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SUPERIOR COURT OF NEW JERSEY  
CHANCERY DIVISION, ESSEX COUNTY  
DOCKET NO. ESX-C-17-20

GURBIR S. GREWAL, Attorney General of the  
State of New Jersey, and PAUL R.  
RODRÍGUEZ, Acting Director of the New  
Jersey Division of Consumer Affairs,

Plaintiffs,

v.

TRUMP FOR AMERICA, INC., and KCH &  
ASSOCIATES, LLC,

Defendants.

Civil Action

**FINAL CONSENT JUDGMENT**

The parties to this Action and Final Consent Judgment (“Consent Judgment”) are plaintiffs Gurbir S. Grewal, Attorney General of the State of New Jersey, and Paul R. Rodríguez, Acting Director of the New Jersey Division of Consumer Affairs (collectively, “Plaintiffs”), and defendants Trump for America, Inc. (“TFA”) and KCH & Associates, LLC (“KCH”) (collectively, “Defendants”). The Plaintiffs, TFA and KCH are referred to collectively herein as the “Parties.” As evidenced by their signatures below, the Parties do consent to the entry of this Consent Judgment and its provisions without trial or adjudication of any issue of fact or law, and without

an admission of any liability or wrongdoing of any kind. The Parties consent to entry of this Consent Judgment to avoid the expenses and uncertainty associated with further investigation and/or litigation.

### **PRELIMINARY STATEMENT**

On January 24, 2020, Plaintiffs commenced this Action, by Order to Show Cause, to compel compliance with subpoenas *duces tecum* ("Subpoenas") issued by the Division of Consumer Affairs to TFA and KCH pursuant to the New Jersey Charitable Registration and Investigations Act, N.J.S.A. 45:17A-18 *et seq.* ("CRIA"), the regulations promulgated thereunder, N.J.A.C. 13:48-1.1 *et seq.*, and the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 *et seq.*

The Court has reviewed the terms of this Consent Judgment and based upon the Parties' agreement and for good cause shown:

### **IT IS HEREBY ORDERED, ADJUDGED AND AGREED AS FOLLOWS:**

#### **1. JURISDICTION**

1.1 The Parties admit jurisdiction of this Court over the subject matter and over the Parties for the purpose of entering into this Consent Judgment. The Court retains jurisdiction for the purpose of enabling the Parties to apply to the Court at any time for such further orders and relief as may be necessary for the construction, modification, enforcement, execution or satisfaction of this Consent Judgment.

#### **2. VENUE**

2.1 Pursuant to N.J.S.A. 56:8-8, venue as to all matters between the Parties hereto relating to or arising out of this Consent Judgment shall lie exclusively in the Superior Court of New Jersey, Chancery Division, Essex County.

### 3. EFFECTIVE DATE

3.1 This Consent Judgment shall be effective on the date that it is entered with the Court (“Effective Date”).

### 4. DEFINITIONS

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

4.2 “Action” shall refer to the matter titled Gurbir S. Grewal, Attorney General of the State of New Jersey, and Paul R. Rodríguez, Acting Director of the New Jersey Division of Consumer Affairs v. Trump for America, Inc., and KCH & Associates, LLC, Superior Court of New Jersey, Chancery Division, Essex County, Docket No. ESX-C-17-20, and all pleadings and proceedings related thereto, including the Order to Show Cause and Verified Complaint, filed January 24, 2020.

4.3 “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.

4.4 “Division” and “Division of Consumer Affairs” refers to the New Jersey Division of Consumer Affairs.

4.5 “Document” shall be defined in accordance with R. 4:18-1(a).

4.6 “Include[s]” and “Including” shall be construed as broadly as possible and shall mean “without limitation.”

4.7 “New Jersey” and “State” refer to the State of New Jersey.

4.8 “Privilege[s]” and “Privileged” shall refer only to the attorney-client and attorney work product privileges; provided, however, that any production of documents pursuant to this

Consent Judgment shall not be construed or operate as a waiver of any other applicable constitutional, statutory or common law privileges belonging to KCH & Associates and/or TFA.

4.9 “Solicitation” or “Solicit” shall be defined in accordance with N.J.S.A. 47:17A-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, “Soliciting.”

## **5. COMPLIANCE OBLIGATIONS**

### **CRIA Registration**

5.1 Within forty-five (45) days after the Effective Date, TFA will submit to the New Jersey Division of Consumer Affairs:

- i. a long-form registration statement containing the information and records required by N.J.S.A. 45:17A-24 and N.J.A.C. 13:48-5.1 and 13:48-5.3 covering the years 2016 and 2017, provided that TFA shall not be required to obtain an audit by an independent certified public accountant in connection with properly prepared financial statements submitted pursuant to N.J.S.A. 45:17A-24(d)(2) and N.J.A.C. 13:48-5.3(d)(1);
- ii. a certification, in writing and signed by an authorized officer under penalty of perjury, that the financial statements submitted to the State of New Jersey by TFA are true and correct to the best of the officer’s knowledge; and
- iii. a certification, in writing and signed by an authorized officer under penalty of perjury, that TFA has not solicited in the State of New Jersey, within the meaning of N.J.S.A. 45:17A-24(a) and 45:17A-20, since approximately January 2017 and that it will not solicit in the State of New Jersey, within the meaning of N.J.S.A. 45:17A-24(a) and 45:17A-20, at any time in the future.

5.2 Within thirty (30) days after the Effective Date, KCH will submit to the New Jersey Division of Consumer Affairs:

- i. a registration statement containing the information and records required by N.J.S.A. 45:17A-27 and N.J.A.C. 13:48-7.1 covering the years 2016 and 2017;
- ii. a certification, in writing and signed by an authorized officer under penalty of perjury, that KCH has not acted as a fund raising counsel or independent paid fund raiser in the State of New Jersey, within the meaning of N.J.S.A. 45:17A-27 and 45:17A-20, since approximately January 2017 and that it will not act as a fund

raising counsel or independent paid fund raiser in the State of New Jersey, within the meaning of N.J.S.A. 45:17A-27 and 45:17A-20, at any time in the future;

- iii. all non-privileged or partially privileged documents identified in the confidentiality log produced by KCH to the Attorney General on April 17, 2019, regardless of how such documents are characterized in the confidentiality log, and any other non-privileged or partially privileged confidential documents that have been withheld, without redactions to non-privileged content, but subject to a confidentiality agreement between KCH and the Attorney General, and a certification, in writing and signed by an authorized officer under penalty of perjury, that all non-privileged, confidential materials responsive to the KCH Subpoena have been submitted;
- iv. all other documents responsive to the KCH Subpoena, as modified by the Attorney General, that KCH has not already produced;
- v. a privilege log containing information sufficient to identify any document(s) withheld pursuant to a privilege, including, as applicable, the date, sender(s) and recipient(s), and subject matter of each document withheld; and
- vi. a copy of the confidentiality agreement between TFA and KCH, which will be produced to the Attorney General not subject to any confidentiality restrictions.

#### **Dissolution of TFA**

5.3 TFA shall provide to the Division an accounting of all of its assets as of July 1, 2020. TFA shall provide a certification, in writing and signed under penalty of perjury by an authorized officer of TFA and by an authorized officer of any entity performing services for TFA in connection with TFA's dissolution, that the aforementioned accounting is true and correct to the best of the officers' knowledge.

5.4 TFA shall wind down its corporate affairs, dissolve, and otherwise terminate its organizational existence as soon as practicable after the Effective Date; provided, however, that TFA shall not be required to dissolve until such time as it is not subject to any extant subpoena, request for the production of documents, or other obligation to preserve documents and records in connection with any other investigation or proceeding.

5.5 Upon the dissolution of TFA, all remaining assets and funds of TFA remaining after

payment of or provision for all liabilities and obligations of TFA will be distributed to a charitable organization exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code, as amended, and approved by the Division of Consumer Affairs.

5.6 TFA shall use best efforts to direct its remaining assets and funds to an organization exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code, and registered in good standing with the Division. If, despite its best efforts, TFA cannot direct its remaining assets and funds to such an organization, it shall direct them to an organization exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code and registered in good standing in every state in which it is required to register.

5.7 At least sixty (60) days prior to dissolution, TFA shall identify and submit to the Division of Consumer Affairs for approval the proposed charitable organization to receive said assets or funds. The Division shall approve TFA's designation of a recipient entity provided TFA establishes to the Division's satisfaction both that (1) the entity is a 501(c)(3) organization that has been recognized as tax-exempt by the Internal Revenue Service and that operates independently of TFA, with no overlapping current or former officers or directors, and (2) TFA has complied with Paragraph 5.6 of this Consent Judgment.

5.8 Any refusal by the Division to approve a recipient entity that conforms to the criteria prescribed in this provision shall be considered a violation of this Consent Judgment. TFA shall submit a certification, in writing and signed by an authorized officer under penalty of perjury, that it has complied with this provision.

## **6. SETTLEMENT PAYMENT**

6.1 Within thirty (30) days after the Effective Date, TFA will submit to the New Jersey Division of Consumer Affairs payment of a civil penalty pursuant to N.J.S.A. 45:17A-33 in the

amount of \$30,000, all of which except \$2,500 shall be suspended, not due or payable, and automatically vacated at the expiration of one (1) year from the Effective Date provided that:

- i. TFA complies in all material respects with the requirements and prohibitions of this Consent Judgment; and
- ii. TFA does not engage in any acts or practices in violation of the CRIA.

6.2 Within thirty (30) days after the Effective Date, KCH will submit to the New Jersey Division of Consumer Affairs payment of a civil penalty pursuant to N.J.S.A. 45:17A-33 in the amount of \$30,000, all of which except \$2,500 shall be suspended, not due or payable, and automatically vacated at the expiration of one (1) year from the Effective Date provided that:

- i. KCH complies in all material respects with the requirements and prohibitions of this Consent Judgment; and
- ii. KCH does not engage in any acts or practices in violation of the CRIA.

6.3 Neither of the Parties shall have any liability for the other's costs or attorneys' fees relating to this Action or the Subpoenas.

6.4 Defendants shall make the Settlement Payment by certified or cashier's check, wire transfer, money order or credit card made payable to "New Jersey Division of Consumer Affairs" and forwarded to:

Eric Apar, Deputy Attorney General  
Special Litigation Section  
State of New Jersey  
Office of the Attorney General  
Department of Law and Public Safety  
Division of Law  
R.J. Hughes Justice Complex  
25 Market Street  
P.O. Box 112  
Trenton, New Jersey 08625

6.5 Upon making the Settlement Payment, Defendants 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 Plaintiffs pursuant to the terms herein.

## 7. DISMISSAL OF ACTION

7.1 Subject to Section 11, the entry of this Consent Judgment constitutes a dismissal with prejudice of the Action as between Plaintiffs and Defendants provided, however, that the Court shall retain jurisdiction to enforce the terms of this Consent Judgment.

7.2 Within fourteen (14) days after the Effective Date, the Plaintiffs shall withdraw the Subpoenas.

## 8. GENERAL PROVISIONS

8.1 This Consent Judgment shall be governed by, and construed and enforced in accordance with, the laws of the State of New Jersey.

8.2 The Parties have negotiated, jointly drafted and fully reviewed the terms of this Consent Judgment 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 Judgment.

8.3 Headings appear solely for convenience of reference; they are not part of this Agreement and shall not be used to construe it.

8.4 This Consent Judgment contains the entire agreement among the Parties and supersedes all prior agreement and representations, whether oral or in writing. Except as otherwise provided herein, this Consent Judgment shall be modified only by a written instrument signed by or on behalf of the Plaintiffs and Defendants.

8.5 Except as otherwise explicitly provided for in this Consent Judgment, nothing herein shall be construed to limit the authority of the Attorney General to protect the interests of



the State or the people of the State.

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

8.7 This Consent Judgment shall be binding upon and inure to the benefit of the agents, successors, heirs and assigns of each of the Parties. In no event shall assignment of any right, power or authority under this Consent Judgment avoid compliance with this Consent Judgment.

8.8 This Consent Judgment is agreed to by the Parties and entered into for settlement purposes only. Neither the fact of, nor any provision contained in this Consent Judgment nor any action taken hereunder shall constitute, or be construed as 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 the Defendants.

8.9 It is understood and agreed that this Consent Judgment represents the compromise of disputed claims, that neither the consideration furnished nor the negotiations for or provisions of the Consent Judgment shall constitute or be construed as an admission of liability or wrongdoing by any Party hereto as to any actionable claim, and each Party hereto expressly denies any such liability or wrongdoing. TFA's and KCH's submission of the registration, records, certification, and payment required by the CRIA and the regulations promulgated thereunder is under protest, and shall not be construed as an admission or acknowledgement by TFA or KCH that TFA or KCH are or have ever been subject to the provisions of the CRIA.

8.10 Nothing contained in this Consent Judgment shall be construed to limit or otherwise affect the rights of any Persons who are not Parties to this Consent Judgment with respect to any of the matters contained herein.

8.11 Unless otherwise prohibited by law, any signatures by the Parties required for entry

of this Consent Judgment 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 Judgment.

## **9. REPRESENTATIONS AND WARRANTIES**

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

9.2 The Parties further represent and warrant that they were represented by counsel of their choice, if any, throughout the negotiations that preceded the execution of this Consent Judgment and in connection with the preparation and execution of this Consent Judgment, and carefully and thoroughly reviewed this Consent Judgment in its entirety.

9.3 The Parties represent and warrant that they have the right and authority to enter into this Consent Judgment. Each individual signing this Consent Judgment on behalf of an organization or government agency further represents and warrants that the execution of this Consent Judgment has been duly authorized by members, directors, officers, partners, or others, as required by the internal governing documents, practices, regulations, or policies of the organization or government agency on whose behalf the individual is signing.

## **10. RELEASE**

10.1 Subject to TFA and KCH's compliance with the provisions of this Consent Judgment, the Attorney General will not initiate, undertake or pursue any investigatory or enforcement action or proceeding authorized by N.J.S.A. 45:17A-33 or other applicable law against TFA or KCH for TFA or KCH's failure to register under the CRIA or comply with the Subpoenas on or before the Effective Date.

**11. PENALTIES FOR FAILURE TO COMPLY**

11.1 The Attorney General (or designated representative) shall have the authority to enforce the provisions of this Consent Judgment, seek sanctions or other relief (including attorneys' fees and costs) for violations of this Consent Judgment, or both.

11.2 Plaintiffs and Defendants agree that any future violations of the provisions of this Consent Judgment shall constitute a second or succeeding violation under N.J.S.A. 45:17A-33(d), and that Defendants may be liable for enhanced civil penalties.

**12. COMPLIANCE WITH ALL LAWS**

12.1 Except as provided in this Consent Judgment, no provision herein shall be construed as:

- (a) Relieving the Defendants of their obligations 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 Plaintiffs may otherwise have to obtain information, documents, or testimony from the Defendants 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 the Defendants may otherwise have pursuant to any State or Federal law, regulation or rule, to oppose any process employed by the Plaintiffs to obtain such information, documents, or testimony.

**13. NOTICES UNDER THIS CONSENT JUDGMENT**

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

For the Plaintiffs:

Eric Apar, Deputy Attorney General  
Special Litigation Section  
State of New Jersey  
Office of the Attorney General  
Department of Law and Public Safety  
Division of Law  
R.J. Hughes Justice Complex  
25 Market Street  
P.O. Box 112  
Trenton, New Jersey 08625

Email: [Eric.Apar@law.njoag.gov](mailto:Eric.Apar@law.njoag.gov)

For the Defendants:

Kory Langhofer  
Statecraft PLLC  
649 North Fourth Avenue, Suite B  
Phoenix, Arizona 85003  
Email: [kory@statecraftlaw.com](mailto:kory@statecraftlaw.com)  
*Counsel for Trump for America, Inc.*

Craig Domalewski  
Dughi, Hewit & Domalewski, PC  
340 North Avenue  
Cranford, New Jersey 07016  
Email: [cdomalewski@dugihewit.com](mailto:cdomalewski@dugihewit.com)  
*Counsel for KCH & Associates LLC*

IT IS ON THE 13<sup>th</sup> DAY OF July 2020, SO ORDERED,  
ADJUDGED AND DECREED.

Jodi Lee Alper  
HON. JODI LEE ALPER, P.J.CH.

JOINTLY APPROVED AND  
SUBMITTED FOR ENTRY:

FOR THE PLAINTIFFS:

GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY

By: Eric Apar  
Eric Apar, Deputy Attorney General  
FOR THE DEFENDANTS:

Dated: July 12, 2020

Thomas Basile  
Trump for America, Inc.  
By: Thomas Basile, Attorney + Authorized Agent

July 9, 2020  
Date

Katherine E. Hentzen  
KCH & Associates  
By: Katherine E. Hentzen

7/10/20  
Date