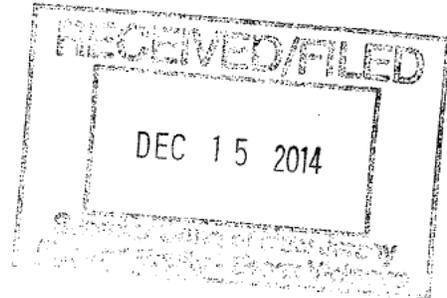


JOHN J. HOFFMAN  
ACTING ATTORNEY GENERAL OF NEW JERSEY  
Division of Law  
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Attorney for Plaintiffs

By: Natalie Serock (040892010)  
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[REDACTED]



SUPERIOR COURT OF NEW JERSEY  
CHANCERY DIVISION,  
ESSEX COUNTY  
DOCKET NO. ESX-C- 215 -14

JOHN J. HOFFMAN, Acting Attorney General of  
the State of New Jersey, and STEVE C. LEE,  
Acting Director of the New Jersey Division of  
Consumer Affairs,

Plaintiffs,

v.

NEW JERSEY YOUTH CLUB, INC., JANE AND  
JOHN DOES 1-10, individually and as owners,  
officers, directors, shareholders, founders,  
managers, agents, servants, employees,  
representatives and/or independent contractors of  
NEW JERSEY YOUTH CLUB, INC., and XYZ  
CORPORATIONS 1-10,

Defendant.

Civil Action

**VERIFIED COMPLAINT**

Plaintiffs John J. Hoffman, Acting Attorney General of the State of New Jersey ("Attorney General"), with offices located at 124 Halsey Street, Fifth Floor, Newark, New Jersey, and Steve C. Lee, 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 Verified Complaint state:

**PRELIMINARY STATEMENT**

1. Concerned about the future of our country's youth, many consumers make monetary contributions to charitable organizations that claim to improve the lives of underprivileged youth through mentorship programs, educational activities, and/or recreational field trips. The Attorney General, through the Director, is responsible for ensuring that all charitable fundraising in the State of New Jersey ("New Jersey" or "State") is conducted with transparency, and that the individuals and entities conducting fundraising provide accurate and truthful information when soliciting contributions from the public.

2. Further, it is the Attorney General's responsibility to ensure that monetary contributions are being applied in a manner that is consistent with the charitable organization's representations to the public. The Attorney General fulfills this responsibility, among other ways, by requiring that all non-exempt charitable organizations register with the New Jersey Division of Consumer Affairs ("Division"), monitoring the use of contributions and ensuring that these organizations fulfill their charitable purpose.

3. Defendant New Jersey Youth Club, Inc. ("NJYC" or "Defendant") commenced charitable fundraising within this State without complying with the applicable law and in a manner that has the capacity to mislead the public. Through its website, [www.njyc.org](http://www.njyc.org) ("NJYC Website"), NJYC has represented that it has a charitable purpose of improving outcomes for at-risk youth in New Jersey. NJYC requires the youth, who the organization claims to serve and support, to solicit for monetary contributions on its behalf ("NJYC Youth Members"). The

NJYC Youth Members engage in such solicitation by walking door-to-door in municipalities throughout New Jersey selling merchandise, such as cookies and candy, at a price of \$9.99 per item. The NJYC Youth Members sell these items on behalf of NJYC under the guise that the monetary contributions fund positive recreational activities and trips for the NJYC Youth Members.

4. From January 1, 2012 through December 31, 2013, NJYC has collected approximately \$191,171.38 in contributions. NJYC has engaged in the solicitation of contributions from at least January 1, 2012 to date, despite neither being registered as a charitable organization with the Division nor being recognized by the United States Internal Revenue Service (“IRS”) as a 501(c)(3) tax-exempt organization. Further, it appears that NJYC has failed to apply the vast majority of the contributions on programs that benefit the underprivileged youth that NJYC purports to serve and support. Rather, substantial portions of the contributed funds have been transferred or, in some cases, deposited directly into the account of a for-profit corporation, Big Apple Confectionary, Inc. (“Big Apple Confectionary”), which appears to be NJYC’s sole supplier of the merchandise offered for sale and/or sold by NJYC Youth Members during door-to-door solicitations.

5. As detailed below, NJYC’s conduct constitutes multiple violations of the Charitable Registration and Investigation Act, N.J.S.A. 45:17A-18 et seq. (“CRIA”), and the regulations promulgated thereunder, N.J.A.C. 13:48-1.1 et seq. (“Charities Regulations”), as well as the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. (“CFA”), and the New Jersey Nonprofit Corporation Act, N.J.S.A. 15A:1-1 et seq. (“Act”). Among other things, NJYC has violated the CRIA, the Charities Regulations, the CFA and/or the Act by: (a) soliciting

contributions as a non-exempt charitable organization despite having failed to register with the Division; (b) commingling charitable contributions with the funds of a for-profit corporation; and (c) representing during door-to-door solicitations and otherwise that charitable contributions will be used to support and fund mentoring programs, positive recreational activities, and trips for underprivileged youth in New Jersey when, at best, minimal funds have been applied to such a purpose, while thousands of dollars have been transferred into the account of Big Apple Confectionary. The Attorney General and Director submit this Verified Complaint in connection with an Order to Show Cause with Temporary Restraints, which seeks, among other things, to halt NJYC's solicitation of charitable contributions and to preserve NJYC's records and assets, which include the public's contributions made to support and fund activities for underprivileged youth in New Jersey.

#### **PARTIES AND JURISDICTION**

6. The Attorney General is charged with the responsibility of enforcing the CRIA, the Charities Regulations, the CFA and the Act. The Director is charged with the responsibility of administering the CRIA, the Charities Regulations and the CFA on behalf of the Attorney General.

7. By this action, the Attorney General and Director (collectively, "Plaintiffs") seek injunctive relief and other relief for violations of the CFA, the CRIA and the Charities Regulations. Plaintiffs bring this action pursuant to their authority under the CRIA, N.J.S.A. 45:17A-21 and 45:17A-33, the Charities Regulations, N.J.A.C. 13:48-14.1, and the CFA, N.J.S.A. 56:8-8, 56:8-11, 56:8-13 and 56:8-19. The Attorney General also brings this action pursuant to his authority under the Act, N.J.S.A. 15A:12-11 and 15A:14-2.

8. Venue is proper in Essex County, pursuant to R. 4:3-2, because it is the county in which NJYC has maintained a principal place of business.

9. On February 20, 2008, NJYC was established as a Domestic Not-for-Profit Corporation in New Jersey.

10. At all relevant times, NJYC has maintained its primary business address in New Jersey at One Gateway Center, Suite 2600, Newark, New Jersey 07102 (“One Gateway Center”), which is a virtual office location.

11. The current registered agent in New Jersey for NJYC is Nathan Jackson (“Jackson”) with a designated registered office address located at One Gateway Center. Jackson is also the Chief Executive Officer of NJYC.

12. Upon information and belief, 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 NJYC who have been involved in the conduct that gives rise to this Verified Complaint, but are heretofore unknown to the Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Verified Complaint to include them.

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

**GENERAL ALLEGATIONS COMMON TO ALL COUNTS:**

**A. NJYC's Mission Statement:**

14. The Certificate of Incorporation for NJYC, dated February 20, 2008 ("NJYC Certificate of Incorporation"), states that NJYC was organized for the following purpose:

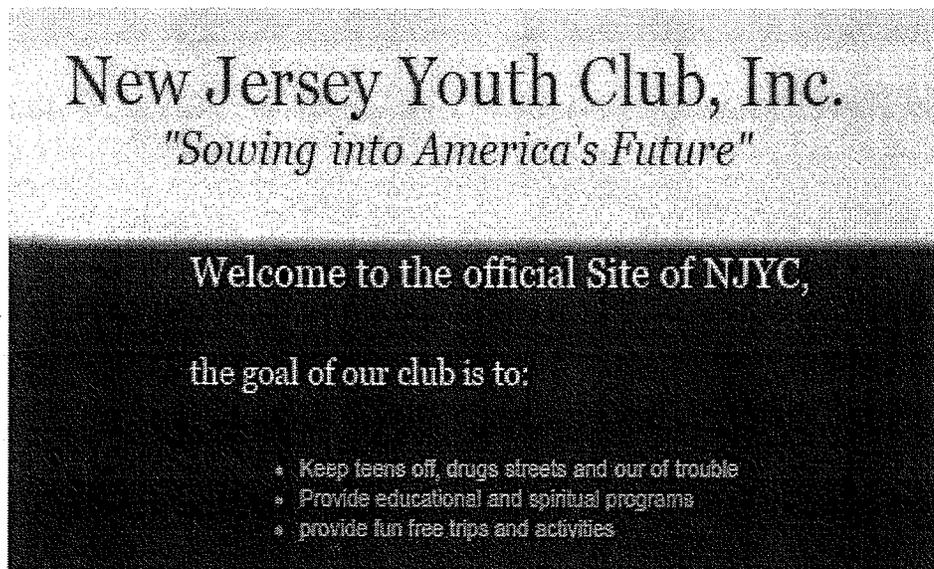
The purpose of this corporation New Jersey Youth Club will be a work and recreational program for teenagers. It will provide part time jobs as well as an opportunity for our teenagers to go on fully paid activities, such as amusement parks, baseball games, most sporting events, movies, picnics and much more. We will also have people from social drugs, aids, and safe sex [sic]. The teens also will volunteer time working in food kitchens and helping with food drives.

Said organization is organized exclusively for charitable purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

**B. NJYC's Website as of August 21, 2013:**

15. At all relevant times, NJYC has maintained the NJYC Website.

16. As of August 21, 2013, the homepage for the NJYC Website ("8/21/13 NJYC Website") states, among other things:

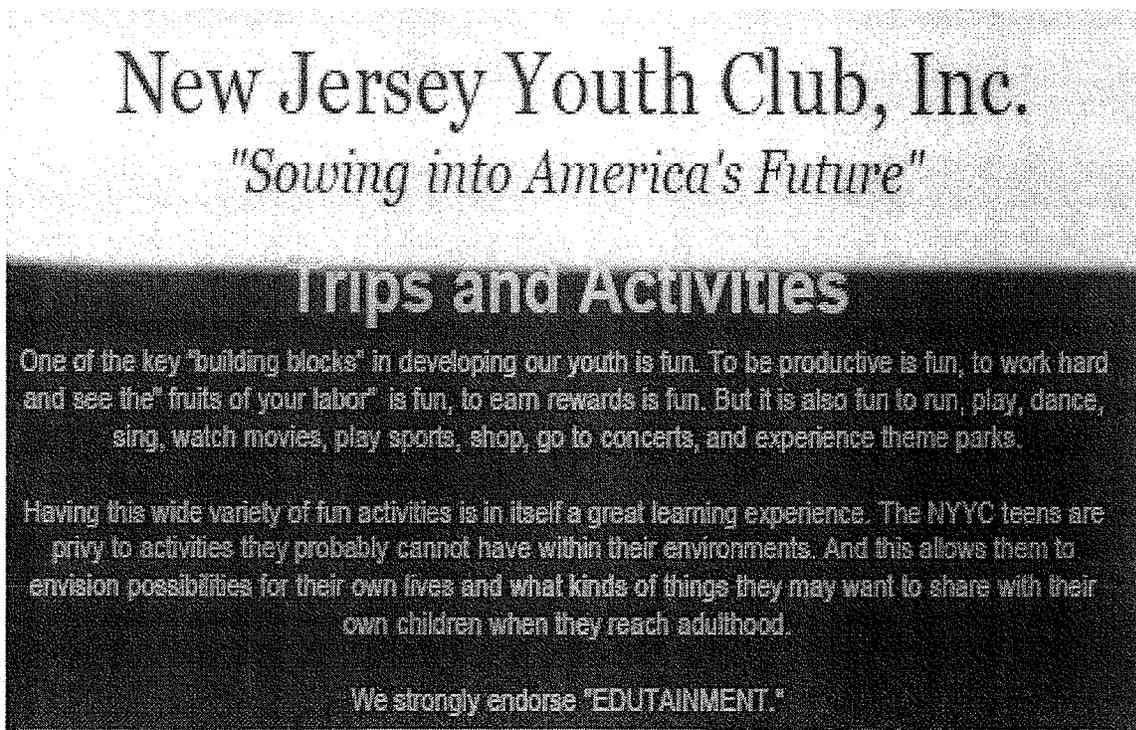


17. The "About NJYC" section of the 8/21/13 NJYC Website states the following:

"[NJYC] is a **state-sanctioned, not-for-profit agency** with a mission of saving teenagers before they become perpetrators or victims of crime; help more teens discover a sense of self respect thereby reducing teenage pregnancies; and discovering the intrinsic and monetary rewards abounding in teamwork and self-reliance."

[Emphasis added.]

18. Further, the "Activities" section of the 8/21/13 NJYC Website states the following:



19. The "Activities" section of the 8/21/13 NJYC Website refers to "NYYC," a not-for-profit organization known as New York Youth Club, Inc.

20. NYYC is not registered as a charitable organization in New Jersey, but is registered as a charitable organization in New York.

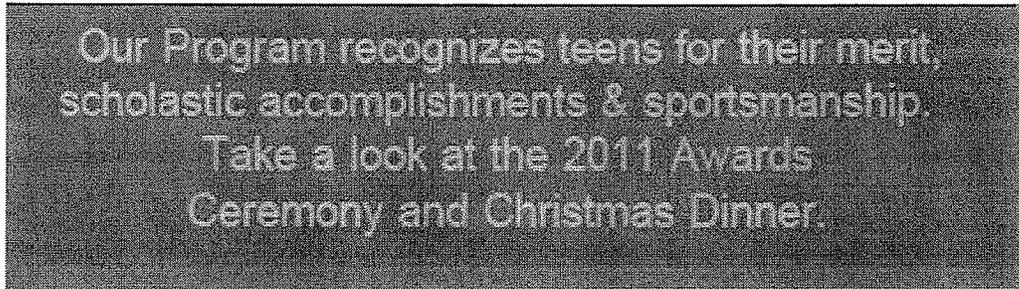
21. The "Activities" section of the 8/21/13 NJYC Website does not include any specific information, including dates and/or locations, regarding the trips and activities actually offered and/or provided by NJYC to youth in New Jersey.

22. In addition, the "Activities" section of the 8/21/13 NJYC Website displays several photographs depicting teenagers in a variety of recognizable locations, such as Madison Square Garden and Rockefeller Center in New York City.

23. None of the photographs posted in the "Activities" section of the 8/21/13 NJYC Website are accompanied by a description or caption that indicates any connection to NJYC.

24. In at least one of the photographs posted in the "Activities" section of the 8/21/13 NJYC Website, the teenagers are wearing shirts with "NYYC" written across the front.

25. Further, the "Awards" section of the 8/21/13 NJYC Website states:



26. The "Awards" section of the 8/21/13 NJYC Website also includes several photographs depicting teenagers holding what appear to be recognition plaques and enlarged checks.

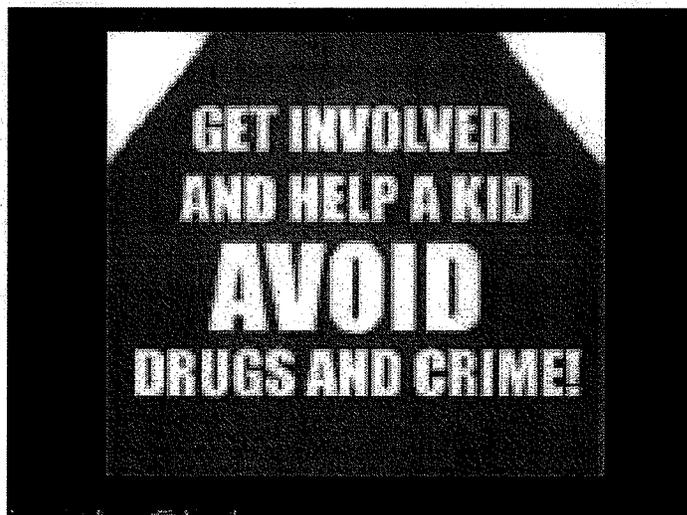
27. None of the photographs posted in the "Awards" section of the 8/21/13 NJYC Website are accompanied by a description or caption that indicates any connection to NJYC.

28. The "Contact Us" section of the 8/21/13 NJYC Website identifies Jackson as associated with the Office of the Director of Public Relations. The address provided for NJYC is One Gateway Center.

C. NJYC's Website as of May 27, 2014:

29. As of May 27, 2014, the NJYC Website ("5/27/14 NJYC Website") reflected certain changes from the 8/21/13 NJYC Website.

30. Among other things, the 5/27/14 NJYC Website states:



31. The homepage for the 5/27/14 NJYC Website states the following:

**The New Jersey Youth Club is a state recognized Non-Profit Organization** that is located in Newark and provides valuable services in various counties for teenagers. The teen members of our youth club enjoy many benefits from the program and also learn skills they will enjoy the rest of their lives.

There is [sic] plenty of things that teens can get involved in between the ages of 14-17 such as: sports, boy or girl scouts, book clubs, after school programs and so on. But what if the teen is not cut out for sports or all of the above. There are so many areas in the State of New Jersey that don't have decent parks or after school programs and some areas are infested with drugs and crime which sometimes leaves no alternatives for these teens to do something positive and constructive in their neighborhood.

Without positive influence combined with nothing constructive to do these teens are at high risk to: take drugs, drink alcohol, commit crime, join gangs and so on which usually leads to a life in and out of prison or even . . . early death.

Our program is designed to give teenagers hope and an opportunity to do and learn something positive that can be helpful to fight the peer pressure that most teens go through today.

[Emphasis added.]

32. The homepage for the 5/27/14 NJYC Website also provides the following contact information for NJYC:

Where to Find Us:

New Jersey Youth Club Inc.  
One Gateway Ctr  
Newark, NJ 07102

Office: 973 654-9476  
Hours: Mon-Fri 8:30am – 5:00pm

Director: Nathan Jackson  
Phone: [REDACTED]  
Email: [REDACTED]

Crew Manager: Luis Cruz  
Email: [REDACTED]

33. The "About Us" section of the 5/27/14 NJYC Website states as follows:

The NJYC is geared toward teens between the ages of 14-17. One might ask, what is the purpose of this age selection. It is simply the inability of our youth to find

quality jobs and positive things to do mainly because of the lack of transportation, job knowledge and their surroundings.

With the NJYC teens are able to develop leadership skills, responsibility, confidence and how to manage their time and money.

The much needed services we provide for communities is building up our youth. They might not understand all of it's [sic] importance...all they know is that they're having fun and learning the value of job skills, reliability, leadership, team work and much more.

Here at the NJYC our teens are rewarded and recognized for their hard work and efforts. For their achievements they receive trophies [sic], plaques, certificates, gift cards and checks of up to \$500.00.

Teens at NJYC are also rewarded with all expense paid trips and activities such as: Six Flags, Splish Splash, Hershey Park, Knicks, Nets, Yankees, Bowling Nights, Go Carting, Laser Tag, Movie Night, Paintball and much more.

All teens are required to have parents [sic] permission and consent forms filled out for any and all activities & trips. Teens are supervised during all trips and transportation is also provided.

34. Although the 5/27/14 NJYC Website includes photographs of teenagers, none of the photographs are accompanied by a description or caption that indicates any connection to NJYC.

**D. NJYC's General Solicitation Practices:**

35. At all relevant times, NJYC Youth Members have been engaged in the solicitation of charitable contributions on behalf of NJYC in various municipalities throughout New Jersey.

36. The NJYC Youth Members range in age from thirteen (13) through eighteen (18) years old and the vast majority reside in Newark, New Jersey.

37. At all relevant times, Luis Cruz (“Cruz”) has been identified as NJYC’s “Crew Supervisor.” Among other things, Cruz transports NJYC Youth Members to various neighborhoods to conduct the door-to-door solicitations.

38. The NJYC Youth Members wear reflective vests with “NJYC” written across the back as they engage in the door-to-door solicitation of contributions.

39. Upon information and belief, NJYC Youth Members solicit for contributions on behalf of NJYC on varying days throughout the week, including weekends, and for up to nine (9) hours each day.

40. At times, NJYC delivers paperwork to certain police departments in advance of soliciting in a municipality which, among other things, identifies the date and times of fundraising, as well as an identification of the NJYC Youth Members who are to solicit in the municipality.

41. NJYC Youth Members sell various perishable and non-perishable items, such as cookies and candy, at a price of \$9.99 per item.

42. Consumers who wish to purchase any such items may do so by cash or check made payable to NJYC.

43. Upon information and belief, Big Apple Confectionary is NJYC’s sole supplier of the various perishable and non-perishable items offered for sale and/or sold by NJYC Youth Members during door-to-door solicitations.

**E. Information from Law Enforcement concerning NJYC:**

44. On August 20, 2013, the Division was contacted by Detective Michael Padilla (“Detective Padilla”) of the Nutley Township Police Department located at 228 Chestnut Street,

Nutley, New Jersey 07110 (“Nutley Police Department”). Detective Padilla informed the Division that he was investigating a complaint from a Nutley resident filed with the Nutley Police Department on August 7, 2013 (“Nutley Investigation”).

45. Shortly afterwards, Detective Padilla forwarded documents to the Division concerning NJYC’s solicitation activities in Nutley, including the Nutley Investigation.

46. On or about May 1, 2013, NJYC delivered paperwork to the Nutley Police Department in advance of fundraising in Nutley (“5/4/13 NJYC Fundraising Notice”).

47. The 5/4/13 NJYC Fundraising Notice indicated that NJYC would be fundraising in Nutley on May 4, 2013 from 11:00 a.m. to 8:00 p.m.

48. The 5/4/13 NJYC Fundraising Notice also identified Jackson as the Director of Public Relations for NJYC and NADAR Communications.

49. NADAR Communications, Inc. (“NADAR Communications”) was established as a domestic corporation in the State of New York on October 7, 2004 and dissolved on January 26, 2011.

50. Included with the 5/4/13 NJYC Fundraising Notice was a document titled “Crew Information Sheet” (5/4/13 NJYC Crew Information Sheet”).

51. The 5/4/13 NJYC Crew Information Sheet, under the section labeled “Fundraisers [sic] Names,” lists the names, New Jersey addresses, and dates of birth for four (4) NJYC Youth Members, ranging in age from thirteen (13) to eighteen (18) years old.

52. On August 7, 2013, a Nutley resident filed a complaint alleging theft against NJYC (“Nutley Complaint”).

53. The Nutley Complaint alleged that on July 27, 2013, the Nutley resident placed a personal check, in the amount of \$30.00, on his front porch under a brick. Such check was left for the Nutley resident's The Star Ledger carrier.

54. The Nutley Complaint further alleged that the newspaper carrier subsequently contacted the Nutley resident to advise that payment had not been received.

55. According to the Nutley Complaint, the Nutley resident contacted his bank only to learn that his check made payable to the newspaper carrier had been deposited in a Capital One account held by NJYC.

56. Afterwards, the Nutley resident received a copy of his check which revealed that the carrier's name had been crossed out and "NJYC" had been handwritten in its place.

57. On December 11, 2013, the Division, with the assistance of the Nutley Police Department, placed a bulletin for information regarding NJYC on the website <http://www.APBnet.net>, a law enforcement alert system ("APB Bulletin").

58. The APB Bulletin stated the following:

The office of the Attorney General, Division of Consumer Affairs ("Division") is reviewing business practices of [NJYC]. The attached Notice is an example of the Organization's Intent to Solicit in a municipality which is sent to a police department. The Division is looking for Police Departments who received such Notices and any complaints received by them from the local residents. If your department has any information related to this Organization or Persons of Interest, please forward them to:

Office of the Attorney General Department of Law & Public Safety  
Division of Consumer Affairs  
124 Halsey Street, 7th Floor  
Newark, New Jersey 07102

59. Along with the APB Bulletin, the Division enclosed a NJYC Fundraising Notice and a NJYC Crew Information Sheet as examples of the information being requested from the local police departments.

60. Between December 12, 2013 and November 12, 2014, the Division received documents from police departments in the following fifteen (15) municipalities: (a) Keansburg; (b) Point Pleasant; (c) Closter; (d) Bloomfield; (e) Maywood; (f) Caldwell; (g) Kenilworth; (h) West Caldwell; (i) River Edge; (j) Lyndhurst; (k) Westfield; (l) Springfield; (m) Wall; (n) Freehold; and (o) Bogota.

61. The documents produced to the Division by the local police departments in response to the APB Bulletin include: (a) NJYC Fundraising Notices addressed to the various police departments; (b) NJYC Crew Information Sheets; and (c) Investigative Reports and/or Arrest Reports regarding NJYC Youth Members and/or Cruz (collectively "APB Documents").

62. The APB Documents reflect that NJYC was soliciting in the following municipalities and on the following dates:

MUNICIPALITY	DATE(S) OF SOLICITATION
West Caldwell	June 13, 2010; December 15, 2010; May 10, 2011; May 11, 2011; August 28, 2012
Closter	June 11, 2011; April 15, 2012; March 10, 2013; August 25, 2013; November 17, 2013
Kenilworth	October 18, 2011
Lyndhurst	June 13, 2012
Wall Township	August 5, 2012
River Edge	November 20, 2012

Springfield	December 13, 2012
Westfield	January 21, 2013; January 29, 2013; June 22, 2013; August 4, 2013; November 8, 2013
Caldwell	April 16, 2013
Nutley	October 25, 2013
Maywood	November 11, 2013
Keansburg	December 7, 2013
Freehold Township	December 18, 2013 (approximately)
Bloomfield	May 23, 2014; November 9, 2014
Bogota	September 19, 2014

63. The APB Documents from the Keansburg Police Department indicate that, on December 1, 2013, NJYC sent a NJYC Fundraising Notice to the Keansburg Police Department stating that NJYC would be fundraising in Keansburg on Saturday, December 7, 2013 from 11:00 a.m. to 8:00 p.m.

64. The APB Documents from the Keansburg Police Department also include a letter from Jackson on behalf of NJYC, dated December 2, 2013 (“12/2/13 Keansburg PD Letter”), which states as follows:

**New Jersey Youth Club, Inc.**  
*Building America's Future Now*

December 2, 2013

To Whom This Concerns:

**The New Jersey Youth Club is a state and federally registered not-for-profit, self-sustaining charity.** We do not receive any funding from local, state, or federal institutions. Thus, we take pride in the fact that we are never a burden on taxpayers.

Moreover, our work with teenagers actually reduces the cost to society in that we prevent more teens-at-risk from engaging in criminal activities, creating teen pregnancies and continuing the social welfare cycle.

Our sole means of raising funds is through door-to-door canvassing. Since we are a not-for-profit business we are either exempt from needing permits or by state law cannot be denied obtaining a peddling/soliciting permit or license.

The New Jersey Youth Club is registered with the New Jersey State Department of the Treasury, as a not-for-profit New Jersey business. Not-for-profit organizations in New Jersey enjoy Supreme Court exemption from standard solicitation ordinances.

If you should need any other information please feel free to call my office at any time:  
[REDACTED] (cell phone: [REDACTED]).

Respectfully,

**Nathan J. Jackson**  
Nathan J. Jackson  
President/Director, NJYC

[Emphasis added.]

65. At times, residents contacted their local police departments to complain about NJYC's solicitation activities. Some of the complaints led to charges being brought against NJYC, NJYC Youth Members and/or Cruz.

66. For example, the APB Documents from the Closter Police Department indicate that on June 11, 2011, NJYC Youth Members were charged with burglary, simple assault and theft in connection with their door-to-door solicitation on behalf of NJYC.

67. The APB Documents from the Kenilworth Police Department indicate that on October 18, 2011, Cruz was arrested and charged with disorderly conduct and resisting arrest while on duty as NJYC's "Crew Supervisor."

68. In addition, the APB Documents from the Maywood Police Department indicate that a dispute occurred between Cruz, while fundraising on behalf of NJYC, and a Maywood resident on November 11, 2013, which resulted in the Maywood Chief of Police temporarily suspending NJYC's ability to solicit in Maywood ("11/11/13 Incident").

69. On at least two occasions, NJYC submitted an application for a permit to solicit without disclosing Cruz's criminal history and/or prior ordinance violations.

70. The APB Documents from the Point Pleasant Police Department indicate that in late October 2011 and in early August 2013, NJYC was denied a permit to solicit because Cruz failed to disclose his criminal history and/or prior ordinance violations on the application he submitted on behalf of NJYC.

71. At times, NJYC dispatched NJYC Youth Members to conduct door-to-door solicitations without permits resulting in police officers being called to residential areas.

72. The APB Documents from the West Caldwell Police Department indicate that between June 2010 and August 2012, there were approximately seven (7) occasions when police officers were dispatched to residential areas to find NJYC Youth Members soliciting without a permit.

**F. The Division's Undercover Purchase from NJYC:**

73. On the afternoon of November 24, 2013, a Division Investigator was driving eastbound on Oradell Avenue in Oradell, New Jersey when he observed a female teenager wearing, among other things, a yellow reflective vest with "NJYC" written across the back, and carrying a green container.

74. The Division Investigator then observed the teenager approaching the front entrance of a residence located on Oradell Avenue and knocking on the door, which was answered by a woman.

75. Afterwards, the Division Investigator drove eastbound on Oradell Avenue towards 3rd Street and observed a male teenager wearing, among other things, a yellow reflective vest with "NJYC" written across the back, and carrying the same type of green container.

76. The Division Investigator observed the teenager approach the front entrance of a residence located on 3rd Street and knock on the door. After no one answered the door, the teenager walked towards the street.

77. At that time, the Division Investigator pulled over his vehicle next to the teenager and asked what he was doing. The teenager identified himself as a volunteer for NJYC and stated that he was going door-to-door selling items for NJYC.

78. The teenager further informed the Division Investigator that NJYC had permission from the Oradell Police Department to solicit for contributions within the neighborhood.

79. The teenager then showed the Division Investigator a copy of a letter sent by NJYC to the Oradell Police Department which stated that NJYC would be soliciting in Oradell, New Jersey on Sunday, November 24, 2013, between the hours of 11:00 a.m. and 8:00 p.m.

80. The Division Investigator also observed that the teenager was holding an orange laminated piece of paper ("NJYC Solicitation Script").

81. The teenager permitted the Division Investigator to photograph the NJYC

Solicitation Script.

82. The NJYC Solicitation Script reads as follows:

**New Jersey Youth Club**

One Gateway Center, Suite 2600  
Newark, NJ 07102

Mon-Fri 9am-5pm

www.NJYC.org

Supervisor, Luis Cruz

Hello! My name is \_\_\_\_\_.

I am a member of the New Jersey Youth Club. As a member I earn my own points as well as enjoy many fine trips and activities. Because of you this program helps me reach my goals. May I have a second of your time to show you what I have for our next event?

\*\*\*Please request a receipt for every transaction. It reinforces member responsibility.\*\*\*

The New Jersey Youth Club is a positive and recreational program for teenagers. **It provides work experience as well as opportunities for our teens to go on fully funded activities such as amusement parks, movies, sporting events and so much more.**

Many of our products are privately labeled so you can read more about us online. We also help serve the community. **We work directly with the Red Cross Pre-Plea DWI program**, we counsel peers and allow them to earn community service hours in our offices. Here they are part of a unique and fulfilling experience. **We also sponsor our own group activities such as team sports tournaments, picnics and scholarship awards.**

Thank you for your support, for without you there is no us!  
Director, Nathan Jackson

Please check out our website!  
www.NJYC.org

**All items are available for \$9.99**

[Emphasis added.]

83. Neither the American Red Cross of Northern New Jersey, located in Fairfield, New Jersey, nor the Essex County office of the American Red Cross, located in Montclair, New Jersey, had any knowledge of a "Red Cross Pre-Plea DWI program" serving their areas.

84. The teenager continued to inform the Division Investigator that he was raising money for NJYC through the sale of cookies, candy and other small items and that each item was available to be purchased for the price of \$9.99.

85. The teenager told the Division Investigator that the collected money was spent on programs and events to help inner-city youth stay out of trouble.

86. The Division Investigator then purchased a tin of sugar cookies which the teenager removed from the green container he was carrying.

87. The teenager then asked the Division Investigator if he wanted to buy two (2) items and stated, "I need to sell four to be done for the day."

88. The Division Investigator declined the offer to purchase an additional item.

**NJYC'S SOLICITATION  
AND RECEIPT OF DONATIONS**

**G. NJYC's Capital One Account:**

89. On December 10, 2013, the Division issued an Administrative Subpoena Duces Tecum to Capital One Bank ("12/10/13 Capital One Subpoena") requesting, among other things, documents concerning NJYC's checking, savings, money market, trust and/or custodian accounts as well as any documents concerning loan and/or credit accounts from January 1, 2012 to the date of response.

90. On January 13, 2014 and on January 24, 2014, Capital One produced documents in response to the 12/10/13 Capital One Subpoena (“1/2014 Capital One Production”).

91. The 1/2014 Capital One Production indicates that there is one (1) non-profit checking account held by NJYC which was opened on July 10, 2008. (“NJYC Capital One Account”).

92. The 1/2014 Capital One Production reflects varying addresses for NJYC, including: (a) NJYC’s New Account Information Card identifies an address of [REDACTED] Rutherford, New Jersey 07070; (b) NJYC’s bank statements from January 1, 2012 through July 31, 2012 identify an address of [REDACTED] Clark, New Jersey 07066; and (c) NJYC’s bank statements from August 1, 2012 through December 31, 2013 identify an address of [REDACTED] Hauppauge, New York 11788.

93. The 1/2014 Capital One Production indicates that beginning on April 2, 2012, a signature bearing the name “Nathan Jackson” appears on all outgoing checks from the NJYC Capital One Account.

94. The 1/2014 Capital One Production, specifically the NJYC Capital One Account bank statements, indicate that for 2012, the NJYC Capital One Account received incoming deposits totaling \$98,214.57, which included \$23,624.10 in contributions paid by check. The balance of \$74,590.47 reflected deposits. In 2012, the NJYC Capital One Account was debited in the aggregate amount of \$109,154.76.

95. The 1/2014 Capital One Production, specifically the NJYC Capital One Account bank statements, indicate that for 2013, the NJYC Capital One Account received incoming deposits totaling \$92,956.81, which included \$18,491.18 in contributions paid by check. The

balance of \$74,465.63 reflected deposits. In 2013, the NJYC Capital One Account was debited in the aggregate amount of \$93,080.59.

96. The 1/2014 Capital One Production indicates that from January 1, 2012 through December 31, 2013, NJYC received incoming funds in the aggregate amount of \$191,171.38.

97. The 1/2014 Capital One Production further reflects the following recurring debits from the NJYC Capital One Account from January 1, 2012 through December 31, 2013: (a) "Big Apple Confectionary" received an aggregate amount of \$88,669.84 from NJYC in 2012, and an aggregate amount of \$71,024.00 from NJYC in 2013; and (b) NADAR Communications received \$5,177.00 from NJYC in 2012, and an aggregate amount of \$5,176.00 from NJYC in 2013.

98. The 1/2014 Capital One Production reflects that from April 24, 2013 through December 11, 2013, there were bi-weekly deductions from NJYC's Capital One Account listed as "ADVANTAGE BUSINE PAYROLL . . . NEW JERSEY YOUTH CLUB" in the aggregate amount of \$1,420.92.

99. The 1/2014 Capital One Production reflects only two (2) payments which might relate to recreational activities for youth, specifically: (a) a May 2, 2012 check payment to "High Velocity Paintball" in the amount of \$138.00; and (b) a July 8, 2013 check payment to "NYYC" in the amount of \$240.00 with "Splish Splash" noted in the memo line.

**H. Big Apple Confectionary's Capital One Account:**

100. Big Apple Confectionary was established as a Domestic Business Corporation in the State of New York on January 26, 1998, with a principal executive office of 199 Terry Road, Smithtown, New York 11787.

101. On March 25, 2014, the Division issued an Administrative Subpoena Duces Tecum to Capital One Bank (“3/25/14 Capital One Subpoena”) requesting information concerning Big Apple Confectionary’s account(s) from January 1, 2012 to the date of response, including monthly statements, deposit and withdrawal slips, and copies of all checks and/or money orders deposited into or out of the account(s).

102. On April 29, 2014, Capital One produced documents in response to the 3/25/14 Capital One Subpoena (“4/29/14 Capital One Production”) which included information regarding one (1) checking account (“Big Apple Capital One Checking Account”) and one (1) savings account (“Big Apple Capital One Savings Account”) held by Big Apple Confectionary.

103. The 4/29/14 Capital One Production indicates that from January 1, 2012 through March 31, 2014, Big Apple Confectionary received check payments from NJYC in the aggregate amount of \$163,662.84.

104. The 4/29/14 Capital One Production indicates that many of the checks from NJYC directed to Big Apple Confectionary state “product” in the memo line.

105. The 4/29/14 Capital One Production indicates that in March 2012, Big Apple Confectionary deposited fifty-six (56) checks in the aggregate amount of \$684.85 from persons who made checks payable to NJYC. The checks range from \$9.00 to \$25.00 and several checks state in the memo line – “donation,” “charity,” “donation for youth” or “fundraising.”

**I. The Division’s November 1, 2013 Registration Letter to NJYC:**

106. On November 1, 2013, the Division forwarded a letter to NJYC via regular and certified mail, advising, among other things, that “a charitable organization, unless exempt, must file a registration statement annually” with the Division (“November 1, 2013 Registration

Letter”). Enclosed with the November 1, 2013 Registration Letter was a registration form for NJYC to complete and return to the Division by December 2, 2013.

107. On November 8, 2013, according to the Certified Mail Return Receipt, the November 1, 2013 Registration Letter was received by NJYC.

108. To date, NJYC has failed to submit an application for registration with the Division or to otherwise respond to the November 1, 2013 Registration Letter.

109. To date, NJYC is not registered as a charitable organization in the State.

110. To date, NJYC has not received 501(c)(3) tax-exempt status from the IRS.

### COUNT I

#### **VIOLATION OF THE CRIA AND CHARITIES REGULATIONS BY DEFENDANT (FAILURE TO FILE A REGISTRATION STATEMENT)**

111. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 110 above as if more fully set forth herein.

112. The CRIA provides that, for purposes of the act, a “charitable organization” includes:

. . . 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(2).]

113. The Charities Regulations, N.J.A.C. 13:48-1.3, similarly define “charitable organization.”

114. At all relevant times, Defendant has functioned as a charitable organization within the meaning of the CRIA, in that it has solicited charitable contributions purportedly for the benefit of underprivileged youth within New Jersey.

115. Further, the CRIA, specifically N.J.S.A. 45:17A-23, provides in pertinent part that:

a. A charitable organization, unless exempted from registration requirements pursuant to section 9 of this act, shall file a registration statement with the Attorney General on forms prescribed by the Attorney General.

b. It shall be unlawful for any charitable organization to solicit contributions or have contributions solicited in its behalf before the Attorney General has been given the opportunity to review the registration statement pursuant to section 5 of this act.

116. The Charities Regulations provide, in pertinent part, that:

A charitable organization . . . shall not solicit . . . a resident of this State for a contribution before the Attorney General has been given the opportunity to review the registration statement filed with the Attorney General, unless the Attorney General has determined that the person or organization is exempt from registration . . .

[N.J.A.C. 13:48-3.1(a).]

117. Defendant is not exempt from the registration requirements of the CRIA and the Charities Regulations, as it is has not been established for religious or educational purposes, and it has collected contributions in excess of \$10,000.00. N.J.S.A. 45:17A-26 and N.J.A.C. 13:48-3.3(a).

118. 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 by any other person, shall be a violation of the Act and considered misconduct by both the charitable organization and the other person.

[N.J.A.C. 13:48-13.1(a), (c).]

119. As Defendant has collected contributions in excess of \$25,000.00, it is required to file a Long Form Registration Statement ("Form CRI-150-I"), as provided in the CRIA, specifically N.J.S.A. 45:17A-24, and the Charities Regulations, specifically N.J.A.C. 13:48-5.1.

120. At no time has Defendant submitted a Form CRI-150-I to the Charities Registration Section of the Division.

121. Defendant has violated the CRIA and the Charities Regulations by engaging in the door-to-door solicitation of contributions through NJYC Youth Members without Defendant being registered as a charitable organization with the Division.

122. Between January 1, 2012 and December 31, 2013, Defendant has collected contributions in the aggregate amount of \$191,171.38.

123. Each solicitation that Defendant made while it was not registered as a charitable organization 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 II

**VIOLATION OF THE CRIA AND THE CHARITIES  
REGULATIONS BY DEFENDANT  
(UNTRUTHFUL STATEMENTS AND MISPRESENTATIONS)**

124. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 123 above as if more fully set forth herein.

125. The CRIA requires that oral or written statements made by charitable organizations be truthful. Specifically, N.J.S.A. 45:17A-32 provides, in relevant part:

a. Any statement, whether oral or written, made by a charitable organization, or on behalf of a charitable organization by persons . . . shall be truthful.

...

c. The following acts and practices are declared unlawful as applied to the planning, conduct or execution of any solicitation or charitable sales promotion:

(1) 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. A misrepresentation may be accomplished by words or conduct.

...

[N.J.S.A. 45:17A-32(a), (c)(1):]

126. The Charities Regulations, N.J.A.C. 13:48-13.2(a), set forth the same requirement as N.J.S.A. 45:17A-32(c)(1).

127. Defendant has made untruthful statements and misrepresentations in violation of the CRIA and the Charities Regulations.

128. The conduct of Defendant in violation of N.J.S.A. 45:17A-32(a), (c)(1) and N.J.A.C. 13:48-13.2(a) includes, but is not limited to, the following:

- a. Representing on the 8/21/13 NJYC Website that NJYC is a “state-sanctioned, not-for-profit agency” when such is not the case;
- b. Representing on the 8/21/13 NJYC Website that “the goal of the club is to . . . provide education and spiritual programs [and] provide fun free trips and activities” when such is not the case;
- c. Representing on the 5/27/14 NJYC Website that NJYC is a “state-recognized Non-Profit Organization” when such is not the case;
- d. Representing on the “About Us” section of the 5/27/14 NJYC Website that NJYC Youth Members “are rewarded and recognized for their hard work and efforts” and “receive trophies [sic], plaques, certificates, gift cards and checks of up to \$500.00” when such is not the case;
- e. Representing on the “About Us” section of the 5/27/14 NJYC Website that “[t]eens at NJYC are also rewarded with all expense paid trips and activities” when such is not the case;
- f. Representing in the 12/2/13 Keansburg PD Letter that NJYC is a “state and federally registered not-for-profit, self-sustaining charity” when such is not the case;
- g. Representing in the NJYC Solicitation Script that NJYC “provides work experience as well as opportunities for our teens to go on fully funded activities such as amusement parks, movies, sporting events and so much more” when such is not the case;
- h. Representing in the NJYC Solicitation Script that NJYC “work[s] directly with the Red Cross Pre-Plea DWI program” when neither the American Red Cross Northern New Jersey office nor the American Red Cross Essex County office knew of the existence of such a program;
- i. Representing in the NJYC Solicitation Script that NJYC “sponsor[s] our own group activities such as teen sports tournaments, picnics and scholarship awards” when such is not the case;
- j. Expending contributions in a manner inconsistent with the charitable purpose set forth in the NJYC Certificate of Incorporation, specifically that NJYC is a work and recreational program for teenagers that will

provide part-time jobs as well as the opportunity to attend educational and recreational activities; and

- k. Misleading the public to believe that contributions would be applied toward the benefit of underprivileged youth within New Jersey when, at least from January 1, 2012 through December 31, 2013, the vast majority of funds collected by NJYC were forwarded to Big Apple Confectionary, a for-profit corporation;

129. Each untruthful statement or misrepresentation by Defendant constitutes a separate violation of the Charities Act, N.J.S.A. 45:17A-32(a), (c)(1), and the Charities Regulations, N.J.A.C. 13:48-13.2(a).

### COUNT III

#### **VIOLATION OF THE CFA BY DEFENDANT (SOLICITATION OF FUNDS OR CONTRIBUTIONS UNDER FALSE REPRESENTATION OF SOLICITATION FOR CHARITABLE BENEFIT)**

130. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 129 above as if more fully set forth herein.

131. The CFA, specifically N.J.S.A. 56:8-2.7, concerns, among other things, the solicitation of funds or contributions under false representations, as follows:

It shall be an unlawful practice for any person to solicit funds or a contribution of any kind, or to sell or offer for sale any goods, wares, merchandise or services by telephone or otherwise, where it has been falsely represented by such person or where the consumer has been falsely led to believe that such person is soliciting by or on behalf of any charitable or nonprofit organization . . .

132. The NJYC Certificate of Incorporation, among other things, states that NJYC “is organized exclusively for charitable purposes.”

133. The 12/2/13 Keansburg PD Letter, among other things, states “[t]he New Jersey Youth Club is a state and federally registered not-for-profit, self-sustaining charity.”

134. Defendant, through NJYC Youth Members, has engaged in the door-to-door offering for sale and/or sale of various perishable and non-perishable items, such as cookies and candy, at a price of \$9.99 per item, and in so doing, has misled donors to believe that they are making charitable contributions.

135. At all relevant times, Defendant has not been registered as charitable organization with the Division, despite the Division's attempt to notify Defendant through the November 1, 2013 Registration Letter.

136. Each solicitation of funds by Defendant comprises a separate violation of the CFA, N.J.S.A. 56:8-2.7. Each violation of the CFA is, in turn, a violation of the Charities Regulations, N.J.A.C. 13:48-13.2(a)(3).

#### COUNT IV

#### **VIOLATION OF THE CFA BY DEFENDANT (UNCONSCIONABLE COMMERCIAL PRACTICES, DECEPTION, FALSE PROMISES AND/OR MISREPRESENTATIONS)**

137. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 136 above as if more fully set forth herein.

138. The CFA, N.J.S.A. 56:8-2, prohibits:

The act, use or employment by any person of any unconscionable commercial practice, deception, fraud, false pretense, false promise, misrepresentation, or the knowing[] concealment, suppression, or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise or real estate, or with the subsequent performance of such person as aforesaid, whether or not any person has in fact been misled, deceived or damaged thereby...

139. Defendant, through NJYC Youth Members, has engaged in the door-to-door solicitation of contributions by means of the offering for sale and/or sale of various perishable and non-perishable items, such as cookies and candy, supplied by Big Apple Confectionary, and priced at \$9.99 per item.

140. In engaging in such door-to-door solicitation, Defendant has engaged in the use of unconscionable commercial practices, deception, false promises and/or misrepresentations.

141. Defendant has engaged in unconscionable commercial practices and acts of deception including, but not limited to, the following:

- a. Misleading the public to believe that the price paid for the merchandise comprises a charitable contribution, when such is not the case because NJYC is neither a registered charitable organization in New Jersey nor a recognized 501(c)(3) tax-exempt organization;
- b. Misleading the public to believe that the monies paid for cookies, candy and other items offered for sale would be applied towards the benefit of underprivileged youth in New Jersey when, in fact, the vast majority of funds are forwarded to Big Apple Confectionary, a for-profit corporation;
- c. By sending NJYC Youth Members into municipalities throughout New Jersey to solicit on NJYC's behalf, creating the impression that monies paid for cookies, candy and other items offered for sale would be applied towards the benefit of underprivileged youth when such is not the case;
- d. Soliciting charitable contributions from fifty-six (56) consumers in the aggregate amount of \$684.85 and depositing those checks, or allowing them to be deposited, directly into the checking account of Big Apple Confectionary, a for-profit corporation;
- e. Depositing in NJYC's Capital One Account the check of a Nutley, New Jersey resident, in the amount of \$30.00 on which the made payable reference to The Star Ledger carrier was replaced with "NJYC;"
- f. As reflected in the NJYC Fundraising Notice and the NJYC Crew Information Sheets, dispatching unsupervised teenagers into municipalities to engage in door-to-door solicitations for NJYC;

- g. Conducting fundraising activities in municipalities throughout New Jersey without obtaining the requisite permit, resulting in police officers being dispatched to residential areas (e.g. West Caldwell);
- h. Conducting fundraising activities in such a manner as to result in resident complaints to the police and/or charges being brought against NJYC, NJYC Youth Members and/or Cruz (e.g. Closter); and
- i. Submitting an application for a permit to solicit to the Point Pleasant Police Department while failing to disclose the criminal history and/or prior ordinance violations of Cruz, the NJYC Crew Supervisor.

142. In its door-to-door solicitation of contributions through the offering for sale and/or sale of various perishable and non-perishable items, Defendant has engaged in the following false promises and/or misrepresentations:

- a. Representing in the NJYC Solicitation Script that the monies paid for cookies, candy and other items offered for sale would be applied towards the benefit of underprivileged youth within New Jersey when such was not the case;
- b. Representing in the NJYC Solicitation Script that NJYC “provides work experience as well as opportunities for our teens to go on fully funded activities such as amusement parks, movies, sporting events and so much more” when such is not the case;
- c. Representing in the NJYC Solicitation Script that NJYC “work[s] directly with the Red Cross Pre-Plea DWI program” when neither the American Red Cross Northern New Jersey office nor the American Red Cross Essex County office knew of the existence of such a program;
- d. Representing in the NJYC Solicitation Script that NJYC “sponsor[s] our own group activities such as team sports tournaments, picnics and scholarship awards” when such is not the case;
- e. Representing in the NJYC Fundraising Notices that NJYC would be “fundraising” in a specific municipality on a specified date, when NJYC is neither a registered charitable organization in New Jersey nor a recognized 501(c)(3) tax-exempt organization; and

- f. Representing in the 12/2/13 Keansburg PD Letter that NJYC is a “state and federally registered not-for-profit, self-sustaining charity” when such is not the case.

143. Each unconscionable commercial practice, act of deception, false promise and/or misrepresentation by Defendant constitutes a separate violation of the CFA, N.J.S.A. 56:8-2. Each violation of the CFA is, in turn, a violation of the Charities Regulations, N.J.A.C. 13:48-13.2(a)(3).

**COUNT V**

**VIOLATION OF THE NEW JERSEY NONPROFIT  
CORPORATION ACT BY DEFENDANT  
(FRAUDULENT MISREPRESENTATION AND  
CONDUCTING ACTIVITIES PREJUDICIAL TO THE PUBLIC)**

144. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 143 above as if more fully set forth herein.

145. The Act permits the Attorney General to seek dissolution of a nonprofit corporation as follows:

- a. The Attorney General may bring an action in the Superior Court for the dissolution of a corporation upon the ground that the corporation:

- (1) Has procured its organization through fraudulent misrepresentation or concealment of a material fact;

...

- (11) Is conducting activities in a manner which is prejudicial to the public.

[N.J.S.A. 15A-12-11(a)(1), (11).]

146. The Act further permits the Attorney General to seek the appointment of a receiver as follows:

- a. A receivership action may be brought in the Superior Court by:

...

(4) The Attorney General.

b. The action shall be based upon at least one of the following grounds:

...

(4) The activities of the corporation are being conducted in violation of its certificate of incorporation . . .

...

(7) If brought by the Attorney General that the continued conduct of activities by the corporation is prejudicial to the public.

[N.J.S.A. 15A-14-2.]

147. To date, Defendant has failed to apply the vast majority of monetary contributions made to NJYC to the underprivileged youth it purports to serve and support. As such, Defendant has failed to conduct the activities of NJYC in a manner consistent with the business purpose as articulated in the NJYC Certificate of Incorporation, specifically to provide a “work and recreational program for teenagers” and to “provide part time jobs as well as an opportunity for our teenagers to go on fully paid activities, such as amusement parks, baseball games, most sporting events, movies, picnics and much more.”

148. In its solicitation of contributions, Defendant has made false and misleading statements and otherwise engaged in conduct which will inure to the detriment of the public making such contributions.

149. Among other things, Defendant has:

- a. Represented on the 8/21/13 NJYC Website that NJYC is a “state-sanctioned, not-for-profit agency” when such is not the case;
- b. Represented on the 8/21/13 NJYC Website that “the goal of the club is to . . . provide education and spiritual programs [and] provide fun free trips and activities” when such is not the case;

- c. Represented on the 5/27/14 NJYC Website that NJYC is a “state-recognized Non-Profit Organization” when such is not the case;
- d. Represented on the “About Us” section of the 5/27/14 NJYC Website that NJYC youths “are rewarded and recognized for their hard work and efforts” and “receive trophies [sic], plaques, certificates, gift cards and checks of up to \$500.00” when such is not the case;
- e. Represented on the “About Us” section of the 5/27/14 NJYC Website that “[t]eens at NJYC are also rewarded with all expense paid trips and activities” when such is not the case;
- f. Represented in the 12/2/13 Keansburg PD Letter that NJYC is a “state and federally registered not-for-profit, self-sustaining charity” when such is not the case;
- g. Represented in the NJYC Solicitation Script that NJYC “provides work experience as well as opportunities for our teens to go on fully funded activities such as amusement parks, movies, sporting events and so much more” when such is not the case;
- h. Represented in the NJYC Solicitation Script that NJYC “work[s] directly with the Red Cross Pre-Plea DWI program” when neither the American Red Cross Northern New Jersey office nor the American Red Cross Essex County office knew of the existence of such a program;
- i. Represented in the NJYC Solicitation Script that NJYC “sponsor[s] our own group activities such as teen sports tournaments, picnics and scholarship awards” when such is not the case;
- j. Expended donated funds in a manner inconsistent with the charitable purpose set forth in the NJYC Certificate of Incorporation; and
- k. Misled the public to believe that contributions would be applied toward the benefit of underprivileged youth within New Jersey when, at least from January 1, 2012 through December 31, 2013, the vast majority of funds collected by NJYC were forwarded to Big Apple Confectionary, a for-profit corporation;

150. Based upon Defendant’s conduct, dissolution of NJYC is appropriate, as provided

by the Act, specifically N.J.S.A. 15A-12-11(a)(1), (11).

151. Based upon Defendant's conduct, the appointment of a receiver is appropriate, as provided by the Act, specifically N.J.S.A. 15:14-2(b)(4), (7).

**PRAYER FOR RELIEF**

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

- (a) Finding that the acts and practices of Defendant constitute multiple violations of the CRIA, N.J.S.A. 45:17A-18, et seq., the Charities Regulations, N.J.A.C. 13:48-1.1 et seq., the CFA, N.J.S.A. 56:8-1 et seq., and the Act, N.J.S.A. 15:A-1.1;
- (b) Permanently enjoining Defendant and its 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, et seq., the Charities Regulations, N.J.A.C. 13:48-1.1 et seq., as well as the CFA, N.J.S.A. 56:8-1 et seq., including, but not limited to, the acts and practices alleged in the Verified Complaint;
- (c) Permanently enjoining Defendant and its 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 the activity that is the subject of Plaintiffs' request for temporary and preliminary injunctive relief, as set forth in the accompanying Order to Show Cause with Temporary Restraints Pursuant to Rule 4:5-2;
- (d) Ordering Defendant to arrange for the shutdown of the NJYC Website;
- (e) Vacating or annulling the corporate charter of NJYC, as authorized by the CRIA, N.J.S.A. 45:17A-33(e), the CFA, N.J.S.A. 56:8-8, and the Act, N.J.S.A. 15A:12-11;
- (f) Ordering Defendant 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, et seq., the Charities Regulations, N.J.A.C. 13:48-1.1 et seq., as well as the CFA, N.J.S.A. 56:8-1 et seq., including, but not limited to, the acts and practices alleged in the Verified Complaint;

- (g) Appointing a receiver, as authorized by the CRIA, N.J.S.A. 45:17A-33(e), the CFA, N.J.S.A. 56:8-8 and N.J.S.A. 56:8-9, and the Act, N.J.S.A. 15:A-14-2, at Defendant's expense, to assume control over the assets of Defendant, render a full accounting and thereafter sell and/or convey such assets under the direction of the Court in order to restore any person who has suffered damages, whether or not named in the Verified Complaint, as a result of the unlawful acts of Defendant;
- (h) Directing Defendant 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), the Charities Regulations, N.J.A.C. 13:48-14.1(a)(3), and the CFA, N.J.S.A. 56:8-8;
- (i) Directing Defendant 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;
- (j) Directing Defendant to pay the maximum civil penalties for each and every violation of the CFA, in accordance with N.J.S.A. 56:8-13;
- (k) Directing Defendant 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 the CFA, N.J.S.A. 56:8-11 and N.J.S.A. 56:8-19; and
- (l) Granting such other relief as the interests of justice may require.

JOHN J. HOFFMAN  
ACTING ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By:   
Natalie A. Serock  
Deputy Attorney General

Dated: December 15, 2014  
Newark, New Jersey

**RULE 4:5-1 CERTIFICATION**

I certify, to the best of my information and belief, that the matter in controversy in this action involving the aforementioned violations of the CRIA, the Charities Regulations, the CFA and the Act 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.

JOHN J. HOFFMAN  
ACTING ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By: *Natalie Serock*  
Natalie A. Serock  
Deputy Attorney General

Dated: December 15, 2014  
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 Rule 1:38-7(b).

JOHN J. HOFFMAN  
ACTING ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By: *Natalie Serock*  
Natalie A. Serock  
Deputy Attorney General

Dated: December 15, 2014  
Newark, New Jersey

**DESIGNATION OF TRIAL COUNSEL**

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

JOHN J. HOFFMAN  
ACTING ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By: *Natalie Serock*  
Natalie A. Serock  
Deputy Attorney General

Dated: December 15, 2014  
Newark, New Jersey

**VERIFICATION**

I, Brian Morgenstern, 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, except for those alleged upon information and belief.

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.



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BRIAN MORGENSTERN

Dated: December 15, 2014  
Newark, New Jersey