

IN THE COURT OF COMMON PLEAS
HAMILTON COUNTY, OHIO

STATE OF OHIO, *ex rel.*
MIKE DEWINE, OHIO ATTORNEY
GENERAL

Plaintiff,

vs.

FREE TRUTH ENTERPRISE, INC.
223 Solarama Court
Cincinnati, Ohio 45238

REGINA R. SHEILDS
223 Solarama Court
Cincinnati, Ohio 45238

DONITA D. SHIELDS
3097 Westwood Northern Blvd.
Cincinnati, Ohio 45211

BYRON E. GERMANY
223 Solarama Court
Cincinnati, Ohio 45238

LINDA J. SHIELDS
3097 Westwood Northern Blvd.
Cincinnati, Ohio 45211

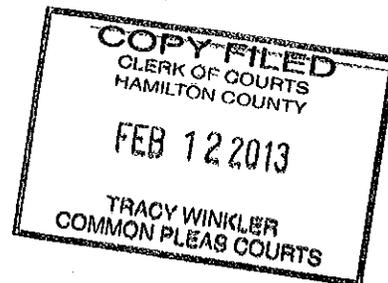
Defendants.

CASE NO.: A 1 3 0 1 0 3 7

JUDGE

COMPLAINT OF OHIO ATTORNEY
GENERAL MIKE DEWINE

JURY DEMAND ENDORSED HEREON



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

alleges:

I. Jurisdiction and Venue

1. Plaintiff, State of Ohio, by and through the Attorney General of Ohio, Mike DeWine, having reasonable cause to believe that violations of Ohio law have occurred, brings this complaint in the public interest and under the authority vested in the Attorney General by Ohio Revised Code Section 109.23 *et seq.* ("Ohio Charitable Trust Act") and the Attorney General's common law authority to enforce charitable trusts.
2. Defendant Free Truth Enterprise's principal place of business is at Post Office Box 11034, Cincinnati, Ohio 45211.
3. Defendant Regina Shields resides at 223 Solarama Court, Cincinnati, Ohio 45238.
4. Defendant Donita Shields maintains an Ohio residence at 3097 Westwood Northern Boulevard, Cincinnati, Ohio 45211.
5. Defendant Byron Germany resides at 223 Solarama Court, Cincinnati, Ohio 45238.
6. Defendant Linda Shields resides at 3097 Westwood Northern Boulevard, Cincinnati, Ohio 45211.
7. Defendants' actions, as described herein, occurred in the State of Ohio, involved residents of the State of Ohio, and constitute violations of the common law and Ohio Charitable Trust Act.
8. This is an action seeking injunctive relief, equitable relief, and damages for Defendants' violations of the common law and Ohio Charitable Trust Act. The amount in controversy exceeds \$25,000.00.

II. Activities of Defendants Which Give Rise to this Complaint

9. Defendant Regina Shields, the founder, Chief Operating Officer, and at one time president of Defendant Free Truth Enterprise filed Free Truth Enterprise's Articles of Non-Profit Organization with the Ohio Secretary of State on November 27, 2000.
10. Defendant Free Truth Enterprise's stated charitable purpose was to "give those that are deprived the necessary help that will motivate individuals for the sole purpose of providing for themselves in the future without having the need to depend upon anyone else but self to accomplish a comfortable way of existence in our free society."
11. To fulfill this charitable purpose, Defendants claimed in their mission statement that they would assist "economically disadvantaged ex-offenders and fragile families, re-unite and reconstruct the family bond" by providing for employment training and placement, housing, family counseling, and self- help counseling.
12. Defendants registered with Ohio Attorney General as a Charitable Trust on April 7, 2003.
13. Defendants failed to maintain Free Truth Enterprise's statutory agent on December 14, 2012 and failed to file a statement of continued existence on September 4, 2012 with the Ohio Secretary of State upon which the Ohio Secretary of State cancelled Free Truth Enterprise's ability to do business in Ohio.
14. Defendant Free Truth Enterprise is a "charitable organization" as that term is defined in R.C. § 1716.01(A) and a "charitable trust" as that term is defined in R.C. § 109.23.
15. Upon information and belief, Defendant Regina Shields is the founder, Chief Operating Officer, and past president of Free Truth Enterprise.

16. Upon information and belief, Defendant Donita Shields is the president of Free Truth Enterprise.
17. Upon information and belief, Defendant Byron Germany is a Trustee of Free Truth Enterprise.
18. Upon information and belief, Defendant Linda Shields is Director of Program Operations of Free Truth Enterprise.
19. Upon information and belief, on September 17, 2007, Defendants executed a property conveyance form at the Hamilton County Auditor's office and filed a quit claim deed changing the ownership of 2985 Timbercrest Drive, Cincinnati, Ohio 45238, property number 208-0059-0331-00, from Fred Germany, brother of Defendant Byron Germany, to Defendant Regina Shields.
20. Upon information and belief, on September 17, 2007, Defendants executed a property conveyance form at the Hamilton County Auditor's office and filed a quit claim deed changing the ownership of 2985 Timbercrest Drive, Cincinnati, Ohio 45238, property number 208-0059-0331-00, from Defendant Regina Shields to Defendant Free Truth Enterprise through.
21. Upon information and belief, HSBC Bank USA, after a successful foreclosure action in Hamilton County case number A0706890, acquired 2985 Timbercrest Drive, Cincinnati, Ohio 45238, property number 208-0059-0331-00, through a sheriff's deed on June 2, 2009.
22. Upon information and belief, on September 17, 2007, Defendants executed a property conveyance form at the Hamilton County Auditor's office and filed a quit claim deed changing the ownership of 3097 Westwood Northern Boulevard, Cincinnati, Ohio 45211, property number 210-0078-0200-00, from Michell Dunn to Defendant Regina Shields.

23. Upon information and belief, on September 17, 2007, Defendants executed a property conveyance form at the Hamilton County Auditor's office and filed a quit claim deed changing the ownership of 3097 Westwood Northern Boulevard, Cincinnati, Ohio 45211, property number 210-0078-0200-00, from Defendant Regina Shields to Defendant Free Truth Enterprise.
24. Upon information and belief, on September 17, 2007, Defendants executed a property conveyance form at the Hamilton County Auditor's office changing the ownership of 5441 Edger Drive, Cincinnati, Ohio, 45239, property number 550-0021-0229-00, from Michell Dunn to Defendant Regina Shields through a purported quit claim. Defendants did not record a quit claim deed.
25. Upon information and belief, on September 20, 2007, Defendants executed a property conveyance form at the Hamilton County Auditor's office changing the ownership of 5441 Edger Drive, Cincinnati, Ohio, 45239, property number 550-0021-0229-00, from Defendant Regina Shields to Defendant Free Truth Enterprise through a purported quit claim. Defendants did not record a quit claim deed.
26. Upon information and belief, on September 20, 2007, Defendants executed a new property conveyance form at the Hamilton County Auditor's office directly changing the ownership of 5441 Edger Drive, Cincinnati, Ohio, 45239, property number 550-0021-0229-00, from Michell Dunn to Defendant Free Truth Enterprise through purported quit claim. Defendants did not record a quit claim deed.
27. Upon information and belief, on September 17, 2007, Defendants executed a property conveyance form at the Hamilton County Auditor's office and filed a quit claim deed changing the ownership of 1247 Manss Avenue, Cincinnati, Ohio 45205, property numbers

174-0005-0015-00 and 5174-0005-0016-00, from Emma Palmer to Defendant Regina Shields.

28. Upon information and belief, on September 17, 2007, Defendants executed a property conveyance form at the Hamilton County Auditor's office changing the ownership of 1247 Manss Avenue, Cincinnati, Ohio 45205, property numbers 174-0005-0015-00 and 5174-0005-0016-00, from Defendant Regina Shields to Defendant Free Truth Enterprise through a purported quit claim. Defendants did not record the quit claim deed.
29. Upon information and belief, on September 20, 2007, Defendants executed a property conveyance form at the Hamilton County Auditor's office changing the ownership of 1247 Manss Avenue, Cincinnati, Ohio 45205, property numbers 174-0005-0015-00 and 5174-0005-0016-00, from Emma Palmer to Defendant Free Truth Enterprise through a purported quit claim. Defendants did not record a quit claim deed. The property remains deeded to Defendant Regina Shields.
30. Upon information and belief, on September 17, 2007, Defendants executed a property conveyance form at the Hamilton County Auditor's office and filed a quit claim deed changing the ownership of 2983 Wardall Avenue, Cincinnati, Ohio, 45211, property number 210-0078-0063-00, from Emma Palmer to Defendant Regina Shields.
31. Upon information and belief, on September 17, 2007, Defendants executed a property conveyance form at the Hamilton County Auditor's office and filed a quit claim deed changing the ownership of 2983 Wardall Avenue, Cincinnati, Ohio, 45211, property number 210-0078-0063-00, from Defendant Regina Shields to Defendant Free Truth Enterprise.
32. Upon information and belief, on September 20, 2007, Defendants executed a property conveyance form at the Hamilton County Auditor's office changing the ownership of 2983

Wardall Avenue, Cincinnati, Ohio, 45211, property number 210-0078-0063-00, from Emma Palmer to Defendant Free Truth Enterprise through a purported quit claim. Defendants did not record a quit claim deed.

33. Upon information and belief, on April 21, 2008, Defendants executed a property conveyance form at the Hamilton County Auditor's office changing the ownership of 2983 Wardall Avenue, Cincinnati, Ohio, 45211, property number 210-0078-0063-00, from Defendant Free Truth Enterprise back to Emma Palmer through a purported quit claim. Defendants did not record a quit claim deed.

34. Upon information and belief, DLJ Mortgage Capital, after a successful foreclosure action in Hamilton County case number A0704414, acquired 2983 Wardall Avenue, Cincinnati, Ohio, 45211, property number 210-0078-0063-00, through a sheriff's deed on May 20, 2008.

35. Upon information and belief, on May 29, 2012, Defendants executed a property conveyance form at the Hamilton County Auditor's office changing the ownership of 4373 West Eighth Street, Cincinnati, Ohio, 45205, property number 180-0A81-0057-00, known as Phil's Manor, from the Phillip R. and Irene P. Yeary Trust to Defendant Free Truth Enterprise through a quit claim. Defendants did not record a quit claim deed.

36. Upon information and belief, on June 13, 2007, Defendants executed a property conveyance form at the Hamilton County Auditor's office changing the ownership of 11829 Wincanton Drive, Cincinnati, Ohio, 45231, property number 510-0012-0207-00, from Jamie Mueller to Defendant Free Truth Enterprise through a quit claim. Defendants did not record a quit claim deed.

37. Upon information and belief, 11829 Wincanton Drive, Cincinnati, Ohio, 45231, property number 510-0012-0207-00 is the subject of a foreclosure action, Duetsche Bank v. Free Truth Enterprise in Hamilton County case number A1207699.
38. Upon information and belief, on May 29, 2007, Defendants executed a property conveyance form at the Hamilton County Auditor's office changing the ownership of 219 Solarama Court, Cincinnati, Ohio, 45238, property number 540-0080-0223-00, from the Phillip R. and Irene P. Yeary Trust to Defendant Free Truth Enterprise through a purported quit claim. Defendants did not record a quit claim deed.
39. Upon information and belief, on June 13, 2007, Defendants executed a property conveyance form at the Hamilton County Auditor's office changing the ownership of 219 Solarama Court, Cincinnati, Ohio, 45238, property number 540-0080-0223-00, from Defendant Free Truth Enterprise back to the Phillip R. and Irene P. Yeary Trust through a purported quit claim. Defendants did not record a quit claim deed.
40. Upon information and belief, on June 13, 2007, Defendants executed a property conveyance form at the Hamilton County Auditor's office changing the ownership of 219 Solarama Court, Cincinnati, Ohio, 45238, property number 540-0080-0223-00, from the Phillip R. and Irene P. Yeary Trust back again to Defendant Free Truth Enterprise through a purported quit claim. Defendants did not record a quit claim deed.
41. Upon information and belief, 219 Solarama Court, Cincinnati, Ohio, 45238, property number 540-0080-0223-00 is the subject of two foreclosure actions in Hamilton County case number A1103834 and A1209534.
42. Upon information and belief, on May 29, 2012, Defendants executed a property conveyance form at the Hamilton County Auditor's office changing the ownership of 2153 Harrison

Avenue, Cincinnati, Ohio, 45211, property number 213-0002-0020-00, from the Phillip R. and Irene P. Yeary Trust to Defendant Free Truth Enterprise through a purported quit claim. Defendants did not record a quit claim deed.

43. Upon information and belief, on July 24, 2012, Defendants executed a property conveyance form at the Hamilton County Auditor's office changing the ownership of 2153 Harrison Avenue, Cincinnati, Ohio, 45211, property number 213-0002-0020-00, from Defendant Free Truth Enterprise to Pinky Ring Production, LLC, through a purported quit claim. Defendants did not record a quit claim deed.
44. As of the date of this filing, no articles of incorporation for Pinky Ring Production, LLC, were filed the Ohio Secretary of State.
45. Upon information and belief, Defendant Regina Shields resided at 2985 Timbercrest Drive, Cincinnati, Ohio 45238, property number 208-0059-0331-00, and claimed that was Defendant Free Truth Enterprise's place of business until Defendant Regina Shields' eviction after a Sheriff's sale on or about August 12, 2009.
46. Upon information and belief, Defendant Linda Shields continues to reside at 3097 Westwood Northern Boulevard, Cincinnati, Ohio 45211, property number 210-0078-0200-00.
47. Upon information and belief, Phillip Yeary continues to reside at 219 Solarama Court, Cincinnati, Ohio, 45238, property number 540-0080-0223-00.
48. Upon information and belief, Defendants collect rents from the tenants of 4373 Eighth Street, Cincinnati, Ohio, 45205, property number 180-0A81-0057-00, known as Phil's Manor, from the date of May 29, 2012 quit claim conveyance through the present.
49. Upon information and belief, on November 9, 2007, Defendant Regina Shields used 5441 Edger Drive, Cincinnati, Ohio, 45239, property number 550-0021-0229-00, the property of

Defendant Free Truth Enterprise, as the collateral to bail John Bryant, bond numbers 6564-7, from Hamilton County jail in case 07cra41866A-D.

50. Upon information and belief, on March 25, 2008, Defendant Regina Shields used 5441 Edger Drive, Cincinnati, Ohio, 45239, property number 550-0021-0229-00; 1247 Manss Avenue, Cincinnati, Ohio 45205, property number 174-0005-0015-00; and 2983 Wardall Avenue, Cincinnati, Ohio, 45211, property number 210-0078-0063-00, the properties of Defendant Free Truth Enterprise, as the collateral to bail John Bryant, bond numbers 1059-61, from Hamilton County jail in case B0709222A.
51. Upon information and belief, on April 20, 2008 and April 22, 2008, Defendant Regina Shields used 1247 Manss Avenue, Cincinnati, Ohio 45205, property numbers 174-0005-0015-00 and 174-0005-0016-00; 5441 Edger Drive, Cincinnati, Ohio, 45239, property number 550-0021-0229-00; and 2985 Timbercrest Drive, Cincinnati, Ohio 45238, property number 208-0059-0331-00, the properties of Defendant Free Truth Enterprise, as the collateral to bail Nickolas Woodard, bond numbers 1065-8, from Hamilton County jail in case B0800066.
52. Upon information and belief, on May 23, 2008, Defendant Regina Shields used 3097 Westwood Northern Boulevard, Cincinnati, Ohio 45211, property number 210-0078-0200-00, the property of Defendant Free Truth Enterprise, as the collateral to bail Douglas L. Maples, bond number 1068, from Hamilton County jail in case 08cra16557.
53. Upon information and belief, on October 19, 2009, Defendant Regina Shields used 1247 Manss Avenue, Cincinnati, Ohio 45205, property numbers 174-0005-0015-00 and 174-0005-0016-00 and 3097 Westwood Northern Boulevard, Cincinnati, Ohio 45211, property number

210-0078-0200-00, the properties of Defendant Free Truth Enterprise, as the collateral to bail Dalericco Parker, bond numbers 9717-20, from Hamilton County jail in case 09cra34163B.

54. Upon information and belief, on March 1, 2010, Defendant Regina Shields used 5441 Edger Drive, Cincinnati, Ohio, 45239, property number 550-0021-0229-00, the property of Defendant Free Truth Enterprise, as the collateral to bail Michael Bryant, bond numbers 9910-15, from Hamilton County jail in cases 07trd49751, 08crb1304, 09trd60125B, 08crb10284A-B, and 09crb12756.
55. Upon information and belief, on October 7, 2010, Defendant Regina Shields used 1247 Manss Avenue, Cincinnati, Ohio 45205, property number 174-0005-0015-00, the property of Defendant Free Truth Enterprise, as the collateral to bail Derrick Terry, bond number 1377 from Hamilton County jail in case B1006354.
56. Upon information and belief, on December 7, 2010, Defendant Regina Shields used 3097 Westwood Northern Boulevard, Cincinnati, Ohio 45211, property number 210-0078-0200-00, the property of Defendant Free Truth Enterprise, as the collateral to bail Kevin Pierson, bond numbers 1381 and 10282-3, from Hamilton County jail in cases B1007400, 10crb35712, and 10crb35711A.
57. Upon information and belief, on December 28, 2010, Defendant Regina Shields used 1247 Manss Avenue, Cincinnati, Ohio 45205, property number 174-0005-0015-00 and 3097 Westwood Northern Boulevard, Cincinnati, Ohio 45211, property number 210-0078-0200-00, the properties of Defendant Free Truth Enterprise, as the collateral to bail Danta Terry, bond numbers 1382-3, from Hamilton County jail in case B1006353.
58. Upon information and belief, on February 9, 2011, Defendant Regina Shields used 5441 Edger Drive, Cincinnati, Ohio, 45239, property number 550-0021-0229-00, the property of

Defendant Free Truth Enterprise, as the collateral to bail Stephen Gilbert, bond number 1396, from Hamilton County jail in case B1100153.

59. Upon information and belief, Defendants failed to conduct any programing to further the stated goals of the charity.
60. Upon information and belief, Free Truth Enterprise Director Kyla Shields, daughter of Defendant Regina Shields, left Free Truth Enterprise property 3097 Westwood Northern Boulevard on December 25, 2012 and was murdered by Byron Frazier, son of Defendant Byron Germany. See Hamilton County Indictment B1208535.
61. On January 16, 2013, Defendant Regina Shields was indicted by a Federal Grand Jury in the Southern District of Ohio on four counts of Tax Fraud, in violation of 18 U.S.C. § 287, one count of mortgage fraud, in violation of 18 U.S.C. § 1343, and one count of wire fraud, in violation of 18 U.S.C. § 1957 in case 1:13CR-009.
62. Upon information and belief, Defendant Regina Shields is accused by the United States Government of claiming wages paid by Defendant Free Truth Enterprise for tax purposes whereas Defendant Free Truth Enterprise did not pay any wage withholdings to the Internal Revenue Service nor did Defendant Free Truth Enterprise make any payroll payments to Defendant Regina Shields. See case 1:13CR-009
63. Upon information and belief, Defendant Regina Shields is accused by the United States Government of engaging in wire fraud and money laundering in the years 2007 and 2008 through use of the property 2985 Timbercrest Drive, Cincinnati, Ohio 45238, property number 208-0059-0331-00. Defendant Free Truth Enterprise was the purported owner of this property per the conveyance form filed at the Hamilton County Auditor's office on September 17, 2007. See case 1:13CR-009.

64. The funds raised and held by Defendants on behalf of charitable purposes are subject to a valid “charitable trust” under R.C. § 109.23.
65. Defendants Regina Shields, Donita Shields, Byron Germany, and Linda Shields have fiduciary duties under R.C. § 109.23 *et seq.* and the common law.
66. The Ohio Charitable Trust Act enumerates certain registration and reporting requirements with which charitable trusts established or active in Ohio must comply and it prohibits certain acts and practices in the administration of any charitable trusts.
67. Upon information and belief, Defendants failed to maintain Defendant Free Truth Enterprise’s registration with the Ohio Attorney General as a charitable trust established or active in Ohio.
68. Defendants only filed one (1) annual report – the 2009 Annual Report – albeit months late on November 3, 2010.
69. Upon information and belief, Defendants failed to file annual financial reports with the Ohio Attorney General from 2003 through 2008 and 2010 and 2011.
70. Upon information and belief, Defendants failed to respond to numerous records requests issued by the Ohio Attorney General to the numerous addresses known to be associated with the Defendants and refused the latest request sent to Free Truth Enterprise’s Post Office Box 11034, Cincinnati, Ohio 45211 on January 5, 2013.
71. Upon information and belief, Defendants have personally benefitted at the expense of charitable beneficiaries by taking proceeds collected for charitable organizations and/or charitable purposes and using that money for their own personal and other unlawful purposes.

COUNT ONE
FAILURE TO REGISTER

72. Paragraphs 1 to 71 are incorporated by reference as if fully stated herein.
73. R.C. § 109.26 requires every charitable trust established or active in Ohio to register with the Ohio Attorney General.
74. Defendants have violated R.C. § 109.26 by failing to register with the Ohio Attorney General as a charitable trust established or active in Ohio.

COUNT TWO
FAILURE TO RESPOND

75. Paragraphs 1 to 71 are incorporated by reference as if fully stated herein.
76. R.C. § 109.24 states: “The attorney general is empowered to require the production of any books or papers which are relevant[.]”
77. Defendants have violated R.C. § 109.24 by failing to respond to numerous records requests issued by the Ohio Attorney General to the numerous addresses known to be associated with the Defendants and refused the latest request sent to Free Truth Enterprise’s Post Office Box 11034, Cincinnati, Ohio 45211 on January 5, 2013.

COUNT THREE
BREACH OF FIDUCIARY DUTIES

78. Paragraphs 1 to 71 are incorporated by reference as if fully stated herein.
79. R.C. § 109.23(A) states: “charitable trust means any fiduciary relationship with respect to property arising under the law of this state or of another jurisdiction as a result of a manifestation of intention to create it, and subjecting the person by whom the property is held to fiduciary duties to deal with the property within the state for any charitable, religious, or educational purpose.”

80. Defendants owed fiduciary duties to the charitable beneficiaries of Defendant Free Truth Enterprise, including the duty of care, the duty of loyalty, the duty to properly manage accounts, and the duty to comply with law, as well as other duties, including, but not limited to, the duty to not waste charitable trust assets and to act in the best interest of the charities.
81. Defendants breached their fiduciary duties, resulting in loss and other damages.
82. The Ohio Attorney General, in his role as *parens patriae*, protects charitable trusts and their beneficiaries who should have benefited from charitable trust assets, including the assets raised or held on behalf of the charitable beneficiaries.
83. Because Defendants have proven incapable of appropriately managing and distributing charitable trust assets held for charitable purposes, the Ohio Attorney General is entitled to an order imposing a constructive trust over all proceeds raised or collected by Defendants for charitable purposes, including all amounts unjustly retained by Defendants, and an order enforcing such constructive trust.

COUNT FOUR
COMMON LAW FRAUD

84. Paragraphs 1 to 71 are incorporated by reference as if fully stated herein.
85. Defendant Regina Shields made false or misleading statements and representations to, or had reason to know of false and misleading statements and representations made, to donors, the Ohio Attorney General, the State of Ohio, the Hamilton County Clerk of Courts, the Hamilton County Auditor, and other persons.
86. Defendant's statements and misrepresentations were purposeful, willful, wanton, and/or reckless and intended to mislead donors, the Ohio Attorney General, the State of Ohio, the Hamilton County Clerk of Courts, the Hamilton County Auditor, and other persons.

87. Donors, the Ohio Attorney General, the State of Ohio, and other persons relied on those false or misleading statements and representation and have suffered damages.

COUNT FIVE
CONVERSION

88. Paragraphs 1 to 71 are incorporated by reference as if fully stated herein.

89. Ohio courts recognize the common law cause of action known as conversion. Conversion is the wrongfully exerted control over the personal property of another in a manner inconsistent with the owner's rights. An action in conversion may exist even when the possessor of the property did not come into possession wrongfully, but when the possessor subsequently uses the property wrongfully.

90. Defendants personally benefitted at the expense of the charitable beneficiaries by taking proceeds collected for charitable purposes and using that money for their own personal and other unlawful purposes.

91. Defendants' conduct constitutes conversion for which they are liable to pay damages in an amount not yet determined as restitution for loss of property collected or held on behalf of charitable purposes.

92. The Ohio Attorney General is entitled to an order of this Court disgorging all amounts wrongfully retained by Defendant.

93. The Ohio Attorney General, in his role as *parens patriae*, protects charitable trusts and their beneficiaries who should have benefited from charitable trust assets, including the assets raised or held on behalf of the charitable beneficiaries.

94. Because Defendants have proven incapable of appropriately managing and distributing charitable trust assets held for charitable purposes, the Ohio Attorney General is entitled to an order imposing a constructive trust over all proceeds raised or collected by Defendants for

charitable purposes, including all amounts unjustly retained by Defendants, and an order enforcing such constructive trust.

COUNT SIX
UNJUST ENRICHMENT

95. Paragraphs 1 to 71 are incorporated by reference as if fully stated herein.
96. When a party would be unjustly enriched by wrongly retaining property, the Court may impose a constructive trust upon that party, placing upon the party the duty in equity to convey the property to its rightful owner.
97. Ohio courts recognize the equitable remedy of constructive trust, and will apply the doctrine to prevent unjust enrichment of those who abuse their role as trustees.
98. Defendants personally benefited at the expense of the charitable beneficiaries by taking proceeds collected for charitable purposes and using that money for their personal and unlawful purposes.
99. As a result of Defendants' conduct, Defendants were unjustly enriched when they retained charitable proceeds at the expense of charitable beneficiaries.
100. Because Defendants have been unjustly enriched, the Ohio Attorney General is entitled to an order of this Court disgorging all amounts unjustly retained by Defendants.
101. The Ohio Attorney General, in his role as *parens patriae*, protects charitable trusts and their beneficiaries who should have benefited from charitable trust assets, including the assets raised or held on behalf of the charitable beneficiaries.
102. Because Defendants have proven incapable of appropriately managing and distributing charitable trust assets held for charitable purposes, the Ohio Attorney General is entitled to an order imposing a constructive trust over all proceeds raised or collected by Defendants for

charitable purposes, including all amounts unjustly retained by Defendants, and an order enforcing such constructive trust.

COUNT SEVEN
REFORMATION OF CHARITABLE TRUST

103. Paragraphs 1 to 71 are incorporated by reference as if fully stated herein.
104. Ohio courts recognize the equitable doctrine of *cy pres* and courts will apply the doctrine when: (A) there is a viable charitable trust; (B) the donor evidenced a general charitable intent on establishing the trust; and (C) it has become impossible or impractical to carry out the specific purposes or terms of the trust.
105. Ohio case law recognizes the equitable doctrine of deviation. Courts may apply the doctrine when it deems necessary or highly desirable in order to enable the trustee to perform the purposes of the trust. Courts may deviate from the terms of the trust if the provisions have become so restrictive as to impair accomplishment of the trust purposes.
106. Defendants manifested an intention to create a charitable trust in favor of the charitable beneficiaries. As such, the funds held by Defendants may be used only for the charitable purposes set forth in the terms of the trust. Additionally, all charitable proceeds unjustly or illegally retained by Defendants are subject to the same charitable trust.
107. In donating money to Defendants for the benefit of charitable beneficiaries, the public manifested the intent to create a charitable trust in favor of the charitable beneficiaries. As such, the funds raised or collected by Defendants may be used only for the charitable purposes set forth in the terms of the trust. Additionally, all charitable proceeds unjustly or illegally retained by Defendants are subject to the same charitable trust.
108. The specific purposes and/or specific terms of the charitable trust have become impossible or impractical to perform due to the actions or inactions of Defendants.

109. As an example of the frustration of purpose, Defendants have taken assets and proceeds under trust, or have held such assets, and have used them for their personal or other unlawful purposes.

110. The Ohio Attorney General is entitled to an order reforming the terms of the charitable trust, in order to most nearly fulfill the purposes of the charitable trust in accordance with the doctrine of *cy pres* or deviation.

111. Because Defendants have proven incapable of appropriately managing and distributing charitable trust assets held for charitable purposes, the Ohio Attorney General requests an order reforming the charitable trust, dissolving Free Truth Enterprise, removing the current trustees from office, and distributing all assets and proceeds to other charitable organizations.

PRAYER FOR RELIEF

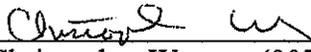
WHEREFORE, pursuant to his statutory and common law authority, the Ohio Attorney General respectfully requests the Court to grant the following relief:

- A. Grant a permanent injunction and perpetually enjoin Defendants Regina Shields, Donita Shields, Byron Germany, and Linda Shields from holding any position as an officer, trustee, or employee of any nonprofit corporation or association in the state of Ohio;
- B. Grant immediate equitable and statutory relief freezing the accounts of Defendants and any other accounts used to perpetuate illegal activities and attach all assets commingled or otherwise accumulated or acquired with charitable proceeds;
- C. Grant a preliminary and permanent injunction prohibiting Defendants from soliciting in the state of Ohio for charitable purposes;

- D. Impose a constructive trust over all assets unjustly or illegally retained by Defendants and order Defendants to disgorge all assets held under that constructive trust to the Ohio Attorney General for distribution to other charitable organizations;
- E. Order Defendants to pay restitution and compensatory damages, including interest for all amounts unjustly or illegally retained by Defendants, to the Ohio Attorney General for distribution to other charitable organizations;
- F. Declare the terms of the charitable trust, and enter an order enforcing those terms in a manner consistent with this Complaint including dissolving Free Truth Enterprise, removing the current trustees from office, and distributing all assets and proceeds to other charitable organizations;
- G. Reform the charitable trust in accordance with the doctrine of *cy pres* or deviation, including dissolving Free Truth Enterprise, removing the current trustees from office, and distributing all assets and proceeds to other charitable organizations;
- H. Award punitive damages in an amount that is just and appropriate for Defendants' malfeasance;
- I. Award Plaintiff, Ohio Attorney General, reasonable attorney fees, expenses, and costs of investigation and litigation;
- J. Award joint and several liability against Defendants;
- K. Grant Plaintiff, Ohio Attorney General, other relief as the Court deems proper and necessary.

Very respectfully submitted,

MIKE DEWINE
Ohio Attorney General



Christopher Wagner (0072524)
Managing Attorney
Assistant Attorney General
Dionne DeNunzio (0082478)
Associate Assistant Attorney General
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Attorney for Plaintiff Ohio Attorney General

JURY DEMAND

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



Christopher Wagner (0072524)
Assistant Attorney General