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ACTING ATTORNEY GENERAL OF NEW JERSEY
Division of Law
124 Halsey Street - 5th Floor
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Newark, New Jersey 07101
Attorney for New Jersey Division of Consumer Affairs

FILED

MAY 18 2016

Division of Consumer Affairs

By: Cathleen O'Donnell
Deputy Attorney General
(973) 648-4802

STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS

In the Matter of

WALKER CANCER RESEARCH
INSTITUTE, INC.,

Respondent.

Administrative Action

CONSENT ORDER

WHEREAS this matter having been opened by the New Jersey Division of Consumer Affairs, Office of Consumer Protection (“Division”), as an investigation to ascertain whether violations of the New Jersey Charitable Registration and Investigation Act, N.J.S.A. 45:17A-18 et seq. (“CRIA”), and the Regulations Governing Charitable Fundraising, N.J.A.C. 13:48-1.1 et seq. (“Charities Regulations”), have been or are being committed by Walker Cancer Research Institute, Inc., with an address of 18 North Law Street, Aberdeen, Maryland 21001, as well as by its trustees, officers, directors, managers, employees, representatives and agents (collectively, “Respondent” or “Walker”), (hereinafter referred to as the “Investigation”);

WHEREAS the Investigation arose from the Division’s concerns about Respondent’s

fundraising activities including: its allocation of direct mail campaign fundraising costs to program expenses, (specifically, public education), its direct mail solicitations and its disbursement of Contributions;

WHEREAS the Division and Respondent (collectively, “Parties”) have reached an amicable agreement to resolve the issues in controversy and conclude the Investigation without the need for further action, and Respondent has voluntarily cooperated with the Investigation and consented to the entry of the within order (“Consent Order”) and for good cause shown:

IT IS ORDERED AND AGREED as follows:

1. EFFECTIVE DATE

1.1 This Consent Order shall be effective on the date that it is filed with the Division (“Effective Date”).

2. DEFINITIONS

As used in this Consent Order, the following capitalized words or terms shall have the following meanings, which meanings shall apply wherever the words and terms appear in this Consent Order:

2.1 “Attorney General” shall refer to the Attorney General of the State of New Jersey and the Office of the Attorney General of the State of New Jersey.

2.2 “Charitable Organization” shall be defined in accordance with N.J.S.A. 45:17A-20 and N.J.A.C. 13:48-1.3.

2.3 “Contribution” shall be defined in accordance with N.J.S.A. 45:17A-20 and N.J.A.C. 13:48-1.3.

2.4 “FASB” shall refer to the Financial Accounting Standards Board.

2.5 “Registration Statement” shall be defined in accordance with N.J.S.A. 45:17A-20 and N.J.A.C. 13:48-1.3.

2.6 “Solicitation” or “Solicit” shall be defined in accordance with N.J.S.A. 45:17A-20 and N.J.A.C. 13:48-1.3. This definition also applies to other forms of the terms “Solicitation” and “Solicit” including without limitation, “Solicited.”

2.7 “SOP 98-2” refers to Statement of Position 98-2, issued by the FASB.

2.8 “State” or “New Jersey” shall refer to the State of New Jersey.

3. REQUIRED AND PROHIBITED BUSINESS PRACTICES

3.1 Respondent shall not engage in any unfair or deceptive acts or practices in the conduct of any business in the State and shall comply with such State and/or Federal laws, rules and regulations as now constituted or as may hereafter be amended, including, but not limited to, the CRIA and the Charities Regulations.

3.2 In its allocation of fundraising expenses and program (i.e. public education) expenses, Respondent shall comply with generally accepted accounting principles, including SOP 98-2.

3.3 Respondent shall submit financial statements to the Division’s Charities Registration Section which properly allocate fundraising costs, in accordance with N.J.S.A. 45A:17A-24(d)(2).

3.4 Respondent shall ensure that all statements made by it or on its behalf are truthful, in accordance with N.J.S.A. 45:17A-32(a) and N.J.A.C. 13:48-11.2(b).

3.5 Respondent shall accurately represent in its direct mail solicitations the percentage of Contributions allocated to public education, in accordance with N.J.S.A. 45:17A-

32(a), (c)(1) and N.J.A.C. 13:48-13.2(a)(1).

3.6 Respondent shall not misrepresent its Charitable Purpose, in violation of N.J.S.A. 45:17a-32(a), (c)(1) and N.J.A.C. 13:48-13.2(a)(1).

3.7 Respondent shall only Solicit Contributions for its expressed Charitable Purpose, in accordance with N.J.S.A. 45:17A-32(c)(1) and N.J.A.C. 13.2(a)(1).

3.9 In its disbursement of Contributions, Respondent shall comply with the requirements of N.J.S.A. 45:17A-32(b) and N.J.A.C. 13:48-12.1(a)(3).

4. SETTLEMENT PAYMENT

4.1 Within Fifteen (15) days of the Effective Date, Respondent shall pay Ninety-Five Thousand and 00/100 Dollars (\$95,000.00) (“Settlement Payment”) to the Division, pursuant to N.J.S.A. 45:17A-33.

4.2 The Settlement Payment shall be made by certified or cashier’s check, money order, wire transfer or credit card made payable to the “New Jersey Division of Consumer Affairs,” and shall be forwarded to:

Cathleen O’Donnell, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Consumer Affairs
Consumer Fraud Prosecution Section
124 Halsey Street – 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

4.3 Upon making the Settlement Payment, Respondent shall immediately be fully divested of any interest in, or ownership of, the monies paid and all interest in the monies, and any subsequent interest or income derived therefrom, shall inure entirely to the benefit of the Division.

5. PAYMENT TO SUPPORT CANCER RESEARCH IN NEW JERSEY

5.1 In resolution of the matter between the Parties, Respondent has agreed to make a voluntary payment to support cancer research in the State of New Jersey (“Gift”).

5.2 Pursuant to the obligations set forth in Exhibit A, Respondent agrees to provide the Gift in a series of three (3) installments in the amount of One Hundred Twenty-Five Thousand (\$125,000.00) Dollars to the Rutgers University Foundation, (a Charitable Organization registered with the Division), with tax exempt status under § 501(c)(3) of the Internal Revenue Code, for the purpose of conducting cancer research. Respondent shall provide each installment of the Gift on or before May 15, 2016, January 15, 2017 and January 15, 2018.

5.3 Each installment of the Gift will be made payable to “Rutgers University Foundation – Rutgers Cancer Institute of New Jersey,” and shall be forwarded to: Rutgers Cancer Institute of New Jersey, 120 Albany Street, New Brunswick, New Jersey 08901.

5.4 Upon making each installment of the Gift, Respondent shall be fully divested of any interest in, or ownership of, the monies paid and all interest in the monies, and any subsequent interest or income derived therefrom, shall inure entirely to the benefit of the Rutgers University Foundation.

5.5 Within ten (10) days of making each installment of the Gift, Respondent shall provide proof of such installment payment to the Division. Such proof shall be sent to the

contact information referenced in paragraph 4.2.

6. GENERAL PROVISIONS

6.1 This Consent Order is entered into by the Parties as their own free and voluntary act and with full knowledge and understanding of obligations and duties imposed by this Consent Order.

6.2 This Consent Order shall be governed by, and construed and enforced in accordance with, the laws of the State.

6.3 The Parties have negotiated, jointly drafted and fully reviewed the terms of this Consent Order and the rule that uncertainty or ambiguity is to be construed against the drafter shall not apply to the construction or interpretation of this Consent Order.

6.4 This Consent Order contains the entire agreement between the Parties. Except as otherwise provided herein, this Consent Order shall be modified only by a written instrument signed by or on behalf of the Parties.

6.5 Except as otherwise explicitly provided in this Consent Order, nothing in this Consent Order shall be construed to limit the authority of the Attorney General to protect the interests or the people of the State.

6.6 If any portion of this Consent Order is held invalid or unenforceable by operation of law, the remaining terms of this Consent Order shall not be affected.

6.7 This Consent Order shall be binding upon Respondent as well as its trustees, officers, directors, employees, representatives, agents and any entity or device through which it may now or hereafter act, as well as any persons who have authority to control or who, in fact, control and direct its business.

6.8 This Consent Order shall be binding upon the Parties and their successors in interest. In no event shall assignment of any right, power or authority under this Consent Order be used to avoid compliance with this Consent Order.

6.9 This Consent Order is entered into by the Parties for settlement purposes only. Neither the fact of, nor any provision contained in this Consent Order shall constitute, or be construed as: (a) an approval, sanction or authorization by the Attorney General, the Division or any other governmental unit of the State of any act or practice of Respondent; and (b) an admission by Respondent that any of the acts or practices described or alleged in this Consent Order were improper or deceptive or violated the CRIA and/or the Charities Regulations.

6.10 The Parties represent and warrant that an authorized representative of each has signed this Consent Order with full knowledge, understanding and acceptance of its terms and that the representative has done so with authority to legally bind the respective Party.

6.11 Unless otherwise prohibited by law, any signatures by the Parties required for entry of this Consent Order may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Consent Order.

6.12 This Consent Order is a public document subject to the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 et seq.

7. RELEASE

7.1 In consideration of the undertakings, mutual promises and obligations provided for in this Consent Order and conditioned on Respondent making the Settlement Payment and the Gift to the Rutgers University Foundation in accordance with Sections 4 and 5, the Division hereby agrees to release Respondent from any and all civil claims, to the extent permitted by

State law, which the Division could have brought prior to the Effective Date against Respondent for alleged violations of the CRIA and/or the Charities Regulations, as well as the matters specifically addressed in this Consent Order (“Released Claims”).

7.2 Notwithstanding any term of this Consent Order, the following do not comprise Released Claims: (a) private rights of action; (b) actions to enforce this Consent Order; and (c) any claims against Respondent by any other agency or subdivision of the State.

8. PENALTIES FOR FAILURE TO COMPLY

8.1 The Attorney General (or designated representative) shall have the authority to enforce the provisions of this Consent Order or to seek sanctions for violations hereof or both.

8.2 If the Division believes Respondent has violated this Consent Order, the Division agrees to give Respondent notice in writing of the alleged violation or violations, and provide Respondent a period of thirty (30) days to effect a cure (“Cure Period”). If Respondent cannot reasonably effect a cure during the Cure Period, Respondent shall notify the Division in writing that, despite its best efforts as detailed by it in the notice, it has not been able to address the issue within the Cure Period and that it will effect a cure within sixty (60) days of the Division’s notice. If the alleged non-compliance is not cured during the Cure Period, or within sixty (60) days of the Division’s notice, as applicable, the Division may take appropriate enforcement action.

9. COMPLIANCE WITH ALL LAWS

9.1 Except as provided in this Consent Order, no provision herein shall be construed as:

- a. Relieving Respondent of its obligation to comply with all State and Federal laws, regulations or rules, as now constituted or as may hereafter be amended, or as granting permission to engage in any acts or practices

prohibited by any such laws, regulations or rules; or

- b. Limiting or expanding any right the Division may otherwise have to obtain information, documents or testimony from Respondent pursuant to any State or Federal law, regulation or rule, as now constituted or as may hereafter be amended, or limiting or expanding any right Respondent may otherwise have pursuant to any State or Federal law, regulation or rule, to oppose any process employed by the Division to obtain such information, documents or testimony.

10. NOTICES UNDER THIS CONSENT ORDER

10.1 Except as otherwise provided herein, any notices or other documents required to be sent to the Parties pursuant to this Consent Order shall be sent by United States mail, Certified Mail Return Receipt Requested, or other nationally recognized courier service that provides tracking services and identification of Person signing for the documents. The notices and/or documents shall be sent to the following addresses:

For the Division:

Cathleen O'Donnell, Deputy Attorney General
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
Consumer Fraud Prosecution Section
124 Halsey Street – 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

For Respondent:

Errol Copilevitz, Esq.
Copilevitz & Canter, LLC
310 West 20th Street, Suite 300
Kansas City, Missouri 64108

IT IS ON THE 18th DAY OF May, 2016 SO ORDERED.


ROBERT LOUGY
ACTING ATTORNEY GENERAL OF NEW JERSEY

By: 
STEVE C. LEE, ACTING DIRECTOR
DIVISION OF CONSUMER AFFAIRS

**THE PARTIES CONSENT TO THE FORM, CONTENT AND ENTRY OF THIS
CONSENT ORDER ON THE DATES BESIDE THEIR RESPECTIVE SIGNATURES.**

FOR THE DIVISION:

ROBERT LOUGY
ACTING ATTORNEY GENERAL OF NEW JERSEY


By: 
Cathleen O'Donnell
Deputy Attorney General
Consumer Fraud Prosecution Section

Dated: May 17, 2016

124 Halsey Street – 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

FOR THE RESPONDENT:

COPILEVITZ & CANTER, LLC

By: 
Errol Copilevitz, Esq.
310 West 20th Street, Suite 300
Kansas City, Missouri 64108

Dated: April 26, 2016

WALKER CANCER RESEARCH INSTITUTE, INC.

By: *Helen M Walker, Pres.*
Helen M. Walker, President
18 North Law Street
Aberdeen, Maryland 21001

Dated: *3 May*, 2016

By: *Steven L. Blumenthal, V.P.*
Steven L. Blumenthal, Vice President
18 North Law Street
Aberdeen, Maryland 21001

Dated: *May 2*, 2016

EXHIBIT A

April 21, 2016

Walker Cancer Research Institute, Inc.
18 North Law Street
Aberdeen, Maryland 21001
Attn: Helen M. Walker, President

This letter will serve as the gift agreement ("Agreement") between Walker Cancer Research Institute, Inc. ("WCRI") and the Rutgers University Foundation – Cancer Institute of New Jersey ("RUF-CINJ"). WCRI and RUF-CINJ are collectively referred to as the "Parties."

WCRI, with a main business address of 18 N. Law Street, Aberdeen Maryland, 21001, is a charitable organization with exempt status under Internal Revenue Code 501(c)(3) and registered with the New Jersey Division of Consumer Affairs' Charities Registration Section. RUF-CINJ, with a main business address of 120 Albany Street, New Brunswick, New Jersey, 08901, is a charitable organization with exempt status under Internal Revenue Code 501(c)(3) and registered with the New Jersey Division of Consumer Affairs' Charities Registration Section.

In exchange for a gift in the sum of \$375,000 (allocated in accordance with the schedule described below), ("Gift"), RUF-CINJ will carry out cancer research as funded by WCRI ("Project").

WCRI agrees to make the Gift as follows: (a) \$125,000.00 on or before May 15, 2016; (b) \$125,000.00 on or before January 15, 2017; and (c) \$125,000.00 on or before January 15, 2018. This Gift shall be designated for use by RUF-CINJ for Project funding in translational research for either breast cancer or precision cancer medicine.

In exchange for this Gift, RUF-CINJ agrees as follows: (a) the Gift will be used for RUF-CINJ's Precision Medicine Research Program and/or the Stacy Goldstein Breast Cancer Center Research Program, specifically, cancer research; (b) no part of the Gift will be spent on general and administrative costs of any kind nor on fundraising of any kind; and (c) RUF-CINJ will provide an annual Stewardship Letter and Interim/Progress Reports to WCRI.

RUF-CINJ will notify WCRI of public recognition of this Gift and the Project in advance of publication.

By signing below, WCRI agrees to all of the provisions, terms, and conditions of this Agreement.



Sincerely,

Christopher P. Zraly
Chief Financial Officer
Rutgers University Foundation

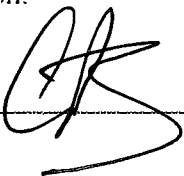
cc: Cathleen O'Donnell, Deputy Attorney General

ACCEPTED AND AGREED TO BY:

FOR RUF-CINJ:

Name: Christopher P. Zraly
Title: Chief Financial Officer

I hereby affirm that I am authorized to execute this Agreement on behalf of RUF-CINJ Foundation.

Signature 

Date 5/18/16

FOR WCRI:

Name: Helen M. Walker
Title: President of WCRI

I hereby affirm that I am authorized to execute this Agreement on behalf of WCRI.

Signature 

Date 3 May 16

Name: Steven L. Blumenthal
Title: Vice President of WCRI

I hereby affirm that I am authorized to execute this Agreement on behalf of WCRI.

Signature  Date May 2, 2016