		,
	D	
1	ROB BONTA Attorney General of California	Exempt from Filing and Reporter
2	Tania M. Ibanez	FeesGov. Code, § 6103
3	Senior Assistant Attorney General ELIZABETH S. KIM	
4	Supervising Deputy Attorney General DIANE P. CRAGG	FILEDÆNDORSED
	Deputy Attorney General	TILEUTENUUNSEU
5	State Bar No. 221121 BRIAN ARMSTRONG	MAR 2 3 2023
6	Deputy Attorney General State Bar No. 203534	
7	455 Golden Gate Avenue, Suite 11000	By: J. Servantez
8	San Francisco, CA 94102-7004 Telephone: (415) 510-3758	
	Fax: (415) 703-5480	
9	E-mail: Brian.Armstrong@doj.ca.gov Attorneys for the People of the State of Californi	a
10		}
11	SUPERIOR COURT OF TH	E STATE OF CALIFORNIA
12	COUNTY OF S	ACRAMENTO
13		
		1
14	THE PEOPLE OF THE STATE OF	Case No. 34-2019-00261222
15	CALIFORNIA,	
16	Plaintiff,	
- 17	v.	[PROFOSED] FINAL JUDGMENT
18	MOVE AMERICA FORWARD, A	
	CALIFORNIA NONPROFIT PUBLIC	BYFAX
19	BENEFIT CORPORATION; SALVATORE RUSSO; MELANIE SWANSON (AKA	
20	MELANIE MORGAN); HOWARD	Action Filed, July 24, 2010
21	KALOOGIAN; SHAWN CALLAHAN; RUSSO MARSH & ASSOCIATES, INC.,	Action Filed: July 24, 2019 FAC Filed: December 23, 2020
	AND DOES 1 THROUGH 50, INCLUSIVE,	Trial Date: August 7, 2023
22	Defendants.	
23		l i
24		
25		
26	Plaintiff, the People of the State of Califor	rnia (the "People"), by and through Rob Bonta,
	the Attorney General of the State of California, fi	led their Complaint against Defendants Move
CEIVED .		
CEIVED BE 202003	America Forward, a California nonprofit public b	enent corporation, and its directors and officers,
.a	· · · · · · · · · · · · · · · · · · ·	[PROPOSED] FINAL JUDGMENT

ъ

.1

,

]	Salvatore Russo, Melanie Swanson (aka Melanie Morgan), Howard Kaloogian, Shawn Callahan,	
2	and Russo's for-profit company, Russo Marsh & Associates, Inc. ("Defendants") (collectively	
3	the "Parties"). The People's Complaint alleged violations of California's charitable trusts laws,	
4	including the Supervision of Trustees and Fundraisers for Charitable Purposes Act (Gov. Code, §	
5	12580 et seq.) and the Nonprofit Public Benefit Corporation Law (Corp. Code, § 5000 et seq.).	
6	The parties have settled their dispute and stipulated in writing to the entry of this Final	
7	Judgment ("Judgment") pursuant to Code of Civil Procedure section 664.6, to resolve all matters	
8	in this action without trial or adjudication of any issue or law or fact.	
9	Good cause therefore appearing, IT IS HEREBY ORDERED, ADJUDGED, AND	
10	DECREED:	
11	FINDINGS	
12	1. This Court has jurisdiction over this matter.	
13	2. Defendants deny the allegations in the Complaint, except that Defendants admit the	
14	facts necessary to establish jurisdiction. This Judgment does not constitute evidence of admission	
15	of fault or liability by the Defendants.	
16	3. Defendants waive all rights to appeal or otherwise challenge or contest the validity of	
17	this Judgment, or any of its terms.	
18	18 MONETARY TERMS	
19	4. Defendants shall make payment of One Hundred Thousand Dollars (\$100,000.00) by	
20	check payable to the California Department of Justice, within 45 days of execution of the	
21	Settlement Agreement between the Parties. If payment is not made by that date, interest shall	
22	begin to accrue at the legal rate until the payment is made. The check shall be delivered to the	
23	California Department of Justice, Office of the Attorney General, 455 Golden Gate Avenue, Suite	
24	11000, San Francisco, CA 94102-7004, care of Deputies Attorney General Diane Cragg and	
25	Brian Armstrong.	
26	INJUNCTIVE TERMS	
27	5. Defendant Salvatore Russo confirms his plan to step down and retire from his	
28	position as a director on MAF's board, and from his positions as MAF's chief strategist, secretary 2	

١

.

3

and treasurer, by January 20, 2023. Further, as to MAF, Defendant Salvatore Russo shall no
longer: (1) act as a director, officer, trustee, manager, supervisor, or other fiduciary, or (2) hold,
manage, direct, or control funds or assets. Defendant Salvatore Russo shall comply with the
foregoing should he volunteer for MAF thereafter, and shall not be compensated by MAF for
volunteer work. Defendant Russo, Marsh & Associates, Inc. may continue to provide services to
MAF, but not after July 31, 2023, and Defendant Salvatore Russo shall not provide services to
MAF through another business.

6. Upon execution of this Settlement Agreement, all Defendants agree that they will
continue to abide by Internal Revenue Code section 501(c)(3), 26 Treasury Regulation section
1.501(c)(3)-1, and paragraph IV.B. of MAF's Articles of Incorporation with respect to MAF. In
addition, all Defendants but MAF will continue to abide by Internal Revenue Code section
501(c)(3) and 26 Treasury Regulation section 1.501(c)(3)-1 with respect to any nonprofit
organization that does business in California and is tax exempt under Internal Revenue Code
section 501(c)(3).

15

ADDITIONAL TERMS

16 7. Any notices or communications required to be transmitted between the parties
17 pursuant to this Judgment shall be sent to the below persons, or to their successors, in writing by
18 first class mail, overnight delivery, or electronic mail:

a. To the People; Deputies Attorney General Diane P. Cragg and Brian
 Armstrong; California Department of Justice, Office of the Attorney General, 455 Golden Gate
 Avenue, Suite 11000, San Francisco, CA 94102-7004; diane.cragg@doj.ca.gov and
 brian.armstrong@doj.ca.gov.

b. To Defendants: Michon M. Spinelli and Carla N. Braunstein; Ropers Majeski
PC, 535 Middlefield Road, Suite 245, Menlo Park, CA 94025; michon.spinelli@ropers.com and
carla.braunstein@ropers.com.

Any notices provided pursuant to this Judgment shall be deemed given five (5) days after mailing by first class mail or one (1) business day after electronic mail transmission, overnight delivery, or personal service.

3

1	8. As requested by the Parties, this Court shall retain jurisdiction of this matter for the		
2	purpose of enabling any party to this Judgment to apply to the Court at any time for orders and		
3	direction as are necessary or appropriate for the construction and carrying out of this Judgment,		
4	including for the enforcement of any terms, punishment of any violation of its terms, or		
5	modification of any terms pursuant to Code of Civil Procedure section 664.6. The terms and		
6	enforcement of this Judgment shall be governed by the laws of the State of California, and venue		
7	shall be in the Superior Court of California, County of Sacramento.		
8	9. In any action or motion brought by a party to enforce this Judgment in which the		
9	party obtains any or all of the relief sought, the prevailing party shall be entitled to attorney's fees		
10	and costs in addition to any other remedies provided by law.		
11	10. This Judgment shall be binding and effective immediately upon entry by the clerk of		
12	this Court, and the Clerk is ordered to enter Final Judgment.		
13			
14	Dated: MAR 2 3 2023 Chut C.K-		
15	Judge of the Superior Court CHRISTOPHER E. KRUEGER		
16	CURIDIOLUCU		
17			
18			
19			
20	852010201454		
21	SF2019201656		
22			
23			
24			
25			
26			
27			
28	4		

· ·

.

-

-

1-

[PROPOSED] FINAL JUDGMENT

DECLARATION OF SERVICE BY E-MAIL

Case Name:People v. Move America Forward, et al.No.:34-2019-00261222

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 <u>March 20, 2023</u>, I served the attached [**PROPOSED**] **FINAL JUDGMENT** by transmitting a true copy via electronic mail, addressed as follows:

Todd A. Roberts E-mail Address: todd.roberts@ropers.com Michon Spinelli E-mail Address: michon.spinelli@ropers.com Alexandria C. Carraher, Esq. E-mail Address: Alexandria.carraher@ropers.com Carla N. Braunstein, Esq. E-mail Address: Carla.braunstein@ropers.com Laura Koozmin E-mail Address: laura.koozmin@ropers.com Mary McPherson E-mail Address: mary.mcpherson@ropers.com Ropers Majeski - Redwood City

I declare under penalty of perjury under the laws of the State of California and the United States of America the foregoing is true and correct and that this declaration was executed on March 20, 2023, at San Francisco, California.

Classiemarie Murphy Declarant /s/ Classiemarie Murphy Signature

SF2019201656 43617440.docx