

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

THE PEOPLE OF THE STATE OF NEW YORK, by
ERIC SCHNEIDERMAN, Attorney General of the
State of New York,

Plaintiffs,

-against-

MURE ASSOCIATES, LP;
BI-COUNTY HELPLINE FOR ABUSE AGAINST
WOMEN AND CHILDREN, INC.;
LI RESPONDS, INC A/K/A LONG ISLAND
RESPONDS, INC.;
BREAST CANCER FUNDS FOR RESEARCH, INC.;
HARRIET WALDBAUM; LYNNE SPECIALE;
YVONNE CARAFTIS; MARYANN HANOVIC;
AND PORTFOLIO PLANNERS, INC.

Defendants.

Index No.

Assigned to:

**STIPULATION OF
SETTLEMENT**

IT IS HEREBY STIPULATED AND AGREED, by and between Plaintiffs the People of the State of New York, by ERIC T. SCHNEIDERMAN, Attorney General of the State of New York (“Plaintiffs”); and Defendants Mure Associates, LP, (“Mure”), Harriet Waldbaum (“Waldbaum”), Bi-County Helpline for Abuse Against Women and Children, Inc. (“Bi-County Helpline”), Lynne Speciale (“Speciale”), LI Responds, Inc. a/k/a Long Island Responds, Inc. (“LIR”), Yvonne Caraftis (“Caraftis”), Breast Cancer Funds for Research, Inc. (“BCFR”), Maryann Hanovic (“Hanovic”) and Portfolio Planners, Inc. (“Portfolio Planners”) (collectively, “Defendants”)¹, that the above-

¹ In addition, non-party Richard Thomas, the sole shareholder of Defendant Portfolio Planners, consents, stipulates and submits to the jurisdiction of this Court for purposes of settlement and in consideration of the Attorney General’s agreement not to take or refer to another agency any action against him in his individual capacity based on or related to the matters addressed in this action.

captioned action with respect to the Defendants be and is hereby settled upon the following terms:

1. This Stipulation of Settlement (“Stipulation”) is entered into by the Defendants voluntarily and after consultation with their respective attorneys, with full knowledge and understanding of the terms of this Stipulation and the obligations imposed upon them by the attached Consent Order and Judgment. The Defendants accept and agree to abide by the terms, as they apply severally, of this Stipulation and the Consent Order and Judgment.

2. The Defendants enter into this Stipulation consenting to the entry of the Consent Order and Judgment to bring this action to a conclusion and to avoid incurring further costs. This Stipulation resolves the disputed claims and does not constitute an admission of liability by the Defendants.

3. Plaintiffs agree to dismissal of this action with prejudice as to the Defendants upon entry of the Consent Order and Judgment, under which the Court retains jurisdiction of this action for the purposes of enforcing the Defendants' continuing obligations under the Consent Order and Judgment, and upon entry of an Order of Judgment and Dissolution.

4. The entry of the Consent Order and Judgment shall not be deemed or construed as approval by the Attorney General of any of the activities of the Defendants that are the subject of this action.

5. The Defendants agree to pay the judgments to be entered against each of them pursuant to paragraph 2 of the Consent Order and Judgment, in accordance with the terms thereof.

6. Service of any and all process in any proceeding pursuant to this Stipulation and/or the Consent Order and Judgment may be made upon the Defendants through their respective counsel and representatives as follows:

- a. if to LIR, Caraftis, BCFR, and/or Hanovic:

Peter Stein, Esq.
Stein & Stein
195 E. Main Street
Smithtown, NY 11787

- b. if to Bi-County Helpline and/or Speciale:

Shveta Kakar, Esq.
Anderson, Kill & Olick, P.C.
1251 Avenue of the Americas
New York, NY 10020

- c. if to Mure and/or Waldbaum:

Daniel Kurtz, Esq.
Skadden, Arps, Slate, Meager, & Flom, LLC
4 Times Square
New York, NY 10036

- c. if to Portfolio Planners:

Richard Thomas
Portfolio Planners, Inc.
774 Nicolls Road
Centereach, NY 11720

and

Allen Green, Esq.
Kalnick, Klee & Green, LLP
767 Third Avenue
New York, New York 10017

7. All other notices, reports, requests, and other communications to any party pursuant to this Stipulation and/or the Consent Order and Judgment shall be in writing and shall be directed as specified in paragraph 6 above, or if to the OAG, as follows:

Office of the Attorney General of the State of New York
Charities Bureau -- 3rd Floor
120 Broadway
New York, New York 12071
Attn: Yael Fuchs

8. This Stipulation constitutes the entire agreement between the parties with respect to the subject matter hereof. No inducements or other agreements of any nature have been made by the Attorney General to induce the Defendants to enter into this Stipulation.

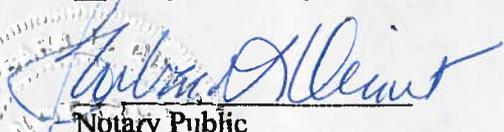
9. This Stipulation may be executed in one or more counterparts, each of which shall be deemed an original but which together shall constitute one agreement.

Dated: January 28, 2014

ERIC. T. SCHNEIDERMAN
Attorney General of the State of New York
Attorney for Plaintiffs

By: 
Yael Fuchs
Assistant Attorney General
Charities Bureau
120 Broadway
New York, New York 10271

Sworn to before me this
30th day of January, 2014


Notary Public
BARBARA L. QUINT
Notary Public, State of New York
No. 02QU4936549
Qualified in Kings County
Certificate Filed in Kings County
Commission Expires June 13, 2014

MURE ASSOCIATES

By: Harriet Waldbaum Harriet Waldbaum
Harriet Waldbaum HARRIET WALDBAUM

Sworn to before me this
29th day of January, 2014

Jennifer Margarita Henriquez
Notary Public

JENNIFER MARGARITA HENRIQUEZ
Notary Public, State of New York
No: 01HE6281031
Qualified in New York County
Commission Expires 05/13/2017

BI-COUNTY HELPLINE FOR ABUSE
AGAINST WOMEN AND CHILDREN,
INC.

By: Lynne Speciale Lynne Speciale
Lynne Speciale LYNNE SPECIALE

Sworn to before me this
29th day of January, 2014

Jennifer Margarita Henriquez
Notary Public

JENNIFER MARGARITA HENRIQUEZ
Notary Public, State of New York
No: 01HE6281031
Qualified in New York County
Commission Expires 05/13/2017

LI RESPONDS, INC.

By: _____
Yvonne Caraftis YVONNE CARAFTIS

Sworn to before me this
__th day of January, 2014

Notary Public

MURE ASSOCIATES

By: _____
Harriet Waldbaum

HARRIET WALDBAUM

Sworn to before me this
__th day of January, 2014

Notary Public

**BI-COUNTY HELPLINE FOR ABUSE
AGAINST WOMEN AND CHILDREN,
INC.**

By: _____
Lynne Speciale

LYNNE SPECIALE

Sworn to before me this
__th day of January, 2014

Notary Public

LI RESPONDS, INC.

By: Yvonne Caraftis
Yvonne Caraftis

Yvonne Caraftis
YVONNE CARAFTIS

Sworn to before me this
29th day of January, 2014

Dorothy Denise Tillah
Notary Public

DOROTHY DENISE TILLAH
Notary Public, State of New York
No. 01TI6205860
Qualified in Suffolk County
Commission Expires 05/11/2017

BREAST CANCER FUNDS FOR RESEARCH, INC.

By: Maryann Hanovic Maryann Hanovic
Maryann Hanovic MARYANN HANOVIC

Sworn to before me this
29 th day of January, 2014

Dorothy Denise Tillah
Notary Public

DOROTHY DENISE TILLAH
Notary Public, State of New York
No. 01TI6205860
Qualified in Suffolk County
Commission Expires 05/11/2017

PORTFOLIO PLANNERS, INC.

By: _____ RICHARD THOMAS, Individually
Richard Thomas

Sworn to before me this
__ th day of January, 2014

Notary Public

**BREAST CANCER FUNDS FOR
RESEARCH, INC.**

By: _____
Maryann Hanovic MARYANN HANOVIC

Sworn to before me this
__th day of January, 2014

Notary Public

PORTFOLIO PLANNERS, INC.

By: *Richard Thomas* RICHARD THOMAS, Individually
Richard Thomas

Sworn to before me this
30th day of January, 2014

Kathleen Paciollo
Notary Public

KATHLEEN A. PACIULLO
Notary Public, State of New York
No. 01PA5088992
Qualified in Suffolk County
Commission Expires 04-23-14

SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

PEOPLE OF THE STATE OF NEW YORK
by ERIC T. SCHNEIDERMAN, ATTORNEY
GENERAL OF THE STATE OF NEW YORK,

Plaintiffs,

- against -

MURE ASSOCIATES, LP;
BI-COUNTY HELPLINE FOR ABUSE AGAINST
WOMEN AND CHILDREN, INC.;
LI RESPONDS, INC A/K/A LONG ISLAND
RESPONDS, INC.;
BREAST CANCER FUNDS FOR RESEARCH,
INC.; HARRIET WALDBAUM; LYNNE
SPECIALE; YVONNE CARAFTIS; MARYANN
HANOVIC; AND PORTFOLIO PLANNERS, INC.,

Defendants.

Index No.
Assigned to:

**[PROPOSED]
CONSENT ORDER
AND JUDGMENT**

Plaintiffs, having filed their complaint annexed hereto; and Defendants Mure Associates, LP (“Mure”), Harriet Waldbaum (“Waldbaum”), Bi-County Helpline for Abuse Against Women and Children, Inc. (“Bi-County Helpline”), Lynne Speciale (“Speciale”), LI Responds, Inc. a/k/a Long Island Responds, Inc. (“LIR”), Yvonne Caraftis (“Caraftis”), Breast Cancer Funds for Research, Inc. (“BCFR”), Maryann Hanovic (“Hanovic”) and Portfolio Planners, Inc.¹ (“Portfolio Planners”) (collectively, “Defendants”; Waldbaum, Speciale, Caraftis, and Hanovic are referred to collectively as the “Individual Defendants”; Mure, Bi-County Helpline, LIR, and BCFR are referred to collectively as the “Fundraiser/Charity Defendants”),

¹ Defendant Waldbaum is the co-owner of Mure, a New York business corporation; Defendant Speciale is an officer and director of Bi-County Helpline, a New York not-for-profit corporation; Defendant Caraftis is an officer and director of LIR, a New York not-for-profit corporation; Defendant Hanovic is an officer and director of BCFR, a New York not-for-profit corporation; and Defendant Portfolio Planners provided accounting services to the Fundraiser/Charity Defendants.

now consenting to the jurisdiction and venue of this Court²; and Plaintiffs and the Defendants having agreed on a final and complete resolution of all claims brought against the Defendants; and Plaintiffs and the Defendants having entered the Stipulation of Settlement dated January 27, 2014, annexed hereto, in which the Defendants consent to the entry of this Consent Order and Judgment (hereinafter “Consent Order”) and waive notice of entry thereof; and upon review and consideration of all papers filed in this action; and without the Court finding, or the Defendants admitting, any liability,

NOW, on motion of Plaintiffs the People of the State of New York, by ERIC T. SCHNEIDERMAN, Attorney General of the State of New York (“Attorney General”), and no opposition having been submitted, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. Entry of this Consent Order is in the public interest.

I.

Monetary Judgment Against The Defendants

2. Judgments totaling five hundred thousand dollars (\$500,000) are hereby entered for the Plaintiffs as follows:
 - a. ten thousand dollars (\$10,000) against Defendant Mure Associates, LP;
 - b. one hundred and fifty thousand dollars (\$150,000) against Defendant Waldbaum, three thousand and seven hundred and fifty (\$3,750) of which is to be paid to the Attorney General within ten days of the entry of this Consent Order, and three

² In addition, non-party Richard Thomas, the sole shareholder of Defendant Portfolio Planners, has consented, stipulated and submitted to the jurisdiction of this Court for purposes of settlement and this Consent Order and Judgment.

thousand and seven hundred and fifty (\$3,750) of which is to be paid to the Attorney General on or before January 15, 2015;

- c. one hundred and fifty thousand dollars (\$150,000), joint and severally, against Defendants Bi-County Helpline and Speciale, twenty thousand dollars (\$20,000) of which is to be paid to the Attorney General within ten days of the entry of this Consent Order, and thirty thousand dollars (\$30,000) of which is to be paid to the Attorney General on or before January 15, 2015;
- d. one hundred and fifty thousand dollars (\$150,000), joint and severally, against Defendants LIR and Caraftis, ten thousand dollars (\$10,000) of which is to be paid to the Attorney General within ten days of the entry of this Consent Order;
- e. thirty thousand dollars (\$30,000), joint and severally, against Defendants BCFR and Hanovic, two thousand five hundred (\$2,500) of which is to be paid to the Attorney General within ten days of the entry of this Consent Order; and two thousand five hundred (\$2,500) of which is to be paid within 30 days of the entry of this Consent Order; and
- f. ten thousand dollars (\$10,000) against Defendant Portfolio Planners, to be paid to the Attorney General within ten days of the entry of this Consent Order.

3. All payments made pursuant to paragraph 2 shall be made by wire transfer, certified check and/or bank check, made payable to the New York State Department of Law;

4. The Fundraiser/Charity Defendants may use any monies remaining in the accounts of Mure, Bi-County Helpline, LIR and BCFR only to wind up the affairs of the Fundraiser/Charity Defendants and the dissolution thereof. The Fundraiser/Charity Defendants shall provide the OAG with an accounting of any monies used to wind up the affairs of the Fundraiser/Charity

Defendants within 60 days of the entry of this Order and Judgment. Any monies remaining in said accounts following the dissolution of the Fundraiser/Charity Defendants shall be paid to the Office of the Attorney General and credited against those portions of the judgments set forth in paragraph 2 above as to which no time period for payment is specified..

5. The Office of the Attorney General may apply twenty-five thousand dollars (\$25,000) of the monies that the Defendants pay pursuant to the judgments entered by paragraph 2(a) - (f) above to defray its litigation and investigation costs in this matter.

6. The remaining funds received pursuant to paragraphs 2 and 4 shall be held and administered by the Attorney General for distribution to one or more not-for-profit entities that provide services to victims of domestic violence, the hungry, and that provide funds for breast cancer research.

7. The Individual Defendants are not entitled to indemnification by any of the Fundraiser/Charity Defendants pursuant to the Not-for-Profit Corporation Law or any other provision of statutory or decisional law.

II.

Injunctive Relief

A. Injunction Against Future Not-for-Profit Service and Fundraising

8. Mure, Caraftis and Hanovic each is permanently enjoined and restrained from the following actions:
- a. serving as an officer, director, shareholder, owner, partner, employee, independent contractor, volunteer or agent of or being otherwise retained or engaged by any person (individual or entity) that holds charitable assets or solicits charitable contributions in the State of New York, including any not-for-profit corporation, foundation, charitable trust, or the like, or professional fund raiser,

professional solicitor, fund raising counsel, or any person (individual or entity) which sells or brokers contracts or agreements contemplating the solicitation of charitable contributions from any individual or entity in the State of New York. The prohibitions contained in this subparagraph apply to any person or entity whether registered according to the laws of the State of New York or unregistered;

- b. directly or indirectly receiving or acquiring any right to receive any compensation or benefit of any kind whatsoever relating to or deriving from, directly or indirectly, the solicitation of contributions for charitable organizations from any individual or entity in the State of New York or from the sale or brokering of donor lists or contracts or agreements contemplating such solicitations or service of any sort to a not-for-profit corporation, foundation, charitable trust, or the like;
- c. directly or indirectly soliciting charitable contributions or memberships from any individual or entity in the State of New York, or from participating in, controlling or financially benefitting in any way from such solicitations conducted by any other individual or entity. "Participating in" includes (i) any and all activity related to fundraising in New York, whether compensated or uncompensated; (b) counseling, consulting or assisting others in connection with fundraising in New York; and (c) the collection or holding of contributions from individuals or entities in New York who make contributions or "pledges" or have otherwise expressed a willingness to make a contribution; and
- d. acting, registering or attempting to register as a professional fund raiser, fund raising counsel, commercial co-venturer or professional solicitor, as those terms

are defined in Executive Law § 171-a, or any amended or successor statute, or any related regulation, in the State of New York.

9. Waldbaum and Speciale each is permanently enjoined and restrained from serving as an officer, trustee, or director of any not-for-profit corporation, foundation or charitable trust in the State of New York.

10. Waldbaum and Speciale each may engage in the activities from which Mure is prohibited and enjoined in paragraph 8 above and Waldbaum and Speciale each may operate, own, manage or be employed by any business in New York State, other than Mure, involving the solicitation of charitable contributions from any individual or entity in the State of New York, provided, however, that Waldbaum and Speciale, personally, and any agents, employees, individuals or entities through which they may act (the “Waldbaum/Speciale Fundraisers”), must comply with the following measures in carrying out such business operations:

- a. the Waldbaum/Speciale Fundraisers must comply with all applicable registration requirements as set forth in the New York Executive Law for professional fundraisers, professional solicitors and/or fund raising counsel;
- b. any charitable organization on whose behalf the Waldbaum/Speciale Fundraisers solicit funds from the public shall be a charitable organization duly registered with the New York State Attorney General's Office, which is required to file financial reports and which has filed all such reports, and which has been in existence and in compliance with all registration requirements for no less than five (5) years prior to the Waldbaum/Speciale Fundraisers’ solicitation of funds on behalf of the organization;

- c. any charitable organization on whose behalf the Waldbaum/Speciale Fundraisers solicit funds from the public shall be wholly independent from Waldbaum and Speciale in that no member of Waldbaum's or Speciale's household, no relative of Waldbaum or Speciale and no former employee of Mure currently is, or within the last five (5) years was, an employee, officer, director or trustee of such charitable organization;
- d. the Waldbaum/Speciale Fundraisers shall not exercise any control over, have been granted signatory authority with respect to, or in any other way be able to gain access to, any bank accounts of any charitable organization on whose behalf the Waldbaum/Speciale Fundraisers solicit funds from the public;
- e. the Waldbaum/Speciale Fundraisers shall disclose the true name and identify of the person or entity soliciting a contribution;
- f. the Waldbaum/Speciale Fundraisers shall, if available, upon the request of any individual solicited, accurately disclose the percentages of each donation that was spent on the charitable organization's programs, administration, expenses and fund raising expenses for the prior fiscal year. The Waldbaum/Speciale Fundraisers are prohibited from stating that a specific percentage of any donation will be spend on charitable programs unless that statement is true;
- g. when soliciting charitable contributions, the Waldbaum/Speciale Fundraisers shall utilize, with no material deviations, the text of scripts that have been provided to the Attorney General's Office (the "Scripts"), which shall include all mandatory disclosures required by New York Exec. Law § 174-b. If the Waldbaum/Speciale

Fundraisers materially revise any of the Scripts, they shall provide copies of the revised scripts to the Attorney General's Office.

11. Upon application by the Attorney General to the Court establishing that any of the Waldbaum/Speciala Fundraisers has violated any provision of paragraph 10, the Attorney General shall be entitled to entry of an Order permanently enjoining, as the case may be, Waldbaum and/or Speciala personally, and any agents, employees, individuals or entities through which they may have acted, from operating, owning or managing any business in New York State involving any solicitation of charitable funds from the public.

B. Injunction Against Future Services on Behalf of New York Not-for-Profits

12. Defendant Portfolio Planners and non-party Richard Thomas are permanently enjoined and restrained from providing accounting services, paid or unpaid, to any not-for-profit corporation or charitable trust registered or seeking to be registered in New York State. In the event non-party Richard Thomas sells his entire ownership interest in Portfolio Planners to an unrelated person or entity for fair market value, Richard Thomas shall notify the Attorney General of this sale within twenty (20) days thereof, and this paragraph shall not apply to the buyer of Portfolio Planners.

C. Mandatory Accounting by the Defendants and Cooperation with the Dissolution of the Fundraiser/Charity Defendants

13. Within 60 days of the date this Consent Order is entered, the Fundraiser/Charity Defendants shall provide an accounting to the Attorney General, sworn to under the penalties of perjury, of the assets and liabilities of each of the Fundraiser/Charity Defendants, disclosing the location of the assets and providing the name and address of all creditors of the Fundraiser/Charity Defendants, including any with whom they have unfulfilled contracts.

14. The Individual Defendants each acknowledges that he or she has been notified by the Office of the Attorney General of its intention to file an Order and Judgment of Dissolution of the Fundraiser/Charity Defendants and agrees to cooperate with the Attorney General, waive all objections, and to take all necessary actions to effectuate the provisions of such an Order and Judgment of Dissolution.

AND IT IS FURTHER ORDERED, ADJUDGED AND DECREED THAT:

15. Upon entry of this Consent Order and upon the entry of the Order and Judgment of Dissolution referenced in paragraph 14, this action will be dismissed with prejudice as to the Defendants, and without costs to any party, except that the Court shall retain jurisdiction of this action for the purpose of enforcing the terms of this Consent Order, the Order and Judgment of Dissolution, , and granting such other and further relief as the Court deems just and proper.

16. The money judgments entered by this Consent Order are binding upon and enforceable against the Defendants and their successors and assigns, whether doing business under his or her name or another name, and not against the estate, heirs and/or executors of the Individual Defendants.

17. The Defendants each agree that his, her or its financial obligations under this Consent Order will not be treated by any of said Defendants, or any other person or entity, as charitable deductions for any state or federal tax purposes.

18. This Consent Judgment and Order does not affect the Attorney General's ability to assert that such judgment is a nondischargeable debt under the U.S. Bankruptcy Code in the event that any of the Defendants file for bankruptcy protection.

19. It is a violation of this Consent Order for any of the Defendants to engage in the activities prohibited herein through the use of an alter ego of any type, a business partnership of any type or via any type of familial, domestic partnership, or other personal relationship.

20. Failure to comply with any provision of this Consent Order constitutes a violation of it, and the Attorney General may take any and all steps available to enforce its terms, including without limitation the measures set forth above in paragraph 10, and the filing of a motion for or a separate proceeding to enforce a money judgment.

21. In any application by the Office of the Attorney General under paragraph 11 or 20, the Attorney General may seek costs and attorneys' fees associated with such motion or proceeding.

22. Nothing herein contained shall constitute any agreement or consent to any private right or cause of action against any of the Defendants or the waiver of any defense that they may assert thereto.

23. Until the final determination of this action against all Defendants, the Defendants shall provide written notice to the Attorney General's Charities Bureau of any change of address within ten days of such change by mailing the notice to the following address: Charities Bureau, Office of the New York Attorney General, 120 Broadway, New York, NY 10271, Attention: Bureau Chief.

ENTER:

Dated: _____, 2014

Hon.