scheme, RAMBRET telemarketers falsely told
4 California donors that they were COPS employees and that 100 percent of their donations would
5 benefit COPS. On information and belief, COPS and RAMBRET developed the scheme to
6 mislead donors and to avoid disclosure requirements for commercial fundraisers.

7 33. Under the consultation scheme, California donors were damaged. RAMBRET and
8 SAWTELLE prevented the Attorney General's Office from providing California residents with
9 critical information regarding the fundraising costs involved in the solicitation campaigns they
10 conducted on behalf of COPS. Under Government Code section 12599, subdivision (c),
11 commercial fundraisers are required to file with the Attorney General's Registry annual financial
12 reports for all funds collected as a result of solicitation campaigns. The annual financial report
13 requires a detailed itemized accounting of all revenues received as a result of the campaign, the
14 fees or commissions charged by the commercial fundraiser, the fundraising expenses incurred and
15 the payment made to the charity as a result of the campaign. The Attorney General uses this
16 information to prepare an annual report that informs the public about the total amount of funds
17 raised by solicitation campaigns and the percentage paid to commercial fundraisers.

18 34. Because RAMBRET and SAWTELLE characterized their role and relationship
19 with COPS as fundraising consultants, RAMBRET was not registered as a commercial fundraiser
20 in 2006. Moreover, RAMBRET filed incomplete and false annual financial reports in 2004 and
21 2007, stating that it was "inactive." RAMBRET filed no annual reports for 2005 and 2006.
22 Because RAMBRET failed to properly file annual reports, the public was deprived of important
23 information and COPS was able to avoid being placed on the Attorney General's list of charities
24 that received less than 15 percent as a result of charitable solicitation campaigns conducted by
25 for-profit fundraising professionals.

26 35. The acts as alleged in this cause of action were willful, wanton, malicious and
27 oppressive and were undertaken with the intent to defraud donors and thus justify the award of
28

1 exemplary and punitive damages against defendants. Plaintiff is entitled to damages, injunctive
2 relief, and civil penalties.

3
4 **FOURTH CAUSE OF ACTION**

5 **FAILURE TO FILE ANNUAL REPORTS IN VIOLATION**
6 **OF GOVERNMENT CODE SECTION 12599**
7 **[Against RAMBRET, SAWTELLE, and DOES 1-100]**

8 36. Plaintiff re-alleges and incorporates by reference herein each and every allegation
9 contained in paragraphs 29-35 above

10 37. For compensation, Defendants RAMBRET, SAWTELLE, and DOES 1-100
11 solicited funds in this state for charitable purposes on behalf of COPS. RAMBRET,
12 SAWTELLE, and DOES 1-100 received and/or controlled funds donated as a result of their
13 solicitation for COPS.

14 38. Defendants RAMBRET, SAWTELLE, and DOES 1-100 hired and compensated
15 employees to solicit, receive, and/or control funds for COPS.

16 39. By virtue of this conduct, RAMBRET, SAWTELLE, and DOES 1-100 acted as
17 commercial fundraisers for charitable purposes within the meaning of Government Code section
18 12599.

19 40. As commercial fundraisers for charitable purposes, RAMBRET, SAWTELLE, and
20 DOES 1-100 were required to file with the Attorney General's Registry annual financial reports
21 for the years 2004-2008, under Government Code section 12599, subdivision (c). In 2004 and
22 2007, defendants filed incomplete and false annual reports, reporting that they were "inactive."
23 In 2005 and 2006, defendants filed no annual reports.

24 41. As commercial fundraisers for charitable purposes, RAMBRET, SAWTELLE and
25 DOES 1-100 were required, under Government Code section 12599, subdivision (h), to file a
26 Notice of Intent to Solicit with the Attorney General's Registry for each solicitation campaign or
27 event. Defendants RAMBRET, SAWTELLE, and DOES 1-100 failed to file any Notice of Intent
28 to Solicit during 2005 to 2008.

42. As commercial fundraisers for charitable purposes, RAMBRET, SAWTELLE, and DOES 1-100 were required to register with the Attorney General's Registry every year they intended to conduct charitable solicitation campaigns in California, under Government Code section 12599, subdivision (b) . RAMBRET failed to register in 2006.

43. Under Government Code section 12599, subdivision (g), RAMBRET, SAWTELLE, and DOES 1-100 are subject to the Attorney General's supervision. RAMBRET, SAWTELLE, and DOES 1-100 are constructive trustees for charitable purposes for all funds collected from solicitations for COPS and have a duty to account to the Attorney General for all such funds.

44. Under Government Code section 12599, subdivision (f), plaintiff is entitled to an injunction against RAMBRET, SAWTELLE, and DOES 1-100, prohibiting them from soliciting for charitable purposes in this State until they have complied with the registration and reporting provisions of Government Code section 12599. Plaintiff is also entitled to civil penalties under Government Code section 12591.1.

FIFTH CAUSE OF ACTION

DECEPTIVE AND MISLEADING SOLICITATION IN VIOLATION OF GOVERNMENT CODE SECTION 12599.6

**[Against COPS, HOLDEN, PASSAMA, CDG, KEEZER, PASCH, SAWTELLE,
RAMBRET, and DOES 1-100]**

45. Under Government Code section 12599.6, charitable organizations and their commercial fundraisers are prohibited from misrepresenting the purpose of the charitable solicitation. Charitable organizations and commercial fundraisers are prohibited from using any unfair or deceptive practices or engaging in fraudulent conduct that creates a likelihood of confusion or misunderstanding. Charitable organizations and commercial fundraisers are also prohibited from misrepresenting that the charitable organization will receive an amount greater than the actual net proceeds reasonably estimated to be retained by the charity for its use.

1 Charitable organizations must establish and exercise control over their fundraising activities and
2 must assure that their fundraising activities are conducted without coercion.

3 46. CDG, KEEZER, PASCH, RAMBRET, SAWTELLE, and DOES 1-100 organized,
4 managed and directed misleading solicitation campaigns on behalf of COPS in 2005-2008. On
5 information and belief, CDG, KEEZER, PASCH, RAMBRET, SAWTELLE, and DOES 1-100
6 provided COPS with scripts that not only concealed material facts but also made false
7 representations as to how the donations would be used by COPS and what amounts COPS would
8 receive from the solicitation campaign. On behalf of COPS, HOLDEN, PASSAMA, and DOES
9 1-100 approved the scripts submitted by CDG, KEEZER, PASCH, RAMBRET, SAWTELLE,
10 and DOES 1-100. As Director of Solicitation, SAWTELLE was responsible for and failed to
11 properly supervise COPS' telemarketing operations run by RAMBRET, CDG, KEEZER,
12 PASCH, and DOES 1-100.

13 47. The following misrepresentations were made by COPS in its deceptive charitable
14 campaigns:

- 15 a. From 2005-2008, donors were given inconsistent information about the
16 donation levels required to reach the Gold, Silver, or Bronze Levels. Some
17 donors were told that the Gold Level was as high as \$100, whereas other
18 donors were told it was as low as \$30. Some donors were told that the
19 Silver Level was at \$75, whereas others were told that it was as low as \$20.
20 These representations were misleading because donors were told that
21 donation levels were the same every year, when in fact they changed from
22 donor to donor depending on whether the telemarketer perceived the donor
23 as being a generous past donor.
- 24 b. In 2006-2007, donors were told that a portion of their donation would go
25 toward mentoring at-risk children. In 2006, COPS spent no money on
26 mentoring and in 2007 only \$500 was spent on mentoring, out of a total of
27 \$11.4 million in donations received.
28

- c. In 2006-2007, donors were told that a portion of their donation would go to COPS' canine program, which would provide veterinarian treatment for service animals. In 2005 through 2006, less than \$6,000 was spent on the canine program, but during that same time period, COPS obtained donations of over \$18 million by using that pitch. In 2007, no funds were spent on the canine program.
- d. In 2005-2007, COPS used the California Fallen Officer Program as a means to mislead donors. Donors were told that grants would be provided to the families of member officers killed or injured in the line of duty. Although COPS raised over \$18 million using this pitch, no grants were awarded to families in 2006. Likewise, in 2007, no grants were awarded for this program, even though COPS brought in over \$11 million for that purpose.
- e. In 2005-2008, donors were told their donations would be used to purchase bullet-proof vests. Yet, COPS provided no funding for bullet-proof vests during 2005-2008.
- f. In 2005-2007, donors were told their donations would be used for COPS' Buckle Up Safety Program and that literature and other publications would be provided to schools to promote the use of seat belts. Yet in 2005 only \$500 was spent in the Buckle Up Safety Program, and in 2006 and 2007 no funds were used for the program.
- g. COPS informed donors for the Police Expo event that they would get more tickets to the event if they reached a certain donation level. This was a false representation because entry to the Police Expo was free and did not depend on donation level.
- h. In 2005-2008, donors were told that solicitation was being performed by a COPS employee and that no third party commercial fundraiser was being used. Donors were told that 100 percent of their donations went to COPS.

1 In fact, CDG received 85 percent of the donations for its fundraising costs
2 and commissions; COPS received 15 percent or less. Likewise, donors to
3 the Police Expo were told that COPS received 100 percent of the donation,
4 when in reality COPS received significantly less after RAMBRET's
5 commission and costs were paid.

6 i. Donors were misled and material facts were concealed regarding
7 fundraising expenses. When donors asked what percentage of their
8 donation was going toward fundraising expenses and what percentage was
9 going toward COPS programs, the script provided by CDG and used by
10 COPS failed to make the mandatory disclosure required under Government
11 Code section 12599, subdivision (j); that is, immediate disclosure of
12 fundraising costs, if asked. Instead, donors were told that COPS'
13 telemarketers did not have detailed financial information available at the
14 telemarketing center.

15 j. By entering into the consulting scheme, defendants were able to mislead
16 donors and attempted to avoid the disclosure requirements of Business and
17 Professions Code section 17510.85, which requires disclosure before
18 solicitation commences that the call is being made by a commercial
19 fundraiser.

20 k. In 2007, COPS, PASSAMA, HOLDEN, and DOES 1-100 failed to
21 establish and exercise control over solicitations made on COPS' behalf in
22 Nevada. In violation of Government Code section 12599, subsection
23 (f)(11), Nevada residents were told that their donation would benefit
24 D.A.R.E., a nonprofit corporation. COPS was not authorized to solicit on
25 behalf of D.A.R.E. but defendant HOLDEN deposited donations made
26 payable to D.A.R.E. into COPS bank accounts. Nevada donors were
27 misled into believing that they were being solicited by retired police
28 officers, by volunteers, and by COPS employees. Donors were misled into

believing that their donations were tax-deductible. Donors were told that their donations would help families of police officers killed or injured in the line of duty, which was untrue. Donors were told that their donations would help abused and deprived children, which was untrue.

48. The acts alleged in this cause of action were willful, wanton, malicious and oppressive and were undertaken with the intent to defraud donors and thus justify the award of exemplary and punitive damages against the defendants named in this cause of action. Defendants' conduct violates Government Code section 12599.6. Plaintiff is entitled to damages for the benefit of COPS' charitable beneficiaries, injunctive relief, and civil penalties.

SIXTH CAUSE OF ACTION

BREACH OF FIDUCIARY DUTY AND CHARITABLE TRUST [Against Defendants COPS, PASSAMA, HOLDEN, CDG, KEEZER, PASCH, RAMBRET, SAWTELLE, and DOES 1-100]

49. Plaintiff re-alleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 48.

50. COPS, PASSAMA, HOLDEN, CDG, KEEZER, PASCH, RAMBRET, SAWTELLE, and DOES 1-100 had a fiduciary relationship with the donors to and the intended charitable beneficiaries of COPS. That fiduciary relationship was established by statute (Bus. & Prof. Code, § 17510.8 and Gov. Code, § 12599), by common law, and by agreement.

51. Defendants accepted charitable contributions on behalf of the intended charitable beneficiaries of COPS. The acceptance of those donations established a charitable trust and a fiduciary duty on the part of defendants to ensure that the donations were used for the purposes stated during the solicitation, as required under Business and Professions Code section 17510.8.

52. Defendants breached their fiduciary duty by failing to ensure that donations to COPS were used for the purposes for which they were solicited, as required by Business and Professions Code section 17510.8. Donors were told that their donations would help purchase

1 bullet-proof vests, provide veterinarian treatment for service dogs, provide mentoring for at-risk
2 youth, fund the Buckle Up Safety Program and provide grants for the Fallen Officer Program. In
3 fact, funds were treated as unrestricted by COPS and used for purposes unrelated to the purpose
4 for which they were donated.

5 53. The Attorney General has authority to remedy breach of charitable trust against
6 COPS, PASSAMA, HOLDEN, and DOES 1-100 under Corporations Code sections 7238, 7142,
7 subdivision (a)(5), 7240, Government Code sections 12598, 12599.6, and Business and
8 Professions Code section 17510.8. The Attorney General has authority to remedy breach of a
9 charitable trust against RAMBRET, CDG, PASCH, KEEZER, SAWTELLE, and DOES 1-100
10 under Government Code sections 12598, 12599, subdivision (g), and 12599.6, and under
11 Business and Professions Code section 17510.8.

12 SEVENTH CAUSE OF ACTION

13 FILING AND DISTRIBUTING FALSE AND INCOMPLETE RECORDS 14 [Against Defendants PASSAMA, GRAY, HOLDEN, DOES 1-100]

15 54. Under Corporations Code section 8215, any officer, director, employee, or agent
16 of a mutual benefit corporation who issues, makes, delivers, or publishes any report, financial
17 statement, balance sheet, or public document respecting the corporation that is false in any
18 material respect, knowing it to be false, or participates in the making, issuance, delivery, or
19 publication thereof with knowledge of the same, is liable for all damages resulting there from to
20 the corporation.

21 55. Defendants filed false registration renewal forms (RRF-1) with the Attorney
22 General's Registry under penalty of perjury. On information and belief, from 2005 to 2007,
23 COPS reported in its RRF-1 Forms that it was not using the services of a commercial fundraiser
24 or fundraising counsel. The annual report was signed under penalty of perjury by HOLDEN,
25 GRAY and DOES 1-100. By creating false records, defendants have violated Corporations Code
26 section 8215 and the Attorney General has authority to bring an action against defendants.
27
28

1 56. On information and belief, HOLDEN, GRAY and DOES 1-100 also prepared
2 inaccurate returns with the IRS on behalf of COPS. From 2005-2007, the informational returns of
3 COPS showed much higher program expenses because defendants improperly allocated
4 management and fundraising expenses to program services. For example in 2007, COPS claimed
5 that out of the \$12 million it raised, \$2.2 million was spent in program services. However, on
6 information and belief the program expenditures included management and fundraising expenses.
7 Likewise in 2006, COPS claims that out of \$11 million raised, \$2.8 million was spent in program
8 services. However, on information and belief the program expenditures included management
9 expenses and fundraising expenses.

10 57. Defendants COPS, PASSAMA and DOES 1-100 also provided false and
11 inaccurate information to the Attorney General's Office in response to an audit letter related to
12 COPS solicitation in Nevada. PASSAMA informed the Attorney General that donors to the
13 Police Expo in Nevada were provided with the opportunity to recover their donations, and that
14 COPS had sent a letter to donors informing them that the event was cancelled and that they could
15 recover their donations. In fact, some donors to the Nevada Police Expo never received the letter
16 COPS purportedly sent to them and they were not informed that the event was canceled or that
17 they could recover the donation made to COPS.

18 58. COPS has been damaged by the falsification and publication of false and
19 inaccurate records. The fabrication and distribution of false records, and the failure to prepare
20 and maintain accurate records is evidence of gross mismanagement, abuse of authority, and fraud,
21 and is an unlawful business practice. Defendants should be ordered to reimburse COPS for all
22 damages and expenses sustained and to be incurred due to their actions and omissions.
23 Defendants should also be required to reimburse the Attorney General reasonable attorney's fees
24 and actual costs incurred in bringing this action, as provided by Government Code section 12598.

25 ///

26 ///

27 ///

28 ///

1 **EIGHTH CAUSE OF ACTION**

2 **NEGLIGENCE**

3 **[Against all defendants]**

4 59. Plaintiff re-alleges and incorporates by reference each and every allegation
5 contained in paragraphs 1 through 58.

6 60. When defendants CDG, RAMBRET, PASCH, KEEZER, HOLDEN, PASSAMA,
7 SAWTELLE, and DOES 1-100 solicited and accepted donations for COPS, they owed a duty of
8 care to the donors to and beneficiaries of COPS to ensure that all donations were used for the
9 specific purposes for which they were solicited. On information and belief, the failure to use
10 donations for the purpose for which they were solicited commenced in January of 2005 and
11 continued throughout most of 2008.

12 61. DOES 1 through 100 voluntarily undertook the duties and responsibilities of
13 director and/or officer of COPS, whether or not formally elected as director or officer and
14 whether or not they had resigned as such. The voluntary undertaking of these duties and
15 responsibilities created a duty on the part of these defendants to exercise due care in the
16 performance of those statutory duties and responsibilities.

17 62. Defendants breached their duty of care by misusing these charitable funds for
18 purposes other than the purpose for which they solicited and for non-charitable purposes. As a
19 result of that breach of duty, the beneficiaries of COPS have been injured, in the aggregate, in an
20 amount presently unknown to plaintiff. The facts necessary for calculation of the receipts and
21 disbursements, and thus the amount owed to the beneficiaries, are within the special knowledge
22 of defendants, and an accounting is therefore required.

23 ///

24 ///

25 ///

1 **NINTH CAUSE OF ACTION**

2 **NEGLIGENCE PER SE**
3 **[Against CDG, SAWTELLE, PASCH, KEEZER,**
4 **HOLDEN, PASSAMA, DOES 1-100]**

5 63. Plaintiff re-alleges and incorporates by reference herein each and every allegation
6 contained in paragraphs 1 through 62.

7 64. Prior to soliciting charitable funds in 2006, and before receiving and controlling
8 those funds, RAMBRET, SAWTELLE, and DOES 1-100 failed to register with the Attorney
9 General's Registry as a commercial fundraiser, in violation of Government Code section 12599,
10 subdivision (b).

11 65. RAMBRET, CDG, SAWTELLE, PASCH, KEEZER, and DOES 1-100, failed to
12 file the required financial reports with the Attorney General's Registry in violation of
13 Government Code section 12599, subdivision (c).

14 66. In violation of Business and Professions Code section 17510.8 and in breach of
15 their fiduciary duty under common law, CDG, PASCH, KEEZER, RAMBRET, SAWTELLE,
16 HOLDEN, PASSAMA, and DOES 1-100 solicited and accepted donations for COPS and failed
17 to ensure that the donations were used for the purpose for which they were solicited; instead the
18 charitable funds were used for other purposes.

19 67. In violation of Government Code section 12599.6, CDG, PASCH, KEEZER,
20 RAMBRET, SAWTELLE, COPS, HOLDEN, PASSAMA, and DOES 1-100 engaged in
21 deceptive and misleading solicitation.

22 68. The People are the intended beneficiaries of the protections afforded by the above-
23 referenced provisions, which were designed to preserve charitable assets and protect donors and
24 the beneficiaries of charity. The Attorney General represents the interests of the People. As a
25 proximate cause of such breach of statutory duties, defendants were able to divert and misapply
26 charitable donations intended and dedicated for COPS. COPS and its beneficiaries have been
27 injured, in the aggregate, in an amount presently unknown to plaintiff.
28

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

69. Plaintiff re-alleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 68.

7
8
9
10
11
12

13
14
15

16

17
1819
20

21
22
23
24
25
26

74. Involuntary dissolution of COPS is therefore necessary and appropriate, pursuant to the provisions of Corporations Code sections 8510, subdivision (a)(5) and 8511, subdivision (a)(1).

TWELFTH CAUSE OF ACTION

VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTION 17200
(UNFAIR BUSINESS PRACTICES)

[Against all Defendants and DOES 1-100]

75. Plaintiff re-alleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 74.

76. From 2005 to 2008, defendants engaged in unfair business practices by making false, deceptive, and misleading statements to donors to induce them to make charitable contributions to COPS. Defendants committed and continue to commit acts of unfair competition as defined in Business and Professions Code section 17200, including, but not limited to, the following:

- a. Defendants concealed their role as commercial fundraisers.
- b. Defendants misrepresented the percentage or amount of charitable contributions that COPS would receive.
- c. Defendants misrepresented how charitable donations would be used.
- d. Defendants breached their fiduciary duty to donors by failing to use the donations for the purposes for which they were solicited.
- e. Defendants engaged in a campaign to harass donors in California. From 2005 to 2007, defendants ignored donors' requests that they be removed from COPS' donor list.
- f. Defendants, while calling residents of California, engaged in intimidation and coercion. The telemarketers would not take "no" for an answer, even when elderly residents said they were on a fixed income and could not

afford to make donations. The methods used by defendants caused residents to feel harassed and intimidated.

- g. Defendants sent billing information to people who had not made pledges.
- h. Defendants engaged in high pressure sales techniques and made repeated phone calls, which a reasonable consumer would consider an unfair business practice.
- i. Defendants failed to control their fundraising activities and ensure they were conducted without coercion.
- j. Donors in Nevada and California were led to believe that COPS employees, retired police officers, and volunteers were conducting the solicitation campaign.
- k. Donors were misled regarding the purpose of the solicitation.
- l. Donors were misled regarding the level of donation required.
- m. Donors and the Attorney General were misled by the annual reports submitted by CDG and RAMBRET because the forms were either not filed, or were incomplete or inaccurate.
- n. Donors and the Attorney General were misled by COPS' RRF-1 forms and other public records because they were either incomplete or inaccurate.

77. Defendants engaged and participated in acts of unfair competition, as defined by Business and Professions Code section 17200, by violating the following statutes and regulations:

- a. Government Code section 12591.1.
- b. Government Code section 12599.6, subdivisions (a), (b), and (f).
- c. Government Code section 12599, subdivisions (b), (c), (d), and (h).
- d. Business and Professions Code section 17510.8.
- e. Business and Professions Code section 17510.85.
- f. Business and Professions Code section 17510.5.
- g. Corporations Code section 8215.
- h. Corporations Code section 7223, subdivision (a).

- i. Corporations Code section 7238.
- j. Federal regulations established by the Federal Trade Commission (“Telemarketing Sales Rule”), (16 C.F.R., § 310.3 [deceptive telemarketing acts or practices]; § 310.4 [abusive telemarketing acts or practices]).

78. As a result of the aforementioned acts of unfair competition, plaintiff is entitled to civil penalties in an amount which is presently unknown, but believed to be in excess of \$100,000. Defendants should also be required to reimburse the Attorney General all reasonable attorney’s fees and actual costs incurred in conducting this action, as provided by Government Code section 12598. Pursuant to Business and Professions Code section 17203, plaintiff is further entitled herein to injunctive relief against the defendants named in this cause of action and DOES 1 through 100, prohibiting them from engaging in further acts of unfair competition.

THIRTEENTH CAUSE OF ACTION

VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTION 17500

(FALSE OR MISLEADING STATEMENTS)

[Against all Defendants and DOES 1-100]

79. Plaintiff re-alleges and incorporates by reference herein each and every allegation contained in paragraphs 1 through 78.

80. Defendants violated Business and Professions Code section 17500 by deliberately disseminating or causing to be disseminated to California residents and to residents of other states untrue and misleading statements in the course of conducting their charitable solicitation campaigns, including but not limited to the misrepresentations set forth in Paragraphs 17-18, 32, 46-47. Defendants and each of them knew or reasonably should have known that their representations made in the charitable solicitation campaigns were false or misleading at the time the statements were made. As a result of the false and misleading statements Defendants made in the course of conducting their charitable solicitation campaigns, pursuant to Business and Professions Code sections 17500 and 17536, Plaintiff is entitled to civil penalties against each Defendant in an amount which is presently unknown, but believed to be in excess of \$100,000.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

PRAYER FOR RELIEF

WHEREFORE, the People pray for judgment as follows:

1. For a preliminary and permanent injunction, enjoining defendants PASSAMA, HOLDEN, COPS and DOES 1 through 100, their employees, agents, servants, representatives, successors, and assigns, any and all persons acting in concert or participation with them, and all other persons, corporations, or other entities acting under, by, through, or on their behalf, from doing any of the following until they have first provided a full and complete accounting for all funds received by, and disbursed from, any and all financial accounts of COPS from January 1, 2005, to the present: (1) expending, disbursing, transferring, encumbering, withdrawing or otherwise exercising control over any funds received by or on behalf of COPS or rightfully due COPS except as authorized by the Court; (2) conducting business of any kind on behalf of, or relating to, COPS other than as necessary to assist a Receiver or appointed director(s), to comply with discovery requests and orders, and as permitted by the Court; and (3) controlling or directing the operations and affairs of any California nonprofit mutual or public benefit corporation;

2. That an order issue directing that defendants PASSAMA, HOLDEN, COPS, KEEZER, PASCH, SAWTELLE, CDG, RAMBRET and DOES 1 through 100 and each of them, render to the Court and to the Attorney General a full and complete accounting of the financial activities and condition of COPS and their dealings with COPS from January 1, 2005, to the present, to include the expenditure and disposition of all revenues and assets received by or on behalf of COPS. Upon the rendering of such accounting, that the Court determine the property, real or personal, or the proceeds thereof, to which COPS and the charitable beneficiaries thereof are lawfully entitled, in whatsoever form in whosoever hands they may now be, and order and declare that all such property or the proceeds thereof is impressed with a trust for charitable purposes, that defendants are constructive trustees of all such charitable funds and assets in their possession, custody or control, and that the same shall be deposited forthwith in Court by each and every defendant now holding or possessing the same or claiming any rights, title or interest

1 therein. In addition, that these defendants be surcharged and held liable and judgment entered
2 against each of them for any and all such assets for which they fail to properly account, together
3 with interest thereon at the legal rate from the date of liability thereon; and that any and all
4 expenses and fees incurred by defendants in this action be borne by the individual defendants and
5 each of them and not by COPS or any other public or charitable corporation or fund;

6 3. Pursuant to Government Code section 12599, subdivision (f), for a permanent and
7 preliminary injunction, enjoining CDG, RAMBRET, KEEZER, PASCH, SAWTELLE, and
8 DOES 1-100, from soliciting any donations on behalf of COPS until such time as defendants have
9 filed complete and accurate annual reports, and fully comply with California's registration
10 requirements.

11 4. For damages due COPS, resulting from the breaches of fiduciary duty of all
12 defendants named in this Complaint and DOES 1 through 100 in an amount to be determined
13 following an accounting from these defendants, plus interest at the legal rate until the judgment is
14 paid;

15 5. For punitive and exemplary damages against defendants PASSAMA, HOLDEN,
16 KEEZER, PASCH, SAWTELLE, and DOES 1 through 100 according to proof;

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

20 7. Pursuant to Business and Professions Code section 17206, that the Court assess a civil
21 penalty of two thousand five hundred dollars (\$2,500) against all named defendants and DOES 1
22 through 100 for each violation of Business and Professions Code section 17200 per day, as
23 proved at trial, in an amount no less than \$150,000;

24 8. Pursuant to Business and Professions Code section 17203, for a preliminary and
25 permanent injunction enjoining defendants, their successors, agents, representatives, employees
26 and all persons who act in concert with, or on behalf of, defendants from engaging in unfair
27 competition as defined in Business and Professions Code section 17200, including, but not
28 limited to, those acts and omissions alleged in this Complaint;

1 9. Pursuant to Business and Professions Code sections 17500 and 17536, that the Court
2 assess a civil penalty of two thousand five hundred dollars (\$2,500) against all named defendants
3 and DOES 1 through 100 for each violation of Business and Professions Code section 17500 per
4 day, as proved at trial, in an amount no less than \$150,000;

5 10. Pursuant to Business and Professions Code section 17203, 17510.8 and 17353, and
6 /or the equitable powers of the court, defendants and each of them be ordered to pay into court an
7 amount equal to the amount of funds solicited from the public on behalf of COPS by any means
8 of any act or practice declared by this court to constitute unfair competition under Business and
9 Professions Code section 17200 or false and misleading statements under Business and
10 Professions Code section 17500, all said monies to be distributed by this court to charitable
11 institutions for the use of purposes similar to that of COPS.

12 11. That the Court order the involuntary dissolution of COPS pursuant to the provisions
13 of Corporations Code sections 8510, subdivision (a)(5) and 8511, subdivision (a)(1), provide for
14 satisfaction of all of its lawful debts, and establish a procedure for determining the disposition of
15 all remaining assets of COPS in a manner consistent with its charitable purpose and consistent
16 with any restrictions that have been placed upon any of COPS' remaining assets;

17 12. That the Court permanently remove COPS directors and officers.

18 13. For plaintiff's costs of suit and other costs pursuant to Government Code sections
19 12597 and 12598;

20 14. For plaintiff's attorney fees as provided in Government Code section 12598 and Code
21 of Civil Procedure section 1021.8; and

22 15. For such other and further relief as the Court may deem to be just and proper.

23
24 **THIS COMPLAINT IS DEEMED VERIFIED UNDER THE PROVISIONS OF CODE OF**
25 **CIVIL PROCEDURE SECTION 446**
26
27
28

1 Dated: May 28, 2009

2 EDMUND G. BROWN JR.
3 Attorney General of California
4 BELINDA J. JOHNS
5 Senior Assistant Attorney General
6 KELVIN GONG
7 Supervising Deputy Attorney General

8

TANIA M. IBANEZ
9 Deputy Attorney General
10 *Attorneys for the People of the State of*
11 *California*

12 LA2006502501
13 Document in ProLaw
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28