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SUPERIOR COURT OF NEW JERSEY  
CHANCERY DIVISION, OCEAN COUNTY  
DOCKET NO.: \_\_\_ -

ANDREW J. BRUCK, Acting Attorney General of the  
State of New Jersey; and SEAN P. NEAFSEY, Acting  
Director of the New Jersey Division of Consumer Affairs,

Plaintiffs,

v.

NATIONAL POLICE RELIEF ASSOCIATION, a New  
Jersey Nonprofit Corporation; THE ESTATE OF  
MICHAEL DAVIS, individually and as President, trustee,  
owner, director, founder, manager and/or representative  
of National Police Relief Association, a New Jersey  
Nonprofit Corporation; FRANK JOHN individually and  
as Vice President, trustee, owner, director, founder,  
manager and/or representative of National Police Relief  
Association; and ANTOINETTE JOHN, individually and  
as Secretary, trustee, owner, director, founder, manager  
and/or representative of National Police Relief  
Association, a New Jersey Nonprofit Corporation; XYZ  
CORPORATIONS 1-10; and JANE AND JOHN DOES  
1-10, individually and as owners, officers, directors,  
shareholders, founders, managers, representatives,  
servants, employees, independent contractors and/or  
agents of National Police Relief Association, a New  
Jersey Nonprofit Corporation; and INDIVIDUALLY  
AND AS OWNERS; and XYZ CORPORATIONS 1-10,

Defendants.

Civil Action

**VERIFIED COMPLAINT**

Plaintiffs Andrew J. Bruck, Acting Attorney General of the State of New Jersey (“Attorney General”), with offices located at 124 Halsey Street, Fifth Floor, Newark, New Jersey, and Sean P. Neafsey, Acting Director of the New Jersey Division of Consumer Affairs (“Director”), with offices located at 124 Halsey Street, Seventh Floor, Newark, New Jersey, by way of Complaint state:

### **PRELIMINARY STATEMENT**

1. For nearly a decade, National Police Relief Association (“NPRO”), a New Jersey nonprofit organization, solicited charitable donations for the primary purpose of providing financial assistance and support to law enforcement officers in need, including assistance to law enforcement officers killed or injured in the line of duty and their families. NPRO amassed hundreds of thousands of dollars in charitable contributions. But only a tiny fraction of these monies were used to benefit the law enforcement community, or, for that matter any, charitable purpose.

2. NPRO’s founders and members of its Board of Directors (“Board”), Michael Davis, now deceased (“Davis”), Frank John, (“F. John”), and Antoinette John, (“A. John”), (collectively, with NPRO, “Defendants”), unscrupulously mismanaged NPRO and misused charitable funds to enrich themselves. Plaintiffs bring this action pursuant to the Charitable Registration and Investigations Act, N.J.S.A. 45:17A-18 to -40 (“CRIA”) and the regulations promulgated thereunder, N.J.A.C. 13:48-1.1 to -15.1 (“Charities Regulations”), to hold Defendants accountable

for their wrongdoing and to protect the integrity of charitable organizations within the State of New Jersey (“State”).

3. Defendant Davis and F. John, both former members of the law enforcement community, and A. John, controlled the flow of charitable funds in and out of NPRA and directed substantial sums of money to benefit themselves and their families.

4. NPRA misused more than \$200,000 in contributions between 2014 and 2020 in a manner that was inconsistent with its charitable purpose—an amount that was more than double what it directed to any charitable causes and more than 14 times the amount NPRA spent to benefit deceased or injured law enforcement officers or their families from 2014 to 2020.

5. Specifically, Defendants A. John and Davis directed \$185,000 in improper payments from NPRA to themselves with no apparent connection to work performed for the charity, which they also failed to disclose as income; and NPRA spent nearly \$25,000 on Board members’ personal dining, automobile expenses, and leisure travel—including certain individuals’ week-long trip to Walt Disney World—with no discernible link to NPRA’s charitable purpose.

6. By contrast, from 2014 to 2020, NPRA expended less than \$14,000 in support of families of injured or deceased law enforcement officers, neglecting its core purpose almost entirely.

7. NPRA misled the public by failing to disclose to donors that it used NPRA’s funds for their personal benefit. And when it used donations for charitable purposes NPRA predominantly directed them to non-law enforcement related charities rather than using the funds it collected to further its core stated objectives.

8. Apart from Defendant Board members’ blatant misuse of NPRA’s funds, they also mismanaged the charity. The organization failed to comply with even the most basic record-

keeping requirements: it had no ledger book documenting expenses and their charitable purpose; it failed to retain meeting minutes for its Board meetings; and it failed to maintain receipts relevant to its expenses.

9. Also indicative of its mismanagement, NPRA failed to timely register as a charitable organization with the Division for the past four years. NPRA was delinquent in its registration for each year from 2017 to 2019, failed to pay required registration fees for 2018 and 2019, and failed to register at all for fiscal year 2020. NPRA continued to solicit donations while it was unregistered.

10. Defendants' acts detailed herein constitute multiple violations of the CRIA and the Charities Regulations, warranting the imposition of, among other things, restitution, disgorgement, monetary penalties, and injunctive relief, including but not limited to the dissolution of the charity and an order barring Defendants A. John and F. John from registering or operating any charitable organization or acting as a paid charitable fundraiser in the State of New Jersey, pursuant to authority set forth in the CRIA, N.J.S.A. 45:17A-33(e).

### **PARTIES AND JURISDICTION**

11. The Attorney General and the Director (collectively, "Plaintiffs") bring this action pursuant to their authority under the CRIA, N.J.S.A. 45:17A-21 and -33, and the Charities Regulations, N.J.A.C. 13:48-14.1

12. Venue is proper in Ocean County pursuant to R. 4:3-2, because it is the county in which Defendants maintain a principal place of business and where Davis resided and F. John and A. John currently reside.

13. NPRA was established by Davis as a Domestic Non-Profit Corporation in the State of New Jersey on November 21, 2012. F. John is NPRA's registered agent in the State. At all

relevant times, NPRA maintained a registered office address of 136 Drum Point Road, Suite 1, Brick, New Jersey, 08723.

14. F. John, and A. John reside in Ocean County at 102 Ashwood Drive, Brick, New Jersey 08723. At all relevant times, F. John has held himself out as NPRA's Vice President and A. John held herself out NPRA's Secretary. F. John was employed by the New Jersey Department of Corrections for approximately 25 years until his retirement in December 2010.

15. At all relevant times, Davis resided in Ocean County at 226 Elmwood Court, Brick, New Jersey 08723, until his death on July 19, 2021. At all relevant times, Davis held himself out as the President of NPRA. Davis was employed by the New Jersey Department of Corrections for approximately 17.5 years, prior to his retirement on ordinary disability in 1999. the Estate of Michael Davis is liable for his statutory violations detailed herein. On information and belief, Davis's son, Michael S. Davis, is the Administrator of his Estate. Davis and his Estate are referred to collectively herein as "Defendant Davis" or "Davis."

16. Davis, F. John, and A. John were Board members of NPRA and actively participated in the management and operation of NPRA by, among other things: (a) attending and participating in charitable events held by other organizations, as representatives of NPRA; (b) leading meetings with the general members of NPRA; (c) contracting on behalf of NPRA with an outside vendor to engage in fundraising for NPRA's benefit; (d) depositing checks made out to NPRA; and (e) managing NPRA's bank accounts, office rental, and other finances. Davis, F. John, and A. John participated in or facilitated the unlawful acts alleged in this Complaint.

17. John and Jane Does 1 through 10 are fictitious individuals meant to represent the owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives and/or independent contractors of NPRA who may have been involved in the

conduct that gives rise to this Complaint, but are heretofore unknown to the Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Complaint to include them.

18. XYZ Corporations 1 through 10 are fictitious corporations meant to represent any additional corporations that may have been involved in the conduct that gives rise to this Complaint, but are heretofore unknown to the Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Complaint to include them.

### **GENERAL ALLEGATIONS COMMON TO ALL COUNTS**

19. Defendants have violated the CRIA and Charities Regulations by: misrepresenting NPRA's charitable purpose to the public and expending contributions in a manner inconsistent with the charitable purpose and, in violation of N.J.S.A. 45:17A-32c(1) and N.J.S.A. 48-13.2(a)(1); failing to comply with registration obligations pursuant to N.J.S.A. 45:17A-23(b) and N.J.A.C. 13:48-13.1(a); and failing to maintain adequate records of NPRA's affairs and finances, in violation of N.J.S.A. 45:17A-31(a) and N.J.A.C. 13:48-10.1(a)-(b).

#### **A. Defendants Misrepresented NPRA's Charitable Purpose and Misused Charitable Funds**

20. In presenting its purpose through its charitable statement, mission statement, in promotional materials, and on its webpage, NPRA stated that its organization was established "to help provide critical assistance to law enforcement and their families." Specifically, NPRA stated that their programs included "support to families of officers tragically killed in the line of duty" as well as "good and welfare of the organization" and "raising funds to support the rehabilitation of officers who were injured or wounded in the line of duty." NPRA mentions that it will also make donations to other charities and provides the examples of the Deborah Hospital Foundation, the Special Olympics, and the American Cancer Society.

21. In the literature included with its membership application, NPRA described itself as a charity formed by former law enforcement personnel who understand the burdens placed on officers and their families. The literature stated that NPRA's primary purpose was "to provide relief" to these families "in their time of greatest need" through "community outreach" and the provision of "monetary donations directly to officers in need."

22. NPRA's bylaws stated that "the objective of this Association shall be to assist all of its active, retired military and special law enforcement members/officers to the best of our ability." It further stated, the "Association is formed for the mutual aid, welfare and relief of its members and charities in charitable need."

23. In its Mission Statement, NPRA further stated: "we will strive to be charitable and secure relief to those in need in law enforcement."

24. NPRA also distributed pamphlets that described the overarching purpose of the organization as "protecting those who protect us," and pledged to create a bereavement fund for fallen officers, and a fund for wounded or disabled officers. Specifically, NPRA indicated it would provide "funds for the rehabilitation and health of those injured in the line of duty and disability for those who have lost their ability to work due to service." The promotional material further noted that NPRA works to advocate for legislation to protect officers and highlights the number of officer fatalities per year and the need for reforms.

25. A sample pledge card intended for public circulation by NPRA additionally stated its aims of providing "critical assistance to law enforcement and their families" and emphasized that "now more than ever, support of the community is needed to adequately meet the increasing demands of law enforcement."

26. In other promotional materials disseminated to donors, Defendants emphasized that social protections for officers had eroded in the last years and that NPRA was attempting to step in to fill a perceived void in support of officers.

27. Much less prominently, NPRA's promotional materials and webpage stated that it contributes to other charities, such as the Deborah Heart and Lung Foundation, Special Olympics, and Tourette Foundation.

28. Upon review of NPRA's bylaws, membership application, promotional materials, and webpage, putative donors would believe that the majority of their donations would be distributed to law enforcement related causes; however, the vast majority of NPRA's charitable funds were not.

29. Defendants raised money for NPRA by soliciting charitable contributions from the public, primarily through the use of paid fundraisers.

30. Defendants also raised money for NPRA by charging membership fees. The cost was \$50 for "professional" members—those who currently or previously served in law enforcement or in the military; and \$150 for "associate" members—those who were members of the general public.

31. Defendants also maintained a website located at: <http://www.nationalpolicereliefassociation.org/> from which they could collect donations through PayPal.

32. NPRA grossed hundreds of thousands of dollars from charitable donations in each year from 2014 through 2019, and had net assets averaging approximately \$150,000 per year.



Specifically, NPRA reported the following to the Internal Revenue Service (“IRS”) in its Form 990<sup>1</sup> filings:

<b>Fiscal Year</b>	<b>Gross Revenue</b>	<b>Amounts Paid to Fundraiser</b>	<b>Net Assets</b>
2014	\$197,236	\$25,751	\$150,441
2015	\$441,791	\$353,433	\$177,788
2016	\$457,217	\$365,774	\$195,370
2017	\$523,433	\$431,714	\$171,671
2018	\$481,386	\$385,176	\$132,071
2019	\$350,855	\$280,724	\$94,037

33. NPRA failed to disclose material facts relevant to NPRA’s spending including, but not limited to, on its Form 990<sup>2</sup> filings.

34. As detailed below, between 2014 and 2020, NPRA used approximately \$208,000, of charitable funds to make unauthorized payments directly to Davis and A. John, and to pay unfounded travel, leisure, and other personal expenses.

35. In addition, during this same period, NPRA donated roughly \$100,000 to charitable organizations and causes unrelated to law enforcement and only \$13,790 was directed to the families of officers who had been killed in the line of duty.

***Improper Payments to Defendants Davis and A. John***

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<sup>1</sup> Form 990 is an annual information return required to be filed with the IRS by most organizations exempt from income tax.

<sup>2</sup> At present, Defendants’ 2020 tax information is not available to the Division nor had it been provided by the Defendants to the Division through counsel.

36. The largest of these impermissible expenditures was the unauthorized payments made directly from NPRA's bank accounts to Davis and A. John's personal bank accounts, denoted as "good and welfare" payments, which amounted to \$185,000 between 2015 and 2020.

37. Davis and A. John received payments from NPRA in equal amounts every two to three months.

38. These payments have no discernable link to work performed on behalf of the charity or any connection to NPRA's charitable purposes. Indeed, Defendants made repeated assertions to the Division that none of the Board members received a salary from NPRA.

39. Moreover, NPRA's tax returns failed to disclose any payments to Davis and A. John, despite the fact that these payments were made on a regular basis from 2015 through 2020.

40. Because Davis, F. John, and A. John controlled NPRA's Board, they had complete discretion to make payments to themselves using NPRA charitable funds without any oversight.

#### *Personal Dining Expenses*

41. In addition to the repeated, undisclosed payments to Davis and A. John, the Division identified a total of 145 occasions between 2014 and 2020 in which funds from NPRA's charitable bank account were used to pay for dining at various establishments throughout New Jersey and Florida, in amounts totaling \$7,921.85.

42. When requested, Defendants produced no evidence of any connection between these dining expenses and a charitable purpose.

43. These dining expenditures, ranging from \$20 to \$500 each, evidence a pattern and practice of Board members using charitable funds to purchase meals for themselves that were not connected to a NPRA charitable event or otherwise related to NPRA's charitable purpose.

*Unfounded Automobile Expenses*

44. NPRA's charitable activities infrequently involved the need to travel by automobile. NPRA maintained its headquarters in an office located in Brick, New Jersey—the same town where all members of the Board resided. Upon information and belief, at most, NPRA's day-to-day operations required Board members to travel to NPRA's headquarters, local charitable events, and to a nearby soup kitchen, located within a five-mile radius from NPRA's main office.

45. NPRA maintained no system for logging mileage or expenses for NPRA-related travel.

46. Despite the absence of any apparent need for frequent automobile travel and the lack of any accounting for travel-related expenditures, Defendants routinely used NPRA charitable funds to pay for automobile repairs and gasoline expenses for Board members' personal vehicles.

47. Between 2015 and 2020, F. John charged \$7,010 to the NPRA account for repairs on his personal automobile(s). The repair work on F. John's vehicles was undertaken at local New Jersey autobody shops and ranged from replacement of rotors and brake pads to new tires. The expenses incurred between 2015 and 2020 ranged from \$250 to \$1,081.96 per visit and occurred on a total of 14 separate occasions.

48. Defendants failed to provide a basis for the expenditure of \$7,010 on auto repairs on a personal vehicle. There is no evidence that these automobile repairs were necessitated by the use of F. John's personal vehicle for NPRA's charitable business.

49. In addition, between January 1, 2014 and January 1, 2015, Defendants charged \$900 in gasoline expenses for their personal vehicles to NPRA's account. NPRA did not maintain

any log of mileage for purposes of calculating reimbursement for business-related travel; nor could it explain the charitable purpose warranting these particular expenses.

50. When requested, Defendants produced no evidence that expenditures for gasoline were necessitated by gasoline use related to NPRA's charitable affairs.

*Leisure Travel*

51. In January 2019, NPRA sponsored two minor children who suffered from Tourette Syndrome, as well as two immediate family members, to attend a one-night-only gala hosted by the Tourette Association of America at Walt Disney World in Orlando, Florida. NPRA's sponsorship included paying for the beneficiaries' week-long lodging, dining, and passes for park entry to Walt Disney World.<sup>3</sup>

52. Separate and apart from NPRA's sponsorship, Defendants Davis, F. John, A. John, along with their adult child, as well as another NPRA Board member and two of his adult family members, traveled to Walt Disney World in Orlando, Florida to attend the Tourette Association event ("2019 Disney Trip").

53. Defendants used NPRA charitable funds to pay for expenses incurred by the Board members and their families to attend the 2019 Disney Trip, even though those expenses were personal in nature and unrelated to the sponsorship. Specifically, the use of NPRA charitable funds to pay for Board members' (and other adult family members') week-long stay at a Walt Disney World resort, including theme park and dining passes, was impermissible.

54. The total funds expended on the 2019 Disney Trip in excess of the sponsored children and their immediate families was at least \$7,187.94.

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<sup>3</sup> NPRA donated roughly \$10,000 to the Tourette Association between 2015 and 2020. NPRA's support of the Tourette Association was disclosed on its webpage.

**B. Defendants Failed to Properly Register as a Charitable Organization and Failed to Maintain Charitable Records**

55. NPRA failed to register annually with the Division as a charitable organization, pay mandatory registration fees, timely submit annual renewal forms, maintain financial records, meeting minutes, ledger books, and receipts regarding its activities and expenditures as required by the CRIA and the Charities Regulations.

56. On December 4, 2012, NPRA registered as a charity in New Jersey for the first time. NPRA last registered as a charitable organization for the fiscal year ending 2019. NPRA is not currently registered as a charity in the State.

57. Beginning in 2017, NPRA consistently failed to comply with its registration obligations. Specifically, for fiscal years 2017 to 2020, NPRA failed to timely register as a charitable organization as required by the CRIA and the Charities Regulations.

58. For the fiscal year ending in 2017, NPRA failed to register until June 2021, although it was required to register three years earlier, on or before June 2018.

59. For the fiscal year ending in 2018, NPRA failed to register until September 2019, although it was required to register by June 2019.

60. For the fiscal year ending in 2019, NPRA failed to register until October 2020, although it was required to register by June 2020.

61. For the fiscal year ending in 2020, NPRA has failed to register, although required to do so by June 2021.

62. NPRA solicited and received charitable donations throughout 2017, 2018, 2019, and 2020, even during periods when it was not current with its registration.

63. NPRA remains delinquent in its payment of the mandatory \$120 registration fees and provision of supplemental forms for fiscal years ending in 2018 and 2019.

64. For 2017, 2018 and 2019, NPRA maintained limited records of meeting minutes, lists of contributors, and financial logbooks; none of which were adequate to comply with its legal obligations.

### **COUNT I**

#### **VIOLATIONS OF THE CRIA AND THE CHARITIES REGULATIONS BY DEFENDANTS (MISREPRESENTATION OF CHARITABLE PURPOSE AND EXPENDING CONTRIBUTIONS IN A MANNER INCONSISTENT WITH CHARITABLE PURPOSE)**

65. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as if fully set forth herein.

66. The CRIA and the Charities Regulations render it unlawful to misrepresent the purpose or nature of a charitable institution or the purpose or beneficiary of a solicitation and render unlawful the use of contributions for a purpose other than the charitable purpose expressed in the statement of the organization or to expend contributions in a manner inconsistent with that purpose, or to fail to disclose any material fact. N.J.S.A. 45:17A-32(c)(1); N.J.A.C. 13:48-13.2(a)(1).

67. Defendants have misrepresented their charitable purpose and have used funds inconsistent with their charitable purpose, in violation of the CRIA and the Charities Regulations. The conduct of Defendants in violation of N.J.S.A. 45:17A-32(c)(1) and N.J.A.C. 13:48-13.2(a)(1), includes, but is not limited to, the following:

- a. Unauthorized payments to Davis and A. John on a regular basis from 2015 through 2020 in amounts ranging from \$1,500 to \$6,500 and totaling \$185,000;
- b. Use of NPRA funds for personal expenses such as dining (\$7,921.85), automobile repair (\$7,010), and gasoline (\$900) for a combined total of \$15,831.85;
- c. Spending \$7,187.94 of NPRA's charitable funds to pay for a week's worth of lodging, dining and park passes at Walt Disney World for three members of the

Board plus two of their adult children, with no link to the organization's underlying charitable purpose;

- d. Representing to the public in NPRA's bylaws and promotional materials that the primary goal of NPRA was to provide "innovative and creative relief to law enforcement professionals and families" and to afford "concerned citizens" the opportunity to assist the law enforcement community, while donating only \$13,790.00 to law enforcement-related needs and, instead, allocating roughly \$100,000 to other charities that were wholly unrelated to policing and providing its Board with undisclosed payments totaling \$185,000 between 2015 and 2020.

68. Each misrepresentation of the charitable purpose and expenditure of contributions in a manner inconsistent with the charitable purpose, constitutes a separate violation of the CRIA, N.J.S.A. 45:17A-32(c)(1), and the Charities Regulations, N.J.A.C. 13:48-3.2(a)(1).

## **COUNT II**

### **VIOLATIONS OF THE CRIA AND CHARITIES REGULATIONS BY THE DEFENDANTS (FAILURE TO MAINTAIN ACCURATE BOOKS AND RECORDS)**

69. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as if fully set forth herein.

70. The CRIA, specifically N.J.S.A. 45:17A-31(a), requires that "every charitable organization, unless exempted pursuant to subsection a. or b. of section 9 of this act ... keep complete and accurate records of its activities in this State as may be required by this act, in such form as will enable them to accurately provide the information required by this act. The records shall be made available upon demand of the Attorney General."

71. The Charities Regulations, N.J.A.C. 13:48-10.1(a)-(b), have a similar requirement.

72. During its investigation in advance of filing this Complaint, the Attorney General demanded NPRA's books and records via Subpoena and Requests for Statements Under Oath. NPRA did not provide complete and accurate records of its activities in response to those requests. NPRA's inability to produce the requested documents and information demonstrates that

Defendants have failed to keep complete and accurate records of its activities in the State in such form as would enable the Defendants to provide the full information required by the CRIA and Charities Regulations upon demand by the Attorney General.

73. Failure to maintain accurate books and records by the Defendants comprises a separate violation of the CRIA, N.J.S.A. 45:17A-31(a) and the Charities Regulations, N.J.A.C. 13:48-10.1(a)-(b).

### **COUNT III**

#### **VIOLATIONS OF THE CRIA AND CHARITIES REGULATIONS BY THE DEFENDANTS (FAILURE TO REGISTER)**

74. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as if fully set forth herein.

75. For purposes of the CRIA and Charities Regulations, a “charitable organization” is defined as:

- (1) any person determined by the federal Internal Revenue Service to be a tax-exempt organization pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, 26 U.S.C. s.501(c)(3); or
- (2) any person who is, or holds himself out to be, established for any benevolent, philanthropic, humane, social welfare, public health, or other eleemosynary purpose, or for the benefit of law enforcement personnel, firefighters or other persons who protect the public safety, or any person who in any manner employs a charitable appeal as a basis of any solicitation, or an appeal which has a tendency to suggest there is a charitable purpose to any such solicitation.

[N.J.S.A. 45:17A-20; N.J.A.C. 13:48-1.3.]

76. The CRIA requires every charitable organization operating or soliciting within New Jersey, and not otherwise exempt, to register with the Attorney General. N.J.S.A. 45:17A-23(a). It is unlawful for any non-exempt charitable organization to solicit contributions or have



contributions solicited on its behalf before the Attorney General has been given the opportunity to review the organization's registration statement. N.J.S.A. 45:17A-23(b); N.J.A.C. 13:48-3.1(a).

77. The Charities Regulations further address "Unregistered Practice" and provide in pertinent part that:

- (a) It shall be a violation of the Act for any charitable organization or person required to file a registration statement in accordance with the Act and the rules set forth in this chapter to fail to do so.
- ...
- (c) Solicitation activities on behalf of an unregistered charitable organization, whether conducted by the charitable organization or any other person, shall be a violation of this Act and considered misconduct by both the charitable organization and the other person.

[N.J.A.C. 13:48-13.1.]

78. At least since it obtained status as a tax-exempt organization pursuant to section 501(c)(3) of the Internal Revenue Code in 2012, NPRA functioned as a charitable organization within the meaning of the CRIA and solicited charitable donations in New Jersey.

79. As NPRA is not exempt from the registration requirements of the CRIA and Charities Regulations and has annually collected contributions in excess of \$25,000.00, NPRA has been required to file the Long Form Registration Statement with the Attorney General, as provided in the CRIA, specifically N.J.S.A. 45:17A-24, and the Charities Regulations, N.J.A.C. 13:48-5.1, as well as annual renewal statements, N.J.S.A. 45:17A-23(b); N.J.A.C. 13:48-3.1(f).

80. In fiscal years 2017, 2018, 2019, NPRA was late in submitting Form CRI-300R to the Attorney General, through the Division. It failed entirely to submit form CRI-300R in June of 2021 for fiscal year ending 2020, and remains deficient as of the date of this Complaint.

81. Each solicitation the Defendants made while NPRA was not registered as a charitable organization, when such registration was required, constitutes a separate violation of the

CRIA, N.J.S.A. 45:17A-23, and the Charities Regulations, N.J.A.C. 13:48-3.1(a) and N.J.A.C. 13:48-13.1(a), (c).

#### **COUNT IV**

##### **VIOLATION OF THE CRIA AND THE CHARITIES REGULATIONS BY DEFENDANTS DAVIS, F. JOHN, AND A. JOHN**

82. Plaintiffs repeat and reallege the allegations contained in the preceding paragraphs as if fully set forth herein.

83. At all relevant times, Defendants Davis, F. John, and A. John have served as an officer, trustee, owner, director, founder, manager, and/or representative of NPRA and have controlled, directed and/or participated in the management and operation of that entity, including the conduct alleged in this Complaint.

84. In these capacities, Defendants Davis, F. John, and A. John actively participated in violations of the CRIA and the Charities Regulations committed by NPRA. Among other things, they: (1) misused charitable funds and misrepresented the charitable purpose in violation of N.J.S.A. 45:17A-32(c)(1) and N.J.A.C. 48-13.2(a)(1); (2) had signatory and other authority over NPRA's financial accounts at the time improper transactions in those accounts occurred; (3) failed to maintain adequate records on behalf of the charity in violation of N.J.S.A. 45:17A-31(a) and N.J.A.C. 13:48-10.1(a)-(b); and (4) managed the charity at all times during which NPRA failed to properly register as a charitable organization, in violation of N.J.S.A. 45:17A-24 and N.J.A.C.13:48-5.1.

**PRAYER FOR RELIEF**

**WHEREFORE**, based upon the foregoing allegations, Plaintiffs respectfully request that the Court enter judgment against Defendants:

- a. Finding that the acts and practices of Defendants constitute multiple violations of the CRIA, N.J.S.A. 45:17A-18 to -40, and the Charities Regulations, N.J.A.C. 13:48-1.1 to -15.1;
- b. Permanently enjoining Defendants and their owners, officers, directors, trustees, shareholders, members, founders, managers, agents, servants, employees, representatives, independent contractors and all other persons or entities directly under their control, from engaging in, continuing to engage in, or doing any acts or practices in violation of the CRIA, N.J.S.A. 45:17A-18 to -40, the Charities Regulations, N.J.A.C. 13:48-1.1 to -15.1, including, but not limited to, the acts and practices alleged in the Complaint;
- c. Permanently enjoining, Defendants F. John and A. John, whether individually or through any corporation, from registering or operating any charitable organization and/or acting as an independent paid fund raiser within New Jersey, in accordance with the CRIA, N.J.S.A. 45:17A-33(e);
- d. Permanently enjoining Defendants from operating a website on behalf of NPRA, or any other online account affiliated with NPRA, including, but not limited to, any Facebook page, Instagram account, Paypal, or Twitter account and Amazon registry;
- e. Vacating or annulling the corporate charter of NPRA, as authorized by the CRIA, N.J.S.A. 45:17A-33(e);
- f. Ordering Defendants, jointly and severally, to disgorge all funds and property (real and personal) acquired and/or retained as a result of any acts or practices in violation of the CRIA, N.J.S.A. 45:17A-18 to -40, and the Charities Regulations, N.J.A.C. 13:48-1.1 to -15.1, including, but not limited to, the acts and practices alleged in the Complaint;
- g. Directing Defendants, jointly and severally, to restore to any affected person, whether or not named in this Complaint, any money or real or personal property acquired by means of any practice alleged herein to be unlawful and found to be unlawful, as authorized by the CRIA, N.J.S.A. 45:17A-33(e), and the Charities Regulations, N.J.A.C. 13:48-14.1(a)(3);
- h. Directing Defendants, jointly and severally, to pay the maximum civil penalties for each and every violation of the CRIA and the Charities Regulations, in accordance with N.J.S.A. 45:17A-33(d) and N.J.A.C. 13:48-14.1;

- i. Directing Defendants, jointly and severally, to pay costs and fees, including attorneys' fees, for the use of the State, as authorized by the CRIA, N.J.S.A. 45:17A-33(d); and
- j. Granting such other relief as the interests of justice may require.

ANDREW J. BRUCK  
ACTING ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By: /s/ Erica Salerno  
Erica Salerno  
Deputy Attorney General  
Consumer Fraud Prosecution Section

Dated: December 29, 2021  
Newark, New Jersey

**RULE 4:5-1 CERTIFICATION**

I certify, to the best of my information and belief, that the matter in this action involving the aforementioned violations of the Charitable Registration and Investigations Act, N.J.S.A. 45:17A-18 to -40, and the regulations promulgated thereunder, N.J.A.C. 13:48-1.1 to -15.1, and is not the subject of any other action pending in any other court of this State. I further certify, to the best of my information and belief, that the matter in controversy in this action is not the subject of a pending arbitration proceeding in this State, nor is any other action or arbitration proceeding contemplated. I certify that there is no other party who should be joined in this action at this time.

ANDREW J. BRUCK  
ACTING ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By: /s/ Erica Salerno  
Erica Salerno  
Deputy Attorney General  
Consumer Fraud Prosecution Section

Dated: December 29, 2021  
Newark, New Jersey

**RULE 1:38-7(c) CERTIFICATION OF COMPLIANCE**

I certify that confidential personal identifiers have been redacted from documents now submitted to the court, and will be redacted from all documents submitted in the future in accordance with R. 1:38-7(b).

ANDREW J. BRUCK  
ACTING ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By: /s/ Erica Salerno  
Erica Salerno  
Deputy Attorney General  
Consumer Fraud Prosecution Section

Dated: December 29, 2021  
Newark, New Jersey

**DESIGNATION OF TRIAL COUNSEL**

Pursuant to R. 4:25-4, Deputy Attorney General Erica Salerno is hereby designated as trial counsel for the Plaintiffs in this action.

ANDREW J. BRUCK  
ACTING ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By: /s/ Erica Salerno  
Erica Salerno  
Deputy Attorney General  
Consumer Fraud Prosecution Section

Dated: December 29, 2021  
Newark, New Jersey

**VERIFICATION**

I, Brian Penn, of full age, hereby certifies as follows:

1. I am an Investigator with the New Jersey Division of Consumer Affairs (“Division”), Office of Consumer Protection.
2. I have read the foregoing Verified Complaint and on my own personal knowledge and review of documents in possession of the Division, I know that the facts set forth herein are true and they are incorporated in this certification by reference.
3. I certify that the above statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

*Brian Penn*

---

BRIAN PENN

Dated: December 29, 2021  
Newark, New Jersey

SUPERIOR COURT OF NEW JERSEY  
CHANCERY DIVISION, OCEAN COUNTY  
DOCKET NO.

ANDREW J. BRUCK, Acting Attorney General of the State of New Jersey and SEAN P. NEAFSEY, Acting Director of the New Jersey Division of Consumer Affairs,

Plaintiffs,

v.

NATIONAL POLICE RELIEF ASSOCIATION, a New Jersey Nonprofit Corporation; THE ESTATE OF MICHAEL DAVIS, individually and as President, trustee, owner, director, founder, manager and/or representative of National Police Relief Association, a New Jersey Nonprofit Corporation; FRANK JOHN individually and as Vice President, trustee, owner, director, founder, manager and/or representative of National Police Relief Association; and ANTOINETTE JOHN, individually and as Secretary, trustee, owner, director, founder, manager and/or representative of National Police Relief Association, a New Jersey Nonprofit Corporation; XYZ CORPORATIONS 1-10; and JANE AND JOHN DOES 1-10, individually and as owners, officers, directors, shareholders, founders, managers, representatives, servants, employees, independent contractors and/or agents of National Police Relief Association, a New Jersey Nonprofit Corporation; and INDIVIDUALLY AND AS OWNERS; and XYZ CORPORATIONS 1-10,

Defendants.

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**PLAINTIFFS' MEMORANDUM OF LAW IN SUPPORT OF ORDER TO SHOW  
CAUSE WITH TEMPORARY RESTRAINTS**

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ANDREW J. BRUCK  
ACTING ATTORNEY GENERAL OF NEW JERSEY  
Division of Law  
P.O. Box 45029  
Newark, New Jersey 07101  
Attorney for Plaintiffs

Erica Salerno (002172012)  
Deputy Attorney General  
On the Brief



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Plaintiffs Andrew J. Bruck, Acting Attorney General of the State of New Jersey (“Attorney General”), and Sean P. Neafsey, Acting Director of the Division of Consumer Affairs (“Director”) (collectively, “Plaintiffs”), submit a Verified Complaint, Certification of Investigator Brian Penn with supporting documents and this Memorandum of Law in support of an Order to Show Cause seeking temporary, preliminary and ultimately permanent injunctive relief to halt the solicitation and misuse of charitable assets by the Defendants.

### **PRELIMINARY STATEMENT**

Defendant National Police Relief Association (“NPR A”), a New Jersey charity, held itself out to the public as an organization that provides critical aid to the law enforcement community, primarily families of law enforcement officers killed or severely wounded in the line of duty. In fact, NPR A, its founders and certain of its Board members—Antoinette John (“A. John”), her husband Frank John (“F. John”), and Michael Davis (“Davis”), who is now deceased—misused and misappropriated over \$200,000 of charitable funds primarily for their own enrichment and blatantly mismanaged the charity for nearly a decade in violation of the Charities Registration and Investigations Act, N.J.S.A. 45:17A-18 to -40 (“CR I A”), and the Charities Regulations, N.J.A.C. 13:48-1.1 to -15.1 (“Charities Regulations”). Plaintiffs bring this action to hold Defendants accountable for their misdeeds and recover the funds Defendants siphoned from the charity. In addition, Plaintiffs file this Order to Show Cause with temporary restraints to prevent Defendants from further injuring the public by continuing to solicit charitable contributions and to restrain Defendants A. John and F. John from further dissipating assets necessary to satisfy any judgment in this matter.

Following the initiation of the Division’s investigation, Defendants wound down NPR A and drained its bank accounts, leaving primarily the personal assets of Defendants A. John and F.

John and Davis's estate to satisfy any monetary judgment in this case. During the investigation, Defendants claimed to the Division that they did not take any salary for their purported work for the charity. And when presented with evidence demonstrating that NPRA made regular payments to A. John and Davis totaling approximately \$185,000 over the years, Defendants failed to provide a credible justification. These payments—which were not disclosed to potential donors or on applicable tax forms—dwarf the amount NPRA spent on its core purpose or, for that matter, any charitable purpose, and appear unrelated or at least far out of proportion to any work performed for the charity.

Notwithstanding using over \$200,000 in charitable funds to line their pockets and to pay various personal, leisure, and travel expenses, Defendants A. John and F. John insisted during the investigation that the funds were gone, swearing under penalty of perjury to their personal lack of assets. But, once again, the evidence shows a lack of truthfulness. A. John and F. John failed to fully disclose their assets. Moreover, the evidence shows that NPRA's website remained active for a time during the investigation and that the charity continued to receive at least some charitable contributions through June 2021 despite Defendants' representation that the charity is no longer operating. In light of the dissipation of NPRA's assets, Defendant A. and F. John's lack of transparency during the Division's investigation, and the discovery of assets that the Defendants failed to disclose, the Acting Attorney General and Acting Director of Consumer Affairs request entry of temporary and preliminary restraints to ensure that Defendants cease soliciting charitable contributions and to ensure that there are funds available to provide meaningful relief in the event of a judgment against Defendants.

## **STATEMENT OF FACTS**

Following its receipt of a tip alleging that certain NPRA officers and board members were mismanaging funds and had misrepresented the entity's charitable purpose to donors, the Division launched an investigation of NPRA in late-November 2019. (Certification of Investigator Brian Penn ("Penn Cert." ¶ 5)). The Division obtained and reviewed publicly available information, bank and other financial records, documents regarding the structure of the charitable organization, registration information, a copy of its bylaws, a sample membership application form, and promotional materials.

NPRA described itself in its charitable statement, mission statement, promotional materials, and on its webpage as a charity founded by former members of law enforcement "to help provide relief to our law enforcement community and agencies who need it most." (Penn Cert. ¶ 10, Exh. E). NPRA further stated that it aims to "stand behind families of officers and law enforcement agencies throughout the state and support worthy causes that aid the law enforcement community." (Penn Cert. ¶ 14, Exh. F). According to NPRA, its founders were former law enforcement officers that understood the burdens placed on officers and their families and the charity's primary purpose was to "secure relief" for law enforcement officers and their families. (Penn Cert. ¶ 10, Exh. E).

Specifically, NPRA stated that it would provide "support to families of officers tragically killed in the line of duty" and "rais[e] funds to support the rehabilitation of officers who were injured or wounded in the line of duty." (Penn Cert. ¶14, Exh. H). NPRA advised potential donors that they would have the ability to make "monetary donations directly the families of fallen or wounded officers." (Penn Cert. ¶ 13, Exh. I). NPRA promotional pamphlets and letters to putative donors similarly described the overarching purpose of the organization as "protecting

those who protect us,” and pledged to create a bereavement fund for fallen officers, and a fund for wounded or disabled officers. (Penn Cert. ¶ 14, Exh. F). NPRA stated it would provide “funds for the rehabilitation and health of those injured in the line of duty and disability for those who have lost their ability to work due to service.” (Penn Cert. ¶ 14, Exh. F).

NPRA grossed hundreds of thousands of dollars from charitable donations in each year from 2014 through 2019, and had net assets averaging approximately \$150,000 per year, with large percentages of its receipts going to a professional fundraiser. (Penn Cert. ¶ 6, Exh. B). Defendants also solicited charitable contributions from the public on their website: <http://www.nationalpolicereliefassociation.org/>, which allowed for donations to be made through PayPal. In addition, Defendants raised money for NPRA by charging membership fees of \$50 for “professional” members—those who currently or previously served in law enforcement or in the military; and \$150 for “associate” members—those who were members of the general public. (Penn Cert. ¶13, Exh. I). Despite receiving these substantial donations, NPRA was not in compliance with the State’s registration requirements for fiscal years 2017, 2018 and 2019, remaining delinquent for months—and in some cases years—on required annual submissions and fees. (Penn Cert ¶ 51). Additionally, NPRA failed to register for fiscal year 2020, which was due in June 2021, and remains delinquent in filing its 2020 federal income tax return. (Penn Cert ¶ 52).

Davis, F. John, and A. John were all board members of NPRA and held themselves out as NPRA’s President, Vice President, and Secretary, respectively. (Penn Cert. ¶ 5). The Division’s investigation revealed that NPRA’s funds and activities were controlled exclusively by Davis, A. John, and F. John. Bank records received during the course of the Division’s investigation confirmed that Davis and F. John had exclusive authority over checking accounts established for

the charity; indeed, they were the sole signatories for the NPRA account at Investors Bank. (Penn Cert. ¶ 8, Exh. C). Neither NPRA nor Davis, A. John, or F. John disclosed to donors or general members that they received payments from any portion of charitable contributions or were paid a salary by the charity. Since general members had no access to NPRA's finances, bank accounts and records, they had no ability to track how the charity's funds were expended.

The Division subpoenaed NPRA's bank account records from Investors Bank and identified suspicious account activity, including transfers made from NPRA's account by Davis and A. John. (Penn Cert. ¶ 48, Exh. GG). When confronted with that information during a conference with the Division on September 15, 2020, A. John and F. John failed to explain the suspicious activity and claimed NPRA's funds were not mismanaged. (Penn Cert. ¶ 15). A. John denied any wrongdoing or that large amounts of money were being paid to her and Davis from NPRA's account. Notwithstanding A. John's assertions, records from NPRA's Investors Bank account reflect that, every two to three months, both parties deposited between \$1,500 and \$6,500 each, from NPRA. (Penn Cert. ¶ 8, Exh. D). NPRA did not disclose these sums as a salary to Davis or A. John on any of its Federal Income Tax returns. (Penn Cert. ¶ 6, Exh. B)

On November 16, 2020, the Division served a subpoena on Defendants. With their January 19, 2021 response to the subpoena, Davis certified, on behalf of NPRA, that "no form of compensation was taken by the members of the organization for the work they perform on behalf of the organization." (Penn Cert. ¶ 20, Exhs. M and N). A few months later, Defendants conceded (through counsel) that "in numerous cases . . . moneys . . . were deposited into [Davis's and the John's] accounts." (Penn Cert. ¶ 26, Exh. R). Defendants claimed the payments offset the individuals' personal expenditures on charitable works, but provided no evidence to support this



generalized claim. Ibid. And nothing in the documents produced by NPRA or the bank account records from the accounts of NPRA, Davis, and A. and F. John supported Defendants' claim.

Ultimately, the Division's investigation revealed that at least \$185,000 in direct, semi-regular payments—vaguely described by NPRA as payments for “good and welfare” in the “memo” line on the cancelled checks—were made from the NPRA account directly to Davis and A. John between 2015 and 2020. (Penn Cert. ¶ 36, Exhs. B and L). A. John and Davis (who passed away on July 19, 2021), continued writing themselves checks from NPRA through the end of April 2020. (Penn Cert. ¶ 36, Exh. L). In addition, the Division identified \$7,921.85 of charitable funds spent on dining, \$7,187 on leisure travel, and \$7,010 on automobile repairs attributed to F. John's vehicles—all with no discernible link to the work of the charity to justify the expenses. (Penn Cert. ¶ 27, Exhs. S and T). The combination of these expenditures brought the total to over \$208,000 in misappropriated funds. The Division attempted on multiple occasions to obtain an explanation from Defendants for these “good and welfare” payments and apparent personal dining, travel, and automobile expenses, but Defendants did not provide any evidence to justify these expenses. (Penn Cert. ¶¶ 20, 26).

The \$208,000 in direct payments and other personal expenses misappropriated from NPRA stands in stark contrast to NPRA's limited charitable expenditures. Between 2014 and 2020, as A. John, F. John, and Davis expended tens of thousands on themselves, NPRA donated just \$13,790 to fallen or injured officers and their families. (Penn Cert. ¶ 34, Exh. V). The charity donated approximately \$100,000 to charitable causes wholly unrelated to law enforcement. Ibid. The roughly \$208,000 in improper payments and personal expenditures that F. John, A. John, and Davis provided to themselves are fifteen times the total amount that was ever donated to

fallen law enforcement officers and their families and more than double the amount directed to other charitable causes during that period.

NPRA's account at Investors Bank is now closed. The closing statement for NPRA's Investors Bank account showed a balance of \$0 on March 31, 2021, (Penn Cert. ¶¶ 3 5, Exh. X), with a check having drafted from the account to NPRA for \$17,277.92, on March 1, 2021. (Penn Cert. ¶ 47, Exh. FF).

On August 12, 2021, the Division sent counsel for Defendants its Financial Disclosure Statement ("Financial Disclosure Form") and requested a complete accounting of all financial assets held by the charity and the two surviving board members, A. and F. John. (Penn Cert. ¶ 39). The Financial Disclosure Form expressly required the individuals completing it to certify that the answers are true, correct and complete under penalty of perjury. (Penn Cert. ¶ 40, Exh. Z).

Defendants returned the Financial Disclosure Form on September 16, 2021. A. and F. John signed attesting to the accuracy of the responses provided. (Penn Cert. ¶ 40, Exh. Z). A. John and F. John disclosed no sources of income other than A. John's Social Security Disability payments, but caveated that response by underscoring that those payments were soon to be discontinued. Ibid. They did not disclose any assets or bank accounts other than their Wells Fargo checking account, which only had a balance of \$55.24. Ibid. In addition, A. John and F. John claimed a high outstanding credit card balance and detailed outstanding financial obligations such as mortgage payments, property taxes, leases for their personal vehicles, health care and daily living expenses such as food and clothing. Ibid. At no point did the Johns disclose whether the couple benefitted from any payments received by F. John through a pension or social security. Nor did they mention maintaining any savings accounts. (Penn Cert. ¶ 41, Exh. Z).

Additionally, attached to their certification, the Johns provided an excerpted page from a PNC Bank statement with an Account Number ending in 3651. (Penn Cert. ¶ 42, Exh. AA). This account was in the name of NPRA and had a starting balance of \$18,072.92—including a deposit of the check for \$17,277.92 to NPRA from Investors Bank. Ibid. From the time the account was opened on March 30, 2021, until September 2021, the account was depleted from its starting balance of \$18,072.92 to \$3,744.95. Ibid. A. John and F. John also disclosed that the PayPal account associated with NPRA's website contained approximately \$2,000. (Penn Cert. ¶ 42)

In light of the responses, the Division subpoenaed Wells Fargo, PNC Bank (in particular, Account Number ending in 3651, which was known to contain NPRA's funds), and Ocean First, as well as other banks in the vicinity of the Johns' home. Records from Ocean First Bank showed that A. John maintained a personal savings account with a static balance of \$53,086.52 that was not included on the Financial Disclosure Form. (Penn Cert. ¶ 44, Exh. BB).

Likewise, the records from Wells Fargo concerning the Johns' joint checking account revealed income and assets that they omitted from the Financial Disclosure Form. F. John received roughly \$3,900 a month, which appears to be a payment from his pension and an additional roughly \$1,500 to \$2,500 every month from Social Security. (Penn Cert. ¶ 45, Exh. CC). The account records also showed regular cash deposits, ranging from \$400 to \$8,000 at a time and totaling over \$28,000.00 over the prior 18 months. (Penn Cert. ¶ 45, Exh. DD). The origin of those funds is unknown. (Penn Cert. ¶ 45). Although the Johns' ending balances each month were not substantial, the Wells Fargo statements revealed that during any given month, between \$9,000 and \$17,000 flowed through the Johns' shared account. (Penn Cert. ¶ 45, Exh. CC) While the account showed many expenditures for necessities, the records also evidenced non-essential spending, such as \$9,000 on a vacation in July 2021. (Penn Cert. ¶ 46, Exh. CC)

On November 15, 2021, the Division also received records from PNC Bank regarding the account that had been opened in NPRA's name following the removal of the charity's funds from Investors Bank. The records showed that NPRA continued to receive a small number of donations from members of the general public between January 1, 2021 and June 25, 2021. (Penn Cert. ¶ 48-49, Exh. EE). F. John, and Davis, prior to his passing, used the account to pay rent through July for NPRA's Brick, New Jersey office, utilities and internet associated with that address, and payments for accounting services and their attorney. (Penn Cert. ¶ 50, Exh. EE) The records reflected a balance of \$3,744.95. Ibid.

In sum, the evidence paints a very different picture than the one sworn to by A. John and F. John in their Financial Disclosure Form and represented to the Division during its investigation. Based on this evidence, the Division is aware of \$53,086.52 maintained in A. John's personal savings account at Ocean First Bank (Penn Cert. ¶ 40, Exh. Z), \$3,744.95 in NPRA's PNC Bank account (Penn Cert. ¶50, Exh. EE), an income stream, including regular, unexplained cash deposits into the Wells Fargo checking account (Penn Cert. ¶ 45, Exh. 45), and \$2,000 in a PayPal account in NPRA's name. (Penn Cert. ¶ 42). The evidence also shows that the entity continued to receive donations until as recently as June 2021, despite A. John and F. John's assertions to the contrary. (Penn Cert. ¶ 48, Exh. EE)

## ARGUMENT

### TEMPORARY AND PRELIMINARY RESTRAINTS ARE NECESSARY AND APPROPRIATE TO PREVENT FURTHER HARM TO THE PUBLIC FROM DEFENDANTS' CONDUCT IN VIOLATION OF CRIA

The Acting Attorney General and Acting Director of the Division of Consumer Affairs seek preliminary and temporary restraints to prevent further harm to the public—donors and potential future donors—resulting from Defendants’ numerous violations of the CRIA and the Charities Regulations, as detailed herein and in the accompanying Verified Complaint. The Attorney General is charged with enforcing the CRIA and the Charities Regulations, which, among other things, expressly confers upon the Attorney General the authority to seek and obtain injunctive relief in a summary proceeding for alleged violations of the CRIA and empowers the Court to, among other things, “enter any orders necessary to prevent the performance of an unlawful practice in the future and remedy fully any past unlawful activity.” N.J.S.A. 45:17A-33(e).

Pursuant to the Court’s express authority under CRIA and equitable power to grant temporary and preliminary restraints, Plaintiffs seek an order (1) restraining Defendants’ assets, many of which were not disclosed to the Division, to maintain the status quo and ensure that funds remain available to provide meaningful relief at the conclusion of this case to remedy Defendants’ misconduct to the maximum extent possible; and (2) enjoining Defendants from managing, maintaining, or soliciting donations on behalf of any charitable organization in New Jersey during the pendency of this action.

The standards governing the issuance of interim injunctive relief are well established under New Jersey law. In Crowe v. DeGioia, 90 N.J. 126, 132-34 (1982), the Court held that to prevail on an application for injunctive relief, the moving party must establish: (a) irreparable

harm will result if the requested relief is not granted; (b) the claim asserted is based on a settled legal right; (c) a reasonable probability of ultimate success on the merits; and (d) the balance of the equities weigh in favor of the requested injunction, *i.e.*, the moving party will suffer greater harm if the requested relief is denied than the non-moving party will suffer if it is granted.

All four Crowe factors weigh strongly in favor of the entry of the requested temporary and preliminary restraints in this matter. For years, A. John, F. John, and Davis misused and mismanaged NPRA's assets, taking advantage of public support for law enforcement officers in need to personally enrich themselves. And, since the initiation of the Division's investigation, A. John and F. John not only continued to dissipate the charity's assets, but attempted to hide assets and income from the Division despite swearing under penalty of perjury to fully disclose this information. Moreover, despite representing to the Division during the investigation that it was winding down the charity, Defendants continued receiving charitable donations until at least June 25, 2021 without the required charitable registration. (Penn Cert. ¶ 48, Exh. EE). Absent the entry of an order maintaining the status quo by restraining Defendants' assets, there is a substantial risk that Defendants will dissipate their assets, further harming the public by preventing the entry of final judgment remedying Defendants' misconduct. Similarly, an order barring Defendants from soliciting or receiving donations is necessary to prevent irreparable harm to potential future donors.

**A. Plaintiffs Will Suffer Immediate and Irreparable Injury If a Preliminary Injunction is Not Issued**

The first element of the Crowe standard requires the moving party to establish "immediate and irreparable injury if the injunction is not issued," 90 N.J. at 132, but New Jersey courts have also held that if the requested injunctive relief is premised on express statutory authority, such as the CRIA, the movant need not demonstrate irreparable injury if a *prima facie*

case of violations is established. See Hoffman v. Garden State Farms, Inc., 76 N.J. Super. 189, 201 (Ch. Div. 1962); see also Options v. Lawson, 287 N.J. Super. 209, 218 (App. Div. 1996); Dept of Env'tl. Prot. v. Interstate Recycling, Inc., 267 N.J. Super. 574, 577 (App. Div. 1993); In re Nat'l Credit Mgmt. Group, L.L.C., 21 F. Supp. 2d 424, 440 (D.N.J. 1998). As detailed herein, CRIA expressly authorizes entry of the interim relief sought here and Plaintiffs have established prima facie CRIA violations. See infra, Point I.B. But, even if this prong of the Crowe standard were required, Plaintiffs and the public will likely suffer irreparable injury if the requested relief is not granted.

An order restraining Defendants F. John and A. John from further dissipating assets is necessary and appropriate based on the nature of Defendants' deceptive conduct underlying Plaintiffs' claims and Defendants' misleading representations during the Division's investigation, even when made under penalty of perjury. Defendants used charitable donations to benefit themselves rather than for the charity's stated purpose of benefitting law enforcement officers and their families, particularly officers that died or were injured in the line of duty and their families. Davis, A. John, and F. John provided themselves improper payments and other benefits through the payment of personal expenses far exceeding the amount NPRA spent for charitable purposes and fifteen times the amount the charity gave to deceased or injured officers and their families. Not only did Defendants fail to disclose this information to donors, but during the Division's investigation they swore in their response to the Division's subpoena that "no form of compensation was taken by the members of the organization for the work they perform on behalf of the organization." (Penn Cert. ¶ 20, Exh. M).

Following the initiation of the Division's investigation, Defendants continued to deplete the charity's remaining assets and Defendants A. John and F. John lied about their own personal

assets. NPRA's assets are largely depleted. As of October 1, 2021, only \$3,744.95 remained in NPRA's PNC Bank Account and \$2,000 remained in a PayPal account, leaving primarily the personal assets of Defendants A. John and F. John and Davis's estate to remedy Defendants' misconduct. (Penn Cert. ¶ 50, Exh. EE). Despite receiving direct payments from the charity for years, Defendants claimed during the investigation that there was no money left. A. John and F. John completed a Financial Disclosure Form under penalty of perjury purporting to fully disclose their assets. (Penn Cert. ¶ 40, Exh. Z). The only source of income they disclosed was A. John's Social Security Disability payments, which they claimed would soon be discontinued. The only bank account or other asset they identified was their Wells Fargo checking account with a claimed balance of \$55.24. Ibid.

The Division's investigation revealed that A. John and F. John omitted substantial income and assets from their disclosure. Namely, A. John and F. John omitted a personal savings account with a static balance of \$53,086.52 in A. John's name. (Penn Cert. ¶ 44, Exh. BB). In addition, records obtained from Wells Fargo regarding the Johns' joint checking account revealed that F. John received roughly \$3,900 a month, which appears to be a payment from his pension, and an additional roughly \$1,500 to \$2,500 every month from Social Security. (Penn Cert. ¶ 45, Exh. CC) In addition, there were regular, unexplained cash deposits ranging from \$400 to \$8,000 over the prior 18 months. Ibid. Between \$9,000 and \$17,000 flowed into and out of the Johns' shared account on a monthly basis, leaving insubstantial balances at the end of the month. Ibid. It is highly unlikely that these omissions were a mere oversight, particularly when compared to the Johns' detailed recitation of their purported debts and obligations. Rather, it appears that the disclosures were calculated to mislead the Division and conceal assets.



Under these circumstances, there is a substantial risk that without an order restraining dissipation of the charity's minimal remaining assets and A. and F. John's personal assets, the assets will not be available at the conclusion of the case to remedy Defendants' misconduct and afford meaningful relief.

In addition, injunctive relief barring Defendants from soliciting or receiving charitable donations or maintaining or operating a charity in New Jersey is necessary to ensure that additional donors are not harmed by Defendants' deceptive practices. Although NPRA's website recently became inactive, the evidence shows that NPRA received charitable contributions at least as recently as June 25, 2021. (Penn Cert. ¶ 48, Exh. EE). Based on Defendants' conduct detailed herein and the current state of NPRA's operation, it is highly likely that any charitable contributions will not be used for the charitable purposes the donor expected and that these donors will not be made whole after a final judgment.

Accordingly, an injunction on Defendants' ability to solicit funds and an asset freeze are both necessary to ensure that any remaining personal and charitable funds are not subject to further depletion. In light of the present circumstances, a freeze order is a necessary and appropriate remedy to ensure that the funds acquired through Defendants' wrongdoing remain available to provide relief. There is a high probability that Plaintiffs will have no available recovery if Defendants are not prevented from dissipating their assets.

**B. Plaintiffs' Claim for Injunctive Relief is Based on a Settled Legal Right**

Plaintiffs satisfy the second element of the Crowe standard because their claim for injunctive relief is based on a well-settled legal right. As noted, the CRIA expressly confers upon the Attorney General the authority to seek and for the court to enter the injunctive relief sought in this action. Specifically, N.J.S.A. 45:17A-33(e) provides, in pertinent part:

Whenever it shall appear to the Attorney General that a violation of this act has occurred, is occurring, or will occur, the Attorney General, in addition to any other proceeding authorized by law may seek and obtain in a summary proceeding in the Superior Court an injunction prohibiting the act or practice. In the proceeding the court may assess a civil penalty in accordance with the provisions of this act, order restoration to any person in interest of any moneys or property, real or personal, acquired by means of unlawful act or practice and may enter any orders necessary to prevent the performance of an unlawful practice in the future and remedy fully any past unlawful activity.

Moreover, Plaintiffs' claims are based on: misrepresentation of NPRA's charitable purpose to the public and expending contributions in a manner inconsistent with the charitable purpose in violation of N.J.S.A. 45:17A-32c(1) and N.J.S.A. 48-13.2(a)(1); failure to comply with registration obligations pursuant to N.J.S.A. 45:17A-23(b) and N.J.A.C. 13:48-13.1(a); and failure to maintain adequate records of NPRA's affairs and finances, in violation of N.J.S.A. 45:17A-31(a) and N.J.A.C. 13:48-10.1(a)-(b). Thus, Plaintiffs have demonstrated a well-settled legal right under the CRIA to obtain the requested injunctive relief.

**C. Plaintiffs Are Likely to Succeed on the Merits of their Claims**

Plaintiffs also satisfy the third Crowe factor because, as detailed herein, the Division's investigation underlying this action has led to ample evidence to prove Defendants' violations of the CRIA and the Charities Regulations.

Defendants misrepresented the nature and purpose of their charitable institution and expended contributions in a manner that was inconsistent with the charitable purpose that was articulated to the public for years in violation of N.J.S.A. 45:17A-32c(1) and N.J.S.A. 48-13.2(a)(1). Defendants represented to donors that NPRA's core charitable purpose was to benefit law enforcement officers and their families in need, with a particular emphasis on raising funds to support officers killed or wounded in the line of duty. (Penn Cert. ¶ 14, Exhs. G, I, and H). But the evidence shows the charity enriched F. John, A. John, and Davis personally far more

than it served its purported charitable purpose and it did so without disclosing this information to donors. (Penn Cert. ¶ 36, Exh. L). In addition to their misrepresentation of NPRA's charitable purpose and misuse of charitable funds, Defendants also violated CRIA and its regulations by failing to comply with applicable registration requirements or to keep necessary books and records in violation of N.J.S.A. 45:17A-31(a) and N.J.A.C. 13:48-10.1(a)-(b).

Even if Defendants could cast doubt on Plaintiffs' proofs (and they cannot), "mere doubt as to the validity of [a] claim is not an adequate basis for refusing to maintain the status quo." Crowe, 90 N.J. at 133-34 (citing Naylor v. Harkins, 11 N.J. 435 (1953)). "Indeed, the point of temporary relief is to maintain the parties in substantially the same condition when the final decree is entered as they were when the litigation began." Id. at 134 (citation and internal quotation marks omitted). Interim relief is critical here to preserve the status quo so that Defendants' remaining assets are preserved as a source of meaningful relief.

*1. Defendants Misrepresented NPRA's Charitable Purpose and Expended Funds in a Manner Inconsistent with the Charitable Purpose*

It is a violation of CRIA for a charity to "misrepresent the purpose or nature of the charitable institution or the purpose or beneficiary of a solicitation; to solicit contributions for a purpose other than the charitable purpose expressed in the statement of the charitable organization or expend contributions in a manner inconsistent with that purpose or to fail to disclose any material fact relevant to expenditures." N.J.S.A. 17A-32c(1). CRIA defines the "charitable purpose" of an organization to be "any benevolent, philanthropic, humane, social welfare, public health, or other eleemosynary objective, or an objective that benefits law enforcement personnel, firefighters, or other persons who protect the public safety." N.J.S.A. 45:17A-20 and N.J.A.C. 13:48-1.3. At all relevant times, through promotional materials and membership applications, Defendants explained their charitable purpose was to "secure relief to

those in need in law enforcement.” (Penn Cert. ¶ 10, Exh. E). Specifically, NPRA’s promotional material claimed its overarching aim was to “provide funds for the rehabilitation and health of those injured in the line of duty and disability for those who have lost their ability to work due to service,” as well as “to support families of officers tragically killed in the line of duty.” (Penn Cert. ¶ 14, Exhs. G and H). A pledge card for NPRA alerted the putative donor that “critical assistance to law enforcement and their families” was being sought and that the “community is needed to adequately meet the demands of law enforcement.” (Penn Cert. ¶14, Exh. G). This promotional material, which also depicted a police-style shield as its logo, played on the public’s sense of civic duty to support the law enforcement community in that it stated that New Jersey had lost many officers in the line of duty and NPRA aimed to provide care for “the families of those we have lost.” (Penn Cert. ¶ 14, Ex. F).

NPRA’s stated goals were so compelling that it grossed a total of \$523,433 in donations in 2017, \$481,386 in 2018, and \$350,855 in 2019. (Penn Cert. ¶ 6, Exh. B). Although a large percentage was paid each year to NPRA’s fundraiser, NPRA purportedly netted a total of \$171,761, \$132,071, and \$94,037 in 2017, 2018, and 2019, respectively. Ibid. Of that amount, Davis and A. John received direct payments from NPRA totaling \$37,500 in 2017, as well as \$44,500 in 2018, \$44,000 in 2019, as well as another \$23,000 in 2020. (Penn Cert. ¶ 36, Exhs. C and L). Before then, Davis and A. John received cumulative sums of \$20,000 and \$16,000 in 2015 and 2016, respectively. Ibid.

In addition to these payments to Davis and A. John, Defendants spent over \$15,800 on dining out, auto repairs for the Johns’ personal vehicles, and travel expenses, all unrelated to NPRA’s charitable purpose. (Penn Cert. ¶ 27, Exhs. S and T)

Another egregious example of NPRA's expenditure of funds in a manner that did not comport with the charitable purpose is a 2019 trip to Walt Disney World for which Defendants spent roughly \$7,187.94 in order to send members of NPRA's board to an on-campus resort in the Disney theme park. (Penn Cert. ¶¶ 28-31, Exh. U) The trip included passes for leisure, dining and entertainment; all of which exceeded the single date of the charitable event for which NPRA proffered it had traveled and had no tenable link to the charity's stated purpose. Ibid.

Given that as NPRA's board members, Davis, A. John and F. John were solely responsible for the management and allocation of funds, there were no checks and balances on their spending, let alone disclosures to the public and donors. (Penn Cert. ¶ 48, Exh. GG). As a result, for years, Defendants managed to drain funds from NPRA's account undetected. This expenditure of funds for personal benefit and inconsistent with the charitable purpose was a blatant violation of N.J.S.A. 45:17A-32c(1) and N.J.A.C. 48-13.2(a)(1).

In sum, between 2015 and 2020, Davis, A. John and F. John pocketed roughly twice the amount of NPRA's charitable giving over the same period. Of NPRA's funds that were actually directed to charitable purposes, a mere fraction was contributed to law enforcement-related causes consistent with its charitable purpose. The degree to which Defendants channeled funds to myriad, unrelated programs was a gross misrepresentation of NPRA's articulated purpose in violation of N.J.S.A. 45:17A-32c(1) and N.J.S.A. 48-13.2(a)(1).

*2. Defendants Failed to Maintain Charitable Records and Failed to Comply with Annual Registration Requirements*

Plaintiffs additionally allege that NPRA failed to maintain financial records, meeting minutes, ledger books, and receipts regarding its activities and expenditures as required by the CRIA and the Charities Regulations, in violation of N.J.S.A. 45:17A-31(a) and N.J.A.C. 13:48-10.1(a)-(b). Further, the Complaint alleges that NPRA was repeatedly delinquent in its

submission of its annual registrations in violation of N.J.S.A. 45:17A-23(b) and N.J.A.C. 13:48-13.1(a). Delayed or delinquent submissions are noted by the Division and often result in violations being filed against the offending organization. The requirements to maintain charitable records and timely complete annual registration are not merely ministerial—they enable the Attorney General to keep proper track of charitable organizations operating within the State.

In pertinent part, the CRIA states:

In order to protect the public from fraud and deceptive practices, it is essential that information concerning charitable fundraising activities organizations...be readily available to the people of this State...in order to accomplish these ends, it is necessary to require the registration of charitable organizations...and that the Attorney General have the powers necessary to obtain and disseminate to the public data concerning fund raising practices of these persons.

[N.J.S.A. 45:17A-19.]

The CRIA is designed to protect the public and has the particular goal of making available certain information regarding a charitable organization's financial activities. The CRIA stresses that the interest is particularly heightened for those "citizens by whose generosity ... funds are raised." N.J.S.A. 45:17A-19. The CRIA also confers upon the Attorney General the ability to "prosecute proceedings before any court of competent jurisdiction for the enforcement if the provisions of this act." N.J.S.A. 45:17A-21(d). Such broad powers are necessary given the high level of trust and the large degree of autonomy otherwise provided to charities. Without basic mandates such as the annual obligation of charities to register with the State as well as the maintenance of proper records, the Attorney General's ability to ensure public trust would be reduced to merely a paper guarantee.

In particular, opaque or absent records render it impossible for the Attorney General to ensure transparency into any given charity's dealings. This, in turn, does a tremendous disservice

to the public whose funds have been solicited and collected but for which no clear record exists to prove if they ever reached a particular charity's stated objectives. N.J.S.A. 45:17A-31(a), specifically requires that "every charitable organization, unless exempted pursuant to subsection a. or b. of section 9 of this act ... keep complete and accurate records of its activities in this State as may be required by this act, in such form as will enable them to accurately provide the information required by this act. The records shall be made available upon demand of the Attorney General." This requirement is echoed in N.J.A.C. 13:48-10.1(a)-(b), which has a similar requirement.

Despite repeated requests during the pendency of the investigation, the Division never received complete records from NPRA. A selection of four or five meeting minutes were provided over five years. (Penn Cert. ¶22, Exh. P) Thus, the vast majority of meeting minutes were absent from NPRA's production. Additionally, NPRA did not provide any ledgers of its expenditures or accounting for its finances. A collection of receipts was also provided to the Division some receipts related to NPRA's dining and automotive expenses – all without explanation or an articulated link to any charitable purpose. (Penn Cert. ¶ 27, Exhs. S and T) This documentation (or lack thereof) fails on its face to comport with Defendants' obligations under CRIA and the Charities Regulations to maintain charitable records.

In addition to its failure to maintain complete records, NPRA failed to register annually with the Division as a charitable organization, pay mandatory registration fees and timely submit annual renewal forms. The CRIA requires every charitable organization operating or soliciting within New Jersey, and not otherwise exempt, to register with the Attorney General. N.J.S.A. 45:17A-23(a). It is unlawful for any non-exempt charitable organization to solicit contributions or have contributions solicited on its behalf before the Attorney General has been given the

opportunity to review the organization’s registration statement. N.J.S.A. 45:17A-23(b); N.J.A.C. 13:48-3.1(a).

The Charities Regulations further address “Unregistered Practice” and provide in pertinent part that:

- (a) It shall be a violation of the Act for any charitable organization or person required to file a registration statement in accordance with the Act and the rules set forth in this chapter to fail to do so.  
...
- (c) Solicitation activities on behalf of an unregistered charitable organization, whether conducted by the charitable organization or any other person, shall be a violation of this Act and considered misconduct by both the charitable organization and the other person.

[N.J.A.C. 13:48-13.1.]

Despite its initial registration on November 12, 2012, NPRA routinely failed to comply with its annual registration requirement beginning in 2017. For fiscal years 2017 to 2020, NPRA failed to timely register as a charitable organization as required by the CRIA and the Charities Regulations. Specifically, for fiscal years 2017, 2018, 2019, NPRA was late in submitting Form CRI-300R to the Attorney General, through the Division. It failed entirely to submit form CRI-300R in June 2021 for fiscal year ending 2020, and remains deficient as of the date of this filing.

**D. The Equities Weigh Strongly in Favor of the Requested Relief**

The fourth Crowe factor—a balancing of the relative hardships to the parties, including the interests of the public—overwhelmingly favors granting the requested injunctive relief. New Jersey courts have recognized the need, upon a proper showing, to grant an injunction when to do otherwise would frustrate justice. See Sheppard v. Township of Frankford, 261 N.J. Super. 5 (App. Div. 1992); J. H. Renarde, Inc. v. Sims, 312 N.J. Super. 195, 206 (Ch. Div. 1998). When analyzing this element, courts generally weigh the injury which the defendant would suffer,



assuming the defendant is enjoined and then prevail at a final hearing, against the injury plaintiff would suffer if no injunction issues and plaintiff prevails. Crowe, 90 N.J. at 132-34; see also Morrison v. Morrison, 93 N.J. Super. 96, 102 (Ch. Div. 1966) (explaining that interim restraints are often warranted when the opposing party cannot demonstrate an “exceptional hardship.”).

Any harm to the Defendants arising from the issuance of the requested injunctive relief is clearly outweighed by the resultant harm to the public arising from a denial of the injunctive relief. Through the injunctive relief requested, Defendants will be compelled to cease their operation as an unregistered charity in the State of New Jersey and will be unable to deplete funds needed to provide restitution. The Division had been led to believe that NPRA was no longer accepting or collecting donations from the public; however, records show that this is not the case. Although the amounts collected in 2021 have been modest, with totals under \$5,000, NPRA should not be permitted to accept any donations, given its proven inability to allocate funds in a manner that is in accordance with its charitable purpose.

Davis, A. John, and F. John diverted over \$200,000 in donated funds for their own personal benefit instead of allocating that money to members of the law enforcement community in need. A. John and F. John then compounded Defendants’ misconduct by misrepresenting to the Division their assets and income during the investigation to avoid the consequences of their actions. As a result of Defendants’ misconduct, both before and during the Division’s investigation, there is a substantial likelihood that at the conclusion of this litigation no assets will be available to satisfy a judgment.

Defendants will suffer no harm from the court freezing the meager remaining assets of NPRA in the charity’s account at PNC Bank and the charity’s PayPal account. Similarly, A. John will suffer no or, at most, very minimal harm from the Court freezing her personal savings

account at Ocean First Bank. The account's balance of \$53,099 has remained unchanged (save for minimal accrual of interest) since the account was opened with Ocean First Bank in November 2020. With respect to the Johns' joint checking account with Wells Fargo, as noted, a significant amount of funds flow through this account monthly in large part due to sources of income A. and F. John omitted from their sworn Financial Disclosure Form. The account records reveal not only expenditures for necessities. For example, the records show that A. and F. John spent close to \$9,000 on a vacation in July 2021. (Penn Cert. ¶ 46, Exh. CC) Any harm to the Johns' can be ameliorated while protecting the interests of the public and, in particular, defrauded donors, by imposing restraints on the Johns' expenditures from this account that permit them to only make expenditures for necessities.

Under these circumstances, the interests of the public—particularly NPRA's donors—far outweighs the hardship to Defendants and weighs strongly in favor of this Court's intervention to prevent any further depletion of funds that will be essential to afford meaningful relief and remedy Defendants' misconduct. More importantly, granting the Division's request would promote the equitable principle that “no one shall be permitted to profit by his own fraud, or take advantage of his own wrong . . . or profit by his own crime.” Whitney v. Lott, 134 N.J. Eq. 586, 591 (Ch. Div. 1944). Defendants should not be allowed to enjoy the fruits of their unlawful, deceptive conduct. Where statutory violations occur, a court retains its discretion to administer equitable remedies to redress the violations. Brenner v. Berkowitz, 134 N.J. 488, 512 (1993).

This Court has ample authority, consistent with the CRIA, as well as its own its equitable powers, to order a freeze of Defendants' assets. As of September 30, 2021, A. John's savings account with Ocean First Bank had an ending balance of \$53,099. The NPRA account had an ending balance of \$3,766.95 and the charity's PayPal account had \$2,000 available. Based upon

the degree to which Defendants have misused NPRA donations, the Plaintiffs seek to preserve all funds in these accounts in order to effectuate justice for all of the well-intentioned donors who freely gave to NPRA to assist law enforcement families in need.

Without the ability to ensure that all of these funds remain available for appropriate distribution, and not susceptible to further depletion, an asset freeze is necessary. There is a high probability that the Plaintiffs will have no available recovery if Defendants are not prevented from dissipating their assets. Imposing injunctive relief will also help restore the element of public trust which is eroded when bad actors are allowed to line their own pockets with charitable funds without fear of consequence. In light of the present circumstances, injunctive relief by means of restricting Defendants' access to their bank accounts as well as prohibitions on their ability to collect funds, are necessary and appropriate equitable remedies to ensure that the funds acquired through Defendants' misuse of charitable funds remain available to provide relief. The interests of the Plaintiffs and the public in preventing further harm to potential donors also outweigh any interest Defendants may claim to have to continue to solicit charitable donations, or to operate and maintain a charity in New Jersey.

**CONCLUSION**

For the foregoing reasons, Plaintiffs' request for the entry of interim relief should be granted and temporary and preliminary restraints issued.

Respectfully submitted,

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