

<p>DISTRICT COURT, BOULDER COUNTY,          COLORADO          1777 Sixth Street          Boulder, Colorado 80306</p> <hr/> <p>STATE OF COLORADO, ex rel. JOHN W. SUTHERS,          ATTORNEY GENERAL,</p> <p>Plaintiff,</p> <p>v.</p> <p>COLORADO CHILDREN’S ASSISTANCE CENTER, a          Colorado non-profit corporation, DAVID MICHAEL          ST. JOHN, an individual, HERNANDO HENNING, an          individual, JOHN DOES 1-10, independent contractors          or employees of Colorado Children’s Assistance Center,          and JANE DOES 1-10, independent contractors or          employees of Colorado Children’s Assistance Center,</p> <p>Defendants.</p>	<p><b>EFILED Document</b>  <b>CO Boulder County District Court 20th JD</b>  <b>Filing Date: Aug 21 2006 5:09PM MDT</b>  <b>Filing ID: 12138228</b>  <b>Review Clerk: Debra Crosser</b></p> <p style="text-align: center;">▲ <b>COURT USE ONLY</b> ▲</p>
<p>Attorneys for Plaintiff:          JOHN W. SUTHERS          Attorney General          AMY L. PADDEN, 28372*          Assistant Attorney General          JAN M. ZAVISLAN, 11636          Deputy Attorney General          1525 Sherman Street, 5<sup>th</sup> Floor          Denver, CO 80203          (303) 866-5079          (303) 866-4916 Fax          *Counsel of Record</p>	<p>Case No.:</p>
<p><b>COMPLAINT</b></p>	

Plaintiff, the State of Colorado, upon relation of John W. Suthers, Attorney General for the State of Colorado, by and through undersigned counsel, states and alleges as follows:

INTRODUCTION

1. This is an action brought by the State of Colorado pursuant to the Colorado Charitable Solicitations Act, Colo. Rev. Stat. §§ 6-16-101 through 113 (2005) (“CCSA”) and

the Colorado Consumer Protection Act, Colo. Rev. Stat. §§ 6-1-101 through 115 (2005) (“CCPA”), to enjoin and restrain Defendants from engaging in certain acts of charitable fraud and unlawful deceptive trade practices, for statutorily mandated civil penalties, for disgorgement, restitution, and for other relief as provided in the CCSA and the CCPA.

### PARTIES

2. John W. Suthers is the duly appointed Attorney General of the State of Colorado and is authorized under Colo. Rev. Stat. § 6-1-103 (2005) to enforce the provisions of the CCPA.

3. Defendant Colorado Children’s Assistance Center (“CCAC”) is a Colorado non-profit corporation incorporated on or about on June 9, 2003, with a principal place of business at 7675 West 14th Avenue, Suite 103, Lakewood, Colorado, and a former principal place of business at 7596 Stuart Street, Westminster, Colorado. CCAC purports to be a charity raising money for the benefit of children.

4. Defendant David Michael St. John is an individual who currently resides, and during the times relevant to this action resided, at 7596 Stuart Street, Westminster, Colorado. Defendant St. John is the founder and director of Defendant Colorado Children’s Assistance Center. Mr. St. John was and is responsible for hiring and paying the solicitors who make telephone calls to potential donors and for approving the scripts used in those calls. He also makes decisions about how the money received by CCAC is spent and is responsible for maintaining CCAC’s files.

5. Defendant Hernando Hennings is an individual who currently resides in the State of California. During the times relevant to this action, Mr. Hennings resided at 3656 South Depew Street, Denver, Colorado. Defendant Hennings was a solicitor for and independent contractor of CCAC as well as other local charities.

6. Defendants John Does 1-10 are current or former independent contractors, employees, officers, or directors of CCAC who have yet to be identified.

7. Defendants Jane Does 1-10 are current or former independent contractors, employees, officers, or directors of CCAC who have yet to be identified.

### JURISDICTION AND VENUE

8. Pursuant to Colo. Rev. Stat. §§ 6-1-103 and 6-1-110(1) (2005), this Court has jurisdiction to enter appropriate orders prior to and following an ultimate determination of liability.

9. The violations alleged herein were committed throughout the state of Colorado, and against a victim, Eleanor Sprague, who was at the relevant times a resident of Boulder County, Colorado. Therefore, venue is proper in Boulder County, Colorado, pursuant to Colo. Rev. Stat. § 6-1-103 (2005) and Colo. R. Civ. P. 98.

#### RELEVANT TIMES

10. The conduct that gives rise to the claims for relief contained in this Complaint began in 2003 and continues through the present.

11. This action is timely brought pursuant to Colo. Rev. Stat. § 6-1-115 (2005) in that it is brought within three years of the date on which false, misleading, and deceptive acts or practices occurred and/or were discovered, and the series of false, misleading, and deceptive acts is continuing.

#### PUBLIC INTEREST

12. Through the unlawful practices of their business, vocation, or occupation, Defendants have deceived, misled, and financially injured consumers in Colorado. Specifically, Defendants have solicited money from Coloradans through the use of illegal methods, have improperly spent donations, and have repeatedly violated the Colorado Charitable Solicitations Act and the Colorado Consumer Protection Act. Therefore, the Colorado Attorney General believes these legal proceedings are in the public interest and are necessary to safeguard citizens from Defendants' charitable fraud and unlawful business activities.

#### STATUTORY BACKGROUND

##### *A. The Colorado Charitable Solicitations Act*

13. The Colorado Charitable Solicitations Act was passed by the legislature after it found that "fraudulent charitable solicitations are a widespread practice in this state which results in millions of dollars of losses to contributors and legitimate charities each year." Colo. Rev. Stat. § 6-16-102 (2005). Specifically, the legislature found that "[l]egitimate charities are harmed by such fraud because the money available for contributions continually is being siphoned off by fraudulent charities, and the goodwill and confidence of contributors continually is being undermined by the practices of unscrupulous solicitors." *Id.* Accordingly, the legislature passed the Act to "protect the public's interest in making informed choices as to which charitable causes should be supported." *Id.*

14. Under the Act, any charitable organization that solicits or intends to solicit more than \$25,000 in a fiscal year must register with the Colorado Secretary of State and provide the information required by Colo. Rev. Stat. § 6-16-104(2). Colo. Rev. Stat. § 6-16-

104(1), (6)(c). This registration must be renewed on an annual basis and the charity must file a financial report on the fifteenth day of the fifth calendar month after the close of the charity's fiscal year. Colo. Rev. Stat. § 6-16-104(4), (5). The Act prohibits any charity that is required to register from soliciting any contributions prior to the charity complying with the registration requirements. *Id.* § 6-16-104(9).

15. A "Paid solicitor" is "a person who, for monetary compensation, performs any service in which contributions will be solicited in this state by such compensated person or by any compensated person he or she employs, procures, or engages, directly or indirectly, to solicit for contributions." *Id.* § 6-16-103(7).

16. Under the Act, any paid solicitor must register prior to soliciting any contributions in Colorado on behalf of a charity. *Id.* § 6-16-104.6. All contracts between a paid solicitor and a charitable organization must be in writing and contain the information set forth in section 6-16-104.6(2).

17. At least 15 days before commencing any solicitations on behalf of a charity in Colorado, a paid solicitor must file a solicitation notice with the Secretary of State that contains all the information required by Colo. Rev. Stat. § 6-16-104.6(7) and that is signed by the charity.

18. During the course of solicitations by telephone, paid solicitors must comply with the disclosures set forth in Colo. Rev. Stat. § 6-16-105.3(1), including a disclosure that a donation is not tax deductible if the donation is not deductible. Further, a written confirmation must be provided to any person donating money in response to an oral solicitation by a paid solicitor and that confirmation must contain the disclosures set forth in Colo. Rev. Stat. § 6-16-105.

19. The Charitable Solicitations Act prohibits "charitable fraud" which is committed when a person:

(a) Knowingly solicits any contribution and in the course of such solicitation knowingly performs any act or omission in violation of any of the provisions of sections 6-16-104 to 6-16-107 and 6-16-110;

...

(e) Knowingly fails to create and maintain all records required by section 6-16-109 to be created and maintained . . .;

(f) Knowingly makes a misrepresentation of a material fact in any notice, report or record required to be filed, maintained, or created by this article;

(g) With intent to defraud, devises or executes a scheme or artifice to defraud by means of a solicitation or obtains money, property, or services by means of a false or fraudulent pretense, representation, or promise in the course of a solicitation. A representation may be any manifestation of any assertion by words or conduct, including, but not limited to, a failure to disclose a material fact;

...

(i) Represents or causes another to represent that a contribution to a charitable organization will be used for a purpose other than the purpose for which the charitable organization actually intends to use such contribution;

...

*Id.* § 6-16-111(1)(a), (e)-(g), (i).

*B. The Consumer Protection Act*

20. The Colorado Consumer Protection Act prohibits deceptive trade practices as set forth in the statute. Colo. Rev. Stat. § 6-1-105 (2005).

21. Any violations of the CCSA are deceptive trade practices under the CCPA and subject the violator to the CCPA's penalties. *Id.* §§ 6-1-105(1)(hh), 6-16-111(5).

GENERAL ALLEGATIONS

22. Defendant CCAC is a Colorado non-profit corporation that purports to be a charitable organization. It is in the business, vocation, and occupation of soliciting donations from consumers.

23. In the past calendar year, Colorado consumers donated nearly \$165 million dollars to charities. [http://www.sos.state.co.us/pubs/bingo\\_raffles/2005\\_annual\\_report\\_12-7-2005.pdf](http://www.sos.state.co.us/pubs/bingo_raffles/2005_annual_report_12-7-2005.pdf).

24. Unfortunately, some charities such as CCAC spend a very small percentage of the funds they solicit on any legitimate purpose. As explained further below, CCAC spends the majority of its money on fundraising and other expenses; only a small portion goes to any claimed charitable purpose. Further, much of the money that was allegedly spent for charitable purposes went to improper purposes, such as, to pay the bills of CCAC's founder's tenant (with whom he was romantically involved) and her family, to send the founder and his

tenant to Las Vegas for a vacation, and to provide money to the founder's brother-in-law to purchase Christmas presents.

25. In the course of soliciting donations and conducting the business of the "charity", and as explained further below, Defendants have repeatedly ignored and violated Colorado law.

#### Defendant CCAC

26. CCAC was incorporated as a Colorado non-profit corporation on June 9, 2003. It was founded by David St. John, who is the only officer and director of CCAC. On December 6, 2004, CCAC registered the trade name of Santa's Helpers.

27. CCAC did not register as a charity pursuant to Colo. Rev. Stat. § 6-16-104 at the time of its incorporation.

28. According to CCAC, during the fiscal year ending on December 31, 2003, it received \$28,800 in contributions. Therefore, pursuant to Colo. Rev. Stat. § 6-16-104, the charity was required to register with the Secretary of State in 2003.

29. According to CCAC, during the fiscal year ending on December 31, 2004, CCAC received another \$108,024 in contributions.

30. CCAC did not register at any time in 2003, and continued to solicit donations in Colorado in 2004. On September 17, 2004, the Secretary of State's office sent a letter to CCAC stating that it had become aware of the fact that the charity was soliciting donations and instructing CCAC to register within 14 days.

31. CCAC failed to meet that deadline and the Secretary of State's office sent a second letter to CCAC on October 7, 2004. CCAC finally registered as a charity on October 20, 2004.

32. In addition to failing to register as a charity in a timely manner, CCAC has no solicitation campaigns registered on its behalf. Because CCAC has used paid solicitors (rather than employees or volunteers) to conduct its campaigns, those paid solicitors are required to register as paid solicitors under Colo. Rev. Stat. § 6-16-104.6 and are required to register specific campaigns under Colo. Rev. Stat. § 6-16-104.6(7). CCAC's paid solicitors have done neither.

33. Defendant Hennings was a paid solicitor for CCAC. He was an independent contractor and was compensated in the amount of 50% of all donations he secured. He has never registered as a paid solicitor with the Secretary of State and has never registered any solicitation campaigns for CCAC.

34. Because CCAC used paid solicitors, those solicitors were required to comply with section 6-16-105's requirements regarding written confirmations. At least some of the written confirmations given to donors did not comply with this section because they did not include the charity's registration number, a disclosure that the donations were not tax deductible, the disclosure required by section 105(1)(c), and the statement required by section 105(1)(h). Colo. Rev. Stat. § 6-16-105(1)(a), (b), (c), and (h).

35. In fact, some of the written confirmations misleadingly implied that the donations were tax deductible. A sample confirmation is attached hereto as Exhibit A. It states that it is "for tax purposes only" and gives a "Fed Tax" number; however, donations to CCAC were not tax deductible because CCAC has not been granted 26 U.S.C. §501(c)(3) status from the IRS. The Federal Tax number provided is CCAC's employer identification number and has nothing to do with tax-exempt status.

36. Further, those paid solicitors are required to maintain all of the records required by section 6-16-109, and, upon information and belief, have failed to do so.

37. Pursuant to § 6-16-104(5), the deadline for CCAC to file its financial report for the 2003 fiscal year was May 15, 2004. CCAC did not meet that deadline and the Secretary of State sent a delinquent notice on May 16, 2004. CCAC did not file its 2004 financial statement until October 20, 2004—more than five months after the deadline.

38. In its financial statement for 2003, CCAC stated that it solicited donations that were not tax deductible and responded yes to the following question "did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?" However, at least some of the scripts and receipts that CCAC actually used did not include an express statement that the contributions were not tax deductible.

39. Of the \$28,800 CCAC claimed to have raised in 2003, it only used \$4,952.54 (or 17%) for program services; \$19,438.75 was used for "fundraising"—*i.e.*, to pay its paid solicitors—and the remaining money was used for other unspecified expenses. Further, in a recent filing with the IRS for tax exempt status, CCAC reported that it raised \$32,800 in 2003—\$4,000 more than it reported to the State of Colorado.

40. In its 2004 financial statement filed with the State, CCAC stated again that it solicited donations that were not tax deductible and responded yes to the following question "did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?" However, at least some of the scripts and receipts that CCAC actually used did not include an express statement that the contributions were not tax deductible.

41. Of the \$108,024 that CCAC raised in 2004, it only used \$8,322 (or 7.7%) for program services; \$86,115 (or 79.7%) was used for fundraising—*i.e.*, to pay its paid solicitors—and the remaining money was used for other unspecified expenses.

42. CCAC has not yet filed its financial statement for 2005; it requested and received an extension to do so until August 15, 2006. On August 16, 2006, the Secretary of State sent CCAC a notice regarding this delinquency. In a filing with the IRS, CCAC reported that it raised more than \$85,000 in 2005.

43. CCAC documents indicate that it collected donations from several hundred individuals throughout Colorado, mainly in the Denver metropolitan area.

44. The legitimacy of the use of the small percentage of money that allegedly was spent on program services by CCAC is questionable to say the least. During solicitation calls, potential donors were told that their donations would be spent on school supplies, food, and holiday gifts for needy children. However, CCAC records show that, for example, CCAC provided “assistance” to the following persons:

a. A woman named Jacqueline Montoya, who was CCAC founder St. John’s tenant and who also has been romantically involved with Mr. St. John. Despite this relationship, Mr. St. John brought eviction proceedings against her. Ms. Montoya was provided over a thousand dollars in assistance from CCAC. As explained below, the charity also paid for her to take a trip to Las Vegas with Mr. St. John. In late 2005, Ms. Montoya began working as an independent contractor for CCAC and is paid by the charity for that work;

b. Charles Johnson, Ms. Montoya’s husband, received gas money from the charity;

c. Tom Mestas, Ms. Montoya’s son, received money to pay utilities;

d. Jennifer Brennan, Ms. Montoya’s daughter-in-law (Mr. Mestas’s wife) received money for gas and groceries;

e. Adam Santestevan, Defendant St. John’s brother-in-law and current roommate, was given \$150 to buy Christmas presents for his children (Defendant St. John’s nephews). Mr. Santestevan was also given a \$200 loan from CCAC and there is no record that it has been repaid. Mr. Santestevan also now works as an independent contractor for CCAC and is paid by the charity for that work.

f. Charity funds also paid for numerous questionable travel expenses. Mr. St. John has testified that he took only one trip, to southern California in January 2005, on charity business. However, CCAC records reveal that the

charity paid for several other trips and travel-related expenses for Mr. St. John. Specifically, the charity paid for the following personal, non-business related travel for Mr. St. John:

i. The charity paid for Ms. Montoya and Mr. St. John to take a trip to Las Vegas in March 2004, which Mr. St. John admitted was a personal trip and not related to any charity business. Mr. St. John was arrested during the trip for allegedly assaulting Ms. Montoya. He withdrew \$500 in cash from the charity's account while on the trip.

ii. There are a number of cash withdrawals in the amount of several hundred dollars each that are not related to the January 2005 trip to California but that the charity has listed as "travel" costs in its books.

iii. Defendant St. John took personal trips to Norman, Oklahoma, and El Paso, Texas, that were paid for by the charity although the trips were personal trips and not related to any charity business.

iv. There are additional travel expenses, such as a plane ticket for someone to come to Denver in July 2005 that are not business related and for which there is no explanation.

45. This failure to use the donations in a legitimate manner renders the purposes for which donors were told their funds would be used untrue. It also demonstrates that these donations were obtained under false pretenses and with the intent to defraud the donor.

#### Defendants' Solicitations of Eleanor Sprague

46. In the late summer of 2003, a number of local charities, including CCAC, began to call and solicit donations from a then 84-year-old Boulder County resident, Eleanor Sprague.

47. The solicitation calls were extremely frequent—sometimes several a day—and demanded large sums of money as donations—sometimes in the thousands of dollars. The callers were very aggressive.

48. Over the course of the following months, Ms. Sprague wrote checks to various questionable "charities" for a total of more than \$20,000, including the following checks to CCAC for a total of \$5225:

- a. On August 21, 2003, a \$500 check;
- b. On September 13, 2003, a \$725 check; and

c. On October 22, 2003, a \$4000 check.

49. In late October 2003, Mrs. Sprague's family members became aware of these large donations and informed police that they believed she was being improperly solicited by fraudulent charities.

50. The calls on behalf of Defendant CCAC to Mrs. Sprague were made by Defendant Hernando Hennings and Doe Defendants. Those checks were picked up by Defendant St. John and other Doe Defendants.

51. The checks that Mrs. Sprague wrote to CCAC were written to CCAC at a time when CCAC was not registered as a charity as required by Colo. Rev. Stat. § 6-16-104, when Defendants Hennings and Doe were not registered as paid solicitors as required by Colo. Rev. Stat. § 6-16-104.6(1), and when there were no solicitation campaigns registered on behalf of CCAC as required by Colo. Rev. Stat. § 6-16-104.6(7).

#### Defendants' Activities in Violation of the CCSA and CCPA

52. During the course of their business, vocation or occupation, Defendants violated section 6-16-111(1)(a), (f), (g), and (i) of the Colorado Charitable Solicitations Act, and thereby committed charitable fraud, by, among other things:

- a. Knowingly soliciting contributions while knowingly violating the provisions of sections 6-16-104 to 6-16-107 and 6-16-110;
- b. Knowingly making misrepresentations of material fact in notices, reports, or records required to be filed, maintained, or created by the CCSA;
- c. With intent to defraud, devising a scheme or artifice to defraud by means of a solicitation or obtaining money, property, or services by means of a false or fraudulent pretense, representation (including any manifestation of any assertion by words or conduct, including, but not limited to, a failure to disclose a material fact), or promise in the course of a solicitation; and
- d. Representing or causing another to represent that a contribution to a charitable organization will be used for a purpose other than the purpose for which the charitable organization intends to use the contribution.

53. Defendants CCAC and St. John also violated the CCSA by, among other things:

- a. Failing to register as a charity as required by section 6-16-104;

- b. Failing to file financial reports as required by section 6-16-104, and/or failing to file them in a timely manner;
- c. Using paid solicitors who were not registered as required by section 6-16-104.6(1);
- d. Using paid solicitors without registering a solicitation campaign as required by section 6-16-104.6(7); and
- e. Using paid solicitors without complying with the disclosures in section 6-16-105.

54. The individual Defendants also violated the CCSA by, among other things:

- a. Failing to register as a paid solicitor as required by section 6-16-104.6;
- b. Failing to register a solicitation campaign prior to conducting solicitations as required by as required by section 6-16-104.6;
- c. Knowingly failing to create and maintain all records required by section 6-16-109 to be created and maintained; and
- d. Failing to comply with the disclosures in section 6-16-105.

55. By violating the Colorado Charitable Solicitations Act, Defendants have also violated the CCPA. Colo. Rev. Stat. § 6-16-111(5).

#### FIRST CLAIM FOR RELIEF

(Failure to Register as a Charity Before Conducting Solicitations)  
(Against Defendants CCAC and St. John)

56. Plaintiff incorporates herein by reference all of the allegations contained in Paragraphs 1 through 54 of this Complaint.

57. Through the above-described conduct in the course of their business, occupation or vocation, Defendants have violated the Charitable Solicitations Act, Colo. Rev. Stat. §§ 6-16-104(1), (9), 6-16-111(1)(a) (2005) by CCAC's failure to register as a charity from the time it formed in 2003 through October 20, 2004, and by conducting solicitations during that time.

58. By means of the above-described unlawful deceptive trade practices, Defendants have deceived, misled, and unlawfully acquired money from numerous Colorado consumers.

SECOND CLAIM FOR RELIEF  
(Using Unregistered Paid Solicitors)  
(Against Defendants CCAC and St. John)

59. Plaintiff incorporates herein by reference all of the allegations contained in Paragraphs 1 through 58 of this Complaint.

60. Through the above-described conduct in the course of their business, occupation or vocation, Defendants CCAC and St. John have violated the Charitable Solicitations Act, Colo. Rev. Stat. §§ 6-16-104.6(1), 6-16-111(1)(a) (2005), by using unregistered paid solicitors.

61. By means of the above-described unlawful deceptive trade practices, Defendants have deceived, misled, and unlawfully acquired money from numerous Colorado consumers.

THIRD CLAIM FOR RELIEF  
(Conducting Solicitations Using Paid Solicitors Without Registering a Campaign)  
(Against Defendants CCAC, St. John, Hennings, and Doe)

62. Plaintiff incorporates herein by reference all of the allegations contained in Paragraphs 1 through 61 of this Complaint.

63. Through the above-described conduct in the course of their business, occupation or vocation, Defendants have violated the Charitable Solicitations Act, Colo. Rev. Stat. §§ 6-16-104.6(7), 6-16-111(1)(a), (f), (g) (2005), by conducting campaigns with paid solicitors without registering a solicitation campaign as required by § 6-16-104.6(7).

64. By means of the above-described unlawful deceptive trade practices, Defendants have deceived, misled, and unlawfully acquired money from numerous Colorado consumers.

FOURTH CLAIM FOR RELIEF  
(Failure to Register as a Paid Solicitor)  
(Against Defendants Hennings and Doe)

65. Plaintiff incorporates herein by reference all of the allegations contained in Paragraphs 1 through 64 of this Complaint.

66. Through the above-described conduct in the course of their business, occupation or vocation, Defendants Hennings and Doe have violated the Charitable Solicitations Act, Colo. Rev. Stat. §§ 6-16-104.6(1), 6-16-111(1)(a) (2005), by failing to register as a paid solicitor.

67. By means of the above-described unlawful deceptive trade practices, Defendants have deceived, misled, and unlawfully acquired money from numerous Colorado consumers.

FIFTH CLAIM FOR RELIEF  
(Failure to Maintain Required Documents)  
(Against Defendants Hennings and Doe)

68. Plaintiff incorporates herein by reference all of the allegations contained in Paragraphs 1 through 67 of this Complaint.

69. Through the above-described conduct in the course of their business, occupation or vocation, Defendants Hennings and Doe have violated the Charitable Solicitations Act, Colo. Rev. Stat. §§ 6-16-109, 6-16-111(1)(e) (2005), by failing to maintain the records required by section 6-16-109.

70. By means of the above-described unlawful deceptive trade practices, Defendants have deceived, misled, and unlawfully acquired money from numerous Colorado consumers.

SIXTH CLAIM OF RELIEF  
(False Statements Made in Financial Reports)  
(Against Defendants CCAC and St. John)

71. Plaintiff incorporates herein by reference all of the allegations contained in Paragraphs 1 through 70 of this Complaint.

72. Through the above-described conduct in the course of their business, occupation or vocation, Defendants have violated the Charitable Solicitations Act, Colo. Rev. Stat. § 6-1-111(1)(a), (f) by falsely reporting in financial statements filed with the Secretary of State that every solicitation included an express statement that the donations were not tax deductible.

73. By means of the above-described unlawful deceptive trade practices, Defendants have deceived, misled, and unlawfully acquired money from numerous Colorado consumers.

SEVENTH CLAIM FOR RELIEF

(False Pretenses)

(Against Defendants CCAC, St. John, Hennings, and Doe(s))

74. Plaintiff incorporates herein by reference all of the allegations contained in Paragraphs 1 through 73 of this Complaint.

75. Through the above-described conduct in the course of its business, occupation or vocation, Defendants have violated Colo. Rev. Stat. § 6-16-111(1)(g) by, with the intent to defraud, obtaining money by means of a false or fraudulent pretense, representation or promise.

76. By means of the above-described unlawful deceptive trade practices, Defendants have deceived, misled, and unlawfully acquired money from numerous Colorado consumers.

EIGHTH CLAIM FOR RELIEF

(False Statements Regarding Purpose of Contributions)

(Against Defendants CCAC, St. John, Hennings, and Doe)

77. Plaintiff incorporates herein by reference all of the allegations contained in Paragraphs 1 through 76 of this Complaint.

78. Through the above-described conduct in the course of its business, occupation or vocation, Defendants have violated Colo. Rev. Stat. § 6-16-111(1)(i) by representing that contributions would be used for purposes other than those for which they were actually used.

79. By means of the above-described unlawful deceptive trade practices, Defendants have deceived, misled, and unlawfully acquired money from numerous Colorado consumers.

NINTH CLAIM FOR RELIEF

(Failure to Provide Required Disclosures in Written Confirmations)

(Against Defendants CCAC, St. John, Hennings, and Doe)

80. Plaintiff incorporates herein by reference all of the allegations contained in Paragraphs 1 through 79 of this Complaint.

81. Through the above-described conduct in the course of its business, occupation or vocation, Defendants violated Colo. Rev. Stat. § 6-16-105(1)(a), (b), (c), (h) by providing written confirmations that did not include the charity's registration number, a disclosure that the donations were not tax deductible, the disclosure required by section 105(1)(c), and the statement required by section 105(1)(h).

82. By means of the above-described unlawful deceptive trade practices, Defendants have deceived, misled, and unlawfully acquired money from numerous Colorado consumers.

TENTH CLAIM FOR RELIEF  
(Failure to File Financial Reports in a Timely Manner)  
(Against Defendants CCAC and St. John)

83. Plaintiff incorporates herein by reference all of the allegations contained in Paragraphs 1 through 82 of this Complaint.

84. Through the above-described conduct in the course of their business, occupation or vocation, Defendants have violated the Charitable Solicitations Act, Colo. Rev. Stat. §§ 6-16-104(5), 6-16-111(1)(a), (e) (2005), by failing to file financial reports for 2003 and 2004 in a timely manner.

85. By means of the above-described unlawful deceptive trade practices, Defendants have deceived, misled, and unlawfully acquired money from numerous Colorado consumers.

ELEVENTH CLAIM OF RELIEF  
(Violations of CCPA)  
(Against All Defendants)

86. Plaintiff incorporates herein by reference all of the allegations contained in Paragraphs 1 through 85 of this Complaint.

87. The conduct described in counts one through Ten above constitute deceptive trade practices pursuant to Colo. Rev. Stat. §§ 6-16-111(5) and 6-1-105(1)(hh).

RELIEF REQUESTED

WHEREFORE, Plaintiff prays for judgment against the Defendants and the following relief:

A. An order declaring Defendants' above-described conduct to be in violation of the Colorado Charitable Solicitations Act, Colo. Rev. Stat. §§ 6-16-104, 6-16-104.6, 6-16-105, 6-16-111 (2005), and the Colorado Consumer Protection Act, Colo. Rev. Stat. § 6-1-105(1)(hh) (2005).

B. An order permanently enjoining Defendants, their officers, directors, successors, assigns, agents, employees, and anyone in active concert or participation with any Defendant with notice of such injunctive orders, from engaging in any deceptive trade

practices as defined in and proscribed by the CCSA or the CCPA and as set forth in this Complaint.

C. Appropriate orders necessary to prevent Defendants' continued or future deceptive trade practices.

D. For a judgment in an amount to be determined at trial for restitution, disgorgement, or other equitable relief pursuant to Colo. Rev. Stat. § 6-1-110(1) (2005).

E. An order requiring Defendants to forfeit and pay to the General Fund of the State of Colorado, civil penalties in an amount not to exceed \$2,000 per violation pursuant to Colo. Rev. Stat. § 6-1-112(1) (2005), or \$10,000 per violation pursuant to Colo. Rev. Stat. § 6-1-112(3) (2005).

F. An order requiring Defendants to pay the costs and expenses of this action incurred by the Attorney General, including, but not limited to, Plaintiff's attorney fees, pursuant to Colo. Rev. Stat. § 6-1-113(4) (2005).

G. Any such further orders as the Court may deem just and proper to effectuate the purposes of the CCPA and the CCSA.

Dated this 21st day of August, 2006.

JOHN W. SUTHERS

Attorney General

/s

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*Pursuant to C.R.C.P. 121, § 1-26(9), the original of this document with original signatures is maintained in the offices of the Colorado Attorney General, 1525 Sherman Street, Denver, CO 80203, and will be made available for inspection by other parties or the Court upon request.*