

**IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO**

THE STATE OF OHIO, <i>ex rel</i> , MIKE	:	Civil Action No.
DEWINE, OHIO ATTORNEY GENERAL,	:	
	:	Judge
Plaintiff,	:	
	:	
v.	:	
	:	
INTEGRAL RESOURCES, INC., 1972	:	
Massachusetts Avenue, Cambridge,	:	
Massachusetts, 02140,	:	
	:	
Defendant.	:	

PLAINTIFF OHIO ATTORNEY GENERAL’S COMPLAINT AND JURY DEMAND

Plaintiff State of Ohio, *ex rel*. Mike DeWine, Attorney General of Ohio, hereby alleges:

PARTIES

1. Plaintiff, State of Ohio, by and through the Attorney General of Ohio, Mike DeWine (“Ohio Attorney General”), having reasonable cause to believe that violations of Ohio’s charitable laws have occurred, brings this action in the public interest and under the authority vested in the Ohio Attorney General by Ohio Revised Code Chapter 1716 (“the Ohio Charitable Organizations Act”) and common law authority.

2. Defendant Integral Resources, Inc. (“Integral”) is a for-profit corporation incorporated under the laws of the Commonwealth of Massachusetts. Defendant Integral conducts business as a professional solicitor for various charities throughout the State of Ohio.

JURISDICTION AND VENUE

3. Defendant's actions, as described herein, involved residents of the State of Ohio, and, as set forth below, constitute violations of Ohio statutes and common law. Plaintiff Ohio Attorney General is entitled to relief for these violations.

4. For all times relevant to this action, Defendant Integral has had ongoing and systematic contacts with residents in the State of Ohio.

5. This is an action for seeking injunctive relief and damages for Defendant Integral's violations of the Ohio Charitable Organizations Act. The amount in controversy exceeds \$25,000. This Court has subject matter jurisdiction pursuant to R.C. § 2305.01 and personal jurisdiction pursuant to R.C. § 2307.382.

6. Pursuant to R.C. § 1716.15(F), venue is proper in Franklin County, Ohio, as Defendant Integral has no principal place of business in Ohio.

7. Pursuant to Rules 3(B) and 4.3 of the Ohio Civil Rules of Procedure, venue is proper in Franklin County, Ohio, as the county where the Plaintiff resides.

ACTIVITY OF DEFENDANT WHICH GIVES RISE TO THIS COMPLAINT

8. From at least 1995 to the present, Defendant Integral has acted as a professional solicitor for various charitable organizations and solicited donations by telephone and mail to residents of the State of Ohio. These charitable organizations included, but were not limited to, American Council of the Blind – National; Amnesty International USA, Inc.; Anti-Defamation League of B'nai B'rith; Environmental Defense Fund, Inc.; League of Conservation Voters, Inc.; Operation Lookout- National Center for Missing Youth; Planned Parenthood Action Fund, Inc.; and Planned Parenthood Federation of America, Inc.

9. During telephone solicitations made by Defendant Integral to Ohio residents in 2013, Defendant Integral failed to disclose its name as it is on file with the Ohio Attorney General to seventy (70) potential donors, during a campaign on behalf of Planned Parenthood Federation of America, Inc.

10. During telephone solicitations made by Defendant Integral to Ohio residents in 2013, Defendant Integral failed to disclose a statement that it was acting as a professional solicitor to forty-one (41) potential donors, during a campaign on behalf of Planned Parenthood Federation of America, Inc.

11. During telephone solicitations made by Defendant Integral to Ohio residents in 2013, Defendant Integral failed to disclose the address of the charitable organization for which it was soliciting to seventy-three (73) potential donors, during a campaign on behalf of Planned Parenthood Federation of America, Inc.

12. During a telephone solicitation made by Defendant Integral to an Ohio resident in 2013, Defendant Integral failed to inform the potential donor, upon request, of the percentage of the gross revenue that a charitable organization would receive as a benefit from a solicitation campaign, during a campaign on behalf of Planned Parenthood Federation of America, Inc.

13. During telephone solicitations made by Defendant Integral to Ohio residents in 2013, Defendant Integral misled potential donors as to material facts regarding charitable solicitations by failing to disclose its name as it is on file with the Ohio Attorney General, failing to disclose the fact that it was acting as a professional solicitor, failing to disclose the address of the charitable organization for which it was soliciting, and failing to inform the potential donor, upon request, of the percentage of the gross revenue that a charitable organization would receive

as a benefit from a solicitation campaign, during a campaign on behalf of Planned Parenthood Federation of America, Inc.

14. During a telephone solicitation made by Defendant Integral to an Ohio resident in 2013, Defendant Integral misled the potential donor as to a material fact regarding charitable solicitations when an Integral employee represented that she worked for the charitable organization, not a professional solicitor, during a campaign on behalf of Planned Parenthood Federation of America, Inc.

15. During a telephone solicitation made by Defendant Integral to an Ohio resident in 2013, Defendant Integral represented to a potential donor that a charitable organization would receive a percentage of gross revenue from a solicitation campaign that was greater than set forth in the contract between Integral and the charitable organization, during a campaign on behalf of Planned Parenthood Federation of America, Inc.

16. Defendant Integral failed to provide complete and timely payments of the proceeds from solicitation campaigns to Amnesty International USA, Inc. in 2012.

17. Defendant Integral failed to file a completed annual professional solicitor registration with the Ohio Attorney General prior to the March 31st deadline in 2011 and 2013.

18. Defendant Integral failed to timely file with the Ohio Attorney General completed financial reports for eight (8) solicitation campaigns conducted by Integral on behalf of American Council of the Blind – National; Environmental Defense, Inc.; League of Conservation Voters, Inc.; Planned Parenthood Action Fund, Inc.; and Planned Parenthood Federation of America, Inc., during 2010, 2011, 2012, and 2013.

**GENERAL ALLEGATIONS AND STATUS OF DEFENDANT INTEGRAL UNDER THE
OHIO CHARITABLE ORGANIZATIONS ACT**

19. American Council of the Blind – National; Amnesty International USA, Inc.; Anti-Defamation League of B’nai B’rith; Environmental Defense Fund, Inc.; League of Conservation Voters, Inc.; Operation Lookout- National Center for Missing Youth; Planned Parenthood Action Fund, Inc.; and Planned Parenthood Federation of America, Inc. are “charitable organizations,” as that term is defined in R.C. § 1716.01(A), that Defendant Integral solicits on behalf of.

20. Defendant Integral is a “person” as defined in R.C. § 1716.01(I).

21. Defendant Integral conducted “solicitations,” as that term is defined in R.C. § 1716.01(K), on behalf of various charitable organizations in the State of Ohio when it requested money, property, financial assistance, or any other thing of value on the plea or representation that such a donation would be used for a charitable purpose or would benefit a charitable organization.

22. Defendant Integral’s compensated performance, on behalf of or for the benefit of a charitable organization, for any service in connection with which contributions are or will be solicited in this state by Defendant Integral or by any person it employs, procures, or otherwise engages directly or indirectly to solicit contributions makes Defendant Integral a “professional solicitor” within the meaning of R.C. § 1716.01(J); therefore, Defendant Integral is subject to the requirements of R.C. § 1716.01 *et seq.* relating to the obligations of professional solicitors.

23. Defendant Integral solicited, collected, and/or expended contributions on behalf of various charitable organizations, and therefore, has fiduciary duties under R.C. § 1716.17 and the common law.

24. The allegations in the preceding paragraphs of this complaint are incorporated by reference into each count of this complaint as if fully restated therein, and the allegations in each count of this complaint are incorporated by reference into every other count of this complaint as if fully restated therein.

COUNT ONE

FAILURE TO DISCLOSE INFORMATION AT THE POINT OF SOLICITATION

25. Ohio Revised Code § 1716.08(B)(1) states, in part, that prior to a verbal request for a contribution or contemporaneous with a written request for a contribution, a professional solicitor must clearly and conspicuously disclose at the point of solicitation its name as it is on file with the Ohio Attorney General, a statement that the solicitation is being conducted by a professional solicitor, and the name and address of each charitable organization for which the contribution will be used.

26. In January of 2013, Defendant Integral failed to disclose to seventy (70) potential Ohio donors its name as it is on file with the Ohio Attorney General during phone solicitations on behalf of Planned Parenthood Federation of America, Inc.

27. In January of 2013, Defendant Integral failed to disclose to forty-one (41) potential Ohio donors a statement that the solicitation was being conducted by a professional solicitor during phone solicitations on behalf of Planned Parenthood Federation of America, Inc.

28. In January of 2013, Defendant Integral failed to disclose to seventy-three (73) potential Ohio donors the address of the charitable organization for which the contribution would be used during phone solicitations on behalf of Planned Parenthood Federation of America, Inc.

29. Defendant Integral's conduct, as described in this count, violates R.C. § 1716.08(B)(1), for which Plaintiff Ohio Attorney General is entitled to restitution and

injunctive relief, and for which Defendant Integral is liable to pay a civil penalty of up to \$10,000 for each violation pursuant to R.C. § 1716.16(B).

COUNT TWO

FAILURE TO DISCLOSE INFORMATION UPON REQUEST

30. Ohio Revised Code § 1716.08(B)(2) states, that if requested by the person being solicited, a professional solicitor must disclose the percentage of gross revenue, as prescribed in the contract between the professional solicitor and the charitable organization, that the charitable organization will receive from a solicitation campaign.

31. In January of 2013, upon a request from a potential Ohio donor, Defendant Integral failed to disclose the percentage of gross revenue that a charitable organization will receive during a phone solicitation on behalf of Planned Parenthood Federation of America, Inc.

32. Defendant Integral's conduct, as described in this count, violates R.C. § 1716.08(B)(2), for which Plaintiff Ohio Attorney General is entitled to restitution and injunctive relief, and for which Defendant Integral is liable to pay a civil penalty of up to \$10,000 for each violation pursuant to R.C. § 1716.16(B).

COUNT THREE

COMMITTING MISLEADING ACTS IN THE CONDUCT OF CHARITABLE SOLICITATIONS

33. Ohio Revised Code § 1716.14(A)(2) states that when planning, conducting, or executing any solicitation of contributions for a charitable organization, a professional solicitor is prohibited from misleading any person as to any material fact concerning the solicitation of contributions for a charitable organization or charitable purpose.

34. In January 2013, Defendant Integral misled a potential Ohio donor as to a material fact when an Integral employee represented that she worked for a charitable organization, rather than a professional solicitor, during a phone solicitation on behalf of Planned Parenthood Federation of America, Inc.

35. In January 2013, Defendant Integral misled seventy (70) potential Ohio donors by failing to disclose its name as it is on file with the Ohio Attorney General during phone solicitations on behalf of Planned Parenthood Federation of America, Inc. Defendant Integral misled potential donors as to the material fact of the identity of the entity conducting the solicitation.

36. In January 2013, Defendant Integral misled forty-one (41) potential Ohio donors by failing to disclose a statement that the solicitation was being conducted by a professional solicitor during phone solicitations on behalf of Planned Parenthood Federation of America, Inc. Defendant Integral misled potential donors as to the material fact of the non-charitable nature of the entity conducting the solicitation.

37. In January 2013, Defendant Integral misled seventy-three (73) potential Ohio donors by failing to disclose the address of the charitable organization for which the contribution would be used during phone solicitations on behalf of Planned Parenthood Federation of America, Inc. Defendant Integral misled potential donors as to the material fact of whether the charitable organization was located in the donor's immediate area.

38. In January 2013, Defendant Integral misled a potential Ohio donor by failing to disclose the percentage of gross revenue, as prescribed in the contract between the professional solicitor and the charitable organization, that a charitable organization would receive during a phone solicitation on behalf of Planned Parenthood Federation of America, Inc. Defendant

Integral misled a potential donor by representing that 100% of all donations would go to the charitable organization and 78% of the donations would be used by the charity for non-administrative purposes. The contract between Defendant Integral and Planned Parenthood Federation of America, Inc. states that the charitable organization would receive an estimated 1% of the gross revenue from the solicitation campaign.

39. Defendant Integral's conduct, as described in this count, violates R.C. § 1716.14(A)(2), for which Plaintiff Ohio Attorney General is entitled to restitution and injunctive relief, and for which Defendant Integral is liable to pay a civil penalty of up to \$10,000 for each violation pursuant to R.C. § 1716.16(B).

COUNT FOUR

REPRESENTING THAT A CHARITABLE ORGANIZATION WILL RECEIVE A PERCENTAGE OF GROSS REVENUE GREATER THAN IN THE CONTRACT

40. Ohio Revised Code § 1716.14(A)(8) states that that when planning, conducting, or executing any solicitation of contributions for a charitable organization, a professional solicitor cannot represent directly or by implication that a charitable organization will receive a fixed or estimated percentage of the gross revenue from a solicitation campaign that is greater than that set forth in the contract between the professional solicitor and the charitable organization and filed with the Ohio Attorney General.

41. In January 2013, Defendant Integral represented to a potential Ohio donor that a charitable organization would receive a percentage of the gross revenue greater than set forth in the contract during a phone solicitation on behalf of Planned Parenthood Federation of America, Inc. An Integral employee represented that 100% of all donations would go to the charitable organization and 78% of the donations would be used by the charity for non-administrative

purposes. The contract between Defendant Integral and Planned Parenthood Federation of America, Inc. states that the charitable organization would receive an estimated 1% of the gross revenue from the solicitation campaign.

42. Defendant Integral's conduct, as described in this count, violates R.C. § 1716.14(A)(8), for which Plaintiff Ohio Attorney General is entitled to restitution and injunctive relief, and for which Defendant Integral is liable to pay a civil penalty of up to \$10,000 for each violation pursuant to R.C. § 1716.16(B).

COUNT FIVE

FAILURE TO PROVIDE PAYMENT TO A CHARITABLE ORGANIZATION OF PROCEEDS FROM A SOLICITATION CAMPAIGN

43. Ohio Revised Code § 1716.14(A)(11) states that that when planning, conducting, or executing any solicitation of contributions for a charitable organization, a professional solicitor must provide complete and timely payment to a charitable organization of the proceeds from a solicitation campaign.

44. Defendant Integral conducted a solicitation campaign on behalf of Amnesty International USA, Inc. from October 31, 2011 through August 31, 2012. Defendant Integral promised Amnesty International USA, Inc. an estimated 1% of the gross revenue from the solicitation campaign under the contract on file with the Ohio Attorney General.

45. The gross revenue from the campaign totaled \$33,539. Amnesty International USA, Inc. was owed \$301.85 under the contract. Defendant Integral failed to make any payments to Amnesty International USA, Inc. for this solicitation campaign.

46. Defendant Integral's conduct, as described in this count, violates R.C. § 1716.14(A)(11), for which Plaintiff Ohio Attorney General is entitled to restitution and

injunctive relief, and for which Defendant Integral is liable to pay a civil penalty of up to \$10,000 for each violation pursuant to R.C. § 1716.16(B).

COUNT SIX

FAILURE TO FILE STATUTORILY REQUIRED DOCUMENTS WITH THE OHIO ATTORNEY GENERAL PRIOR TO ENGAGING IN SOLICITATION

47. Ohio Revised Code § 1716.07(B) requires that a professional solicitor register with the Ohio Attorney General before engaging in any charitable solicitations in Ohio. The registration form and filing fee must be filed annually by March 31st.

48. In 2011 and 2013, Defendant Integral failed to register with the Ohio Attorney General by March 31st and continued to solicit charitable contributions in Ohio.

49. Defendant Integral's conduct, as described in this count, violates R.C. § 1716.07(B), for which Plaintiff Ohio Attorney General is entitled to restitution and injunctive relief, and for which Defendant Integral is liable to pay a civil penalty of up to \$10,000 for each violation pursuant to R.C. § 1716.16(B).

COUNT SEVEN

FAILURE TO TIMELY FILE FINANCIAL REPORTS WITH THE OHIO ATTORNEY GENERAL UPON COMPLETION OF SOLICITATION CAMPAIGNS

50. Ohio Revised Code § 1716.07(E) requires that a professional solicitor file a financial report for a solicitation campaign with the Ohio Attorney General no later than ninety (90) days after completion of the solicitation campaign or on the anniversary of the commencement of a campaign lasting more than one year.

51. Defendant Integral failed to file financial reports within the time parameters set by R.C. § 1716.07(E) with the Ohio Attorney General for eight (8) solicitations campaigns on

behalf of American Council of the Blind – National; Environmental Defense, Inc.; League of Conservation Voters, Inc.; Planned Parenthood Action Fund, Inc.; and Planned Parenthood Federation of America, Inc. during 2010, 2011, 2012, and 2013.

52. Defendant Integral’s conduct, as described in this count, violates R.C. § 1716.07(E), for which Plaintiff Ohio Attorney General is entitled to restitution and injunctive relief, and for which Defendant Integral is liable to pay a civil penalty of up to \$10,000 for each violation pursuant to R.C. § 1716.16(B).

COUNT EIGHT

BREACH OF FIDUCIARY DUTY

53. Ohio Revised Code § 1716.17 states, in pertinent part, “Every person who solicits, collects, or expends contributions on behalf of a charitable organization or for a charitable purpose . . . and every officer, director, trustee, or employee of that person who is concerned with the solicitation, collection, or expenditure of those contributions shall be considered a fiduciary and as acting in a fiduciary capacity.”

54. Under R.C. Chapter 1716, professional solicitors owe charitable organizations fiduciary duties including, but not limited to: (a) the duty of good faith; (b) the duty of loyalty; (c) the duty to make the solicitation campaign productive; (d) the duty to use reasonable care to preserve trust property; and (e) the duty of compliance with Ohio’s solicitation laws.

55. Defendant Integral is under contract to solicit contributions on behalf of charitable organizations. Consequently, Defendant Integral owes fiduciary duties to the charitable organizations.

56. Defendant Integral receives money or assets, in the form of campaign fees and expenses, from Ohio residents as a result of Defendant Integral’s charitable appeal on behalf of

the charitable organizations. Accordingly, Defendant Integral owes fiduciary duties to those charitable benefactors.

57. Defendant Integral violated its fiduciary duty to comply with Ohio's solicitation laws when it failed to make all required disclosures to potential donors at the point of solicitation, when it committed misleading acts while soliciting, when it represented that a charitable organization would receive a percentage of the gross revenue from a solicitation campaign that is greater than that set forth in the contract, when it failed to provide payment to a charitable organization of proceeds from a solicitation campaign, and when it failed to file all required documents with the Ohio Attorney General's office, in violation of R.C. §§ 1716.07, 1716.08, and 1716.14.

58. Defendant Integral's conduct, as described in this count, violates R.C. § 1716.17, for which Plaintiff Ohio Attorney General is entitled to restitution and injunctive relief, and for which Defendant Integral is liable to pay a civil penalty of up to \$10,000 for each violation pursuant to R.C. § 1716.16(B).

COUNT NINE

NUISANCE

59. Ohio Revised Code § 1716.14(B) provides, "The act of soliciting contributions for any charitable organization or charitable purpose or engaging in a charitable sales promotion without complying with the requirements of this chapter or any rule adopted pursuant to this chapter, is a nuisance."

60. As alleged in counts one through eight of this Complaint, Defendant Integral has violated R.C. Chapter 1716.

61. If Defendant Integral's activities are not abated and perpetually enjoined, further violations of R.C. Chapter 1716 and the common law are imminent and will persist.

62. Pursuant to R.C. Chapter 3767, Plaintiff Ohio Attorney General is entitled to bring an action to abate Defendant Integral's further violations of R.C. Chapter 1716 and perpetually enjoin Defendant Integral from all acts of solicitation as defined in R.C. § 1716.01(K) in the State of Ohio. This specifically includes, but is not limited to, soliciting contributions or any other thing of value to benefit a charitable organization through verbal, written, or electronic requests.

PRAYER FOR RELIEF

WHEREFORE, pursuant to his statutory and common law authority to protect charitable assets and to prevent their abuse, Plaintiff Ohio Attorney General respectfully requests the following judgments and relief:

- (A) Preliminarily and permanently order Defendant Integral to comply with R.C. Chapter 1716 and all rules adopted thereunder;
- (B) Grant a permanent injunction and perpetually enjoin Defendant Integral, and its owners, officers, managers, directors, agents, representatives and assigns, from conducting any charitable solicitations or from acting as a professional solicitor in Ohio;
- (C) Order Defendant Integral to pay Plaintiff Ohio Attorney General restitution of all solicitation fees and expenses paid to Defendant Integral by the charitable organizations and compensatory damages resulting from Defendant Integral's conduct;

- (D) Order Defendant Integral, pursuant to R.C. § 1716.16(B), to pay to Plaintiff Ohio Attorney General a civil penalty of up to \$10,000 for each violation as alleged in counts one through nine of the complaint, including any violations occurring after the filing of the complaint;
- (E) Award punitive damages in an amount that is just and appropriate for Defendant Integral's malfeasance;
- (F) Award Plaintiff Ohio Attorney General reasonable attorney fees and costs of investigation and litigation pursuant to R.C. § 1716.16(B); and
- (G) Grant Plaintiff Ohio Attorney General such other relief as the Court deems proper and necessary.

Respectfully submitted,

MIKE DEWINE
Attorney General of Ohio

/s/ Diane K. Oates

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JURY DEMAND

Plaintiff Ohio Attorney General, by and through counsel, hereby demands a trial by jury on all issues so triable.

/s/ Diane K. Oates

Diane K. Oates (0079221)
Associate Assistant Attorney General